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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE ESTATES AT INDIAN POINTE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the “Declaration”) is made this _____ day of _____, _____, by **TITAN DEVELOPMENT ENTERPRISES, LLC**, a Florida limited liability company, hereinafter referred to as the “Declarant” or the “Developer.”

R E C I T A L S:

WHEREAS, Declarant is the owner of fee simple title to that certain parcel of real property located in Okaloosa County, Florida (the “Property”) which is more particularly described on Exhibit “A” attached hereto and made a part hereof which comprises The Estates at Indian Pointe subdivision, according to the Planned Unit Development (“PUD”) and plat thereof recorded in the Public Records of Okaloosa County, Florida, a copy of which is attached hereto and made a part hereof as Exhibit “B”; and

WHEREAS, Declarant intends to develop the Property as a residential area to be known as **THE ESTATES AT INDIAN POINTE** (“The Estates”) which shall be occupied and maintained as a residential development for the mutual and common advantage of all occupants and owners thereof who shall occupy and own the Property subject to the provisions of this Declaration and all other rules and regulations applicable to the Property, and to be governed by a mandatory owner’s association; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the Property and for the maintenance of the Property and the improvements thereon, and in order to accomplish such objectives, Declarant desires to subject the Property, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner of a portion thereof; and

WHEREAS, Declarant deems it desirable to create a non-profit corporation, The Estates at Indian Pointe Homeowners’ Association, Inc., to be charged with the rights and responsibilities of enforcing the covenants, conditions and restrictions hereinafter set forth of maintaining and administering the Common Areas, as hereinafter defined, and of collecting and disbursing the assessments and charges created by this Declaration.

NOW, THEREFORE, Declarant declares that, except as expressly provided otherwise below, the Property shall be held, sold and conveyed subject to the following easements, covenants, conditions, and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

The following definitions shall apply wherever the capitalized terms appear in this Declaration:

- (a) **“Association”** shall mean and refer to The Estates at Indian Pointe Homeowners’ Association, Inc., its successors and assigns. A copy of the Articles of Incorporation for The Estates at Indian Pointe Homeowners’ Association is attached hereto and made a part hereof as Exhibit “C.”
- (b) **“Board”** shall mean and refer to the Board of Directors of the Association.
- (c) **“Bylaws”** shall mean and refer to the Bylaws of the Association, a copy of which is attached hereto as Exhibit “D”.
- (d) **“Common Areas” or “Common Facilities”** shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners. The Common Areas and Common Facilities, hereinafter collectively referred to as the “Common Areas,” owned by the Association at the time of the recording of the conveyance of the first Lot by the Developer are described on the PUD / Plat attached as Exhibit “B” along with any additional property or easement rights specifically granted to the Association, all of which shall be owned by the Association for the common use and enjoyment of Owners. The Common Areas are not dedicated for use by the general public and will automatically be owned by the Association upon conveyance of the first Lot by the Developer.
- (e) **“Common Maintenance Areas”** shall mean and refer to the areas which are a part of a Lot or Lots but shall be maintained by the Association. The Common Maintenance Areas are described on Exhibit “B.”
- (f) **“Declarant”** shall mean and refer to Titan Development Enterprises, LLC, a Florida limited liability company, its successors and assigns.
- (g) **“Design Code”** shall mean and refer to the Architectural Design Guidelines for The Estates which are incorporated herein by reference, as such may be amended by the TEARB from time-to-time.

- (h) **“Lot”** shall mean and refer to any of the plots of land identifiable by lot number as shown upon the Recorded Plat which is intended for development for residential use.
- (i) **“Member”** shall mean and refer to the Class A and Class B Members as defined in Article IV below, who are also Owners entitled to membership in the Association. Every person or entity who is an Owner of a Lot within the Property shall be a member of the Association.
- (j) **“Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot. Whenever this Declaration provides a use or enjoyment restriction that an Owner can or cannot do, or fails to do, certain acts or things, the Owner shall also be deemed to include the Owner’s family, guests, tenants, and purchasers, pursuant to an unrecorded contract; provided, however, that only an Owner, and not a member of the Owner’s family, the Owner’s guests, the Owner’s tenants, or the Owner’s purchasers pursuant to an unrecorded contract, shall be held financially responsible for any such act or failure to act.
- (k) **“Plat”** shall mean and refer to the recorded plat of The Estates Subdivision, a Planned Unit Development, recorded in Plat Book _____, Page _____, of the Public Records of Okaloosa County, Florida, a copy of which is attached hereto as Exhibit “B”.
- (l) **“TEARB”** shall mean and refer to The Estates Architectural Review Board.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION / ADDITIONS THERETO

Section 1. Existing Property. The Property, Lots, Common Areas and Facilities which are and may be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Okaloosa County, Florida as described in the Plat of The Estates Subdivision recorded in the Public Records of Okaloosa County, Florida, and as described in this Declaration.

Section 2. Annexation of Additional Property by Declarant. The Declarant shall not have the right to annex any additional property to The Estates.

Section 3. Modification of Platted Lots. Subject to any required governmental approvals, the Declarant shall have the right to:

- (a) Modify the PUD / Plat of The Estates to make adjustments to lot boundary lines or to the Common Areas so long as the Owner of any effect lot consents; and
- (b) Make other adjustments to the PUD / Plat so long as Owners are not materially affected.

ARTICLE III

ASSOCIATION POWERS AND RESPONSIBILITIES

The operation of the Association shall be vested in THE ESTATES AT INDIAN POINTE HOMEOWNERS' ASSOCIATION, INC., a Florida non-profit corporation.

Section 1. Assignment of Maintenance Duties.

A. Owners.

(i) Each Owner shall have the legal obligation to construct a residence on the Lot. Owner shall enter into a construction contract with an architect and builder of Owner's choice, subject to the requirements Architectural Design Guidelines for The Estates ("Design Code") and the approvals and consents of The Estates Architectural Review Board ("TEARB"). This obligation to commence construction of a residence is a covenant running with the Lot.

(ii) Each Owner shall have the legal obligation to care for and maintain all of his/her Lot, including exterior and interior maintenance of his/her home. Each Owner shall also be responsible for painting, maintaining and restoring all exterior finishes on his/her home or other structure and shall be responsible for maintaining the yard and landscaping of his/her Lot, which specifically includes any landscape / preservation buffer areas located on said Lot. If the Association, acting through its Board of Directors, determines that any Owner has failed to maintain any part of his/her Lot, including improvements, in good order and repair, free from debris, the Association, by a majority vote of the Board and twenty (20) days after written notice to the Owner, shall have the right without liability to enter upon such Lot to correct, repair, restore, paint, maintain and clean up any part of the Lot and to have any objectionable items removed. All costs related to such action shall be assessed to the Owner as an Individual Lot Assessment as further described in Article VIII, Section 8 of this Declaration.

B. The Association. This Declaration shall serve as an assignment to the Association of the following duties which otherwise would be performed by the Owner:

(i) Maintenance of all Common Areas and Common Maintenance Areas.

(ii) Maintenance of the storm water drainage system. The operation and maintenance of all storm water and discharge facilities relating to the roadways and otherwise located on the Common Areas shall be maintained by the Association. Prior to the conveyance of any Lots, Declarant shall be responsible for the operation and maintenance of all storm water and discharge and facilities relating to the Lots. Upon conveyance of a Lot or Lots, the new owner and all subsequent owners shall each be responsible for the operation and maintenance of all storm water and discharge facilities for said Lot or Lots. Said storm water and discharge facilities for said Lots shall be designed and maintained by Lot Owners as set forth in the Design Code which requires that said facilities be located under the house to be located on each Lot. In order to ensure compliance with the Okaloosa County storm water and discharge facility requirements for each lot, each new Owner shall be required at closing to deposit Two Hundred

Dollars (\$200.00) into a fund to be maintained by the Association as required by Okaloosa County and with said deposit to be returned to each Lot Owner upon completion of the storm water and discharge facilities as required by Okaloosa County and the Design Code on their Lot or Lots.

Section 2. Acting for the Association. No Unit Owner, except in his/her capacity as an officer of the Association, shall have any authority to act for the Association.

Section 3. Powers and Duties of the Association. The powers and duties of the Association shall include those set forth herein, in the Bylaws and the Articles of Incorporation, but in addition thereto, the Association shall have:

A. The irrevocable right to access each Lot from time to time during reasonable hours as may be necessary for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Lot or Lots;

B. To make and collect assessments, to maintain, repair and replace the Common Areas;

C. Maintain accounting records according to good accounting principles which shall be open to inspection by Owners during reasonable business hours; and

D. Prescribe and enforce such rules, covenants, regulations and restrictions as are specified in this Declaration, and amend said rules and restrictions from time to time as necessary.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members.

A. Every Owner of a Lot shall automatically become a Member of the Association. Membership is mandatory and shall be appurtenant to and may not be separated from ownership of any Lot.

B. Each Owner shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members and the one vote for each such Lot shall be exercised as they determine. In no event shall more than one vote be cast with respect to any one Lot, except as otherwise set forth in Section 2-B below.

C. Each Owner shall be responsible for payment of all assessments charged by the Association as herein provided.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

A. **Class A:** Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot. When title to a Lot is in a corporation, partnership, association, trust or other entity (with the exception of Declarant as long as Declarant is a Class B Member), such entity shall be subject to the specific applicable rules and regulations as contained in the Articles of Incorporation and Bylaws of the Association and such other rules and regulations as may be enacted by the Association from time to time.

B. **Class B:** The Class B Member shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership within ninety (90) days from the happening of either of the following events, whichever first occurs:

- (i) when the last Lot in The Estates is sold or transferred to a non-affiliated entity;
- (ii) when Class B membership is waived in writing by the Class B Member; or
- (iii) ten (10) years following the conveyance of the first lot in The Estates.

ARTICLE V

OWNERS' RIGHTS

Section 1. Individual Lots. Every Owner shall have a right to the quiet enjoyment in and to his individual Lot, subject to the following provisions:

A. **Easement.** An easement reserved for the Owners, tenants, lessees, invitees, guests and others of each of the Lots described herein to cross use and enjoy consistent with their purpose that portion of the real property marked on the Plat as "Common Area," including spaces for parking and vehicle and pedestrian access.

B. **Utility Easement.** A utility easement is reserved by, through and across each and every Lot for the installation and maintenance of utilities and utility lines as they presently exist or as they may exist in the future including, but not limited to, water, electrical, gas, sewage, television, cable and telephone lines. Such easement shall inure to the benefit of all of the Owners of the Lots and to the Declarant.

C. **Maintenance Easement.** A right of access, during reasonable times, for the purpose of maintaining any portion of the Property to which the Association is assigned maintenance responsibility.

Section 2. Common Areas. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, together with a perpetual right and Easement to utilize the common roads of The Estates, which provide access to the publicly dedicated roads, and which shall be appurtenant to and shall pass with the title to every Lot, subject to the provisions of the Articles of Incorporation, Bylaws, and any other rules and regulations duly adopted by the Association, if any, this Declaration and the following provisions:

A. The right of the Association to charge assessments and other fees for the maintenance of the Common Areas and services provided Owners as described herein.

B. The right of the Association to adopt rules and regulations governing the use of the Common Areas and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof.

C. The right of the Association to assess fines, suspend voting rights and the right to use of the Common Areas by an Owner for any period during which any assessment remains overdue or for any period not to exceed sixty (60) days for any infraction of its rules and regulations or for any infraction of the provisions of this Declaration.

D. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility (public or private) for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless and until a certification is signed by the President of the Association stating that the Association has approved the dedication or transfer by majority vote.

E. The right of the Declarant, its successors and assigns, to adopt rules and regulations governing the use of the Common Roads of The Estates.

F. The right of the Declarant and the Association to grant and reserve easements and rights of way through, under, over and across the Common Areas for the installation, maintenance and inspection of the lines and appurtenances of public or private water, sewer, drainage, gas, electricity, telephone, cable and other utilities.

G. The right of the Declarant, in its sole and absolute discretion, to convey title to or dedicate the common Roads at The Estates to the Association or to any public agency or authority having jurisdiction of such properties.

Section 3. Damage or Destruction of Common Areas by Owner. In the event any Common Areas or personal property of the Association or of the Declarant are damaged or destroyed by an Owner or any of his guests, tenants, licenses, agents, employees or members of his family as a result of negligence or misuse, such Owner does hereby authorize the Association to repair the damaged area. The Association shall repair the damaged area in a good and workmanlike manner in conformance with the original plans and specifications of the area involved or as the area may have been modified or altered subsequently by the Association. The amount necessary for such repairs shall be the responsibility of such Owner and shall become an Individual Lot Assessment payable by the responsible Owner.

ARTICLE VI

RESTRICTIONS ON THE USE OF PROPERTY

Section 1. Protective Covenants. In order to keep the Property a desirable place to live for all Owners, the following protective covenants are made a part of this Declaration and shall be considered the governing rules and regulations for The Estates.

A. **Residential Use.** Each individual Lot shall be used, improved and devoted exclusively to residential use. Only one primary residence shall be constructed on each Lot, however, a separate ancillary apartment which may be rented separate and apart from the primary residence may be constructed as an appurtenance to a primary residence. The square footage and set-back requirements for the homes, together with all design and material requirements for the subdivision are contained in the Design Code, and each Owner shall be subject to and required to comply with same. Nothing herein shall be deemed to prevent the Owner from leasing his/her primary residence and/or ancillary apartment, subject to all of the provisions of the Declaration, Articles of Incorporation, Bylaws and related The Estates documents, as the same may be amended from time to time by the Board of Directors. The foregoing notwithstanding, no provision in this Declaration shall limit or restrict the conduct of any business or commercial activity by the Declarant, its agents or assigns, related to the use of any Lot or other structure located upon the Property and designated by the Declarant as a real estate sales or management office or model home.

Section 2. The Estates Architectural Design Guidelines; Variances. The minimum floor living area (heated and cooled) of a dwelling, the maximum height of dwelling, and controls over every aspect of construction, modification, alteration or improvement of any nature whatsoever are contained in The Estates Architectural Design Guidelines (“Design Code”) as hereinafter defined. The TEARB may by unanimous agreement, grant a variance from any design code specification or any restriction contained in this Declaration; provided, however, that any such variance shall not operate as a waiver of enforcement rights as to that or any other restriction on use contained in this Declaration.

Section 3. Home Occupation. No Lot may be used for any purpose other than for residential purposes, except that a home occupation shall be allowed in a bona fide single family dwelling, subject to the following requirements: the use of the dwelling for the home occupation shall be clearly incidental and subordinate to its use for residential purpose by its occupants, and shall under no circumstances change the residential character of the structure; there shall be no change in the outside appearance of the building or premises, or other visible evidence of the conduct of such home occupation; no such home occupation shall occupy more than twenty-five percent (25%) of the total living floor area of the residence; no traffic shall be generated by such occupation in greater volumes than would normally be expected in a residential neighborhood; and no equipment, tool, or process shall be used in such home occupation which creates interference to neighboring properties due to noise, vibration, glare, fumes, odors or any electrical interference.

Section 4. Setback Restrictions. The setback restrictions for all buildings shall be as shown on the recorded plat for the subdivision. For the purposes of these setback restrictions, eaves and steps shall not be considered as part of the building.

Section 5. No Subdivision of Lots. No Lot shall be further subdivided or separated into smaller Lots; provided that this shall not prohibit corrective deeds, or similar corrective instruments; and, provided, further, that this shall not prohibit Declarant from modifying the subdivision Plat of the Property (i) in the event that no Lot shown on the Plat to be modified has been conveyed to an Owner, or (ii) in the event that any Lot(s) shown on the Plat to be modified has been conveyed to an Owner(s), if any such Owner(s) consents to such modification, which consent shall not be unreasonably withheld.

Section 6. Temporary Structures; Mobile Homes; Etc. No structures of a temporary nature, including mobile homes, house trailers, travel trailers, motor homes, campers or the like shall be allowed anywhere within the Property, either temporarily or permanently. This prohibition shall not apply to contractor's shelters used by the contractor during the construction of the main dwelling house, but any such temporary shelters must, however, be removed upon substantial completion of the construction which shall not occur more than seven (7) months after the temporary shelters are first placed on the Lot.

Section 7. Vehicles, Trailers and Boat Storage. No commercial truck, boat, boat and trailer, trailer, house trailer, mobile home, recreational vehicle, camper or any other similar transportation vehicle ("vehicle") or device shall be parked on any roadway overnight. No such vehicle shall be parked for any period of time, stored or otherwise be permitted to remain on the Property except in a garage on a Lot. No automobile, truck or other commercial vehicle which contains lettering or advertising thereon or which is identified with a business or commercial activity, shall be parked for any period of time, or stored or otherwise permitted to remain on any Lot except in a garage on that Lot. All non-operational or nonfunctional vehicles shall be subject to these restrictions and shall at all times be obscured from public or adjoining neighbor's view. All parking within the Property shall be in accordance with the rules and regulations adopted by the Declarant or the Association.

Section 8. Clotheslines. No clothesline or other clothes-drying facility shall be permitted in any of the Common Areas or any area of the Property wherein the same may be visible from any Common Road or from any other Lot.

Section 9. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon or allowed to be located thereon which reasonably may be or may become an annoyance or nuisance to the Owner of another Lot. No junk, wrecks or inoperative or seldom used automobiles, trucks or boats visible to other Owners shall be permitted to remain on the Property nor shall other unsightly material be stored thereon. All rubbish, trash or garbage shall be regularly removed and shall not be allowed to accumulate. In the event of a claim, controversy or dispute between or among Lot owners on the question whether an activity is noxious or offensive, or whether anything done or allowed to be located upon a Lot is reasonably an annoyance or nuisance to the Owner of another rLot, the claim, controversy or dispute may be referred by any Owner of a Lot to the Board, which will have sole

discretion in making determination of fact and whose decision upon such claim, controversy or dispute shall be final and binding.

Section 10. Pets. No person shall have, keep or maintain on any Lot any fowl, reptiles or animals, domestic or otherwise, except dogs, cats and other customary household pets, provided that such pets: (a) are not kept, bred or maintained for commercial purposes; (b) are duly licensed, if applicable; (c) do not constitute a nuisance; and (d) are not permitted to be present beyond the boundaries of the Owner's Lot without being caged or leashed. All such pets must be walked in appropriate areas and owners of such pets must clean up after their pets. If any such person fails to properly clean up after his pet then the Association shall perform such service and shall bill the pet owner for said service under a Special Lot Assessment as such is hereafter defined. The Association shall have the right to adopt and enforce such additional pet regulations as are reasonably necessary to ensure that such pets are not and do not become a nuisance.

Section 11. Water and Sewer Service. All water, excepting only that utilized for irrigation purposes, used by any Owner shall be obtained from Destin Water Users, a Florida non-profit corporation, its successors or assigns. All sewage must be disposed of through the sewage lines owned and controlled by the utility authorities, their successors or assigns. The foregoing restriction is imposed a result of the Declarant's having granted to South Okaloosa Utilities the sole and exclusive right to provided water and sewer facilities and service to the Property.

Section 12. Maintenance and Exterior Colors. Maintenance, upkeep and repair of the interior and exterior of each home constructed upon each Lot shall be the sole responsibility of the Owner of each individual Lot. The original exterior color and any changes in such color must be approved by the TEARB, shall blend with the surrounding area, and be in compliance with the Design Code.

Section 13. Signs. No sign of any kind shall be displayed to the public view on any Lot except as allowed by the Design Code or as might be specifically approved, in writing, by the TEARB. This restriction does not apply to signs of Declarant, its agents or assigns, during the sale period of the Lots or to the Association in furtherance of its powers and purposes under this Declaration.

Section 14. Restrictions on Rentals. Long term rentals of residential dwellings are allowed, subject only to rules and regulations established by the Association and subject to the specific requirement that no rentals may be made for periods of less than one (1) year. All leases or rental agreements pertaining to a Lot shall be in writing and shall specifically subject the lessee to the requirements of this Declaration, and to all rules and regulations which shall have been properly promulgated. The provisions of this paragraph do not prevent an Owner from allowing the free use of his/her house to his/her friends or relatives, nor does it prohibit or restrict the long-term lease of a dwelling.

Section 15. Underground Services. All cable, wires or conduits necessary for the transmission of electrical power, telephone services, TV cable service or any other similar service, including but not limited to all water lines and sewer lines, shall be by underground service only, and no overhead cables or lines for such purposes shall be erected or permitted to

exist upon the Property. The Owner of each Lot shall provide conduits equivalent to the applicable utility company specifications for the installation of underground service into the dwelling.

Section 16. Antennas. To ensure that the appearance of the Property remains aesthetically pleasing, the Association may regulate the location and placement of any exterior radio, television or other electronic antenna, aerial or satellite dish, on or within a Lot or otherwise on the Property. Prior to installing any such device, the Lot owner must obtain written approval from the Association stating that adequate landscaping exists so that the satellite dish or antenna, once installed in the proposed location, will be hidden from view of the other Lot owners.

Section 17. Fuel Storage. No fuel or gas storage tanks shall be erected, placed or permitted on any part of any Lot. However, an Owner may keep and maintain a small propane gas tank for the operation of a barbecue grill but shall keep same stored in a secure location on his/her Lot.

Section 18. Insurance. Nothing shall be done or kept in any Unit or Common Area which will increase the rate of insurance for the Property, including Lots and/or dwellings, or the contents thereof, applicable for residential use, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his dwelling or otherwise on his Lot or the Common Area which will result in the cancellation of insurance of the Property, or the contents thereof, or which would be in violation of any law.

Section 19. General Use. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinance and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property. No waste will be committed in the Common Area.

Section 20. Landscape Buffers. Landscape Buffer Areas as shown on the recorded plat shall be left in their natural state.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Design Code. In order to insure a harmonious design for the Development, the Declarant has created an Architectural Design Code for The Estates. This document describes the design criteria for buildings, landscaping and other improvements. The Design Code may be modified from time to time by a majority vote of the TEARB. No construction, modification, alteration or improvement of any nature whatsoever (except interior alterations not affecting the external structure or appearance) shall be undertaken on any Lot unless and until a plan of such construction or alteration shall have been approved as in compliance with the Design Code by the TEARB in accordance with this Article. Modifications subject to architectural control specifically include, but are not limited to, painting or other alteration of a building (including

doors, windows and roof); installation of antennas, satellite dishes or receivers, solar panels or other devices; installation of any sign; construction of fountains, swimming pools, whirlpools, or other pools; construction of walls or fences; addition of awnings, gates, flower boxes, shelves, statues or other outdoor ornamentation or patterned or brightly colored window coverings; and any alteration of the landscaping or topography of the Lot.

Section 2. Procedures. The TEARB shall establish and publish as a part of the Design Code, procedures for the review of applications which may include, but not be limited to, application forms and procedures, preliminary plan review, timing for review, review fees and cists which might require a security deposit or performance bond, basis for decisions, notification provisions, enforcement provisions, and limitations on liability provisions.

Section 3. Composition of Committee. The TEARB shall have three (3) Members and the initial Members shall be selected by the Declarant to serve for a period of three (3) years. Thereafter, members of the Committee shall be elected for one-year terms by majority vote. The election for membership, other than those as appointed by the Declarant, shall take place no later than thirty (30) days after the end of the initial ten (3) year service period. Subsequent elections shall take place during the month of January of each year thereafter. In the event of death, resignation, inability to serve, or other vacancy in office of any member of the TEARB during the initial ten (3) year period, the Declarant shall promptly appoint a successor member who shall serve for the duration of the initial ten year period. If such death, resignation, inability to serve, or vacancy in office occurs after the initial ten year period, a special election shall be held within thirty (30) days of such vacancy occurring with the replacement to be elected by majority vote.

ARTICLE VIII

ASSESSMENTS

Section 1. Obligation for Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (to be known collectively as “Assessments”):

- A. Annual General Assessments;
- B. Special Assessments for the purposes provided in this Declaration; and
- C. Individual Lot Assessments for any charges particular to that Lot, together with a late fee, interest and cost of collection when delinquent, including a reasonable attorney’s fee whether or not a lawsuit is filed in any court.

Section 2. Purpose of Assessments. The Annual and Special Assessments levied by the Association shall be used exclusively for the construction, improvement, maintenance and operation of the Common Areas and the management and administration of the Association. Such expenses may include, without limitation, the cost of wages, materials, insurance

premiums, services, common utilities, garbage collection, supplies and other reasonable amounts, as determined by the Board, for working capital and reserves. Each Owner shall be responsible for the improvement, maintenance and repair of his/her Lot or Lots and all improvements thereon (other than Common Facilities located thereon, if any), including both the interior and exterior of all dwellings and any other structures thereon, and no such costs may be included within the Annual or Special Assessments. An Owner who fails to keep his/her Lot and all improvements in good order and repair shall be subject to an Individual Lot Assessment for any expenses incurred by the Association in performing such duties.

Section 3. Annual General Assessment. Notwithstanding anything herein to the contrary, until January 1 of the year following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Three Thousand Eleven Hundred and 54/100 Dollars (\$3,011.54), payable in quarterly installments of Seven Hundred Fifty-Two and 89/100 Dollars (\$752.89), or at such times in such amounts as may be determined by the Board of Directors of the Association. For each succeeding year, the Board of Directors shall determine the Annual General Assessment.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual General Assessments authorized above, the Association may levy in any assessment year a Special Assessment applicable to that year and not more than the next four succeeding years for the purpose of defraying, in whole or in part, the cost of any acquisition, construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including real property, fixtures and personal property related thereto, or public property adjoining or in the vicinity of the Lots, including fixtures and personal property related thereto, provided, that any such assessment shall have the assent of the Class B Member and of two-thirds (2/3) of the votes of the Class A Members voting in person or by proxy at a regular meeting or special meeting duly called for that purpose. Written notice of any meeting called for the purpose of making a Special Assessment shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. At such meeting, the presence of Owners or of proxies entitled to cast fifty-one percent (51%) of all of the votes of each class of membership shall constitute a quorum. The foregoing notwithstanding, the Association may levy a Special Assessment at any time, by a majority vote of the Board of Directors, for the purpose of defraying, in whole or in part, the cost of any unusual or emergency matters that affect all the Common Areas or Owners. Any such "emergency assessments" shall be due and payable at the time and in the manner specified by the Board of Directors.

Section 5. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting. At the first such meeting, the presence of members or of proxies entitled to cast a majority of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice and quorum requirements. No such subsequent meeting shall be held more than sixty (60) days following the first meeting.

Section 6. Date of Commencement of Annual General Assessments; Due Date. The Board shall fix the amount of the Annual General Assessment for each Lot at least thirty (30)

days in advance of each calendar year and send notice of the assessment level to each Owner. The due dates shall be established by the Board, and unless the Board determines otherwise, each Owner shall be required to pay the stated assessment in quarterly installments. The failure or delay of the Board in setting the Assessment shall not constitute a waiver or release of an Owner's obligation to pay Annual General Assessments whenever the amount of such assessments is finally determined, and in the absence of notice of the new assessment level, each Owner shall continue to pay the assessment at the previous rate until notified otherwise.

Section 7. Uniform Rate of Assessment. With the exception of Individual Lot Assessments as described in this Article VIII, Section 8 below, the Annual General Assessments and the Special Assessments for Capital Improvements shall be fixed at a uniform rate for all Lots.

Section 8. Individual Lot Assessments. The Association may levy at any time an Individual Lot Assessment against a particular Lot for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement or an improvement upon the specific Lot, other special services to such Lot or any other charges designated in this Declaration as appropriate for an Individual Lot Assessment.

Section 9. Working Capital Assessment. Each Owner, upon purchase of a Lot, whether or not said purchase is from the Declarant or an Owner, shall pay the Association a Working Capital Assessment equal to .25% of the Purchase Price. This Working Capital Assessment is in addition to the Annual General Assessments and payment of such by an Owner at Lot Purchase shall not operate as a credit against any Annual General Assessments.

Section 10. Effect of Nonpayment of Assessments; Remedies of the Association.

A. Late Fees; Interest. Any Assessment not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest at ten percent (10%) per annum from the date of delinquency, plus late fees as determined by the Board.

B. Nature of Obligation; Creation of Lien. All such assessments, together with interest thereon and costs of collection thereof as provided in this Declaration, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees for collection and foreclosure thereof, when delinquent, shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment fell due. Further, a Lot Owner is jointly and severally liable with the previous Owner for all unpaid assessments that came due up to the time of transfer of title, unless a lien for unpaid assessments has been eliminated by foreclosure proceedings. This liability is without prejudice to any right the Owner may have to recover from the previous Owner the amount paid by the Owner.

C. Action on Lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid at a foreclosure sale and to acquire and hold, lease,

mortgage and convey the same, and to subrogate so much of its right to such liens as may be necessary or expedient for an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting owner's portion of the premium. Each Owner hereby expressly grants to the Association a power of sale in connection with such lien.

D. Transfer of Title; Certificates. Any Owner (other than Declarant) who wishes to convey title to a Lot shall, at least thirty days prior to the conveyance, provide the Association with the name and address of the intended purchaser. The Association shall have the right but not the obligation to notify the intended purchaser of any unpaid assessments relating to the Lot being conveyed. In addition, the Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments for the specified Lot have been paid. Such certificates may be relied upon by the purchaser as evidence of payment of assessments therein stated to have been paid.

Section 11. Subordination of the Lien to Mortgages. The lien for Assessments provided for herein shall be subordinate to any mortgage lien on any Lot recorded prior to the date the Assessment became due. Sale or transfer of any Lot shall not affect the Assessment lien; however, the sale or transfer of any Lot pursuant to foreclosure of such a mortgage or any proceeding in lieu thereof shall extinguish the lien of such Assessments which became due prior to such sale or transfer pursuant to foreclosure. No sale or transfer shall relieve the transferees of such Lot from liability for any Assessments thereafter becoming due or from the lien for such new Assessments.

Section 12. Insurance.

A. Insurance on Common Areas. The Board of Directors may in its discretion obtain casualty insurance for any Common Areas to cover the full replacement cost, which coverage may include extended coverage, vandalism, malicious mischief and windstorm endorsements and other coverage deemed desirable by the Board. The Board is not required to obtain any such insurance.

B. Public Liability. The Board may in its discretion obtain public liability insurance in such limits as the Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership or use of the Common Areas. The Board is not required to obtain any such insurance.

C. Director and Officer Liability Insurance. The Board may in its discretion obtain liability insurance insuring against personal loss for actions taken by members of the Board and Officers in the performance of their duties. Such insurance shall be of the type and amount determined by the Board in its discretion. The Board is not required to obtain any such insurance.

D. Premiums. The cost of any insurance stated above shall be an expense of the Association and shall be included in the Annual General Assessments.

Section 13. Repair and Reconstruction after Fire or Other Casualty.

A. Common Facilities. If fire, windstorm or other casualty damages or destroys any of the improvements of the Common Areas, the Board shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification approved by the TEARB. The Board shall obtain funds for such reconstruction first from any available insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhaustion of insurance reserves.

B. Lots. If fire or other casualty damages or destroys a house or any other improvements on a Lot, other than the improvements that are part of the Common Areas, the Owner of that Lot shall promptly (within 45 days) proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by the TEARB. If such Owner refuses or fails to begin to repair and rebuild any and all such damage within forty-five (45) days, or fails to continue such repair or restoration in an expeditious manner, the Association, by and through its Board, is hereby irrevocably authorized by such Owner to repair and rebuild such improvement, or to remove the damaged improvements from the Lot and dispose of same, and to clean up the Lot, the cost of which repair, rebuilding, removal, disposal and clean up shall be charged to the Owner as an Individual Lot Assessment. Nothing herein shall impose on the Association an obligation to rebuild or repair any improvements on a Lot or Lots.

ARTICLE IX

EASEMENTS

Section 1. Utility Easements. The Declarant hereby reserves for itself, its successors and assigns and designees an easement for the benefit of the Property upon, across, over, through, and under that portion of the Property as evidenced on the Plat, including but not limited to a blanket easement, over and upon the Common Area, for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and service systems, public and private, including, but not limited to, water, sewage, drainage, telephones, electricity, television, cable or other communication lines and systems. By virtue of this easement it shall be expressly permissible for the Declarant, and its successors or assigns, to install and maintain equipment on the easement, to excavate for such purposes. This easement shall in no way affect any other recorded easements on the Property and the Declarant reserves for itself and the Association, through its Board of Directors, the authority to grant specific utility easements by separate recordable instruments.

Section 2. Drainage. Easements are expressly reserved for the construction, installation, replacing, repairing and maintenance of the storm water drainage system. Further, for a period of seven years from the date of conveyance of the first Lot, the Declarant 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. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil, or to take any other similar action reasonably necessary,

following which the Declarant shall restore the affected Property to its original condition as nearly as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. The right granted hereunder may be exercised at the sole option of Declarant and shall not be construed to obligate Declarant to take any affirmative action in connection therewith.

Section 3. Encroachment. To the extent that any improvements constructed by the Declarant on any Lot encroaches on any other Lot or Common Area, whether by reason of any deviation from the Plat or by reason of the settling or shifting of any land or improvements, a valid easement for such encroachment shall exist.

Section 4. Maintenance. There is hereby reserved to the Association the exclusive right which shall also be its duty and responsibility, to maintain the Common Areas and Common Maintenance Areas and to the extent contained in this Declaration and in accordance with the Articles of Incorporation, Bylaws and rules and regulations adopted by the Association, a Lot Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his acts, neglect or carelessness or by that of any member of his family, guests, employees, agents, lessees or their invitees, but only to the extent that such expenses are not met by the proceeds of insurance carried by the Association, if any. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Lot or its appurtenances or of the Common Area.

Section 5. General. Declarant does hereby grant a nonexclusive personal easement and right of ingress and egress across, under and to all Common Areas, to each and all law enforcement, fire fighting, and postal or delivery organizations, and to any other persons, organizations or entities who, in the normal course of their operation, respond to public or private emergencies, or who provide public or private utility services.

Section 6. Development Easement. Declarant does hereby reserve a nonexclusive perpetual easement and right of access across, under and to all Common Areas for construction thereon of subdivision improvements, sale of Lots and such other purposes and uses as Developer deems appropriate or necessary in connection with the sale and development of the subdivision.

Section 7. Common Roads of The Estates. The Declarant reserves for the benefit of the Owners of any Lot in The Estates an Easement appurtenant for ingress and egress to those certain roads and rights of way of The Estates according to the Plat thereof.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant / Developer, or any Owner shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges imposed by the provisions of this Declaration.

Failure by the Association, the Developer / Declarant, or by any Owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the right to do so thereafter. If any court proceedings are required for the successful enforcement of any condition, restriction or covenant contained herein (due to its violation or breach) or lien against any Owner or against any other person or entity, said Owner, person or entity expressly agrees to pay all costs, including a reasonable attorney's fee, of the party initiating such successful judicial proceeding for the enforcement of said condition, restriction,, covenant and/or lien. Notwithstanding anything herein to the contrary, any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association or the Declarant in the enforcement of any of the provisions of this Declarant, regardless of whether such enforcement requires judicial action, shall be assessed as an Individual Lot Assessment to the Owner against whom such action was taken.

Section 2. Duration. The covenants and restrictions contained in this Declaration, as the same may be amended from time to time, shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Declarant, the Association, the Owners, their respective legal representatives, heirs, successors, or assigns, for a term of thirty (30) years from the date that this Declaration is recorded in the Public Records of Okaloosa County, Florida, after which time all of said provisions shall be extended automatically for successive periods of ten (10) years each unless an instrument signed by the then Owners holding seventy-five percent (75%) of the total voting power in the Association shall have been recorded agreeing to terminate all of the said provisions as of a specified date, which shall not be earlier than the expiration of an extended term of one (1) year from the date of such recording. Unless this Declaration is so terminated, the Association shall re-record this Declaration or other notice of its terms at intervals necessary under Florida law to preserve its effect.

Section 3. Amendment. This Declaration may be amended at any time by an instrument in writing signed by and acknowledged by Owners holding 75% of the total voting power of the Association, which amendment shall become effective upon recordation in the public records of Okaloosa County, Florida and approval, if necessary, by the necessary governmental authority; provided, however, that (a) as long as Declarant is an Owner, no amendment shall become effective without written consent of the Declarant, and (b) the Declarant / Developer reserves the absolute and unconditional right unto itself to amend this Declaration at any time within two (2) years from the date of execution hereof, if doing so is necessary or advisable to (i) conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the purchase and sale of home loan mortgages or (ii) to conform to the requirements of institutional mortgage lender(s) or title insurance company(s) or (iii) to clarify the provisions herein.

Section 4. Notices. Any notice required to be sent to the Owner of any Lot under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the last known address of the person who appears as Owner of such Lot on the records of the Association at the time of such mailing.

Section 5. Condemnation. In the event that all or part of the Common Area owned by the Association shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board of Directors of the Association shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting such property. The Owners may, by a vote of 80% of the total voting power hereunder, agree to distribute the proceeds of any condemnation or taking by eminent domain, and if the Owners shall not so agree such proceeds shall be added to the funds of the Association.

Section 6. Action Absent Meeting. Any action required to be taken hereunder by vote or assent of the Owners may be taken in the absence of a meeting by obtaining the written approval of the requisite number of Owners. Any action so approved shall have the same effect as though taken at a meeting of the Owners, and such approval shall be duly filed in the minute book of the Association.

Section 7. Consent of Mortgagees. This Declaration contains provisions concerning various rights, priorities, remedies and interests of the Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by mortgages on the Lots. Accordingly, no amendment or modification of this Declaration impairing such rights, priorities, remedies or interests of a Mortgagee shall be adopted without the prior written consent of such Mortgagee. If there is more than one Mortgagee holding a Mortgage on the Lots, it shall be sufficient to obtain the written consent of all Mortgagees holding a lien on eighty percent (80%) or more of the Lots; provided, however, that in the event one Mortgagee is holding a lien on seventy percent (70%) or more of the Lots encumbered by the Mortgagees, the written consent of such Mortgagee alone shall be sufficient. Any such required consent shall be given promptly and shall not be unreasonably withheld; any consent not given or denied within 21 calendar days of receipt thereof shall be deemed given for purposes hereof. This Section 7 shall not apply or be construed as a limitation upon those rights of the Declarant, the Association, or the Owners under this Declaration to make amendments which do not so adversely affect the Mortgagees.

Section 8. Non-Liability of the Association. Neither the Association nor the Declarant / Developer shall in any way or manner be held liable for failure to enforce the conditions, restrictions and covenants contained herein, or to any Owner or any other person or entity for any violation of the restrictions set forth herein by any Owner other than itself. The Association shall defend, indemnify, and hold harmless the Developer and all Association Officers and Directors in any action brought for failure to enforce the conditions, restrictions and covenants contained herein for any violation of the restrictions by any Owner other than the Developer.

Section 9. Legal Fees. Any and all legal fees, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, regardless of whether such enforcement requires judicial action, shall be assessed (by either general or special assessment) against and collectible from the Owner against whom such action was taken and shall be a lien against such Owner's Lot in favor of the Association.

Section 10. Continuing Violation. Any single violation of any use restriction by an Owner shall constitute a continuing violation which shall allow the Association or any other Owner to seek permanent injunctive relief. In no event shall a violation of these conditions, restrictions or covenants ever be interpreted to work a reverter or forfeiture of title.

Section 11. Severability. The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability or affect of the balance of the Declaration which shall remain in full force and effect.

Section 12. Gender. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 13. Declarant's Right to Modification. For so long as the Declarant remains a Class B Member, the Declarant or its agents or assigns, reserves the right to hereafter modify, amend or grant variances to any of the foregoing covenants, conditions and restrictions when, in the sole discretion of the Declarant or its agents or assigns, such modification, amendment or variance is deemed useful or proper. Declarant or its agents or assigns may also make other restrictions applicable to each Lot by appropriate provision in the Sales Contract or in any Deed, without otherwise modifying the general plan herein outlined and such other restrictions shall inure to the benefit of the other Owners of Lots in the Property and shall bind the grantees and their respective heirs, successors or transferees in the same manner as though they had been expressed herein.

IN WITNESS WHEREOF, the Declarant, TITAN DEVELOPMENT ENTERPRISES, LLC, has caused this Declaration of Covenants, Conditions and Restrictions to be executed by its duly appointed Managers this _____ day of _____, 200____.

Signed, sealed and delivered in the Presence of:

[Print Name of Witness]

**TITAN DEVELOPMENT
ENTERPRISES, LLC,**
A Florida limited liability company

[Print Name of Witness]

By: _____
RONALD L. SASSANO
Manager

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 200_____, by **Ronald L. Sassano, as the Manager and on behalf of Titan Development Enterprises, LLC, a limited liability company.** He is personally known to me or has produced _____ as identification bearing identification number _____.

[TYPE/ PRINT NAME OF NOTARY]
NOTARY PUBLIC
Commission Number: _____
My Commission Expires: _____

[NOTARY SEAL]

JOINDER OF MORTGAGEE

Trustmark National Bank, the owner and holder of a mortgage encumbering the land described in Exhibit A attached to the Declaration of Covenants, Conditions and Restrictions for The Estates at Indian Pointe to which this Joinder is attached, hereby consents to and joins in the said Declaration thereof and agrees that the lien of its mortgage, to the extent of the encumbrance upon the land described in Exhibit A attached to the Declaration shall be upon all of the Lots and parcels of The Estates at Indian Pointe, according to the Declaration thereof, together with all of the appurtenances including, but not limited to, any common areas appurtenant to the subdivision Lots so encumbered and to the undivided shares of the common areas.

Nothing contained herein shall be deemed to or in any way limit or affect the mortgage held by Trustmark National Bank or the priority of the lien created thereby and the sole purpose of this Joinder is to acknowledge the consent of said Mortgagee to the Declaration of Covenants, Conditions and Restrictions as provided herein.

EXECUTED this _____ day of _____, 200 ____.

WITNESSES:

MORTGAGEE:

Print Name: _____

TRUSTMARK NATIONAL BANK

Print Name: _____

By: _____
Print Name: _____
Title: _____

[BANK SEAL]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 200_____, by _____, **as the _____ and on behalf of Trustmark National Bank.** He is personally known to me or has produced _____ as identification bearing identification number _____.

[TYPE/ PRINT NAME OF NOTARY]
NOTARY PUBLIC

Commission Number: _____
My Commission Expires: _____

[NOTARY SEAL]

EXHIBIT "A"
TO
DECLARATION FOR THE ESTATES AT INDIAN POINTE

(Overall Legal Description of Subdivision Property)

A PARCEL OF LAND LYING IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, OKALOOSA COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF LOT 1, NEWMAN PROPERTY SUBDIVISION, AS RECORDED IN PLAT BOOK 20, PAGE 62 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA; THENCE ON THE NORTHERLY AND EASTERLY BOUNDARY LINES OF SAID LOT 1, THE FOLLOWING 3 (THREE) CALLS:

1) NORTH 82 DEGREES 49 MINUTES 22 SECONDS EAST, A DISTANCE OF 137.86 FEET; 2) THENCE NORTH 56 DEGREES 38 MINUTES 25 SECONDS EAST, A DISTANCE OF 20.00 FEET; 3) THENCE SOUTH 37 DEGREES 15 MINUTES 23 SECONDS EAST, A DISTANCE OF 153 FEET MORE OR LESS TO A POINT ON THE APPROXIMATE MEAN HIGH WATER LINE OF INDIAN BAYOU, SAID POINT HEREAFTER REFERRED TO AS "POINT A"; THENCE RETURNING TO THE POINT OF BEGINNING, PROCEED NORTH 17 DEGREES 29 MINUTES 24 SECONDS WEST ON THE EASTERLY RIGHT OF WAY LINE OF INDIAN TRAIL (66 FOOT WIDE RIGHT OF WAY), A DISTANCE OF 331.09 FEET; THENCE DEPARTING SAID EASTERLY RIGHT OF WAY LINE, PROCEED NORTH 72 DEGREES 30 MINUTES 36 SECONDS EAST, A DISTANCE OF 100.27 FEET; THENCE NORTH 48 DEGREES 02 MINUTES 01 SECONDS WEST, A DISTANCE OF 16.90 FEET; THENCE NORTH 41 DEGREES 57 MINUTES 59 SECONDS EAST, A DISTANCE OF 68.07 FEET; THENCE NORTH 03 DEGREES 02 MINUTES 01 SECONDS WEST, A DISTANCE OF 31.95 FEET; THENCE NORTH 48 DEGREES 02 MINUTES 57 SECONDS WEST, A DISTANCE OF 24.83 FEET; THENCE SOUTH 86 DEGREES 57 MINUTES 59 SECONDS WEST, A DISTANCE OF 31.92 FEET; THENCE SOUTH 41 DEGREES 57 MINUTES 59 SECONDS WEST, A DISTANCE OF 63.44 FEET; THENCE NORTH 72 DEGREES 38 MINUTES 00 SECONDS WEST, A DISTANCE OF 39.16 FEET; THENCE NORTH 07 DEGREES 13 MINUTES 59 SECONDS WEST, A DISTANCE OF 251.87 FEET; THENCE NORTH 37 DEGREES 46 MINUTES 01 SECONDS EAST, A DISTANCE OF 21.09 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 67 FEET, MORE OR LESS TO A POINT ON THE FACE OF A CONCRETE SEAWALL, REFLECTING THE APPROXIMATE MEAN HIGH WATER LINE OF THE CHOCTAWHATCHEE BAY; THENCE MEANDER EASTERLY, SOUTHERLY, AND SOUTHWESTERLY ON SAID APPROXIMATE MEAN HIGH WATER LINE, AND THE AFORESAID APPROXIMATE MEAN HIGH WATER LINE OF INDIAN BAYOU, AND ALONG THE FACES OF VARIOUS SEAWALLS, A DISTANCE OF 1786 FEET, MORE OR LESS TO THE AFORESAID "POINT A".

SAID PARCEL CONTAINING 12.2 ACRES, MORE OR LESS.

EXHIBIT "B"
TO
DECLARATION FOR THE ESTATES AT INDIAN POINTE

(Subdivision Plat for The Estates)

**EXHIBIT “C”
TO
DECLARATION FOR THE ESTATES AT INDIAN POINTE**

**ARTICLES OF INCORPORATION
OF
THE ESTATES AT INDIAN POINTE HOMEOWNERS’ ASSOCIATION,
INC.**

The undersigned incorporator, a natural person competent to contract, hereby presents these Articles of Incorporation for the formation of a not-for-profit corporation under the provisions of Chapter 617, Florida Statutes.

ARTICLE 1. NAME

The name of this corporation is **THE ESTATES AT INDIAN POINTE HOMEOWNERS’ ASSOCIATION, INC.** For convenience, the corporation shall be referred to in this instrument as the “Association,” these articles of incorporation as the “Articles,” and the bylaws of the Association as the “Bylaws.”

ARTICLE II. TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE III. PURPOSE

This Association is organized for the purpose of providing an entity for the operation of a residential subdivision located in Okaloosa County, Florida, and known as The Estates, created pursuant to the Declaration of Covenants, Conditions and Restrictions for The Estates (the “Declaration”).

ARTICLE IV. MEMBERS

The qualification of members and the manner in which the directors shall be elected or appointed shall be contained in the Declaration and Bylaws.

**ARTICLE V.
INITIAL PRINCIPAL AND REGISTERED OFFICE AND REGISTERED AGENT**

The street address of the initial principal and registered office of this corporation is 50 Surf Song Lane, Suite 101, Miramar Beach, Florida 32550, and the name of the initial registered agent of this corporation at that address is Ronald L. Sassano.

ARTICLE VI. FIRST BOARD OF DIRECTORS

The number of persons constituting the first board of directors shall be three and their names and addresses are as follows:

NAME	ADDRESS
Ronald L. Sassano	50 Surf Song Lane, Suite 101, Miramar Beach, FL 32550
Joe Dougherty	4300 Legendary Drive, Suite C-240, Destin, FL 32541
Dennis Chavez	4300 Legendary Drive, Suite C-240, Destin, FL 32541

The number of directors may be increased from time to time but shall never be less than three (3).

ARTICLE VII - INCORPORATOR

The name and address of the person signing these Articles are:

**Ronald L. Sassano
50 Surf Song Lane, Suite 101
Miramar Beach, FL 32550**

ARTICLE VIII - COMMENCEMENT OF CORPORATE EXISTENCE

The date for commencement of this corporation's existence shall be the date these Articles are filed and approved by the Florida Department of State, Division of Corporations.

ARTICLE IX – AMENDMENTS

This corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation or any amendment hereto provided that such amendments comply with current law.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation the _____ day of _____, 200__.

INCORPORATOR:

RONALD L. SASSANO

REGISTERED AGENT ACCEPTANCE

I do hereby accept the foregoing designation as registered agent of THE ESTATES AT INDIAN POINTE HOMEOWNERS’ ASSOCIATION, INC. Further, I am familiar with and accept the duties and obligations of such designation.

RONALD L. SASSANO

EXHIBIT “D”
TO
DECLARATION FOR THE ESTATES AT INDIAN POINTE

BYLAWS

OF

THE ESTATES AT INDIAN POINTE HOMEOWNERS’ ASSOCIATION, INC.

1. **GENERAL.**

1.1 **Identity.** These are the Bylaws of **THE ESTATES AT INDIAN POINTE HOMEOWNERS’ ASSOCIATION, INC.** (the “Association”), a corporation not-for-profit formed under the laws of the State of Florida. The Association has been organized for the purposes stated in the Articles of Incorporation (the “Articles”), and the Declaration of Covenants, Conditions and Restrictions for THE ESTATES (the “Declaration”). The Association shall have all the powers provided in these Bylaws, the Articles, the Declaration (collectively, the “Governing Documents”), and any other statute or law of the State of Florida or any other power incident to any of the above powers.

1.2. **Principal Office.** The principal office of the Association shall be first at 50 Surf Song Lane, Suite 101, Miramar Beach, Florida 32550, or at such place as the Board may determine from time to time.

1.3. **Fiscal Year.** The fiscal year of the Association shall be the calendar year.

1.4. **Seal.** The seal of the Association shall have inscribed upon it The Estates at Indian Pointe Homeowners’ Association, Inc. the year of its incorporation and the words "Corporation Not-For-Profit." The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the Association.

1.5. **Inspection of Books and Records.** The records of the Association shall be open to inspection by any Member of the Association, upon request, during normal business hours or under other reasonable circumstances. The records of the Association shall include current copies of the Declaration, the Articles, the Bylaws, and any Rules and Regulations of the Association, any contracts entered into by the Association, and the books, records, and financial statements of the Association. The Association shall be required to make available to perspective purchasers of any Lot, current copies of the Governing Documents and the most annual financial statement of the Association.

1.6. **Definitions.** Unless the context otherwise requires, all terms used in these Bylaws shall have the same meaning as are attributed to them in the Declaration and the Articles.

2. **MEMBERSHIP.**

2.1. **Qualification.** The qualification of Members, the manner of their admission to membership, changes in membership, and the termination of such membership, shall be as set forth in the Declaration and the Articles.

A. Every Owner of a Lot shall automatically become a Member of the Association. Membership is mandatory and shall be appurtenant to and may not be separated from ownership of any Lot.

B. Each Owner shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members and the one vote for each such Lot shall be exercised as they determine. In no event shall more than one vote be cast with respect to any one Lot, except as otherwise set forth in Section 2.3 below.

C. Each Owner shall be responsible for payment of all assessments charged by the Association as herein provided.

2.2. **Member Register.** The Secretary of the Association shall maintain a register in the office of the Association showing the names and addresses of the members of the Association. Each member shall at all times advise the Secretary of any change of address, of any change of ownership of the Member's Lot, and of any change in the number of Lots. The Association shall not be responsible for reflecting any changes until notified of such change in writing.

2.3. **Members Voting.** The Association shall have two classes of voting membership:

A. **Class A:** Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot. When title to a Lot is in a corporation, partnership, association, trust or other entity (with the exception of Declarant as long as Declarant is a Class B Member), such entity shall be subject to the specific applicable rules and regulations as contained in the Articles of Incorporation and Bylaws of the Association and such other rules and regulations as may be enacted by the Association from time to time.

B. **Class B:** The Class B Member shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership within ninety (90) days from the happening of either of the following events, whichever first occurs:

(iv) when the last Lot in The Estates is sold or transferred to a non-affiliated entity;

(v) when Class B membership is waived in writing by the Class B Member; or

(vi) ten (10) years following the conveyance of the first lot in The Estates.

2.4 Who may Attend. Any person entitled to cast the votes of the Member, and in the event any Lot is owned by more than one Person, all co-owners of the Lot may attend any meeting of the Members. However, the votes of any Member shall be cast in accordance with the provisions of Section 2.3 above. Any Person not expressly authorized to attend a meeting of the Members, as set forth above, may be excluded from any meeting of the Members, by the presiding officer of the meeting.

2.5. Place. All meetings of the Members shall be held at the principal office of the Association or at any other location as designated by the Board and stated in the notice of meeting.

2.6 Quorum Requirements. Except as set forth hereinafter or unless otherwise so provided, at any regular or special meeting of the Members, the presence in person of Members entitled to cast a majority of the votes of the entire membership at the time of such vote shall constitute a quorum. If any meeting of the Members cannot be organized because a quorum is not present, a majority of the votes of the Members present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of Members holding at least twenty-five percent (25%) of the votes of the entire membership. Such an adjourned meeting may be held without notice thereof as provided in subsection 2.7 below, provided that notice is given by announcement at the meeting at which such adjournment is taken. If, however, such an adjourned meeting is actually attended, in person or by proxy, by Members entitled to cast less than one-third (1/3) of the total votes of the membership, notwithstanding the presence of a quorum, no matter may be voted upon except such matters notice of the general nature of which was given pursuant to subsections 2.7 and 2.10 hereof. If a meeting of Members is adjourned for more than thirty (30) days from the originally scheduled meeting date, or if the Members adjourn a meeting without specifying a date for holding the adjourned meeting, the quorum and notice requirements for the holding of such adjourned meeting shall then be the same as the notice and quorum requirements prescribed for special meetings.

2.7 Notices. Written notice stating the location, day, and hour of any meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each Member not less than five (5) days nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, the Secretary, or the Officer or persons calling the meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting at which members of the Board are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at the Member's address as it appears on the records of the Association, unless such Member shall have filed a written request with the Secretary of the Association stating that notices to him or her be mailed to some other address. All notices shall be dated and shall be mailed to the Members as soon after the date of the notice as is practical. The date of the notice shall be the date used for the purposes of determining Members entitled to notice of, or to

vote at, any meeting of the Members of the Association, or in order to make a determination of the Members for any other purpose. The Board shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. If the Lot of a Member is owned by more than one person or by an entity, only one notice shall be required to be sent with respect to the Member, which shall be made to the person designated in the records of the Association. Notice to an Association shall be made to its Representative and, in the absence of a Representative, shall be sent to the Secretary of the Association.

2.8 Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of the Articles or these Bylaws, or as otherwise provided by law, a waiver in writing signed by the Person or Persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting except when the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

2.9. Annual Meeting. The annual meeting for the purpose of electing members of the Board and the transacting any other business shall be held at such time, on such day in such month, as shall be selected by the Board. If the Board fails to call the annual meeting by the end of the month established for the annual meeting, then within thirty (30) days after the written request of any Member, Officer or member of the Board of the Association, the Secretary shall call the annual meeting.

2.10. Special Meetings. Special meetings of the Members may be requested by written notice to the Secretary by any member of the Board, the President, or any Members having not less than ten percent (10%) of the votes of the entire membership, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notices of any special meeting shall be given in accordance with subsection 2.7 to all of the Members within thirty (30) days after a special meeting is duly requested.

2.11. Adjournments. Any meeting may be adjourned or continued by a majority of the votes presents at the meeting in person or by proxy, regardless of a quorum, or if no Member entitled to vote is present at a meeting, then any Officer of the Association may adjourn the meeting. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to Members not present at the original meeting, without giving notice to the Members who were present at such meeting.

2.12. Organization. At each meeting of the Members, the President, or in his or her absence the Vice President, shall act as chairman of the meeting. The Secretary, or in his or her absence

or inability to act, any person appointed by the chairman of the meeting shall act as Secretary of the meeting.

2.13. Minutes. The minutes of all meetings of the Members shall be kept in a book available for inspection by the Members or their authorized representatives, and the members of the Board, at any reasonable time.

2.14. Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the Members may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If the Lot(s) for which membership is established in the Association is owned by more than one Person or by an entity, the consent for such Lot(s) need only be signed by one Person who would be entitled to cast the vote(s) for the Lot(s).

3. **BOARD OF DIRECTORS**.

3.1. Number of Members of the Board.

3.1.1. The affairs of the Association shall be managed by a Board comprised of not less than three (3) nor more than nine (9) members. As long as the Developer is entitled to appoint all members of the Board pursuant to the Articles, the number of members of the Board will be determined, and may be changed from time to time, by the Developer by written notice to the Board. In the absence of such notification, there shall be three (3) members of the Board.

3.1.2. When the Developer is no longer entitled to appoint all members of the Board, the number of members of the Board shall be increased to at least five (5).

3.1.3. Notwithstanding the foregoing, in no event shall there be less than three (3) members of the Board, and the number of members of the Board shall always be an odd number. The Members shall not have the right to change the number of members of the Board as long as the Developer has the right to determine the number of members of the Board as set forth above.

3.1.4. Election of Members of the Board. Election of members of the Board to be elected by the Members of the Association shall be conducted in the following manner:

3.1.4.1. At any time after the Developer no longer has the right to appoint one or more members of the Board or upon the earlier voluntary relinquishment by the Developer of its right to appoint any or all members of the Board, the existing Board shall appoint a nominating committee composed of Members (or the representative of Community Association Member). The Board shall send a notice to all Members advising of the impending election of the members to the Board, the names and addresses of the members of the nominating committee, and the date the committee will make decisions concerning nominations for election to the Board, which date

shall be no less than fifteen (15) days after the date of the notice. Members may then submit names in writing of the proposed members of the Board to members of the nominating committee.

3.1.4.2. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or nonmembers as the committee in its discretion shall determine.

3.1.4.3. All elections to the Board shall be made by written ballot which shall:

- (a) Indicate the number of vacancies to a filled;
- (b) Set forth the names of those nominated by the nominating committee;
- (c) Contain a space for write-in vote by the Members; and
- (d) Contain a requirement that the Member must cast the same number of votes as the number of vacancies on the Board. For example, if the Member has one (1) vote and there are five (5) nominees and three (3) vacancies, the Member must vote for no more and no less than three (3) nominees or the ballot will not be counted. Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting). The Secretary shall include with the ballot a brief summary and description of each Person nominated by the Board.

3.1.5. Term of Office. On the first occasion that the Members, other than the Developer, have the opportunity to elect any members of the Board, the Members shall have the right to elect at least two (2) members of the Board. The term of office of the member of the Board receiving the highest number of votes shall be two (2) years and the term of office of the member of the Board receiving the next highest number of votes at such meeting shall be one (1) year. One (1) member of the Board shall hold office until the third annual meeting after his or her election, and the other member of the Board shall hold office until the second annual meeting after his or her election. Each member of the Board shall hold office until his or her successor has been elected or until his or her death, resignation, removal, or judicial adjudication of mental incompetence. Just prior to each annual meeting thereafter, new members of the Board shall be elected to fill vacancies created by the death, resignation, removal, judicial adjudication of mental incompetence, or expiration of the terms of past members of the Board and the term of each such member of the Board shall be two (2) years. On the first occasion that the Members, other than the Developer, have the opportunity to elect all members of the Board, the new members of the Board shall be elected to replace the members of the Board appointed by the Developer as provided in these Bylaws. The term of office of the two (2) members of the Board receiving the highest number of votes shall be two (2) years and the term of office of the other member of the Board shall be one (1) year. It is the intention of this provision to create staggered terms so that at least one-third (1/3) of the members of the Board shall be elected each year. The term of office of each member of the Board elected to fill a vacancy created by the expiration of the term of office of the respective past member of the Board shall be two (2) years. The term of office of each member of the Board elected or appointed to fill a vacancy created by the resignation, death or removal of his or her predecessor shall be the balance of the unserved term of his or her predecessor. Any person serving as a member of the Board may be re-elected, and

there shall be no limitation on the number of terms during which he or she may serve.

3.1.6 Organizational Meeting. The newly elected Board shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the members of the Board at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

3.1.7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the members of the Board.

3.1.8. Special Meetings. Special meetings of the Board may be called by any member of the Board, or by the President if not otherwise a member of the Board, at any time.

3.1.9. Board Action Without a Meeting. Any action required to be taken at a meeting of the members of the Board, or any action which may be taken at a meeting of the members of the Board, may be taken without a meeting if a consent in writing setting forth the action so to be taken is signed by all members of the Board and is filed in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote.

3.1.10. Notice of Meetings. Notice of meetings of the Board shall be given by the Secretary, or by any other officer or member of the Board, stating the day, location, and time of the meeting. Notice of such meeting shall be delivered to each member of the Board either personally or by telephone or telegraph, at least twenty-four (24) hours before the time at which such meeting is to be held, or by first-class mail, postage prepaid, at least three (3) days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any member of the Board who signs a waiver of notice either before or after the meeting. Attendance of a member of the Board at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place, the time or the manner in which the meeting has been called or convened, except when a member of the Board states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any notice or waiver of notice of such meeting.

3.1.11. Attendance at Board Meetings. All meetings of the Board shall be open to all Members. A member of the Board may appear at a Board meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the members of the Board and any Members present as in an open meeting.

3.1.12. Quorum and Manner of Acting. A majority of the Board shall constitute a quorum for the transaction of any business at a meeting of the Board. The act of the majority of the members of the Board present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number of members of the Board is required by statute or the Governing Documents.

3.1.13. Adjourned Meetings. A majority of the members of the Board present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board to another location and time. Notice of any such adjourned meeting shall be given to the members of the Board who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other members of the Board. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

3.1.14. Presiding Officer. The presiding officer of the meetings of the Board shall be the Chairman of the Board if such an officer is elected; and if none, the President of the Association shall preside if the President is a member of the Board. In the absence of the presiding officer, the member of the Board shall designate one of their members to preside.

3.1.15. Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book available for inspection by the Members or members of the Board.

3.1.16. Committees. The Board may by resolution appoint committees. Any committee may exercise such powers, duties, and functions as may be determined by the Board which may include any powers which may be exercised by the Board.

3.1.17. Resignation. Any member of the Board may resign at any time by giving written notice of his or her resignation to the Secretary. Any resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

3.1.18. Removal of Members of the Board. Members of the Board may be removed as follows:

3.1.18.1 Any member of the Board other than a member appointed by the Developer may be removed by majority vote of the remaining members of the Board if such member has been absent for the last three consecutive Board meetings and/or adjournments and continuances of such meetings.

3.1.18.2 Any member of the Board other than a member appointed by the Developer may be removed with or without cause by a majority of the votes the Members cast at a special meeting of the Members called by Members having not less than twenty-five percent (25%) of the votes of the entire membership expressly for that purpose. The vacancy on the Board caused by any such removal may be filled by the Members at such meeting, or, if the Members shall fail to fill such vacancy, by the Board as in the case of any other vacancy on the Board.

3.1.19. Vacancies. Vacancies on the Board of any member of the Board appointed by the Developer shall be filled by appointment by the Developer. Unless the vacancy is filled by the Members in accordance with subsection 5.16.2, vacancies on the Board of any member of the Board elected by Members may be filled by a majority vote of the members of the Board then in

office, though less than a quorum, or by a sole remaining member of the Board. If there are no members of the Board in office, then a special election meeting of the Members shall be called to elect the members of the Board to fill the vacancies.

3.1.20. Members of the Board Appointed by the Developer. Notwithstanding anything contained herein to the contrary, the Developer shall always have the right to appoint the maximum number of members of the Board in accordance with the privileges granted to the Developer pursuant to the Articles. All members of the Board appointed by the Developer shall serve at the pleasure of the Developer, and the Developer shall have the absolute right, at any time, and in its sole discretion, to remove any member of the Board appointed by it, and to replace such member with another person to serve on the Board. Replacement of any member of the Board appointed by the Developer shall be made by written notice to the Association which shall specify the name of the person designated as successor member of the Board. The removal of any member of the Board and the designation of his or her successor by the Developer shall become effective immediately upon delivery of such written notice by the Developer. The Developer may waive its right to appoint one or more members of the Board which it has the right to appoint at any time upon written notice to the Association, and thereafter such member(s) of the Board shall be elected by the Members.

3.1.21. Compensation. The Board shall not be entitled to any compensation unless the Members elect to pay them compensation and set the amount of such compensation at any meeting of the Members.

3.1.22. Power and Duties. The Board shall have the right to exercise all of the powers and duties of the Association, express or implied, existing under these Bylaws, the Articles, the Declaration, or as otherwise provided by statute or law. Such powers and duties of the Board shall include without limitation (except as limited elsewhere herein), the following:

3.1.22.1 The operation, care, upkeep and maintenance of the Common Areas, and any other portion of The Estates determined to be maintained by the Association.

3.1.22.2 The determination of the expenses required for the operation of the Association.

3.1.22.3. The collection of Assessments for Common Expenses from Members required to pay same.

3.1.22.4 The employment and dismissal of personnel.

3.1.22.5 The adoption and amendment of Rules and Regulations covering the details of the operation and use of property owned and/or maintained by the Association.

3.1.22.6 Maintaining bank accounts on behalf of the Association and designating signatories required thereof.

3.1.22.7. Obtaining and reviewing insurance for property owned and/or maintained by the Association.

3.1.22.8. The making of repairs, additions, and improvements to, or alterations of, property owned and/or maintained by the Association.

3.1.22.9. Borrowing money on behalf of the Association, provided, however, that the consent of the Members having at least two-thirds (2//3) of the votes of the entire membership, obtained at a meeting duly called and held for such purpose in accordance with provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$25,000 per occurrence.

3.1.22.10 Contracting for the management and maintenance of property owned and/or maintained by the Association. Authorizing a management agent or company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the Common Areas with such funds as shall be made available by the Association for such purposes. The Association and its Officers shall, however, retain at all times the power and duties granted by all Governing Documents, including but not limited to, the making of Assessments, promulgation of rules, and execution of contracts on behalf of the Association.

3.1.22.11 Exercising all powers specifically set forth in the Governing Documents and as otherwise provided by statute or law and all powers incidental thereto or implied there from.

3.1.22.12. Collecting delinquent Assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages from the Members and/or Owners for violations of these Bylaws and the terms and conditions of the Declaration or of the Rules and Regulations of the Association.

4. **TAXES AND INSURANCE.**

4.1 **Taxes.** The Association shall pay all real and personal property taxes and assessments for any property owned or maintained by the Association as a Common Expense.

4.2. **Insurance.** The Association may, in its discretion, purchase insurance as a Common Expense as follows:

4.2.1. **Hazard Insurance.** Hazard Insurance protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement and all other perils customarily covered for similar types of projects, including those covered by the standard all-risk endorsement, covering one hundred percent (100%) of the current replacement costs of all Common Areas and property owned by the Association, excluding land, foundations, excavations, and other items normally excluded from insurance coverage. The Association shall

not use hazard insurance proceeds for any purpose other than repair, replacement, or reconstruction of any damage or destroyed property without the approval of the Board.

4.2.2. Liability Insurance. Comprehensive General Liability Insurance protecting the Association from claims for bodily injury, death, or property damage providing for coverage of one million dollars (\$1,000,000) for any single occurrence and five million dollars (\$5,000,000) in the aggregate, or in such amounts as the Board, in its sole discretion, deems reasonable and necessary. If the Association is not able to obtain such insurance in the amounts stated, the Board shall obtain insurance in such lesser amounts as can be obtained.

4.2.3. Fidelity bonds. Blanket Fidelity Bonds for anyone who handles or is responsible for funds held or administered by the Association, covering the maximum funds that could reasonably be in the custody and control of the Association or any managing agent.

4.2.4. Officers and Directors Insurance. Officer and Director liability insurance and liability insurance for members of committees and boards appointed by the Board, if available, and for Members of the Association, if available, as shall be determined by Board to be required or beneficial for the protection of the Members of the Board, the officers of the Association, the members of committees and boards appointed by the Board, and the Members of the Association.

4.2.5. Other Insurance. Such other forms of insurance and coverages and in such amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Common Areas and any improvements now or hereafter located thereon or in the best interests of the Association.

4.2.6. Cancellation Notice. To the extent possible, all insurance purchased by the Association must include a provision requiring as much advance written notice as is possible to the Association before the insurance can be canceled or the coverage reduced for any reason.

4.2.7. Deductible. Any deductible or exclusion under the policies shall be a Common Expense and shall be approved by the Board.

5. INDEMNIFICATION.

5.1 Indemnification of Officers, Members of the Board or Agents. The Association shall indemnify any Person who was or is a party or is threatened to be made a party, to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a member of the Board, employee, Officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association; and, with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe his or her conduct was unlawful; or matter as to which such

Person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in performance of his or her duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the Person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association; and with respect to any criminal action or proceeding, that he or she had no reasonable cause to believe that his or her conduct was unlawful.

5.1.1. To the extent that a member of the Board, officer, employee, or agent of the Association is entitled to indemnification by the Association in accordance with this Section 5, he or she shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

5.1.2. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of any undertaking by or on behalf of the member of the Board, Officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article.

5.1.3. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of Members, or otherwise. As to action taken in an official capacity while holding office, the indemnification provided by this Article shall continue as to a Person who has ceased to be a member of the Board, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a Person.

5.1.4. The Association shall have the power to purchase and maintain insurance on behalf of any Person who is or was a member of the Board, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a member of the Board, Officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, as arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

6. **OFFICERS.**

6.1. **Positions and Qualifications.** The Officers of the Association shall include a President, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected by the Board and may be preemptively removed from office with or without cause by vote of the Board at any meeting by concurrence of a majority of the members of the Board. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be

appropriate to manage the affairs of the Association. Each Officer shall hold office until his or her successor shall have been elected, qualified, or until his or her death, resignation, or removal.

6.2. Resignation. Any officer of the Association may resign at any time by giving written notice of his or her resignation to any member of the Board, the President, or the Secretary. Any resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.3. Vacancies. A vacancy in any office, whether arising from death, resignation, removal, or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these Bylaws for the regular election or appointment of such office.

6.4. The President. The President shall be the chief executive officer of the Association. He or she shall have all of the powers and duties which are usually vested in the office of the president of an association or corporation including, but not limited to, the power to appoint committees to assist in the conduct of the affairs of the Association.

6.5. The Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He or she shall also assist the President generally and exercise such other powers and perform such other duties as may be prescribed by the Board.

6.6. The Secretary. The Secretary shall be responsible for preparing and keeping the minutes of all proceedings of the Board and the Members. He or she shall be responsible for attending to the giving and serving of all notices to the Members and the members of the Board and other notices required by law. He or she shall have custody of the seal of the Association and affix the same to instruments requiring a seal. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform or direct performance of all other duties incident to the office of Secretary of the Association, and as may be required by the Board or the President.

6.7. The Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of the indebtedness. He or she shall oversee the keeping of books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. He or she shall cause a Treasurer's Report to be submitted to the Board at reasonable intervals and shall perform or cause to be performed all other duties incident to the office of Treasurer. He or she shall collect, or direct collection of, all Assessments and shall report promptly to the Board the status of collections.

6.8. Compensation. The Officers of the Association shall not be entitled to compensation unless the Board specifically votes to compensate them. However, neither this provision, nor the provision that members of the Board will not be compensated unless otherwise determined by the Members, shall preclude the Board from employing a member of the Board or an Officer as an employee, of the Association and compensating such employee, nor shall they preclude the

Association from contracting with a member of the Board for the management of the Common Areas or any portion thereof, or for the provision of services to the Association, including, but not limited to, engineering, architectural, planning, landscape planning, accounting or legal services, and in either such event to pay such member of the Board a reasonable fee for such management or provision of services.

7. FINANCES AND ASSESSMENTS.

7.1. Adoption of the Budget.

7.1.1. By November 30th of each year, or as soon thereafter as is reasonably possible, the Board shall adopt a budget for the next fiscal year, necessary to defray the Common Expenses of the Association for such fiscal year as set out in the Declaration. The Common Expenses of the Association shall include all expenses of any kind or nature whatsoever anticipated to be incurred, by the Association for the next fiscal year. In the event the Board fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

7.1.2. If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the Common Expenses of the Association for the fiscal year in which the adopted budget applies, the Board may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

7.2. Assessments and Assessment Roll.

7.2.1. Pursuant to the terms of the Declaration, the Board shall fix and determine the amount and frequency of the Members' Assessments for Common Expenses. Such Assessments shall be due not more frequently than monthly and shall each be in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Any Periodic Assessments for Common Expenses, whether quarterly, monthly, or otherwise, shall be equal unless the Board determines unequal Assessments are required to provide funds in advance for the expenses of the Association. As soon as practicable after the determination of the Assessments for Common Expenses, the Association shall notify each Member, in writing, of the amount, frequency and due date of such Members' Assessments, provided, however, that no Assessments shall be due in less than ten (10) days from the date of such notification.

7.2.2. In the event the expenditure of funds by the Association is required that cannot be paid from the Assessments for Common Expenses, the Board may make Special Assessments in the manner as set out in the Declaration.

7.2.3. The Association shall maintain an Assessment roll for each Member, designating the name and current mailing address of the Member, the amount of each Assessment payable by such Member, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the Member, and the balance due.

7.3. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, members of the Board or other persons as may be designated by the Board.

7.4. Application of Payments and Commingling of Funds. All sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board. Reserve Funds shall be deposited in separate interest bearing accounts.

8. **PARLIMENTARY RULES**. Roberts' Rules of Order (latest edition) shall govern the conduct of the meetings of Members when not in conflict with the Governing Documents.

9. **AMENDMENTS**.

9.1. Initiation. A resolution to amend these Bylaws may be proposed by any member of the Board, or by Members holding not less than ten percent (10%) of the votes of the entire membership of the Association.

9.2. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

9.3. Adoption of Amendments.

9.3.1. As long as the Developer appoints a majority of the members of the Board, the Developer shall have the right to unilaterally amend these Bylaws without the joinder or approval of any member of the Board or any Member. No amendment to these Bylaws shall be effective without the written approval of the Developer as long as the Developer owns any portion of the Property.

9.3.2. A resolution for the adoption of the proposed amendment shall be adopted by Members having not less than a majority of the votes of the entire membership of the Association.

9.4. No amendment shall make any changes in the qualification for membership nor the voting rights or property rights of Members without approval by all of the Members. As long as the Developer owns any portion of the Property, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers, or options herein provided in favor of, or reserved to, the Developer, unless the Developer shall join in the execution of the amendment.

9.5. Execution and Recording. No modification of, or amendment to, these Bylaws shall be valid unless recorded in the Public Records of Okaloosa County, Florida.

10. **RULES AND REGULATIONS.** The Board may, from time to time, adopt or amend previously adopted Rules and Regulations concerning the use of the Common Areas and concerning the use, operation, and maintenance of other portions of the Property in order to further implement and carry out the intent of the Governing Documents. The Board shall make available to any Member, upon request, a copy of the Rules and Regulations adopted from time by the Board.

11. **MISCELLANEOUS.**

11.1. **Tenses and Genders.** The use of any gender or of any tense in these Bylaws shall refer to all genders or to all tenses, wherever the context so requires.

11.2. **Partial invalidity.** Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

11.3. **Conflicts.** In the event of any conflict, any applicable Florida statute, the Declaration, Articles and Bylaws, and the Rules and Regulations of the Association shall govern, in that order.

11.4. **Captions.** Captions are inserted herein only as a matter of convenience and for reference and in no way are intended to and shall define, limit or describe the scope of these Bylaws or the intent of any provisions hereof.

11.5. **Waiver of Objections.** The failure of the Board or any Officers of the Association to comply with any terms and provisions of the Governing Documents which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such defect shall be waived if it is not objected to by a Member within thirty (30) days after the Member is notified or becomes aware of the defect. Furthermore, if such defect occurs at a general or special meeting, the defect shall be waived as to all Members who received notice of the meeting and failed to object to such defect at the meeting.