

DRAGON'S RIDGE DECLARATION OF
COVENANTS AND RESTRICTIONS

This Declaration of Covenants and Restrictions is made on this 19th day of May, 1986, by BAY POINT YACHT & COUNTRY CLUB, a Florida joint venture partnership, ("Developer") and joined by BAY BANK & TRUST COMPANY, a Florida banking corporation holding legal title as Trustee ("Trustee") for the benefit of Developer to the real property described in Exhibit "A" attached hereto ("the Property"), pursuant to the provisions of that certain Land Trust Agreement dated February 21, 1983, and known as Trust Number 61000 847311;

R E C I T A L S:

Developer desires to provide a means to maintain and ensure high quality standards for the enjoyment and use of the Property and to ensure that the use of the Property shall be consistent with the high standards of quality existing in the remainder of the Bay Point Yacht & Country Club Resort in which the Property is located.

DECLARATION

NOW, THEREFORE, Trustee and Developer declare that the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of the Property and which shall run with title to the Property and shall be binding on all parties having any rightful interest in the Property or any part thereof, their heirs, successors, and assigns.

ARTICLE I - DEFINITIONS

Section 1. "Developer" shall mean and refer to Bay Point Yacht & Country Club, a Florida joint venture partnership, and its successors and assigns of its rights hereunder, and of any successor or assign of all or substantially all of its interest in the Bay Point Yacht & Country Club Resort in which the Property is located.

Section 2. "Declaration" shall mean and refer to this instrument, Declaration of Covenants and Restrictions.

Section 3. "Property" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and made a part hereof and any such additions thereto as may be made from time to time in accordance with the provisions hereof.

Section 4. "Lot Owner" shall mean and refer to the Owner, as shown in the Public Records of Bay County, Florida, (whether it be one or more persons, firms, associations, corporations, or other legal entities) of the fee simple title to any Lot within the Property, its successors and assigns.

Section 5. "Master Association" shall mean and refer to the Bay Point Improvement Association, Inc., which Master Association has certain obligations with regard to the Overall Bay Point Project by virtue of its Charter and By-Laws.

Section 6. "Assessment" means a share of the funds required for the payment of common expenses, which from time to time is assessed against the lot owner.

Section 7. "Association" means Dragon's Ridge Owners Association, Inc., a corporation not for profit and the entity responsible for the operation of the common properties.

Section 8. "By-Laws" means the by-laws of the Association existing from time to time.

Section 9. "Common Expenses" means all expenses and obligations properly incurred by the Association.

Section 10. "Common Surplus" means the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Properties, over the common expenses.

Section 11. "Institutional Mortgage" is the owner and holder of a first mortgage encumbering a Lot, which owner and holder of such mortgage shall be either a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, federal or state agencies, the Developer or other mortgagee which shall be acceptable to and approved by the Board of Directors of the Association.

Section 12. "Lot" means a part of the Property described in Exhibit A and which will be improved by the construction of a residence thereon and which is more particularly depicted in plat of Dragon's Ridge Subdivision on file with the Clerk of the Circuit Court of Bay County, Florida.

Section 13. "Articles" shall mean and refer to the Articles of Incorporation of the Association.

Section 14. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 15. "Common Properties" shall mean and refer to those parts of the Property together with any improvements thereon which are owned by the Association. The term Common Properties shall also include any personal property acquired by the Association if said property is designated a "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the Members and their guests, lessees or invitees, subject to any operating rules adopted by the Association and subject to any use rights made available by Developer prior to conveyance of such Common Properties to the Association.

Section 16. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in this Declaration.

Section 17. "Mortgagee" shall mean any holder of a first mortgage encumbering a portion of the Property as security for the performance of an obligation.

Section 18. "Overall BAY POINT Project" shall mean and refer to that certain tract of land located generally between Delwood Beach Road, the waters of St. Andrews Bay, the waters of Grand Lagoon, and portions of Thomas Drive and Magnolia Beach Road in Bay County, Florida, which contains those lots in the plat of Bay Point Unit I according to plat thereof recorded in Plat Book 11, Pages 47 through 56 of the Public Records of Bay County, Florida, certain condominiums, i.e. Lagoon Towers, Marina Club Village, Studio Villas I, II, and III, Golf Villas I, II, and III, and Turtlegrass, the Bay Point Club facility and marina complex,

and certain other undeveloped acreage contiguous to the herein described properties.

ARTICLE II - PROPERTY AND ADDITIONS

The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration consists of that land situated in Bay County, Florida, as more particularly described in Exhibit "A" attached hereto.

ARTICLE III - ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Lot Owner within the Property, including the Developer, shall be a Member of the Association. Membership shall be mandatory membership and all Members of the Association shall be governed and controlled by the Articles and By-Laws in addition to this Declaration.

Section 2. Voting. Each member shall be entitled to one vote for each Lot owned.

When any Lot entitling any Owner to membership is owned of record in the name of two (2) or more persons or entities, whether fiduciaries or in any other manner of joint or common ownership or interval ownership of a single Lot, one and only one of such persons who shall be designated by such joint owners or interval owners shall become the member entitled to vote. Such vote shall be exercised as they among themselves determine but in no event shall the number of votes attributable to such property be increased. Where a partnership, corporation or other entity is a Member, such Member shall designate a representative of such partnership or corporation or other entity to be the member entitled to vote.

Section 3. Control. The Developer shall be entitled to control of the Association and to elect a majority of the Board of Directors until control is transferred to the Members upon the happening of any of the following events, whichever first occurs:

(a) Three years after 50% of the Lots that ultimately will be operated by the Association have been conveyed to purchasers; or

(b) Three months after 90% of the Lots that ultimately will be operated by the Association have been conveyed to purchasers; or

(c) When the Lots offered by Developer have been conveyed to purchasers, and those still held by the Developer are not being offered for sale in the ordinary course of business.

When Lot Owners other than the Developer own 15% or more of the Lots in the Property, they shall be entitled to elect no less than one third of the members of the Board of Directors of the Association.

Section 4. Governance. The Association shall be governed by a Board of Directors consisting of members to be elected or appointed as provided in the Articles and By-Laws.

ARTICLE IV - FUNCTIONS OF ASSOCIATION

Section 1. Functions and Services of Association. The Association shall provide the following services to its Members to the extent permitted by law:

(a) Maintenance of all Common Property to include but not be limited to: pool, spa, deck, tennis court, children's play area, restrooms, parking areas, signage, gardens, and entryways;

(b) Insuring that at all times all amenities in Common Property remain available for use by Lot Owners and in same configuration as when turned over by Developer;

(c) Garbage and trash collection and disposal;

(d) Administrative services, including legal, accounting and financial services to the Association;

(e) Provision for liability and hazard insurance covering improvements and activities on the Common Properties;

(f) Payment of taxes assessed against Common Properties and, upon request of an Owner or institutional mortgagee, furnishing evidence of such payment.

Section 2. Delegation of Services of the Association. The Association and its Board of Directors shall be authorized to cause any of the services described in Section 1 of this Article to be provided by a private company, public agency, or publicly regulated authority or agency which in the opinion of the Board shall make such services available in a reasonable manner and for a reasonable cost to the Association and its Members.

Section 3. Acceptance of Property. The Association shall accept the conveyance of the Property (other than the Lots) and hold title thereto.

ARTICLE V - ASSOCIATION ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Lot Owner shall be deemed to covenant and agree to all the terms and provisions of this Declaration and agrees to pay to the Association:

(a) Annual Assessments; and

(b) Special Assessments for the purposes set forth in this Article, such Assessments to be fixed, established and collected from time to time as hereinafter provided.

The annual and special Assessments, together with such interest thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the real property and improvements against which such Assessments are made; provided however, that no lien shall be established or created under this Declaration against any property owned by Developer or Trustee. Each such Assessment, together with such interest and costs of collection shall also be the personal obligation of the person who was the Owner of such real property at the time when the Assessment first became due and payable. In the case of co-ownership of a Lot, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessment. The annual Assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement, management and operation of the Common Properties and to provide any of the functions or services of the Association authorized under Article IV.

Section 3. Basis of Assessment. The annual Assessment shall be levied annually by the Board of Directors. The Board of Directors, by majority vote, shall fix the annual Assessment in accordance with the provisions of this Section at such level as may be necessary to meet the important and essential functions of the Association and the anticipated expenditures as reflected in the budget as described in Section 10 of this Article V.

(a) The annual Assessment shall be billed at such times as the Association shall direct. All Assessment bills shall be due and payable fifteen (15) days from the date of the mailing of same.

(b) The Developer shall not be liable for and shall be excused from the payment of any Assessments for common expenses assessed against any Lot owned by the Developer during that period beginning with the first closing of the purchase of any Lot in the Property and terminating not later than one (1) calendar year thereafter, or upon the transfer of control of the Association to Lot owners other than the Developer, whichever occurs first. During this period, the Developer guarantees that the Assessment for Common Expenses imposed on the Lot owners other than the Developer shall not increase over the dollar amount stated of \$18.00 per month, and the Developer shall pay any amount of Common Expenses incurred during said period and not produced by the Assessments at the guaranteed level receivable from other Lot owners. Upon termination of this guarantee, the Developer shall pay Assessments for Common Expenses for Lots owned by the Developer.

Section 4. Special Assessments for Improvement and Additions. In addition to the regular and annual Assessment authorized by Section 3 hereof, the Board of Directors may levy special assessments for the following purposes:

(a) For construction or reconstruction, repair or replacement of capital improvements upon the Common Properties including the necessary fixtures, landscaping and personal property related thereto;

(b) For additions to the Common Properties;

(c) To provide for the necessary facilities and equipment to offer the services authorized herein;

(d) To repay any loan made by the Association to enable it to perform the duties and functions authorized herein whether such loan shall be made in the year of such Assessment or any prior year;

(e) To procure insurance for party wall structures; and

(f) For any other such legitimate purpose which is not inconsistent with this Declaration or the Articles and By-Laws.

Section 5. Reserve Funds. The Board of Directors may establish reserve funds from the regular annual Assessments to be held as reserves for:

- (a) Major rehabilitation or major repairs;
- (b) Emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss; and
- (c) Initial cost of any new service to be performed by the Association.

Section 6. Levy of Assessments. The Association has the power to and shall fix, determine, and levy the assessments necessary to provide funds for carrying out its responsibilities. Assessments shall be made against lot Owners in the Property at such times and in such amounts as shall be determined by the Board of Directors of the Master Association.

Section 7. Delinquent Assessments. Assessments that are unpaid for over ten days after due date shall bear interest at the rate of 18% per annum until paid. In addition, in the sole discretion of the board of directors of the Association, a late charge of 25% may be assessed for each payment delinquent over ten days.

Section 8. Lien. The Association shall have a lien against each Lot for unpaid assessments and late charges together with interest thereon, except that such lien shall be subordinate to prior recorded liens held by Institutional Mortgagees. Reasonable attorney's fees incurred by the Association in the collection of the assessment or the enforcement of the lien, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association to preserve and protect its lien, shall be payable by the lot Owner and secured by such lien. The Association shall have the right to file its lien in the Public Records of Bay County, Florida. Lot Owners shall be personally liable for unpaid assessments together with interest and costs of collection at the time when the assessment first becomes due and payable. In the case of co-ownership of a lot, all co-owners shall be jointly and severally liable for the entire amount of the assessment. The Association may take such action as it deems necessary to collect assessments either by personal action against the Owner or by enforcing and foreclosing said lien, or by exercising both remedies.

The provisions of this Section do not apply to purchasers at foreclosure sale or to Institutional Mortgagees obtaining title by foreclosure sale or by acceptance of a deed in lieu of foreclosure. Such acquirers, their successors and assigns, shall not be liable for any assessments levied prior to their acquisition to title.

Section 9. Assignment. In the event that the Association shall contract away its responsibilities and duties under this paragraph, then any such contractor, assignee, or successor to the Association shall succeed to the rights, duties, and obligations granted under this paragraph.

Section 10. Annual Statements. The President, Treasurer, or such other officer as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare and execute a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses for such year. Such Officer shall furnish to each Member of the Association who may

make request therefor in writing a copy of such statement within thirty (30) days after receipt of such request. The relevant financial books and records of the Association shall be available for inspection at the Association's offices by Members for a proper purpose within a reasonable time of written notice to the Treasurer of the Association setting forth the purpose of such inspection. Such inspection shall be conducted during normal business hours of the Association.

Section 11. Annual Budget. The Board of Directors shall prepare, adopt, and make available to all Members, at least sixty (60) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year.

Section 12. Allocation, Apportionment and Investment. The Board of Directors shall not be required to allocate or apportion the funds collected or the expenditures therefrom, between or among owners of property then subject to this Declaration nor shall the Board of Directors be required to allocate or apportion the funds collected pursuant to this Declaration or expenditures therefrom between the various purposes specified in this Declaration and the judgment of the Board of Directors as to the expenditures of said funds shall be final.

ARTICLE VI - MASTER ASSOCIATION

Section 1. Each owner of any portion of the Property shall be a member of the Master Association, subject to the terms of the Master Association Articles of Incorporation and By-Laws. The Master Association represents all of the owners of parcels of property in the Overall Bay Point Project and its members are those persons designated in the Articles of Incorporation and By-Laws of the Master Association.

(a) The Master Association is entitled to a lien upon a Lot for any unpaid Master Association assessment.

(b) Notwithstanding anything herein to the contrary, this Declaration shall not be amended in any manner so as to affect the rights of the Master Association without the written approval of the Board of Directors of the Master Association. Any such approval shall be evidenced by a recordable instrument executed by the President and attested by the Secretary of the Master Association.

ARTICLE VII - MASTER ASSOCIATION ASSESSMENTS

Section 1. Levy of Assessments. The Master Association has the power to and shall fix, determine, and levy the assessments necessary to provide funds for carrying out its responsibilities. Assessments shall be made against Lot owners in the Property at such times and in such amounts as shall be determined by the Board of Directors of the Master Association.

Section 2. Delinquent Assessments. Assessments that are unpaid for over ten days after due date shall bear interest at the rate of 18% per annum until paid. In addition, in the sole discretion of the board of directors of the Master Association, a late charge of 25% may be assessed for each payment delinquent over ten days.

Section 3. Lien. The Master Association shall have a lien against each Lot for unpaid assessments and late charges together with interest thereon, except that such lien shall be subordinate to prior recorded liens held by Institutional

Mortgagees. Reasonable attorney's fees incurred by the Master Association in the collection of the assessment or the enforcement of the lien shall be payable by the Lot Owner and secured by such lien. The Master Association shall have the right to file its lien in the Public Records of Bay County, Florida. Lot Owners shall be personally liable for unpaid assessments together with interest and costs of collection at the time when the assessment first becomes due and payable. In the case of co-ownership of a lot, all co-owners shall be jointly and severally liable for the entire amount of the assessment. The Master Association may take such action as it deems necessary to collect assessments either by personal action against the Owner or by enforcing and foreclosing said lien, or by exercising both remedies.

The provisions of this Section do not apply to purchasers at foreclosure sale or to Institutional Mortgagees obtaining title by foreclosure sale or by acceptance of a deed in lieu of foreclosure. Such acquirers, their successors and assigns, shall not be liable for any assessments levied prior to their acquisition to title.

Section 4. Assignment. In the event that the Master Association shall contract away its responsibilities and duties under this paragraph, then any such contractor, assignee, or successor to the Master Association shall succeed to the rights, duties, and obligations granted under this paragraph.

ARTICLE VIII - EASEMENTS

Each of the following easements is hereby created and is declared to exist as a covenant running with the Property, and notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended use and purpose:

Section 1. Access Easements. There is hereby granted and conveyed to the Lot Owners and their invitees and licensees an easement for ingress and egress over and upon the roads and streets and plats and extensions of such streets in the Overall Bay Point Project, and all other roads and streets within the Overall Bay Point Project; reserving unto Developer, its successors and assigns, all utility and other rights not herein specifically granted, and further reserving the right to reasonably regulate said access rights herein granted.

Section 2. Utility Easements. The Developer hereby reserves a blanket easement for the benefit of the Developer or its designees, upon, across, over, through, and under any portion of the Property for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and service systems, public and private.

Section 3. Developer's Easement to Correct Drainage. Developer hereby reserves a blanket easement and right on, over and under the ground within the Property to maintain and to correct drainage of surface water and other erosion controls in order to maintain reasonable standards of health, safety and appearance.

Section 4. Easement for Unintentional Encroachment. There is hereby created an exclusive easement for the unintentional and non-negligent encroachment by any Lot upon the Common Property or vice versa, caused by or resulting from construction, reconstruction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching Property, to the extent of such encroachment.

Section 5. Perpetual Non-exclusive Easement in Common Property. Subject to the provisions of this Declaration, the rules and regulations of the Association, any fees or charges established by the Association, and any prior use of rights granted in the Common Property, and except as provided in Sections 7 and 8 of this Article, the Common Properties shall be and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all the Lot Owners in the Property for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Owners.

ARTICLE IX - ARCHITECTURAL CONTROL

Section 1. No building of any kind (including without limitation a dwelling, or any part thereof, whether such part be a porch, veranda, garage, carport, or other) shall be erected or placed on any lot such that said building, as defined herein, shall extend over the front side or rear building restriction lines established hereinafter; provided, however, that eaves and cornices may project not more than four (4) feet beyond any such building restriction line and equipment for air conditioning of any such building may project not more than five (5) feet over such side building restriction line. The front, rear, and side building restriction lines are hereby established as follows: front and back - twenty (20) feet; each side - ten (10) feet. Any residence constructed upon any Lot shall contain not less than 2,700 square feet of heated and cooled space.

Section 2. All landscape plans, all plans and specifications for any and all buildings, and for any and all walls, fences, hedges, i.e. all structures of whatever kind or nature and all landscaping, and for any replacement of existing structures and landscaping, must be presented to and approved by the Developer, or its designated agent, either entity hereinafter referred to as "Approving Party", its successors or assigns, prior to the commencement of any construction. All construction must be accomplished by a contractor licensed to build in the State of Florida and the County of Bay, said contractor to likewise be subject to approval by the Approving Party. Plans, specifications, and drawings which must be submitted for approval shall be those that shall be designated by the Approving Party from time to time and shall include but not be limited to the following: (a) an accurately drawn and dimensional plot plan showing all structures, easements, drives, and walks in relation to setback lines; (b) foundation plans, floor plans, exterior elevations of structures as they will actually appear after all back filling and landscaping is completed; (c) samples of all materials such as brick, siding, as well as all exterior color schemes; (d) landscape schematic noting especially the necessity of removal of any trees or natural vegetation.

After approval, and prior to the commencement of construction, all structures and driveways must be staked out on the lot and such site location must be approved prior to grading and removal of existing natural foliage and vegetation.

Section 3. Construction may not begin before a letter of approval is issued to the lot Owner and the approved builder by the Approving Party. If approval or disapproval of the plans and specifications hereinbefore described are not issued within forty-five (45) days after submission, then approval shall not be required, provided, however, that if there shall be a failure to approve or disapprove within the 45 day time period, any building

or other structure erected or placed upon the said lot shall not violate any of the restrictions contained herein and shall conform to and be in harmony with existing structures erected on other portions of the Property. If during construction, or upon completion of construction, it is determined by the Approving Party that the construction does not comply with plans and specifications as approved, the Approving Party retains the right to make the necessary changes at the Lot Owner's expense, or at its option to halt construction. If changes are necessary in order to bring the construction into compliance with the approved plans and specifications, said plans and specifications must be resubmitted to the Approving Party with proposed changes, and Approving Party will reconsider the plans and specifications pursuant to the terms of this Article. Simultaneously with the issuance of the Letter of Approval or if no Letter is issued but approval is obtained by lapse of forty-five (45) days, then on the forty-fifth (45th) day after submission of plans to the Approving Party by the owner, the owner shall pay to the Approving Party a charge for architectural review in an amount to be set from time to time by the Approving Party, but never to exceed the sum of \$100.00. Any subsequent review required by the owner, by reason of revisions of plans and specifications, or for any other reason, shall require the payment by the owner of a charge not to exceed \$75.00 for the architectural review. At such time as architectural review is complete and if the Approving Party approves the plans and specifications, the owner shall pay to the Dragon's Ridge Homeowners Association Road Maintenance Fund a sum which shall be set from time to time by the Board of Directors of the Dragon's Ridge Homeowners Association, however, not to exceed the sum of \$200.00.

ARTICLE X - RIGHTS OF INSTITUTIONAL MORTGAGEES

Section 1. Notices. Any Institutional Mortgagee of a Lot and any insurer or guarantor thereof, who makes a request in writing, to the Association for the items provided in this section shall have the following rights:

a. To be furnished with at least one (1) copy of any annual financial statement or report of the Association, including a statement of annual carrying charges or income collected and operating expenses, such financial statement or report to be furnished within sixty (60) days following the end of each fiscal year.

b. To be given written notice by the Association of the call of a meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration or the Articles of Incorporation and By-Laws of Association, which notices shall state the nature of the amendment being proposed.

(c) To be given notice of default by a Member owning any Property encumbered by a mortgage held by such Mortgagee, such notice to be given in writing and to be sent to the principal office of such Mortgagee or to the place which it may designate in writing to the Association.

(d) To examine the books and records of the Association and current copies of the Declaration, By-Laws and other rules concerning the project upon reasonable notice during ordinary working hours.

ARTICLE XI - USE OF PROPERTY

Section 1. Each lot within the Property shall be used, improved, and devoted exclusively to residential use.

Section 2. No structure shall be erected or permitted to remain on any lot on the Property other than one single-family dwelling not to exceed forty (40) feet in height. Without the prior approval of the Approving Party, no outbuildings or other buildings detached from the dwelling shall be permitted on the Property. All garages or carports on the Property shall be attached to the dwelling. No building or other structure, or part thereof, at any time situated on the Property shall be used as a hospital, professional office, sanitarium, church, charitable, religious or philanthropic institution, or for any commercial enterprise or business or manufacturing purpose, or for any use whatsoever other than single-family-dwelling purposes as aforesaid. No multiplex residence, garage apartment or apartment house shall be erected or placed on or allowed to occupy the Property, and no building shall be altered or converted into a multiplex residence, garage apartment or apartment house.

Section 3. No drives, walks, fences or walls shall be placed, erected, constructed or moved onto any lot or building plot on the Property prior to the erection or construction of a permanent residence dwelling thereon, provided, however, that such drives, walks, fences or walls may be erected and constructed on any such lot or plot simultaneously and in conjunction with the erection of a permanent residence thereon. Nothing contained herein shall prohibit the construction of servants' quarters in connection with the garage attached to the dwelling on any lot, but no such servants' quarters, garages or other building, including temporary structures other than building material and tool sheds, shall be erected prior to the construction of the main residence. All unapproved materials and tool sheds shall be removed when the dwelling is completed.

Section 4. Signs. All signs of whatever nature, whether temporary or permanent, proposed to be placed upon the Property or any Lot, shall be first approved by the Developer as to size, design, content, and point of placement. The Developer is not required to approve any sign.

Section 5. Mail Boxes. No mail box or paper box or other receptacle of any kind for use in the delivery of mail or newspapers or magazines or similar material shall be erected or located on any Lot or the Property unless and until the size, location, design and type of material for said box or receptacle shall have been approved by the Developer. The Developer is not required to approve any design.

Section 6. Antennas and Cable Television. Exterior radio and television aerials or other such devices for reception or transmission of private or commercial radio or telecommunication broadcasts of any kind whatsoever shall not be permitted on any Lot or the Property without the prior approval of the Developer.

Section 7. Construction. During construction all vehicles involved, including those delivering supplies, must enter the Lot on the driveway only so as not to unnecessarily damage trees, street paving and curbs. During construction builder must keep the homes, garages, and building sites clean. All building debris, stumps, trees, etc., must be removed from each building lot by builder as often as necessary to keep the house and lot attractive. Such debris will not be dumped in any area of the Bay Point Yacht & Country Club Resort.

Section 8. Yards. All grass area of yards on any lot in the Property must be sodded and must be equipped with an underground sprinkling system for watering purposes, all which shall be completed prior to 12 months from issuance of letter of approval

by the Developer as provided for in Article IX, Section 3 hereof. Once in place, all landscaping must be maintained by the owner, to include watering, cutting, edging, clipping, and trimming. Should Owner fail to so maintain the yard, the Developer may do so, and the reasonable expenses thereof shall be paid by such Owner to the Developer within thirty (30) days thereafter.

Section 9. Completion of Construction. When the construction of any building is once begun, work thereon must be prosecuted diligently and continuously and must be completed within 12 months of issuance of letter of approval by the Developer as provided for in Article IX, Section 3 hereof.

Section 10. Clotheslines. Permanent drying lines are not permitted.

Section 11. Garbage Cans. Garbage and rubbish receptacles shall be in complete conformity with all applicable sanitary regulations and shall not be visible from the street, common easement area, or golf course.

Section 12. Trailer. Without prior approval of the Developer, no trailers or habitable motor vehicles of any nature shall be kept on or stored on any Lot or any part of the Property, no trucks of any nature shall be parked overnight on any Lot, no boats or canoes whether on or off trailers may be parked on any part of the Property unless inside an enclosed garage.

Section 13. Water Pumps. No individual water supply system shall be permitted anywhere upon the Property.

Section 14. Mining. No oil drilling, oil-development operations, oil refining, quarrying or mining operations of any kind, nor oil-, gas-, or mineral-exploratory activity, shall be permitted upon the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon the Property. No derrick or other structure designated for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Property; nor shall sand, clay, or other material be removed from the Property for use elsewhere.

Section 15. Pets. Pets may be kept by an Owner of a Lot but only if such pets do not cause a disturbance or annoyance on the Property or to other Owners. All pets must be held or kept leashed at all times outside, and all owners of pets shall be held strictly responsible to immediately collect and properly dispose of the waste and litter of his or her pets. The Developer reserves the right to cause to be removed from the Property any and all pets which create disturbances and annoyances which are to the reasonable displeasure of neighbors or other Owners.

Section 16. Nuisance. No Owner will do or permit to be done any act upon his Lot which may be or is or may become a nuisance to any Owner or resident. There shall be no discharging of firearms, guns or pistols, of any kind, caliber, type, or any method of propulsion, and no hunting of any type shall be carried on or conducted on the Property.

Section 17. Cable Television. Any residence erected on any Lot shall be serviced by cable television provided by the Developer at rates as shall be in effect from time to time.

Section 18. Additional Covenants and Restrictions. The Developer may include in any deed hereafter made to any portion of the Property, any additional covenants and restrictions that are not inconsistent with and which do not lower the standards of the Covenants and Restrictions set forth herein.

Section 19. Unimproved Lots. The Owner, from time to time, of each lot, prior to commencement of the erection of any residence on such lot, shall cut, or cause to be cut, and keep cut or cause to be kept cut, all weeds and brush on such lot and shall remove any resulting debris. Should such Owner fail to do so, the Developer may do so, and the reasonable expenses thereof shall be paid by such Owner to the Developer within thirty days thereafter.

ARTICLE XII - LOT OWNER'S RESPONSIBILITIES

Section 1. Maintenance. Each Lot Owner shall be responsible for the maintenance in good condition of the exterior of his residence so as to retain the high quality standards of the Property and to assure the continued consistency and harmony of design and appearance of all Lots within the Property.

Section 2. Repair or Replacement. In the event of damage or destruction, in whole or part, of any residence, the Lot Owner shall promptly cause the damage to be repaired or the residence reconstructed.

Section 3. Rights of Developer and Association. In the event that a Lot Owner shall fail or refuse to perform any obligation imposed under Sections 1 and 2 of this Article, the Developer or the Association or the Master Association shall have the right, but not the obligation, to carry out such maintenance, repair or replacement as it deems reasonably necessary and shall be entitled to reimbursement for all costs thereby incurred as provided in Article XIII hereof.

ARTICLE XIII - CONVEYANCE, SALE, RENTAL, LEASE AND TRANSFER

Section 1. Sale. In order to insure a community of congenial residents and thus protect the value of each Lot, the sale by a Lot Owner other than Developer shall be subject to the following provisions:

(a) Right of First Refusal. In the event the Owner of any Lot wishes to sell the same and has received a bona fide offer to purchase same, such Owner ("Seller") shall notify the Association in writing that the Lot is for sale and shall supply the Association with a true copy of such offer and the terms thereof, including the name of the prospective purchaser and such other information as the Association, in the reasonable exercise of its discretion, may request. The Association shall have the option for fifteen (15) days following receipt of such offer, to purchase the Parcel on the terms and conditions set forth in the offer, which option shall be exercised if at all by notice in writing given to the Seller within said fifteen-day period. The Association shall have the right to assign the option herein granted or to waive its rights under this section. If the Association does not elect to exercise its option, or assign the same, or if the Association waives its rights hereunder Seller shall have the right to complete the transaction described in the offer to the purchaser named therein. If for any reason such transaction is not concluded and notice of such fact is given to the Association within thirty (30) days after the time required by the offer for the transaction to be closed, the offer shall be deemed to have been abandoned and the provisions of this section shall be reimposed on the Lot in question.

(b) Application. The option granted to the Association in subsection (a) above, shall not apply to transfers made by the Developer, or any affiliate or subsidiary of the Developer, or to transfers made solely for the purpose of securing the performance of any obligation, transfers involving a foreclo-

sure sale or other judicial sale or any transfer to an Institutional Mortgagee in lieu of foreclosure, any transfer by an Institutional Mortgagee following foreclosure or any proceeding or arrangement in lieu thereof, the transfer of one joint tenant's interest to another, by operation of law, or transfers to direct descendants or ascendants of the transferor, or to corporations or partnership owned or controlled by the Seller, or sales to persons related by blood or marriage to the Seller.

(c) Certificate of Termination. The Association shall, upon request, at any time furnish to any Member, or other person legitimately interested in the same, a certificate in writing executed by an Officer of the Association in recordable form stating that the requirements of Section 1 have been complied with, or duly waived by the Association, and that the rights of the Association thereunder have terminated. Such certificate shall be conclusive evidence of compliance with the requirements of (a) above, for all persons who rely thereon in good faith.

Section 2. Rental or Lease. No lease for a period of more than one (1) year shall be valid unless approved by the Association and all lessees shall acknowledge in writing their agreement to be bound by the terms of the Declaration during their tenancy. The Association shall have the right to require that a substantially uniform form of lease be used. Such lease shall not release the Lot Owner from any obligation under this Declaration.

Section 3. Voidability. Any purported sale or lease of a Lot where the Lot Owner has failed to comply with the provisions of this Section, shall be voidable at the election of the Association, provided, however, that such voidability shall exist for a period no longer than ninety (90) days from the consummation of such transaction, such consummation to be evidenced by occupancy of the Lot or by furnishing the Association with a true copy of a recorded deed of conveyance thereto or lease thereof; and, provided, further, that the Association commence an action within such ninety (90) day period to have the same declared void.

Section 4. Exception. Any Institutional First Mortgagee making a mortgage loan for the purpose of financing the purchase of a Lot shall not be required to inquire whether or not its mortgagor's grantor complied with the provisions of this Section, and any failure of such mortgagor's grantor to so comply will not operate to affect the validity or priority of such mortgage.

ARTICLE XIV - CENTRAL PROVISIONS

Section 1. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, the Developer, or the owner of any Lot, their respective legal representatives, heirs, successors, and assigns for a period of fifty (50) years from the date this Declaration is recorded. Upon the expiration of said fifty (50) year period, this Declaration may be extended for successive additional periods if three fourths (3/4) of the votes cast at a duly held meeting of the Association are in favor of extending this Declaration. The length of each such extension shall be established by such vote. The written notice of any meeting at which such a proposal to extend this Declaration is to be considered, shall set forth the fact that such a proposal will be considered. The President and Secretary of the Association shall execute a certificate which shall set forth any resolution of extension adopted by the Association and the date of the meeting of the Association at which such resolution was adopted. Said certificate shall be recorded in the Public Records of Bay County, Florida.

Section 2. Notice. Any notice required to be sent to any member under the provisions of the Declaration shall be deemed to have been properly sent and notice thereby given when mailed with the proper postage affixed to the address appearing on the Association's membership list. Notice to one (1) of two (2) or more co-owners of any Lot shall constitute notice to all co-owners. It shall be the obligation of every member to immediately notify the Secretary of the Association in writing of any change in address. Any person who becomes a member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

Section 3. Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any provision either to restrain violation or to recover damages, and against the land to enforce any lien created hereby. Failure by the Association or the Developer to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce the same thereafter.

Section 4. Severability. Should any covenant or restriction herein contained or any articles, section, subsection, sentence, clause, phrase, or term of this Declaration be declared to be invalid or unenforceable for any reason by the adjudication of any court or other tribunal having jurisdiction over the parties or subject matter of this Declaration, such judgment shall not affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 5. Limited Liability. In connection with all reviews, acceptances, inspections, permissions, consents, or required approvals by or from the Developer contemplated under this Declaration, the Developer shall not be liable to an owner or to any other person on account of any claim, liability, damage, or expense suffered or incurred by or threatened against an owner or such other person arising out of or in any way relating to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld.

IN WITNESS WHEREOF the undersigned BAY BANK & TRUST COMPANY, a Florida banking corporation, as Trustee, has caused this instrument to be executed by its duly authorized respective officer, and BAY POINT YACHT & COUNTRY CLUB, a Florida joint venture partnership, has caused this instrument to be executed by its duly authorized joint venture partners this 19th day of May, 1986.

Signed, sealed and delivered in the presence of:

Linwood Boyke

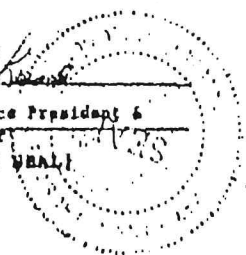
Sheila M. Smith

BAY BANK & TRUST COMPANY,
as Trustee, A Florida Banking
Corporation
I.L. Christo

By: I.L. Christo

Its: Assistant Vice President &
Trust Officer

[AFFIX CORPORATE SEAL]



BAY POINT YACHT & COUNTRY CLUB,
a Florida Joint Venture
Partnership

By: FIRST BAY POINT, INC., A
Florida corporation, A
Joint Venture Partner

George James Medina

By: Harold B. Blunt
Its: President

William Jay

[APPX CORPORATE SEAL]



And By: MS & S, A Florida
Partnership, A Joint
Venture Partner

J. Colton Hill

By: Harold B. Blunt
Its General Partner

Barbara J. Smith

STATE OF FLORIDA
COUNTY OF BAY

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared L.L. Christo, Asst. V.P. & T.O., to me known to be the person described in and who executed the foregoing instrument as Assistant Vice President & Trust Of. of BAY BANK & TRUST COMPANY, a Florida banking corporation, as Trustee, the corporation named therein, and severally acknowledged to and before me that they executed the same as the act and deed of said corporation for the purposes therein set forth.

WITNESS my hand and official seal in the said County and State this 19th day of May, 1986.

William C. Madley
Notary Public

My Commission Expires
Notary Public, State of Florida
My Comm. Expires March 24, 1990

DISTRICT OF COLUMBIA.

On this 20 day of June, 1986, before me, an officer duly authorized in the District of Columbia aforesaid to take acknowledgments, personally appeared Harold B. Blunt, to me personally known, who being by me duly sworn, did say that he is the President of First Bay Point, Inc., a Florida corporation, and that the seal affixed to the

foregoing instrument is the corporate seal of said corporation,
and that the instrument was signed and sealed on behalf of the
said corporation by authority of its Board of Directors, and said
acknowledged the instrument
to be the free act and deed of said corporation.



Adrian J. Pina
Notary Public

My Commission Expires:
09/14/89

STATE OF FLORIDA
COUNTY OF BAY

On this 16th day of May, 1988, before me,
an officer duly authorized in the State and County aforesaid to
take acknowledgments, personally appeared L. F. [unclear]
to me personally known, who being by me duly sworn, did say that
he is the General Partner of MS & S, a Florida partnership, and
that the instrument was signed on behalf of the said partnership
by authority of its Partnership Agreement, and said L. F. [unclear]
, acknowledged the instrument to be the free act
and deed of said partnership.

L. F. [unclear]
Notary Public

My Commission Expires:



.. OFFICIAL RECORDS ..
LK 1078 PG 361

Southwesterly and 66.68 feet along the arc of a curve concave
Northwesterly, having a radius of 25.00 feet and a central angle
of $152^{\circ}48'43''$; thence $N69^{\circ}34'56''W$, 635.63 feet to a point of
curve; thence Northerly and 56.86 feet along the arc of a curve
concave Easterly having a radius of 25.00 feet and a central angle
of $110^{\circ}19'11''$; thence $N60^{\circ}44'15''E$, 298.53 feet to a point of
curve; thence Easterly and 33.55 feet along the arc of a curve
concave Southerly having a radius of 25.00 feet and a central
angle of $76^{\circ}54'06''$ to the point of tangency and the Point of
Beginning.

RCD: MAY 19 1986 @ 3:45 PM
HAROLD BAZZEL, CLERK

EXHIBIT "A"

A tract of land being situated partly in Government Lots 2 and 3 in Section 14, Township 4 South, Range 15 West, Bay County, Florida and being more particularly described as: Commencing at a concrete monument marking the Northwest corner of Section 14, Township 4 South, Range 15 West, Bay County, Florida; thence N89°51'31"E along the North boundary of said Section 14, 2654.85 feet to the Northeast corner of Government Lot 3 in said Section 14; thence S00°07'13"W along the East line of said Government Lot 3, 123.47 feet to the POINT OF BEGINNING; thence N66°32'20"E, 148.37 feet; thence S42°21'39"E, 737.91 feet; thence S56°57'40"E, 489.16 feet; thence S44°29'37"W, 240.02 feet; thence S69°00'34"W, 156.03 feet; thence N76°36'28"W, 98.76 feet; thence N64°25'47"W, 97.37 feet; thence N57°23'37"W, 213.91 feet; thence N69°34'56"W, 902.66 feet; thence N23°58'00"E, 270.99 feet; thence N36°58'50"E, 77.06 feet; thence N60°44'15"E, 318.11 feet; thence N66°32'20"E, 50.80 feet to the Point of Beginning. Less and Excepting a parcel of land to be used for road right of way and being situated partly in Government Lots 2 and 3 in Section 14, Township 4 South, Range 15 West, Bay County, Florida, and being more particularly described as: Commencing at a concrete monument marking the Northwest corner of Section 14, Township 4 South, Range 15 West, Bay County, Florida; thence N89°51'31"E along the North boundary of said Section 14, 2654.85 feet to the Northeast corner of Government Lot 3 in said Section 14; thence S00°07'13"W, 123.47 feet; thence N66°32'20"E, 148.37 feet; thence S42°21'39"E, 158.01 feet; thence S47°38'21"W, 140.00 feet to the POINT OF BEGINNING; thence S42°21'39"E, 714.18 feet to a point of curve; thence Southeasterly and 9.48 feet along the arc of a curve concave Northeasterly, having a radius of 25.00 feet and a central angle of 21°41'17"; thence S64°04'56"E, 98.99 feet; thence traversing a cul de sac arc of 314.15 feet, said arc having a radius of 60.00 feet and a central angle of 360°00'00"; thence N64°04'56"W, 106.90 feet to a point of curve; thence Northwesterly and 2.40 feet along the arc of a curve concave Southwesterly, having a radius of 25.00 feet and a central angle of 05°30'00"; thence N69°34'56"W, 858.18 feet to a point of curve; thence Northerly and 66.76 feet along the arc of a curve concave Northeasterly, having a radius of 95.00 feet and a central angle of 45°00'00" to a point of reverse curve; thence Northerly and 39.27 feet along the arc of a curve concave Southwesterly, having a radius of 25.00 feet and a central angle of 90°00'00"; thence S65°25'04"W, 94.18 feet to a point of curve; thence Southwesterly and 18.09 feet along the arc of a curve concave Southeasterly, having a radius of 25.00 feet and a central angle of 41°27'04"; thence S21°58'00"W, 82.33 feet; thence S20°40'40"W, 404.71 feet; thence N81°33'20"W, 61.39 feet; thence N20°40'40"E, 417.45 feet; thence N21°58'00"E, 86.05 feet to a point of curve; thence Northeasterly and 61.49 feet along the arc of a curve concave Southeasterly having a radius of 95.00 feet and a central angle of 41°27'04"; thence N65°25'04"E, 181.29 feet to point of curve; thence Northeasterly and 2.04 feet along the arc of a curve concave Northwesterly having a radius of 25.00 feet and a central angle of 04°40'49"; thence N60°44'15"E, 311.08 feet to a point of curve; thence Easterly and 114.08 feet along the arc of a curve concave Southwesterly having a radius of 95.00 feet and a central angle of 76°54'06" to the point of tangency and Point of Beginning. Together with a parcel called "Tract A" and described as: Commencing at a concrete monument marking the Northwest corner of Section 14, Township 4 South, Range 15 West, Bay County, Florida; thence N89°51'31"E along the North boundary of said Section 14, 2654.85 feet to the Northeast corner of Government Lot 3 in said Section 14; thence S00°07'13"W, 123.47 feet; thence N66°32'20"E, 148.37 feet; thence S42°21'39"E, 158.01 feet; thence S47°38'21"W, 200.00 feet to the POINT OF BEGINNING; thence S42°21'39"E, 497.58 feet to a point of curve; thence Southerly and