

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

STONECHASE PHASE 1

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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR STONECHASE PHASE 1**

STATE OF FLORIDA
COUNTY OF SANTA ROSA

This Declaration of Covenants, Conditions, Restrictions and Easements for Stonechase Phase 1, is made this 17th day of October, 2009, by Pace Properties LLC, a Florida limited liability company ("Declarant").

WITNESSETH:

Whereas, Declarant is the owner of all the property shown on the Exhibit "A" attached hereto and incorporated herein by reference, which will be developed as Stonechase Phase 1, in Santa Rosa County, Florida;

Whereas, Declarant may develop additional phases of Stonechase and upon completion of each phase may subject such phase to this Declaration of Covenants, Conditions, Restrictions and Easements by recording an amendment in the public records; and

Whereas, the Lots within Stonechase Phase 1 will be used for single-family dwellings. The utility easements within Stonechase Phase 1 will be used by the various utility providers to furnish services to the neighborhood. The common areas and recreation areas within Stonechase Phase 1, including, but not limited to, the rights of way identified on the Plat as Stonechase Boulevard, Dunridge Drive, Wych Elm Drive, Laurel Creek Drive and Augustine Drive, will be transferred to a non-profit Florida corporation formed or to be formed by Declarant, which corporation will own such areas for the benefit of the homeowners in Stonechase Phase 1.

NOW THEREFORE, Declarant hereby establishes this Declaration of Covenants, Conditions, Restrictions and Easements for Stonechase Phase 1, which will run with the land and be binding on and inure to the benefit of every owner of property within Stonechase Phase 1.

**ARTICLE I
DEFINITIONS**

The following definitions apply wherever the capitalized terms appear in this Declaration. Both the singular and plural version of the defined term shall be deemed to be included. By way of example, "Lots" shall be the plural of the defined term "Lot." Additional terms also may be defined the first time they appear.

1.1 "Additional Property" shall mean and refer to that certain property described in the attached Exhibit "B." Declarant intends to develop the Additional Property as additional

phases to Stonechase and to annex such phases as set forth in Paragraph 2.2, below. Declarant is not required to so develop the Additional Property in any manner.

1.2 "Arrowhead Lot" means those lots indicated as Arrowhead Lots on the attached Exhibit "C."

1.3 "Articles" means the Articles of Incorporation of the Association, filed with the Secretary of State of Florida, as amended from time to time.

1.4 "Assessments" means, collectively, the following charges:

(a) "General Assessment" means the amount charged to each Member to meet the Association's annual budgeted expenses.

(b) "Individual Lot Assessment" means the amount charged to a Member's individual Lot for any charges particular to that Lot.

(c) "Special Assessment" means a charge to each Member for capital improvements or emergency expenses.

1.5 "Association" means the Stonechase Homeowners' Association, Inc., a Florida non-profit corporation, its successors and assigns, formed or to be formed by Declarant.

1.6 "Board" means the Board of Directors of the Association.

1.7 "Bylaws" means the Bylaws of the Association.

1.8 "Common Property" means those tracts of land that are (i) deeded to the Association and designated in the deed as Common Property, or (ii) labeled as a Common Area, or a Recreation Area (such as a "Park") on the Plat. The term "Common Property" also means any personal property appurtenant to any real property owned by the Association or acquired by the Association if the personal property is designated as such in the bill of sale or other instrument conveying it. "Common Property" does not mean any area that is (i) dedicated in the plat to the county or municipal government or other party other than the Association, or (ii) sold or dedicated to the Association. In the event any property serves, is used by or benefits the Owners of Lots in Stonechase Phase 1, upon the tender of a deed to such property by Declarant or Declarant's successors or assigns, the Association shall accept delivery of such deed.

1.9 "Declarant" means Pace Properties LLC, a Florida limited liability company, its successors and assigns. Declarant also may be an Owner. The various rights of Declarant under this Declaration may be separated and assigned to different parties and, if so assigned, each assignee will be considered "Declarant" as to the specific rights so assigned. Declarant may collaterally assign its rights as Declarant by mortgage or other instrument, and such assignees may elect to either exercise the assigned rights or designate another party to exercise such rights if such assignees succeed to Declarant's interest in Stonechase Phase 1 or any portion thereof.

The deed of one or more lots in Stonechase Phase I, without a specific assignment, shall not constitute an assignment of any of the rights reserved to Declarant in this Declaration.

1.10 "Declaration" means this Declaration of Covenants, Conditions, Restrictions, and Easements for Stonechase Phase I and all supplements and amendments to this Declaration.

1.11 "Drainage System" means all drainage rights of way, lakes, ponds, water management tracts, drainage facilities, conservation districts, conservation areas, buffer zones, swales, conduits, weirs, pipes, pumps and berms which may be shown on the Plat or the construction plans of Stonechase Phase I, which plans may be viewed or obtained from the Santa Rosa County Planning and Engineering Departments or from Declarant. The "Drainage System" also means a system that is designed and constructed or implemented to control discharges necessitated by rainfall events, incorporating methods to (i) collect, convey, store, absorb, inhibit, treat, use, or reuse water; or (ii) prevent or reduce flooding, over drainage, environmental degradation, and water pollution, or otherwise affect the quantity and quality of discharge from the system as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42 of the Florida Administrative Code.

1.12 "Blackstone Lot" means those lots indicated as Blackstone Lots on the attached Exhibit "C."

1.13 "Deer Pointe Lot" means those lots indicated as Deer Pointe Lots on the attached Exhibit "C."

1.14 "Lot" means any lot shown on a Plat along with any improvements constructed on the Lot.

1.15 "Member" means a member of the Association. Each Owner is also a Member. There are two classes of Members.

1.16 "Mortgagee" means any institutional lender that holds a bona fide mortgage encumbering a Lot. The term "institutional lender" specifically includes, but is not limited to, a bank, a savings and loan association, a mortgage lending company, an insurance company, a credit union, and the Federal National Mortgage Association or similar agency.

1.17 "Owner" means the record owner, whether that be one or more persons or entities, of (i) the fee simple title to any Lot, or (ii) a life estate in any Lot. "Owner" does not mean a Mortgagee.

1.18 "Plat" means the plat of Stonechase Phase I and the plats of any additional land annexed to and made part of Stonechase Phase I, from time to time.

1.19 "Principal Builders" means Celebrity Home Builders, LLC, a Florida limited liability company and CHB of Northwest Florida, Inc., a Florida corporation, doing business as Paragon Custom Home Group, their successors and assigns.

1.20 "Public Records" means and refers to the Official Public Records of Santa Rosa County, Florida.

1.21 "Subdivision" refers to Stonechase Phase 1, the plat of which is recorded in the public records of Santa Rosa County, Florida, at the plat book and page set forth above, and to any land later made subject to this Declaration, from time to time.

**ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION**

This article describes the real property of which Stonechase Phase 1 will initially be comprised, and provides the method by which additional property may be added.

2.1 Initial Property. The property initially subject to this Declaration consists of the Property shown on the Plat, less and except any and all portions dedicated to the public on any Plat.

2.2 Annexation of Additional Property.

(a) Parties Authorized to Annex Property. Additional property (including, without limitation, the Additional Property) may be annexed by the following parties:

(i) By Declarant. Unless waived by recorded instrument, Declarant will have the right, but not the obligation, from time to time in its sole discretion, to annex any property to Stonechase Phase 1, if such property is adjacent to or abuts: any property shown on the Plat, or any property which is adjacent to or abuts any property previously annexed to Stonechase Phase 1, including, without limitation, the Additional Property. In determining whether the property to be annexed is adjacent to or abuts the property shown on the Plat, Declarant may disregard any roads that are situated between the property shown on the Plat and the property to be annexed.

(ii) By Association. Additional property may be annexed to Stonechase Phase 1 by the Association, but only after the termination of the Class B Membership.

(b) Procedure. The party effecting the annexation shall record a Supplemental Declaration in the Public Records. The Supplemental Declaration shall be executed by either Declarant, its assigns, or the president of the Association. The Supplemental Declaration shall contain the legal description of the property being annexed. The Supplemental Declaration may contain special provisions applicable to the property being annexed. These special provisions may limit the applicability of specific covenants, restrictions, and easements contained in this Declaration to the annexed property or may impose additional or different covenants, conditions, or restrictions to reflect the different character of the property being annexed. The party making

the Supplemental Declaration will have sole discretion to determine the special provisions to be contained in the Supplemental Declaration; however, no special provisions may be included that exempt the owners of the property being annexed from equitably sharing in common expense; provided, however, that exemptions which exempt Declarant, its successors or assigns from assessments are allowed so long as the exemption is not expended beyond the exemptions contained in this Declaration. Upon recording the Supplemental Declaration, the annexed property will become part of Stonechase.

**ARTICLE III
USE OF PROPERTY; ARCHITECTURAL REVIEW AND
CONSTRUCTION REQUIREMENTS**

To ensure that the homes and accessory buildings within the neighborhood are harmonious, Declarant will create an Architectural Review Committee to approve all construction. Although certain requirements are specified herein, the Architectural Review Committee will not be limited to the specific requirements but rather will have broad discretion.

3.1 Architectural Review Committee.

(a) Composition. The Architectural Review Committee will consist of a single person or a committee of persons selected by Declarant. Declarant may temporarily delegate this right to appoint members or may assign this right by written instrument recorded in the Public Records. Members of the Architectural Review Committee will serve at the pleasure of the entity entitled to select the members and may be replaced at any time. If Declarant (or assignee) fails to appoint at least one person to the Architectural Review Committee and such vacancy continues for thirty (30) days after the Association gives written notice to Declarant (or assignee) of such vacancy, the Association will have the right to appoint the members of the Architectural Review Committee until such time as Declarant (or assignee) exercises its right of appointment. Meetings of the Architectural Review Committee will be held in accordance with §720.303, Florida Statutes, as amended.

(b) Professional Advisor. The Architectural Review Committee may employ one or more architects or land planners to advise the Architectural Review Committee. Each advisor may sit on the Architectural Review Committee as either a voting or nonvoting member, at the discretion of the other members of the Architectural Review Committee. At the discretion of the Architectural Review Committee, the advisor may be paid a reasonable fee derived from application fees or payable by the Association from the General Assessment.

3.2 Architectural Review Procedure.

(a) Construction Subject to Review. All construction, improvements, remodeling, or modification on or to a Lot, except interior alterations not affecting the external appearance of the Lot or improvements on a Lot, must be approved in advance by the Architectural Review Committee. This specifically includes, but is not limited to, painting or

other alteration of a building (including doors, windows, and trim); replacement of roof or other parts of a building other than with duplicates of the original material; installation of antennas, satellite dishes or receivers, solar panels, or other devices; construction of fountains, swimming pools, whirlpools, or other pools; construction of privacy walls or other fences or gates; addition of awnings, flower boxes, shelves, statues, or other outdoor ornamentation; addition of window coverings, installation of a well; and initial landscaping and any material alteration of landscaping. This right is general and is not limited to the specific items listed in this paragraph or in Paragraph 3.4. Construction effected by or on behalf of Declarant will not be subject to approval by the Architectural Review Committee. Notwithstanding anything to the contrary, the Principal Builders will not be subject to approval by the Architectural Review Committee.

(b) Application. The plans to be submitted for approval shall include (i) the construction plans and specifications, including all proposed clearing and landscaping; (ii) elevations of all proposed improvements; (iii) a lot survey showing current improvements; and (iv) such other items as the Architectural Review Committee requires. No construction on any Lot shall be commenced and no Lot shall be modified except in accordance with the submitted plans. Any modification to the approved plans must also be reviewed and approved by the Architectural Review Committee. The Architectural Review Committee may enact additional guidelines to supplement or modify the provisions set forth herein (the "Architectural Guidelines"). When such guidelines are enacted, they shall have the same authority as if included specifically herein. If any part of this Declaration conflicts with the Architectural Guidelines, the Declaration shall control. The Architectural Review Committee has the exclusive authority to amend the Architectural Guidelines by a majority vote of the members of the Architectural Review Committee.

(c) Basis for Decision. The Architectural Review Committee, in making its decisions, may consider purely aesthetic matters that in the sole opinion of the Architectural Review Committee will affect the desirability or suitability of the construction. The Architectural Review Committee will not be limited to the specific restrictions and requirements of this Article in making its decision.

(d) Application Fee; Deposit. The Architectural Review Committee may establish procedures for the review of applications, and impose a reasonable fee to be paid by the applicant. The Architectural Review Committee also may require an applicant to post a security deposit to ensure that all work is affected only in accordance with approved plans. The Architectural Review Committee may retain the security deposit until all work has been completed in accordance with the approved plans.

(e) Notification of Approval. The Architectural Review Committee must notify an applicant in writing of its decision within sixty (60) days following written acknowledgment that the Architectural Review Committee has received a complete application. If approval or disapproval is not given within sixty (60) days after the acknowledgment of submission of a completed application, the application will be deemed approved unless the applicant agrees to an extension, provided, however, that the running of the sixty (60) day period shall not commence until the application is deemed complete by the Architectural Review

Committee and the Architectural Review Committee has acknowledged in writing its completion.

(f) Enforcement. If any construction or modification is undertaken that has not been approved or that deviates substantially from the approved plans, Declarant or the party delegated or assigned Declarant's right to appoint the Architectural Review Committee, may bring an action for specific performance, declaratory decree, or injunction, and will be entitled to recover all costs of such action including attorney fees at trial or on appeal. Any such action also shall determine entitlement to any retained security deposit. At such time as Declarant (and its affiliates, including, without limitation, the Principal Builders) owns no Lots within the Subdivision, each Owner will have the right to enforce these provisions. The failure to strictly enforce these provisions as to a particular violation or violations will not be deemed a waiver to enforce these provisions as to future or continuing violations.

3.3 Liability. The Architectural Review Committee, Declarant and the Association will not be liable to the applicant or to any other party to ensure that the proposed plans comply with any applicable building codes, for inadequacy or deficiency in the plans resulting in defects in the improvements, for drainage problems resulting from construction of improvements, to ensure the construction was done in accordance with the plans or to ensure the construction was done in accordance with the Declaration or the Architectural Guidelines. In the event any action, proceeding or claim is made or brought against the Architectural Review Committee, the Association shall indemnify, hold harmless and defend the members of the Architectural Review Committee against such action, proceeding or claim.

3.4 Specific Restrictions. The following restrictions shall apply to the Lots; however, the Architectural Review Committee will not be limited to these items when reviewing plans and will have broad discretion in the interpretation of these restrictions. In the event of a violation of these restrictions, the Architectural Review Committee shall have the right to impose a fine for each day the violation exists. The Architectural Review Committee may, in its sole and absolute discretion, waive in writing violations of any of the provisions of this Section 3.4, and/or grant deviations or variances. However, the waiver of a particular violation or violations will not be deemed a waiver to enforce these provisions as to future or continuing violations.

(a) Residential Building. No structure may be erected, placed or permitted to remain on any Lot other than one single-family dwelling, a garage and a swimming pool or a detached structure. No detached structure may be constructed prior to the completion of the construction of the primary structure.

(b) Building Restriction Lines. No dwelling shall be located nearer to the streets or adjacent Lots than the applicable building setback requirements on the applicable Plat. Waiver of the fixed setback requirements is hereby granted for unintentional violations that do not exceed ten percent (10%) of the setback distance in question. In the event of any controversy between setbacks as shown on the Plat or as stated in other covenants, the Plat shall have control over these covenants. All setbacks and variances shall be in accordance with the rules and regulations as set forth by Santa Rosa County, Florida.

(c) **Minimum Floor Space; Roof Pitch; Base Height.** Each dwelling located on an Arrowhead Lot must contain at least 1250 square feet of living space. Each dwelling located on a Deer Pointe Lot must contain at least 1800 square feet of living space. Each dwelling located on a Blackstone Lot must contain at least 2500 square feet of living space. "Living space" means only enclosed livable floor area and does not include garages, porches (open or with screened enclosures), terraces or patios. Additionally:

(i) Each dwelling constructed on a Blackstone Lot shall have a foundation of not less than three (3) blocks in height, have base walls of not less than nine (9) feet in height and have a minimum pitch of a 7 inch rise for each 12 inch run.

(ii) Each dwelling constructed on an Arrowhead Lot shall have a minimum roof pitch of a 6 inch rise for each 12 inch run.

(iii) Each dwelling constructed on a Deer Pointe Lot shall have a minimum roof pitch of a 6 inch rise for each 12 inch run.

(d) **Driveways.** All Lots must have a paved driveway of stable and permanent construction extending from the adjacent street to the dwelling. All driveways must be concrete or other material approved by the Architectural Review Committee.

(e) **Pools, Play Facilities, and Lighting.** All recreation facilities constructed or erected on a Lot, including, without limitation, swimming pools and any other play or recreation structures, basketball backboards, platforms, playhouses, dog houses, or other structures of a similar kind or nature must be adequately walled, fenced, or landscaped so as not to be visible from a street. No above ground pools shall be allowed.

(f) **Garage.** Unless otherwise specifically approved by the Architectural Review Committee, no building may be constructed separate and apart from the dwelling and each dwelling must have an enclosed garage to accommodate at least two and not more than three cars. No carports will be permitted. Without prior written approval of the Architectural Review Committee, no garage may be enclosed permanently or converted to another use without the substitution of another garage on the Lot meeting the requirements of this Declaration and the approval of the Architectural Review Committee.

(g) **Exterior Color and Materials.** The color and materials of all exterior surfaces will be subject to approval of the Architectural Review Committee. The Architectural Review Committee may promulgate a list of approved colors and materials for this purpose. This restriction includes window tints and films. Each Owner shall at all times maintain the exterior of all structures on the Owner's Lot, any and all fixtures attached thereto, and landscaping in an attractive manner, as provided in the Architectural Guidelines, if Architectural Guidelines have been enacted.

(h) Non-Interference with Easements. No structure, planting, or other material may be placed or permitted to remain on a Lot if it may damage or interfere with the installation and maintenance of any entry way, hedge, planting, tree, grass, fence or other improvement or landscaping located within the Common Property. Any easement area located on a Lot and all improvements on an easement area shall be maintained by the Owner of the Lot whereon the easement area lies, except for those easement areas the maintenance of which is the responsibility of a public authority, utility, or the Association. In any event, an Owner may not interfere with the maintenance of an easement area on the Owner's Lot by the party responsible for maintaining the same. This provision may be enforced by any person or party benefiting from the easement or responsible for the maintenance of them.

(i) Utility Connections. Connections for all utilities, including, but not limited to, water, sewage, electricity, telephone, and television must be run underground from the connecting point therefrom to the dwelling in such a manner as is acceptable to the respective utility authority or company. Wells may be installed only for irrigation purposes with approval from the Architectural Review Committee.

(j) Air Conditioning Units. No window or through-the-wall air conditioning unit will be permitted on any Lot.

(k) Mailboxes. All mailboxes, paper boxes, or other receptacles of any kind for use in the delivery of mail, newspapers, magazines, or similar material shall be erected or permitted in only the location approved by the Architectural Review Committee and must be constructed according to a size, design and material approved by the Architectural Review Committee.

(l) Antennae, Aerials, and Satellite Dishes. No antennae or aerial may be placed on any Lot or affixed to the exterior of any building, and no antennae or aerial placed or affixed within a building may extend or protrude beyond the exterior of such building or in any way be visible from outside the building. Under no circumstances shall any satellite dish exceed 39 inches in diameter. Satellite dishes may only be affixed to the rear of a home and must not be visible from the street in front of the building.

(m) Clothes Drying Area. No clotheslines or other facilities or apparatus for the drying of clothes outside of a dwelling shall be constructed or maintained on a Lot if viewable from other Lots, Common Property or adjacent roads.

(n) Signs. No sign of any kind shall be displayed to general view on any Lot (whether freestanding, attached to a Building, or displayed in a window) except under any of the following circumstances:

(i) Directional or traffic signs and entrance or other identification signs may be installed by or with the consent of the appropriate governmental authority, by Declarant, or by the Board;

(ii) Declarant and Principal Builders may display signs for the sale of Lots, homes and promotion of the Subdivision;

(iii) One "For Sale" sign not more than two square feet (as measured on each side of the sign) may be displayed on a Lot by the Owner or the agent for such owner; and

Notwithstanding the foregoing, as long as Declarant, its successors or assigns, and the Principal Builders, their successors and assigns, own a Lot in the Subdivision, it shall have the absolute right to whatever signage within the Subdivision it deems suitable in its sole discretion.

(o) Fences. No fences may be erected on any Lot without prior written approval of the Architectural Review Committee. All fences, hedges, walls or the like constructed upon any Lot shall comply with Santa Rosa County regulations. As a general guideline all fences shall be of pressure-treated wood and six feet in height. Fences shall remain natural in color. The rear Lot line shall be defined as being approximately parallel to the rear corners of the home and perpendicular to the boundary of the side Lot lines.

(i) Blackstone Lots and Deer Pointe Lots: On Blackstone Lots and Deer Pointe Lots, unless otherwise approved by the Architectural Review Committee, no fence may be constructed and no hedge planted closer to the street than twenty (20) feet behind or to the rear of the front face of the front corner of the dwelling (excluding garage) located on a Lot, or if a corner Lot, nearer to the side street than the building setback required from the side street. This restriction does not apply to any growing hedge that does not exceed three feet in height.

(ii) Arrowhead Lots: On Arrowhead Lots, unless otherwise approved by the Architectural Review Committee, no fence may be constructed and no hedge planted closer to the street than the rear corners of the home, excluding covered patio, or if a corner Lot, nearer to the side street than the building setback required from the side street.

(p) Temporary Structures. No structure of a temporary nature, whether a trailer, tent, shack, garage, barn, or any other such building, is permitted on a Lot, nor shall any building that is unfinished on the exterior be occupied.

(q) Completion of Construction and Repairs. Other than original new home construction, all construction of improvements of a Lot and the construction, repair, or remodeling of any improvement must be completed within four (4) months after commencement. All waste shall be contained during construction and any debris that becomes scattered shall be picked up and disposed of immediately by the person or company performing the construction.

(r) Sales Offices. Notwithstanding anything in this Declaration to the contrary, Declarant, Principal Builders, and any other parties approved by Declarant may construct and maintain sales offices and/or model homes, together with a sign or signs relating

thereto, on a Lot or Lots or on any other property within the Subdivision. Other than as specifically set forth herein, no sales office or model home may be maintained within the Subdivision. Furthermore, the Declarant shall have the absolute right to limit any approval hereunder as to the time period a Lot is used as a sales office or model home and/or by limiting the specific types of uses such as limiting the type of advertising, parking arrangements and the like. Nothing herein shall be deemed to create a waiver of the Architectural Review Committee's rights to review and approve any improvements to a Lot used for a sales office or model home.

(s) Destruction or Damage to Subdivision Improvements. Owners will be responsible for any and all damage caused to Common Property or Subdivision improvements, including, but not limited to, curbs, gutters, water hydrants, sidewalks, power poles, or fences erected by anyone, whether such damage is caused by the Owner or the Owner's employees, agents, invitees, guests, contractors, or subcontractors. Owners will, during construction, create such barricades or fencing as is required to prevent erosion of soils onto Common Property, public roads, or other Lots and police the areas of trash caused by those constructing improvements to the Owner's Lot. Any liability incurred under this provision will be both a personal obligation and an Individual Lot Assessment on such Owner's Lot.

(t) Lot Drainage. As part of the Subdivision design process, Declarant has developed the Drainage System. Each Owner shall comply with the provisions of the Drainage System. No elevation or topography changes shall be permitted on any Lot which materially affects the surface grade or drainage on said Lot or any adjoining Lot or property.

(u) Maintenance of Exteriors. Each Owner shall at all times maintain the exterior of all structures on the Owner's Lot and any and all fixtures attached thereto in an attractive and sightly manner.

(v) Noxious Vegetation. No Owner may permit the growth of noxious weeds or vegetation on the Owner's Lot or on the land lying between the street pavement and the front lot line of Owner's Lot. All unimproved areas of a Lot must be maintained in an attractively landscaped and sightly manner.

(w) Litter, Trash, Garbage. Other than Lots under construction, no garbage, trash, refuse, or rubbish may be deposited, dumped, or kept on any Lot except in closed sanitary containers appropriately screened from view. Trash containers must be placed at the front of the Lot on the day designated for pickup, but only if promptly returned to the proper storage area as soon as possible.

(x) Nuisances. No Owner may cause or permit unreasonable noises or odors on the Owner's Lot. No Owner may commit or permit any nuisance, any immoral or illegal activity, or anything that may be an annoyance or a noxious or offensive activity to the other Owners or their guests. Soliciting within the Subdivision is strictly prohibited.

(y) Parking of Wheeled Vehicles, Boats and Water Vessels. Cars, trucks, tractors, recreational vehicles, and trailers (collectively called "Vehicles") must be kept at all times completely inside a garage and are not permitted to be parked elsewhere on a Lot or on a street within the Plat except as otherwise specifically permitted in this paragraph. Boats and water vessels and trailers must be kept at all times completely inside a garage or parked in the rear yard behind a fence not readily visible from the street and are not permitted to be parked elsewhere on a Lot or on a street within the Plat except as otherwise specifically permitted by the Architectural Review Committee. Private cars or private trucks (exclusive of all other Vehicles) owned by an Owner or an Owner's guest may be parked in the Owner's driveway, but only if they do not display commercial signs. Commercial Vehicles may be parked in a street or driveway when necessary for providing services to an Owner, or for pickup and delivery service, but only while undertaking this activity and never overnight. Recreational vehicles, travel trailers, trailers, and campers may be parked in the driveway of a Lot for up to a total of 48 hours per week for loading and unloading only, and never for dwelling purposes. No Vehicles may be repaired or maintained on or adjacent to a Lot, except within a garage. Vehicles engaged in construction of subdivision improvements or dwellings on behalf of Declarant will be permitted within the Subdivision for such purposes.

(z) Pets. Up to two "household pets" may be kept at a Lot unless a greater number is allowed by the Architectural Review Committee. All other pets and animals are strictly forbidden to be kept, bred, or maintained within the Subdivision. A "household pet" is a dog, cat, or other common domestic animal approved by the Architectural Review Committee. In no event may any pet, including household pets, be kept, bred, or maintained for any commercial purpose. Each Owner will be strictly responsible for the behavior of his or her household pets. An Owner may not permit the household pet to become a nuisance or annoyance to other Owners. Each Owner will be responsible to immediately collect and dispose of waste and litter from the Owner's pets. Pets will not be allowed on the Common Property except in designated areas and then only in compliance with the Rules.

(aa) Permanent Outside Storage Building. No outside storage building of any nature whatsoever will be permitted on any Lot unless approved by the Architectural Review Committee. Any such building shall meet the following requirements:

(i) Construction shall be of brick or vinyl siding and the roof constructed using fiberglass shingles. The building shall be of a color and quality comparable to the main house on the Lot.

(ii) No metal buildings shall be permitted and no building shall be moved onto the Lot from another location.

(iii) The total area of the building shall not exceed 170 square feet and shall be located no closer than 5 feet from the side and rear property lines of the Lot.

(iv) No building or design shall violate the rules and regulations of Santa Rosa County, Florida.

3.5 Further Subdivision or Replat of Lots. All Lots shall be conveyed as a whole except that two or more contiguous Lots may be re-subdivided into an equal or lesser number of contiguous Lots provided that all regulations of Santa Rosa County, Florida applicable to the Lots are complied with. An Owner may also, by recording an instrument to that effect in the Public Records, combine two or more Lots for a single home site, whereupon the combined property will be deemed to be two or more separate Lots for all purposes, except that it shall be deemed to be a single Lot for the purposes set forth in Article III. Declarant shall have the right to modify the Plat to make adjustments to Lot boundary lines if the Owners of the affected Lots consent. Declarant may make other adjustments to the Plat if Owners are not materially affected or if all Owners who will be materially affected consent to the modification. Owners shall not unreasonably withhold their consent to an adjustment, and consent will be deemed given if an Owner does not object in writing to a request for the Owner's consent. Notwithstanding the foregoing, Declarant also may replat a Lot or Lots to Common Property, whereupon such replatted Lot or Lots will no longer be deemed a "Lot." Declarant also may establish additional easements on a Lot or Lots Declarant owns without the consent of other Owners.

3.6 Residential Use. No business or commercial building may be erected on any Lot and no business or commercial activity may be conducted on any Lot except for sales and marketing program of the Lots by Declarant, Principal Builders or parties specifically approved by Declarant.

3.7 Conversion of Lots to Other Uses. Notwithstanding anything herein to the contrary, Declarant reserves the right to (i) use any Lot owned by it for the purpose of ingress and egress to any adjoining property, (ii) cause any Lot to be platted as a right of way and (iii) convert all or a portion of any Lot to Common Property. Declarant also reserves the right to impose additional easements on any Lot owned by Declarant.

3.8 Natural Vegetative Buffers. The natural vegetative buffers, as depicted on the Plat, shall remain in their natural state. Hand clearing will be permitted, but under no circumstances can equipment be used. No structures, fences, retaining walls or other improvements will be permitted within the natural vegetative buffers.

ARTICLE IV GRANT AND RESERVATION OF EASEMENTS

4.1 Easements in favor of Owner.

Each Owner has the benefit of certain easements and the responsibility for others. Each Owner, his heirs, successors and assigns, is hereby granted the following perpetual easements:

(a) Owner's Easement of Enjoyment of the Common Property. Each Owner will have a non-exclusive right and easement of enjoyment in and to the Common Property, subject to the restrictions imposed in this Declaration. Any Owner, subject to the provisions of

this Declaration, the Articles and the Bylaws, may delegate the Owner's right of enjoyment of the Common Property to the Owner's family, tenants, and guests.

(b) Owner's Easement for Ingress and Egress. Each Owner, together with such Owner's family, tenants, contractors and guests, will have a non-exclusive right and easement, subject to the restrictions imposed in this Declaration, for ingress and egress to and from the Owner's Lot, over and across the roads, streets, drives, alleys and access easements as depicted on the Plat. Additionally, every Owner, together with such Owner's family, tenants, contractors and guests, will have a non-exclusive right and easement over any roads, streets, drives, alleys and access easements to be constructed on the Additional Property.

(c) Owner's Easements for Utilities. Each Owner, their successors and assigns, subject to the restrictions imposed in this Declaration, for the use and benefit of each Owner, their successors, assigns, tenants, contractors and utility service providers, shall have the non-exclusive right and easement in, under, through, on, over and across the Common Property for the purpose of providing, but only to the extent necessary to provide, to the Owner's Lot, all utilities that may be required or desired by each Owner, including for the purposes of construction, extension and maintenance of all utilities, compliance with all applicable government requirements as may relate, from time to time, to any such utilities, and sufficient access to accomplish all of the same. Such utilities shall include, but not be limited to, electricity, gas, water, telephone and cable television. Declarant shall make initial placement on the Common Property of the facilities for each particular utility. Thereafter, except as specifically provided in this Declaration to the contrary, the utility service providers may adjust, move or modify the location of such utility facilities then existing on the Common Property and any future utility facilities on the Common Property without amending this Declaration; provided, however, that (i) the utility service related to the particular utility facility to be or being adjusted, moved or modified shall continue to be adequately provided to other Owners during such period of being adjusted, moved or modified; and (ii) during any repair, maintenance, adjustment, movement or modification of any utility facilities, other Owners shall not be unreasonably inconvenienced or disrupted thereby. Upon completion of any such construction on the Common Property, the Common Property shall be cleared of any debris from such construction, any paved areas will be re-paved to the extent such pavement was removed, destroyed or disrupted during such construction, any unimproved dirt surface areas will be seeded and strawed as appropriate to control erosion, and any landscaped areas will be re-landscaped so that the portion of the Common Property subject to the construction easement hereunder shall be restored to the condition in which it existed immediately prior to such construction. The Owner will not have the right to the installation of utilities where such utilities are not installed in the Common Property and available to other similarly situated Lots.

(d) Owner's Easements for Stormwater. Every Owner, subject to the restrictions imposed in this Declaration, will have a non-exclusive right and easement to discharge stormwater under, through, on, over and across any existing detention or retention pond(s) and/or stormwater sewers on the Common Property for the purpose of removing and discharging from the Lots any and all stormwater that may accumulate or otherwise be on the Lots. Except as specifically provided in this Agreement to the contrary, the Association, with

respect to the Common Property, may adjust, move or modify the existing detention or retention pond(s) and/or storm sewers on the Common Property without amending this Declaration so long as such detention or retention pond(s) and/or storm sewers continue to adequately remove and discharge from the Lots any and all stormwater that may accumulate or otherwise be on the Lots. Nothing herein shall be construed to grant an Owner the right to enter the Common Property or make any modifications to the stormwater system on the Common Property.

Each Owner, his successors and assigns, for himself and his family, tenants, contractors and guests, agrees to indemnify and hold Association and Declarant, their successors and assigns, harmless, blameless and free of any and all loss, cause, damage or claim whatsoever arising from or in any way related to the use, occupancy, control or possession of any portion of the Common Property used by Owner for the purposes set forth hereinabove, or the acts or conduct of the Owner or the Owner's family, tenants, contractors or guests, including any attorney's fees or costs incurred or related to any claim related to or arising from such use, occupancy, control, possession, acts or conduct.

The easements set forth in this Section 4.1 will be appurtenant to and shall pass with title to every Lot.

4.2 Easements in Favor of Declarant.

The Declarant is reserving certain easements over, across, under, through and upon the Common Property and throughout the Subdivision. The Declarant hereby reserves for itself, and its successors and assigns, the following perpetual non-exclusive rights and easements:

(a) Declarant's Easement for Ingress and Egress. The Declarant reserves for itself, its successors and assigns, and for the owner of each lot to be developed on the Additional Property, their successors and assigns, a non-exclusive easement, subject to the restrictions imposed in this Declaration, for the use and benefit of Declarant, its contractors, employees, agents, guests and invitees and the owners of each lot to be developed on the Additional Property, their contractors, employees, agents, guests and invitees for ingress and egress to and from the Declarant's property, including, without limitation, the Additional Property, over and across the roads, streets, drives, alleys and access easements as depicted on the Plat.

(b) Declarant's Easement for Utilities. The Declarant reserves for itself, its successors and assigns, and for the owner of each lot to be developed on the Additional Property, their successors and assigns, non-exclusive easements for the use and benefit of Declarant and the owner of each lot to be developed on the Additional Property, their successors and assigns, their contractors, employees, agents, guests and invitees for ingress, egress, installation, replacement, repair, and maintenance of all public and private utilities and conveniences, over, across, under, through and upon the Common Property and all property subject to public utility easements depicted on the Plat or otherwise as recorded public utility easements. Declarant, its successors and assigns, for the use and benefit of Declarant, its successors, assigns, contractors and utility service providers and the owners of each lot to be developed on the Additional

Property, their contractors, employees, and utility service providers, shall have the non-exclusive right and easement in, under, through, on, over and across the Common Property for the purpose of providing the Additional Property with all utilities that may be required or desired by Declarant, its successors and assigns, and the owners of each lot to be developed on the Additional Property, their successors and assigns, for the purposes of construction, extension and maintenance of all utilities, compliance with all applicable government requirements as may relate, from time to time, to any such utilities, and sufficient access to accomplish all of the same. Such utilities shall include, but not be limited to electricity, gas, water, telephone and cable television. Declarant and/or its successors, assigns, contractors and utility service providers and the owners of lots developed on the Additional Property, their contractors, employees, and utility service providers may adjust, move or modify the location of such utility facilities then existing on the Common Property and any future utility facilities on the Common Property without amending this Declaration; provided however that (i) the utility service related to the particular utility facility to be or being adjusted, moved or modified shall continue to be adequately provided to the Lots during such period of being adjusted, moved or modified; and (ii) during any repair, maintenance, adjustment, movement or modification of any utility facilities, the Lots shall not be unreasonably inconvenienced or disrupted thereby. Upon completion of any such construction on the Common Property, the Common Property shall be cleared of any debris from such construction, any paved areas will be re-paved to the extent such pavement was removed, destroyed or disrupted during such construction, any unimproved dirt surface areas will be seeded and strawed as appropriate to control erosion, and any landscaped areas will be re-landscaped so that the portion of the Common Property subject to the construction easement hereunder shall be restored to the condition in which it existed immediately prior to such construction.

(c) Declarant's Easements for Stormwater. Declarant reserves for itself, its successors and assigns, including, without limitation, the Association, and for the owner of each lot to be developed on the Additional Property, their successors and assigns, a non-exclusive right and easement to discharge stormwater under, through, on, over and across the Drainage System, including, without limitation, any existing detention or retention pond(s) and/or stormwater sewers on the Common Property and any stormwater utility easement depicted on the Plat, for the purpose of removing and discharging from any property owned by Declarant, its successors and assigns, including, without limitation, the Association, and the owners of each lot to be developed on the Additional Property, their successors and assigns, any and all stormwater that may accumulate or otherwise be on any property owned by Declarant including, without limitation, the Additional Property. Except as specifically provided in this Agreement to the contrary, the Declarant and/or the Association, with respect to the Common Property, may adjust, move or modify the existing detention or retention pond(s) and/or storm sewers on the Common Property without amending this Declaration so long as such detention or retention pond(s) and/or storm sewers continue to adequately remove and discharge from the Lots any and all stormwater that may accumulate or otherwise be on the Lots.

(d) Declarant's Easement pertaining to Sales and Promotion of Stonechase. So long as Declarant owns one or more Lots, Declarant, and its successors and assigns, in its sole and absolute discretion, shall have an easement upon the Common Property for the installation,

maintenance and repair of signage advertising the Subdivision and the Additional Property and Declarant's Lots, including those promoting any and all special functions and/or events for the promotion and sale of Lots within the Subdivision and the Additional Property, and for access in, under, through, on, over and across the Common Property for the purpose of providing the installation, maintenance, repair and illumination of said signage. Declarant, its successors and assigns, and permitted members of the public shall also have a right and non-exclusive easement of access and use over all roadways located within the Subdivision and the Additional Property reasonably necessary to travel from and to the entrance to the Subdivision and reasonably necessary for the promotion and sale of Lots within the Subdivision, including the right to park their vehicles on the roadways located within the Subdivision at reasonable times before, during and after any promotional functions (e.g., Parade of Homes or Open House) and/or events held or sponsored by the Declarant for the promotion and/or sale of Lots within the Subdivision.

The easements in favor of the Declarant will be appurtenant to and shall pass with title to property owned by the Declarant and, without limitation, the Additional Property.

4.3 Police Powers; Security. A blanket easement is granted throughout the Subdivision and all additional phases for police powers and services supplied by the local, state, and federal governments and for any security services that may be provided by the Association.

4.4 Maintenance of Easements. The Declarant and all Owners hereby acknowledge that their respective use of the Common Property, including the use of their respective contractors, employees and guests may cause normal wear, tear and damage to the Common Property. Each party shall maintain and repair that portion of the access, stormwater and utilities easements located on their respective parcel so that the same shall remain in a condition reasonably suitable to permit use thereof. Association hereby agrees to maintain the Common Property at its own expense, holding Declarant free and clear from any liability for maintenance of any portion of the Common Property except to the extent the need to perform such maintenance is due to the negligence or intentional act of the Declarant.

4.5 Maintenance of Drainage Easement Areas. The Declarant and the Association, their employees and contractors, are hereby granted an easement over and across any property located within the Plat and the Subdivision, including the Lots, which is necessary or convenient for the Declarant and/or the Association to perform their maintenance and repair obligations hereunder, under the permit issued by the Florida Department of Environmental Protection or otherwise; provided, however, that such easement is released with respect to any portion of a Lot to the extent of an improvement on such Lot. Such right expressly includes the right to take any action reasonably necessary, following which Declarant or the Association shall restore the affected property to its original condition as nearly as practicable; provided, however, that Declarant or the Association shall not be required to replace or repair fences, walks, structures, landscaping, or other improvements which are removed or damaged. Declarant or the Association shall give reasonable notice of its intent to take such action to all affected Owners, unless, in the opinion of Declarant or the Association, an emergency exists which precludes such notice. The rights granted herein may be exercised at the sole option of Declarant or the

Association and shall not be construed to obligate Declarant or the Association to take any affirmative action in connection therewith.

Additionally, Private Drainage Easements, as depicted on the Plat, are to be maintained by the Owner of the Lot encumbered by such Private Drainage Easement. These easements shall be vegetated at the time of construction, with the vegetation and configuration of the swales to be maintained as constructed. The swales within the Drainage Easements shall not be filled with soil, yard debris, or any temporary shed or buildings, and any and all fences constructed across a swale area shall be constructed so as not to impede the flow of stormwater.

4.6 Non-access Easement. There shall be a one (1) foot non-access easement in favor of the Declarant around the perimeter of the Subdivision prohibiting the use of a Lot or Common Property from being used for access to lands adjacent to the Subdivision except across those roads designated on the plat of the Subdivision as recorded in the public records of Santa Rosa County, Florida. This non-access easement shall run in favor of Declarant and Declarant's successors and assigns, and Declarant, in Declarant's sole discretion, may release any of its property from such easement by written instrument executed by Declarant. This section 4.6 shall not be amended without the express written consent of Declarant.

ARTICLE V COMMON PROPERTY

The Association will own and maintain the Common Property for the benefit of all Members and, when necessary, improve, convey, or lease the property.

5.1 Title to Common Property.

(a) Ownership. The Common Property will be owned by the Association for the benefit of all Owners.

(b) Conveyance. The Association is authorized to buy or lease real or personal property to be added to the Common Property. After termination of the Class B Membership, the Association may (with the consent of Declarant) sell or lease any part of the Common Property; however, membership approval is not needed for the Board to sell personal property or to grant easements on real property.

(c) Dedication. If the county or municipal government requests that the Association convey title to or dedicate the Common Property or any portion thereof to the public, the Association will be authorized to make such conveyance or dedication, but only with the approval of a majority of the Members. Upon such dedication, all obligations of the Association regarding the property so dedicated will cease except for requirements imposed as a condition of the dedication.

(d) Acceptance of Delivery of Deed to Common Property. The Association shall accept delivery of any deed offered by the Declarant or Declarant's successors or assigns,

which deed is for the purpose of conveying property to be owned as Common Property. Following such conveyance, Declarant or Declarant's successors or assigns shall have no further responsibility or liability for the property.

5.2 Maintenance; Management; Contracts.

(a) Association Responsibility. The Association will be responsible for the management, control, and improvement of the Common Property which includes, without limitation, the Drainage System and the right of ways shown on the Plat as Stonechase Boulevard, Dunridge Drive, Wych Elm Drive, Laurel Creek Drive and Augustine Drive, and must keep the same attractive, clean, and in good repair in accordance with the Declaration and applicable governmental regulations.

(b) Management Agreements. The Association may contract with Declarant or any other party for the performance of all or any portion of the management of the Association and the Association's maintenance and repair obligations. Management costs will be included within the Assessment. The Association will be obligated to enter into a management agreement with Declarant. The property manager for the Association, its employees, officers, contractors, and assigns will have the right to use the Common Property without liability for Assessments or other charges, as more particularly specified in the management agreement.

5.3 Capital Improvements. The Association may make capital improvements to the Common Property and may modify the use of the Common Property. Any repair or replacement of existing improvements shall not be considered a capital improvement.

5.4 Damage or Destruction of Common Property by Owner. If any Owner or any guest, tenant, licensee, agent, employee, family member, or pet of an Owner damages any of the Common Property as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. The cost of repair will be the responsibility of the Owner and will become an Individual Lot Assessment payable by the responsible Owner.

5.5 Compliance with Laws. Lots and the Common Property may be used and must be maintained in accordance with all applicable law, ordinances, and regulations, including, without limitations, all regulations and requirements of Santa Rosa County, Florida and the Florida Department of Environmental Protection.

5.6 Drainage System Maintenance. The Association will be responsible for the maintenance, operation, and repair of the Drainage System. Maintenance means the exercise of practices that allow the system to provide drainage, water storage, conveyance, or other stormwater management capabilities as permitted by the Florida Department of Environmental Protection and Santa Rosa County, Florida. Any repair or reconstruction of the Drainage System shall be as permitted or, if modified, as approved by the Florida Department of Environmental Protection and Santa Rosa County, Florida. The Association shall maintain and control the water level and quality of the Drainage System, the bottoms of any retention ponds, swales or

casements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish and fungi in and on any portion of the Drainage System. The Association shall maintain all shoreline vegetation and the grade and contour of all embankments to the clean and safe manner to prevent erosion and shall remove trash and debris as it may accumulate in the Drainage System, from time to time. Any repair or reconstruction of the Drainage System shall be consistent with the Permit as originally issued or any modification that may be approved by the Florida Department of Environmental Protection. In order to provide adequate assurance that the Drainage System will adequately function, the following maintenance procedures shall be followed:

(a) The Association shall inspect or cause to be inspected all inlets and control structures for vandalism, deterioration or accumulation of sand and debris.

(b) The Association shall assure that all debris or sand shall be removed from the inlets and control structures and any orifice system.

(c) The Association shall inspect and repair or cause to be inspected and repaired all skimmer boards around control structures as necessary.

Declarant and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters of any portion of the Drainage System and shall have the right to deny such use to any person who, in the opinion of the Declarant or Association, may create or participate in a disturbance or nuisance on any part of the Drainage System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of the Declarant and the Association, all permits issued by governmental authorities and any rights granted to other persons pursuant to all rules and regulations of Declarant and the Association. Only Declarant and the Association shall have the right to pump or otherwise remove any water from any part of the Drainage System for purpose of irrigation or any other use.

NEITHER DECLARANT NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANT, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE DRAINAGE SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DECLARANT AND THE ASSOCIATION FROM LIABILITY IN CONNECTION THEREWITH.

NEITHER DECLARANT, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, ARCHITECTURAL REVIEW COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS

SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

This Declaration is subject to the rights of the State of Florida over portions of the Property which may be considered wetlands, marshes, sovereignty or jurisdictional lands, conservation land and every Owner shall obtain any permit necessary prior to undertaking any dredging, filling, mowing, improving, landscaping, or removal of plant life existing on his Lot.

Notwithstanding any other provisions contained elsewhere in this Declaration, the Florida Department of Environmental Protection shall have the rights and powers enumerated in this paragraph. The Florida Department of Environmental Protection shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Drainage System. Any repair or reconstruction of the Drainage System shall be as permitted, or if modified, as approved by the Florida Department of Environmental Protection. No person shall alter the drainage flow of the Drainage System, including any buffer areas, swales, treatment berms or swales, without the prior written approval of the Florida Department of Environmental Protection. Any amendment to this Declaration which alters the Drainage System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have prior written approval of the Florida Department of Environmental Protection. In the event that the Association is dissolved, prior to such dissolution, all responsibilities relating to the Drainage System must be assigned to and accepted by an entity approved by the Florida Department of Environmental Protection.

Declarant may be required to assume certain duties and liabilities for the maintenance of the Drainage System. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Declarant harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Drainage System occasioned in whole or in part by any action, omission of the Association or its agents, contractors, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Declarant, its successors or assigns. Upon completion of construction of the Drainage System, Declarant shall assign all its rights, obligations and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Declarant harmless therefrom.

EACH OWNER HEREBY ACKNOWLEDGES THAT THEY HAVE RECEIVED THE WARNING THAT SWIMMING IN OR IN ANY WAY ENTERING THE RETENTION PONDS WITHIN THE SUBDIVISION IS STRICTLY PROHIBITED, AND

OWNER EXPRESSLY ASSUMES ALL RISK OF SUCH ACTIVITIES FOR THEMSELVES, THEIR GUESTS AND INVITEES, AND WILL HOLD ASSOCIATION AND DECLARANT HARMLESS FOR LIABILITY ARISING FROM THE RETENTION PONDS WITHIN THE SUBDIVISION OR OTHERWISE USED IN CONNECTION WITH THE SUBDIVISION.

5.7 Rights of Way. As set forth in Section 5.2(c), above, the Association will be responsible for the maintenance, and repair of the rights of way identified on the Plat as Stonechase Boulevard, Dunridge Drive, Wych Elm Drive, Laurel Creek Drive and Augustine Drive.

5.8 Tenant Violations. In the event that the Association determines that a tenant is in violation of the Declaration or any rules promulgated by the Association, the Association shall notify the Owner and the tenant of the violation and afford the tenant and the Owner an opportunity for a hearing. If the violation continues for fifteen (15) days, the Association shall have the right to evict the tenant. Each Owner by acceptance of a deed hereby irrevocably appoints the Association as its attorney in fact and agent in such an eviction action. All costs related to such action shall be the responsibility of the Owner and shall constitute an Individual Lot Assessment.

5.9 Partition. There shall be no judicial partition of the Common Property, except as permitted in this Declaration. No person shall seek any partition of the Common Property unless the same is released from the provisions of this Declaration. This restriction shall not limit the authority of the Association to acquire or dispose of real property.

ARTICLE IV ASSOCIATION ORGANIZATION

Although Declarant will control the Association during the development stage, the Owners eventually will be responsible for the continuation of the Association.

6.1 Membership. Every Owner is a mandatory Member of the Association. Membership is appurtenant to and may not be separated from title to any Lot.

6.2 Voting Rights. The Association will have two classes of voting membership.

(a) Class A. Class A Members are all Owners of Lots other than Declarant, while Declarant is a Class B Member. Class A Members will be entitled to one vote for each Lot owned.

(b) Class B. The Class B Members are Declarant and the Principal Builders, who shall be entitled to ten (10) votes in all matters for each Lot owned by the Class B Members and the Principal Builders. Declarant may assign its Class B Membership. The Class B Membership will end and be converted to Class A Membership three months after the first to occur of the following events:

(i) The total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership;

(ii) All phases of Stonechase have been completed and made subject to this Declaration, and 90% of the Lots within Stonechase have been conveyed to Members other than the Class B Members; or

(iii) The Class B Members choose to become a Class A Member, as evidenced by instrument to such effect, executed by Declarant and Declarant's mortgagees holding a mortgage encumbering the Subdivision or portion thereof, which is recorded in the public records.

6.3 Exercise of Vote. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the number of votes for that Lot will not be increased, and the Members must determine among themselves how the Lot's vote may be exercised. Corporations, partnerships, and other entities must notify the Association of the natural person who will be considered a Member of the Association and be entitled to exercise its vote. Where there are multiple Owners of a Lot, the Owners shall be jointly and severally obligated for the performance of the Owners' responsibilities under this Declaration and all other Association documents.

6.4 Board of Directors.

(a) Composition. The Board initially will consist of at least three (3) persons appointed by Declarant. Upon termination of the Class B Membership, the Board will consist of at least three directors, selected in accordance with the Articles and Bylaws, but in any event, the number of directors must always be three or a multiple of three.

(b) Classes. Each director will be appointed or elected to one of three classes: Class 1, Class 2 or Class 3. Directors will be elected by class to provide for staggered terms. If the number of directors is increased, it shall be in multiples of three and each new position must be assigned to a class so that each class will have an equal number of directors.

(c) Term of Office. The initial term for the Class 1 director will be for one (1) year. The initial term for the Class 2 director will be for two (2) years. The initial term for the Class 3 director will be for three (3) years. Subsequent terms for directors of any class will be for three (3) years; however, directors will always serve until resignation, removal, or the election of their successors.

(d) Qualifications. After termination of the Class B Membership, each director must be a Member. If a director ceases to be a Member during the term of office, he will be automatically removed from the Board, effective upon such occurrence.

(e) Voting Procedure. At each annual meeting, the Members will elect the directors to replace the directors of the class whose term of office is then expiring. Each Class A

Member will have one vote for each seat to be filled and the Class B Member will have 10 votes for each Lot owned by the Class B Member or its affiliates. No cumulative voting will be permitted. The candidate(s) receiving the highest number of votes will be declared elected. If there is a tie vote, the Class B Member will be given one additional vote and the opportunity to cast such vote to break the tie. The meeting will, in other respects, be conducted in accordance with the Articles and Bylaws.

(f) Removal. Any director may be removed from office, with or without cause, by at least a majority vote of the Members.

(g) Vacancies; Replacement of Directors. Any vacancy occurring in positions as director may be filled by a majority vote of the remaining Board members. If the remaining Board members do not constitute a quorum, a special meeting of the Association may be called by any officer or by any Member to elect new members to the Board.

(h) Compensation. Directors will not receive compensation for their services unless approved by the Members. This will not prevent a Class B Member or an affiliate of a Class B Member from being compensated for management or other services.

6.5 Relationship to Articles and Bylaws. The Articles and Bylaws will govern all matters of the Association not set forth in this Declaration. The terms of this Declaration will prevail over any conflicting provisions in the Articles and Bylaws.

ARTICLE VII OPERATION OF ASSOCIATION AND BOARD

In addition to this Declaration, the Association must operate in accordance with Chapters 617 (Corporation Not for Profit) and 720 (Homeowners Associations) of the Florida Statutes, as amended from time to time. Most day-to-day decisions about the maintenance of the Common Property and enforcement of the Declaration are the responsibility of the Board, acting on the Members' behalf. For those decisions requiring Members' approval, the Annual Meeting provides a public opportunity for discussion.

7.1 Annual Members' Meeting.

(a) When called. The annual meeting will be called every year for the election to the Board of the class of directors whose term then expires and for other business requiring approval of the Members. The meeting date shall be as determined by the Articles and Bylaws.

(b) Quorum. Voting at an annual meeting requires the presence of (i) Members (in person or by proxy) representing 20% of votes, and (ii) Declarant or its representative so long as Declarant owns at least one Lot.

(c) Notice. Notice of the annual meeting may be given by (i) mailing a notice to each Member at the last address furnished to the Association (ii) delivering notices to the Member's dwellings or Lots, or (iii) posting conspicuous notices for the meeting in the Common Property. Notice should be given at least thirty (30) days before the annual meeting.

(d) Special Meetings. Special meetings must be held when called by the Board of Directors or by at least thirty percent (30%) of the total voting interests of the Association. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.

7.2 Board Meetings.

(a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in this Declaration, the Board has been delegated the power, and has the authority to act on behalf of the Association in all matters.

(b) Quorum. Voting at a Board meeting requires presence of at least two (2) of the directors (in person or by proxy). Except as prohibited by law, action required to be taken by vote of the Board may be taken in the absence of a meeting by obtaining the written approval of a majority of the Board.

(c) Notices. Notices of all meetings of the Board shall be posted in a conspicuous place in the Common Property or otherwise at an entrance to the Subdivision, 48 hours in advance, absent emergency. If the Board desires to levy an assessment at a meeting, the notice must include a statement describing the assessment being considered. All meetings must be open to the Members, except for meetings permitted by law to be closed.

7.3 Record Keeping. The Board shall keep, or cause to be kept, a record of all meetings, both of the Board and of the Association. For each action taken, the record must state the vote and a description of the action approved, and, if applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record must be available for inspection by any Member, except for records of closed meetings of the Board. Officers may be elected by the Board by secret ballot. The Association shall maintain such items as are designated official records in accordance with Chapter 720, Florida Statutes, for the time periods designated with inspection and copying rights for members as prescribed therein.

ARTICLE VIII ASSOCIATION BUDGET

To fulfill its obligation to maintain the Common Property, the Board is responsible for the fiscal management of the Association.

8.1 Fiscal Year. The fiscal year of the Association will begin January 1 of each year and end on December 31 of that year. The Board may elect another fiscal year. The Board must

prepare an annual budget.

8.2 Budget. A copy of the budget must be provided to each Member or a notice must be given to the Members that a copy of the budget is available upon request and without charge. The annual budget will estimate total expenses to be incurred by the Association in carrying out responsibilities. The budget must be prepared in accordance with §720.303 Florida Statutes, as amended, and include:

- (a) The cost of wages, materials, insurance premiums, services, supplies, and other expenses for the rendering of all services required or permitted under this Declaration;
- (b) Reasonable amounts, as determined by the Board, for working capital for the Association and for reserves;
- (c) Fees for professional management of the Association (which may include Declarant), legal counsel, and accounting;
- (d) Taxes, if the Common Property is taxed separately from the Lots;
- (e) An itemized list of all fees or charges for any recreational amenities; and
- (f) An estimate of revenues from the General Assessment.

8.3 Reserves. The Association shall accumulate and maintain adequate reserves for capital expenditures and deferred maintenance, to be included in the annual budget and collected as part of the annual General Assessment. The amount to be reserved shall be computed by means of a formula which is based upon the estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. Notwithstanding the foregoing, prior to turnover of control of the Association by Declarant to the Owners, the Declarant may vote to waive the reserves or reduce the funding of reserves for the first fiscal year of the Association's operation, beginning with the year in which the first Lot is sold, after which time reserves may no longer be waived or reduced. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures.

8.4 Preparation and Approval of Annual Budget.

- (a) Initial Budget. Declarant will prepare the first annual budget.
- (b) Subsequent Years. Budgets other than the initial budget will be prepared at the direction of the Board at least one month before the end of the fiscal year. The budget and the annual General Assessment must be adopted by a majority of the Board.

8.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year will not waive or release a Member's

obligation to pay General Assessments, whenever the amount of such assessments is finally determined. In the absence of an annual Association budget, each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

8.6 Financial Reporting. The Board shall prepare an annual financial report for the Association within ninety (90) days of the close of the fiscal year. Within twenty-one (21) days after the final financial report is completed, but no later than one hundred twenty (120) days after the end of the fiscal year, each Member of the Association will be provided with a copy of the report or receive a notice that a copy is available without charge. The report must be in form required by Florida Statutes.

8.7 Capital Improvements. The Board shall determine whether capital improvements should be paid from General Assessments or by Special Assessment. If the cost of all capital improvements to be paid within a single year totals more than 25% of the Association's annual budget, the capital improvements must be approved by majority vote of the Members. Any repair or replacement of existing improvements will not be considered a capital improvement.

8.8 Association Funds; Commingling. Reserves shall be kept separate from other Association funds. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund. The Declarant shall not commingle any Association funds with his funds or with the funds of any other homeowners' association or community association. Association funds may not be used by Declarant to defend a civil or criminal action, administrative proceeding, or arbitration proceeding that has been filed against it or directors appointed to the Board by the Declarant, except when the subject of the action or proceeding concerns the operation of the Declarant-controlled Association.

8.9 Amendment of Budget. The Board may amend the budget during any fiscal year and increase the amount of the annual General Assessment for such year if it appears that there will be insufficient income to meet the obligations of the Association.

ARTICLE IX COVENANTS TO PAY ASSESSMENTS

The cost of fulfilling the Association's financial obligations is divided equitably among the Members by means of Assessments. To ensure that the Association has a reliable source of funds and to protect those Members who contribute their equitable share, assessments are mandatory and are secured both by a lien on the Lots and the Member's personal obligation.

9.1 Obligations for Assessments. Declarant covenants for each Lot, and, by acceptance of a deed or other transfer instrument, whether or not expressed in such deed or instrument, each Owner of any Lot is deemed to covenant and agree to pay to the Association the following (to be known collectively as "Assessments"):

- (a) General Assessment for expenses included in the budget,

- (b) Special Assessments for the purposes provided in this Declaration, and
- (c) Individual Lot Assessments for any charges particular to that Lot.

9.2 **Guarantee of Class B Member.** The Class B Member agrees that it will be obligated to pay any operating expenses of the Association in excess of the revenue derived from the Assessments, including any increases made during a fiscal year, until the end of the first fiscal year of the Association. This obligation is called the "Budget Guarantee." The Class B Member may elect to renew the Budget Guarantee, for one or more fiscal years, during which the Class B Member and its affiliates will not be liable for any Assessments on any Lots they own. A Lot exempt from Assessments pursuant to this paragraph is referred to as an "Exempt Lot."

9.3 **Equitable Division of Assessments.** The General Assessment and Special Assessments shall be assessed among all Lots as follows:

- (a) Exempt Lots will not be subject to assessment.

(b) The General Assessment and Special Assessment will be payable by class. It is the intent that Vacant Lots be assessed significantly less than Improved Lots. The classes will be "Improved Lots" and "Vacant Lots," respectively. Lots unimproved by dwelling other than a model home (not occupied as a dwelling) will constitute the "Vacant Lots" class and all other Lots will constitute the "Improved Lots" class. Each Lot in the Vacant Lots class will be subject to a sum equal to the respective General Assessment or Special Assessment divided by the number of Lots, excluding Exempt Lots, multiplied by 10%. The remainder of the respective General Assessment or Special Assessment will be assessed equally among the Lots in the Improved Lots class, excluding Exempt Lots.

9.4 General Assessment

(a) **Establishment by Board.** The Board will set the date or dates the General Assessment will be due, and it may provide for payment in monthly, quarterly, semiannual, or annual installments.

(b) **Proration upon Sale of Exempt Lot or Loss of Exemption.** Upon conveyance of an Exempt Lot or upon an Exempt Lot becoming subject to Assessments on account of the Class B Member not extending the Budget Guarantee, the annual General Assessment will become due for such Lot(s); provided however, that the General Assessment will be prorated on a monthly or daily basis, whichever that Board elects, and only the portion of the General Assessment attributable to the remainder of the fiscal year will be due. The portion of the General Assessment attributable to the portion of the fiscal year in which the affected Lot was an Exempt Lot will not be assessed. If payment of the General Assessment is by installment, only the applicable portion of the current installment will be due.

(c) **Late Fee and Interest.** The Board may impose a reasonable late fee. Additionally, interest will accrue at the highest lawful rate on delinquent payments.

9.5 Special Assessment. In addition to the General Assessment, the Board may levy, in any fiscal year, a Special Assessment applicable as follows:

(a) Capital Improvements. For any capital improvement that has been approved in accordance with this Declaration.

(b) Emergency Assessment. By a 2/3 vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense that this Declaration requires the Association to pay (including, after depletion of reserves, any unexpected expenditures not provided by the budget, or unanticipated increases in the amounts budgeted).

(c) Exemption. Exempt Lots will not be subject to Special Assessments, nor will an Exempt Lot be subject to payment of any Special Assessment or any portion thereof declared or assessed while such Lot was an Exempt Lot even if payments for such Special Assessments are made in installments becoming due subsequent to the time such Lot no longer is considered an Exempt Lot. For example, if a Special Assessment is declared on January 1 while Lot 37 is an Exempt Lot, but the payment of the Special Assessment is not required until March of the same year, then even if Lot 37 is not an Exempt Lot as of February of such year, Lot 37 still will be considered exempt from such Special Assessment.

9.6 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 special services to that Lot or any other charges designated in this Declaration as an Individual Lot Assessment. An Individual Lot Assessment may be levied on account of any legal expenses (at trial or on appeal) and costs incurred by the Association in enforcing this Declaration or in enforcing any other declaration the Association is authorized to enforce, including legal expenses, filing fees and costs in connection with pretrial dispute resolution procedures required by Florida law if the Association is ultimately determined by the court to be the prevailing party in any litigation.

9.7 Effect of Nonpayment of Assessment; Remedies.

(a) Personal Obligation. All Assessments, together with any late fees, interest, and costs of collection when delinquent, including reasonable attorneys' fees (at trial or on appeal) whether or not a lawsuit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Lot at the time the Assessment Charge was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Lot.

(b) Creation of Lien. The Assessment Charge also shall be a continuing lien on the Lot against which the Assessment Charge is made, which lien is effective upon recording a claim of lien, but relating back to and having a priority as of the date of this Declaration. This lien in favor of the Association will secure the Assessment Charge that is then due and that may accrue subsequent to the recording of the claim of lien and before entry of final judgment of

foreclosure. The lien in favor of the Assessment Charge is subject to the subordination provisions of Paragraph 9.7(d).

(c) **Lawsuit for Payment; Foreclosure of Lien.** The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both, as provided in §720.3085, Florida Statutes. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot foreclosed at such foreclosure sale to acquire, hold, lease, mortgage, and convey the Lot.

(d) **Subordination of the Lien to Mortgages.** The lien of the Assessment Charge will be inferior to the first mortgage lien of any Mortgagee. Sale or transfer of any Lot pursuant to foreclosure of such a mortgage, including a deed in lieu of foreclosure, shall extinguish the lien as to payments that became due before the sale or transfer. The transferees of such Lot shall also be liable for any assessments in accordance with §720.3085, Florida Statutes.

(e) **Other Remedies.** The Association may assess fines and suspend the voting rights and right to use of the Community Property by an Owner for any period during which any Assessment against the Owner's Lot remains unpaid, but only as permitted by law.

9.8 **Certificate of Payment.** The treasurer of the Association or the manager of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board or by the manager, if authorized by the Board, stating whether any Assessments are owed by that Owner. The Board may establish a reasonable fee for such certificate. Such certificate will be conclusive evidence of payment of an Assessment through the date of the certificate.

ARTICLE X INSURANCE, INDEMNITY AND HOLD HARMLESS

Insurance is essential to protect the interests of the various Owners and to ensure that funds will be available for rebuilding after a casualty; however, because insurance costs may increase significantly or new types of coverage may be available, this Article gives some flexibility to the Board to select insurance coverage that is reasonable for the conditions that exist at that time.

10.1 **Review of Coverage.** The Board shall review limits of coverage for each type of insurance at least once each year.

10.2 **Casualty Insurance.** The Board shall be required to obtain and maintain fire insurance as appropriate. Endorsements for extended coverage, vandalism, malicious mischief, and windstorm should be obtained if available at reasonable cost. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than eighty percent (80%) of the insurable value (based upon replacement) of the improvements constructed on the Common Property.

10.3 Public Liability. The Board shall 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 and use of the Common Property. Whenever practicable, such insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement that shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board, or other Owners. Such insurance must always name Declarant, Celebrity Home Builders, LLC and CHB of Northwest Florida, Inc., doing business as Paragon Custom Home Group, as additional insureds until fifty (50) years after the date of this Declaration.

10.4 Director Liability Insurance. The Board may obtain liability insurance insuring against personal loss for actions taken by members of the Board in the performance of their duties. Such insurance shall be of the type and amount determined by the Board in its discretion.

10.5 Other Insurance. The Board shall obtain and maintain worker's compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Board may deem prudent.

10.6 Repair and Reconstruction after Fire or Other Casualty. If fire or other casualty damages or destroys any of the Common Property, the Board shall arrange for and supervise the prompt repair and restoration of the improvements. The Board shall obtain funds for such reconstruction first from the insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.

10.7 Indemnity of Declarant. In consideration of Declarant conveying the Common Property to the Association, the Association releases, indemnifies, and holds Declarant, its officers, employees and agents harmless from any and all liability arising out of the Common Property and/or any improvements thereto, and shall defend Declarant against all claims of any third party. Such indemnity includes any attorneys' fees and costs incurred by Declarant at trial and on appeal.

10.8 Owner's Insurance. Each Owner agrees to carry property insurance for the full replacement cost of all improvements on his or her Lot, less a reasonable deductible and will demolish, rebuild or repair the damaged property after casualty in a timely manner as required by the Architectural Review Committee and this Declaration.

10.9 Security. The Association may maintain or support efforts to increase the security of the Subdivision, but shall not be required to do so. The Association and the Declarant make no warranty, guarantee or assurance of the effectiveness of the security that may be provided within the Subdivision. Neither the Association, the Declarant, nor any successors or assigns of either, shall be liable for any loss or damage by reason of the failure to provide adequate security to the Subdivision or for the ineffectiveness of any security measures taken.

EACH OWNER HEREBY ACKNOWLEDGES THAT THEY HAVE RECEIVED THE WARNING THAT SWIMMING IN OR IN ANY WAY ENTERING INTO THE RETENTION PONDS, LAKES, CANALS OR SWALES OR ANY OTHER DEPRESSION CAPABLE OF HOLDING A LIQUID WITHIN THE COMMON PROPERTY OR OTHERWISE SERVING THE SUBDIVISION AS PART OF THE DRAINAGE SYSTEM IS STRICTLY PROHIBITED, AND OWNER EXPRESSLY ASSUMES ALL RISKS OF SUCH ACTIVITIES FOR THEMSELVES, THEIR GUESTS AND INVITEES, AND WILL HOLD ASSOCIATION AND DECLARANT, AND THE SUCCESSORS AND ASSIGNS OF EITHER, HARMLESS AND FREE FROM LIABILITY ARISING FROM THE USE OF SAME.

**ARTICLE XI
GENERAL PROVISIONS**

This article sets forth rules of interpreting the Declaration, provides for enforcement, and sets forth the procedure to amend the Declaration.

11.1 Incorporation of the Land Use Documents. Any and all deeds conveying a Lot shall be conclusively presumed to have incorporated therein all of the terms and conditions of this Declaration.

11.2 Release from Minor Violations. Declarant and the Architectural Review Committee or either of them shall have the right, by written instrument, at any time to release a Lot from minor violations of this Declaration or the Plat including, without limitation (i) encroachments into easements, (ii) encroachments over building restriction lines, and (iii) construction of less than the required minimum square footage for the dwelling provided that the square footage is at least 85% of the required minimum. Notwithstanding the foregoing, only Santa Rosa County can release a Lot from violations of an ordinance or an encroachment of an easement in favor of Santa Rosa County.

11.3 Enforcement. The covenants and restrictions contained in this Declaration may be enforced by Declarant, the Association, any Owner, and any Mortgagee in any judicial proceeding seeking any remedy recognizable at law or in equity, including an action or lawsuit seeking damages, injunction, specific performance, or any other form of relief, against any person, firm or entity violating or attempting to violate any covenant or restriction contained herein. The failure by any party to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of such covenant or restriction or of the right of such party to thereafter enforce such covenant or restriction. The prevailing party in any such litigation shall be entitled to reasonable attorneys' fees and court costs at all trial and appellate levels. The Florida Department of Environmental Protection and Santa Rosa County, Florida will have the right to enforce, by proceedings at law or in equity, the provisions contained in this Declaration that relate to the maintenance, operation, and repair of the Drainage System. All parties agree that any dispute shall be determined by a judge and not a jury, and waive their right to a jury trial in any litigation arising out of this Declaration.

11.4 Assignment. Declarant shall have the right, from time to time, to assign any of its rights or obligations pursuant hereto in part or in whole.

11.5 Notices. Notices shall be given as to Owners by posting at the Owner's dwelling or vacant Lot, or mailing first class postage prepaid to the Owner's address maintained by the Association, or by posting a notice applicable to all Owners at the Common Property, and as to Declarant, by sending certified mail to the corporate address of Declarant filed with the Florida Secretary of State. It shall be the Owner's sole responsibility to notify the Association in writing of any change of mailing address.

11.6 Amendment.

(a) Subject to the provisions of Paragraph 11.7, Declarant specifically reserves the absolute and unconditional right, as long as Declarant owns any of the Lots, to amend this Declaration without the consent or joinder of any party to (i) conform to the requirements of the Florida Department of Environmental Protection, Santa Rosa County, Northwest Florida Water Management District, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Department of Housing and Urban Development, or any generally recognized institution involved in the purchase and sale of home loan mortgages; (ii) conform to the requirements of mortgage lenders or title insurance companies; or (iii) perfect, clarify, or make internally consistent the provisions herein.

(b) Subject to the provisions of Paragraph 11.7, Declarant reserves the right to amend this Declaration in any other manner without the joinder of any party, as long as no Owner's right to the use and enjoyment of the Owner's Lot is materially altered.

(c) Subject to the provisions of Paragraph 11.7, this Declaration may be amended by consent of Owners of fifty percent (50%) or more of the Lots as evidenced by recording an instrument executed by said Owners in the Public Records, provided that no such amendment will be effective without the consent of Declarant, or its assigns, until Declarant and its affiliates own no Lots or other property within the Subdivision.

(d) Declarant, without the consent of any party, may bring within the scheme of this Declaration additional land by Supplementary Declaration in accordance with the procedures set forth in Paragraph 2.2.

(e) Any amendment to the Declaration that would alter the Drainage System must have the prior approval of the Florida Department of Environmental Protection and/or the Northwest Florida Water Management District.

11.7 Mortgagee's Consent to Amendments. 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 Mortgagees holding liens on thirty percent (30%) or more of the Lots encumbered by mortgages to Mortgagees. Each Mortgagee agrees that it will either consent to a proposed amendment or give notice of refusal to consent by written notice to the party requesting such consent within 30 days after the request is received. If a Mortgagee does not respond within such time, the Mortgagee's consent will be deemed given, and an affidavit to such effect recorded in the Public Records by the party requesting the consent will be sufficient evidence to make the requested amendment; provided, that a photocopy of the documentation proving receipt of the request to the Mortgagee is attached to the affidavit. This paragraph shall not apply or be construed as a limitation on those rights of Declarant, the Association, or the Owners to make amendments that do not adversely affect the Mortgagees.

11.8 Captions and Statement of Purpose. Captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only, and in no way shall such captions or headings define, limit, or in any way affect any of the terms or provisions of this Declaration. The Statement of Purpose is a summary of general information only and in no way shall such statement define, limit, or in any way affect any of the terms or provisions of this Declaration.

11.9 Gender and Plural Terms. Whenever the context so requires, any pronoun used herein maybe deemed to mean the corresponding masculine, feminine, or neuter form thereof, and the singular form of any noun or pronoun herein maybe deemed the corresponding plural form thereof and vice versa.

11.10 Severability; Amendments to Laws. If any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, that judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Without limitation of the foregoing, the invalidation of any of the covenants, restrictions, terms, or conditions of this Declaration, or a reduction in the term of the same by reason of the legal rule against perpetuities, shall in no way affect any other provision, which shall remain in full force and effect for such period of time as may be permitted by law. Any amendment to applicable law that has the effect of reducing the rights of Declarant or increasing the liabilities of or duties imposed on Declarant will not be incorporated into this Declaration by reference. All other references to applicable laws and regulations will incorporate amendments to those laws and regulations.

11.11 Duration and Renewal. This Declaration (but excluding the easements herein created, which are perpetual) and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens, and liens contained herein, including, without limitation, the provisions for assessment of Lots, shall run with and bind all of the Lots and inure to the benefit of Declarant, the Owners, and their respective legal representatives, heirs, successors, and assigns, for a term of 90 years from the date hereof, after which time this Declaration shall be automatically renewed and extended for successive periods of 10 years each unless at least one year before the termination of the 90-year period or before each such 10-year extension, as the case may be, there is recorded in the Public Records an instrument agreeing to terminate this

Declaration, which instrument is signed by a majority of all Owners and all Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the 90-year term or the 10-year extension during which such instrument was recorded, as the case may be.

11.12 Venue. This Declaration shall be governed by and enforced and construed under the laws of the State of Florida, without regard to its conflicts of laws provisions. Venue in any proceeding involving this Declaration will be in Santa Rosa County, Florida.

11.13 DISCLAIMER OF REPRESENTATIONS OR WARRANTIES. EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DECLARANT, PRINCIPAL BUILDERS OR THEIR AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

11.14 NOTICE IS HEREBY GIVEN THAT THE ROADS WITHIN STONECHASE PHASE I ARE PRIVATE ROADS AND THE MAINTENANCE OF SUCH IS THE RESPONSIBILITY OF THE ASSOCIATION.

(end of text - signature pages to follow)

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the day and year first above written.

Witnesses:

[Signature]
Print Name: DANIELA CIPICOLA

[Signature]
Print Name: SUSAN M O'NEAR

PACE PROPERTIES LLC,
a Florida limited liability company

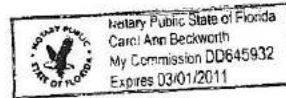
By: [Signature]
Milton C. Rogers, its manager

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 19th day of October, 2009, by Milton C. Rogers, as manager of Pace Properties LLC, a Florida limited liability company.

[Signature]
NOTARY PUBLIC
Print Name: CAROL ANN BECKWORTH

Personally Known
OR
 Produced Identification
Type of Identification Produced _____



JOINDER OF MORTGAGEE

Whitney National Bank, as holder of a mortgage encumbering the property known as Stonechase Phase 1 as described in the foregoing Declaration, hereby consents to and joins in the Declaration of Covenants, Conditions, Restrictions and Easements for Stonechase Phase 1.

Nothing contained herein shall be deemed to or in any way limit or effect the mortgage held by Whitney National Bank over 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.

Signed, sealed and delivered in our presence as witnesses:

WHITNEY NATIONAL BANK

Alisa J. Riker
Print Name: ALISA J. RIKER

By: *Robert C. Maloy*
Robert C. Maloy, its vice president

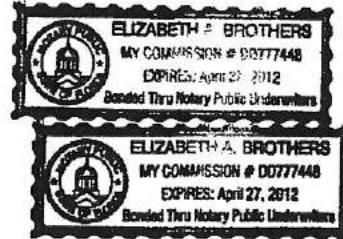
Jerry Williams
Print Name: JERRY WILLIAMS

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was sworn to and acknowledged before me this 19th day of October, 2009, by Robert C. Maloy, as vice president of WHITNEY NATIONAL BANK.

Elizabeth A. Brothers
NOTARY PUBLIC Elizabeth A. Brothers

Personally Known
OR
 Produced Identification
Type of Identification Produced _____



JOINDER OF PRINCIPAL BUILDER

Celebrity Homes, LLC, a Florida limited liability company, hereby consents to and joins in the Declaration of Covenants, Conditions, Restrictions and Easements for Stonechase Phase I.

The sole purpose of this Joinder is to acknowledge the consent of said Principal Builder to the Declaration.

Signed, sealed and delivered in our presence as witnesses:

[Signature]
Print Name: DARIELA CIMICOLA

[Signature]
Print Name: Susan M. Clever

CELEBRITY HOME BUILDERS, LLC,
a Florida limited liability company

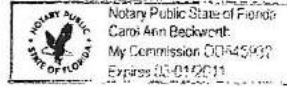
[Signature]
By: Milton Rogers, its manager

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 19th day of October, 2009, by Milton Rogers, as manager of Celebrity Home Builders, LLC, a Florida limited liability company.

[Signature]
NOTARY PUBLIC

Personally Known
OR
 Produced Identification
Type of Identification Produced _____



JOINDER OF PRINCIPAL BUILDER

CHB of Northwest Florida, Inc., a Florida corporation, d/b/a Paragon Custom Home Group, hereby consents to and joins in the Declaration of Covenants, Conditions, Restrictions and Easements for Stonechase Phase I.

The sole purpose of this Joinder is to acknowledge the consent of said Principal Builder to the Declaration.

Signed, sealed and delivered in our presence as witnesses:

CHB OF NORTHWEST FLORIDA, INC.,
a Florida corporation

Donna K Ward
Print Name: Donna K Ward

Daniela Cinicola
Print Name: DANIELA CINICOLA

[Signature]
By: Mark Porter, its president

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 19th day of October, 2009, by Mark Porter, as president of CHB of Northwest Florida, Inc., a Florida corporation.

Carol Ann Beckworth
NOTARY PUBLIC

Personally Known
OR
 Produced Identification
Type of Identification Produced _____

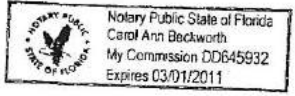


EXHIBIT "A"

COMMENCING AT THE NORTHEAST CORNER OF SECTION 25, TOWNSHIP 2 NORTH, RANGE 30 WEST, SANTA ROSA COUNTY, FLORIDA; THENCE GO SOUTH 03 DEGREES 41 MINUTES 17 SECONDS WEST ALONG THE EAST LINE OF SECTION 25, FOR A DISTANCE OF 511.53 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD (100' R/W) FOR THE POINT OF BEGINNING; THENCE, DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD, CONTINUE SOUTH 03 DEGREES 41 MINUTES 17 SECONDS WEST ALONG AFORESAID EAST LINE OF SECTION 25, FOR A DISTANCE OF 3582.73 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUE SOUTH 03 DEGREES 41 MINUTES 17 SECONDS WEST ALONG SAID EAST LINE OF SECTION 25, FOR A DISTANCE OF 100 FEET MORE OR LESS TO A POINT IN THE CENTERLINE OF A CREEK; THENCE MEANDER SOUTHWESTERLY ALONG SAID CENTERLINE OF CREEK FOR A DISTANCE OF 1603 FEET MORE OR LESS; THENCE, DEPARTING SAID CENTERLINE OF CREEK, GO NORTH 27 DEGREES 04 MINUTES 24 SECONDS WEST, FOR A DISTANCE OF 85 FEET MORE OR LESS TO A POINT, SAID POINT LYING SOUTH 82 DEGREES 55 MINUTES 50 SECONDS WEST, A DISTANCE OF 1379.65 FEET FROM THE AFOREMENTIONED POINT "A"; THENCE CONTINUE NORTH 27 DEGREES 04 MINUTES 24 SECONDS WEST, FOR A DISTANCE OF 273.14 FEET; THENCE GO NORTH 44 DEGREES 33 MINUTES 27 SECONDS EAST, FOR A DISTANCE OF 156.42 FEET; THENCE GO NORTH 03 DEGREES 33 MINUTES 19 SECONDS EAST, FOR A DISTANCE OF 327.01 FEET; THENCE GO SOUTH 86 DEGREES 55 MINUTES 05 SECONDS EAST, FOR A DISTANCE OF 135.56 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE GO NORTHWESTERLY ALONG A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 100.00 FEET, FOR AN ARC OF 25.46 FEET (DELTA = 14 DEGREES 35 MINUTES 17 SECONDS, CHORD BEARING = NORTH 03 DEGREES 44 MINUTES 20 SECONDS WEST, CHORD DISTANCE = 25.39 FEET) TO THE POINT OF TANGENCY; THENCE GO NORTH 03 DEGREES 33 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 6.00 FEET; THENCE GO NORTH 59 DEGREES 19 MINUTES 56 SECONDS EAST, FOR A DISTANCE OF 60.45 FEET; THENCE GO SOUTH 86 DEGREES 26 MINUTES 41 SECONDS EAST, FOR A DISTANCE OF 132.33 FEET; THENCE GO NORTH 03 DEGREES 33 MINUTES 19 SECONDS EAST, FOR A DISTANCE OF 2665.00 FEET; THENCE GO NORTH 80 DEGREES 31 MINUTES 12 SECONDS EAST, FOR A DISTANCE OF 199.51 FEET; THENCE GO SOUTH 33 DEGREES 35 MINUTES 33 SECONDS EAST, FOR A DISTANCE OF 92.88 FEET; THENCE GO NORTH 55 DEGREES 24 MINUTES 42 SECONDS EAST, FOR A DISTANCE OF 50.01 FEET; THENCE GO NORTH 33 DEGREES 35 MINUTES 33 SECONDS WEST, FOR A DISTANCE OF 151.66 FEET; THENCE GO NORTH 80 DEGREES 38 MINUTES 28 SECONDS EAST, FOR A DISTANCE OF 113.67 FEET; THENCE GO NORTH 56 DEGREES 24 MINUTES 27 SECONDS EAST, FOR A DISTANCE OF 280.88 FEET; THENCE GO SOUTH 33 DEGREES 35 MINUTES 33 SECONDS EAST, FOR A DISTANCE OF 130.00 FEET; THENCE GO NORTH 56 DEGREES 24 MINUTES 27 SECONDS EAST, FOR A DISTANCE OF 122.44 FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A RADIUS OF 365.00 FEET AND BEING CONCAVE NORTHWESTERLY; THENCE GO NORTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 365.00 FEET, FOR AN ARC

DISTANCE OF 23.64 FEET (DELTA = 3 DEGREES 42 MINUTES 42 SECONDS, CHORD BEARING = NORTH 54 DEGREES 33 MINUTES 06 SECONDS EAST, CHORD DISTANCE = 23.64 FEET); THENCE GO NORTH 07 DEGREES 08 MINUTES 00 SECONDS WEST, FOR A DISTANCE OF 93.92 FEET; THENCE GO SOUTH 59 DEGREES 01 MINUTES 36 SECONDS EAST, FOR A DISTANCE OF 47.77 FEET; THENCE GO NORTH 26 DEGREES 31 MINUTES 12 SECONDS EAST, FOR A DISTANCE OF 50.15 FEET TO THE INTERSECTION WITH A CURVE HAVING A RADIUS OF 25.00 FEET AND BEING CONCAVE NORTHERLY; THENCE GO NORTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 25.00 FEET, FOR AN ARC DISTANCE OF 39.27 FEET (DELTA = 90 DEGREES 00 MINUTES 00 SECONDS, CHORD BEARING = NORTH 75 DEGREES 58 MINUTES 24 SECONDS EAST, CHORD DISTANCE = 35.36 FEET) TO THE POINT OF TANGENCY; THENCE GO NORTH 30 DEGREES 58 MINUTES 24 SECONDS EAST, FOR A DISTANCE OF 78.94 FEET; THENCE GO NORTH 15 DEGREES 34 MINUTES 19 SECONDS WEST, FOR A DISTANCE OF 72.79 FEET TO A POINT ON THE AFORESAID SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD; THENCE GO SOUTH 59 DEGREES 01 MINUTES 36 SECONDS EAST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD, FOR A DISTANCE OF 136.58 FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A RADIUS OF 3,769.83 FEET AND BEING CONCAVE SOUTHWESTERLY; THENCE GO SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 3,769.83 FEET ALONG SAID SOUTHERLY RIGHT OF WAY LINE, FOR AN ARC DISTANCE OF 167.38 FEET (DELTA = 02 DEGREES 32 MINUTES 38 SECONDS, CHORD BEARING = SOUTH 57 DEGREES 45 MINUTES 17 SECONDS EAST, CHORD DISTANCE = 167.37 FEET) TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL IS SITUATED IN SECTION 25, TOWNSHIP 2 NORTH, RANGE 30 WEST, SANTA ROSA COUNTY FLORIDA.

EXHIBIT "B"

ADDITIONAL PROPERTY

COMMENCING AT THE NORTHEAST CORNER OF SECTION 25, TOWNSHIP 2 NORTH, RANGE 30 WEST, SANTA ROSA COUNTY, FLORIDA; THENCE GO SOUTH 03 DEGREES 41 MINUTES 17 SECONDS WEST ALONG THE EAST LINE OF SECTION 25, FOR A DISTANCE OF 511.53 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD (100' R/W) FOR THE POINT OF BEGINNING; THENCE, DEPARTING SAID SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD, CONTINUE SOUTH 03 DEGREES 41 MINUTES 17 SECONDS WEST ALONG AFORESAID EAST LINE OF SECTION 25, FOR A DISTANCE OF 3582.73 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUE SOUTH 03 DEGREES 41 MINUTES 17 SECONDS WEST ALONG SAID EAST LINE OF SECTION 25, FOR A DISTANCE OF 100 FEET MORE OR LESS TO A POINT IN THE CENTERLINE OF A CREEK; THENCE MEANDER SOUTHWESTERLY ALONG SAID CENTERLINE OF CREEK FOR A DISTANCE OF 1603 FEET MORE OR LESS; THENCE, DEPARTING SAID CENTERLINE OF CREEK, GO NORTH 27 DEGREES 04 MINUTES 24 SECONDS WEST, FOR A DISTANCE OF 85 FEET MORE OR LESS TO A POINT, SAID POINT LYING SOUTH 82 DEGREES 55 MINUTES 50 SECONDS WEST, A DISTANCE OF 1379.65 FEET FROM THE AFOREMENTIONED POINT "A"; THENCE CONTINUE NORTH 27 DEGREES 04 MINUTES 24 SECONDS WEST, FOR A DISTANCE OF 273.14 FEET; THENCE GO NORTH 44 DEGREES 33 MINUTES 27 SECONDS EAST, FOR A DISTANCE OF 156.42 FEET; THENCE GO NORTH 03 DEGREES 33 MINUTES 19 SECONDS EAST, FOR A DISTANCE OF 327.01 FEET; THENCE GO SOUTH 86 DEGREES 55 MINUTES 05 SECONDS EAST, FOR A DISTANCE OF 135.56 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE GO NORTHWESTERLY ALONG A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 100.00 FEET, FOR AN ARC OF 25.46 FEET (DELTA = 14 DEGREES 35 MINUTES 17 SECONDS, CHORD BEARING = NORTH 03 DEGREES 44 MINUTES 20 SECONDS WEST, CHORD DISTANCE = 25.39 FEET) TO THE POINT OF TANGENCY; THENCE GO NORTH 03 DEGREES 33 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 6.00 FEET; THENCE GO NORTH 59 DEGREES 19 MINUTES 56 SECONDS EAST, FOR A DISTANCE OF 60.45 FEET; THENCE GO SOUTH 86 DEGREES 26 MINUTES 41 SECONDS EAST, FOR A DISTANCE OF 132.33 FEET; THENCE GO NORTH 03 DEGREES 33 MINUTES 19 SECONDS EAST, FOR A DISTANCE OF 2665.00 FEET; THENCE GO NORTH 80 DEGREES 31 MINUTES 12 SECONDS EAST, FOR A DISTANCE OF 199.51 FEET; THENCE GO SOUTH 33 DEGREES 35 MINUTES 33 SECONDS EAST, FOR A DISTANCE OF 92.88 FEET; THENCE GO NORTH 55 DEGREES 24 MINUTES 42 SECONDS EAST, FOR A DISTANCE OF 50.01 FEET; THENCE GO NORTH 33 DEGREES 35 MINUTES 33 SECONDS WEST, FOR A DISTANCE OF 151.66 FEET; THENCE GO NORTH 80 DEGREES 38 MINUTES 28 SECONDS EAST, FOR A DISTANCE OF 113.67 FEET; THENCE GO NORTH 56 DEGREES 24 MINUTES 27 SECONDS EAST, FOR A DISTANCE OF 280.88 FEET; THENCE GO SOUTH 33 DEGREES 35 MINUTES 33 SECONDS EAST, FOR A DISTANCE OF 130.00 FEET; THENCE GO NORTH 56 DEGREES 24 MINUTES 27 SECONDS EAST, FOR A DISTANCE OF 122.44

FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A RADIUS OF 365.00 FEET AND BEING CONCAVE NORTHWESTERLY; THENCE GO NORTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 365.00 FEET, FOR AN ARC DISTANCE OF 23.64 FEET (DELTA = 3 DEGREES 42 MINUTES 42 SECONDS, CHORD BEARING = NORTH 54 DEGREES 33 MINUTES 06 SECONDS EAST, CHORD DISTANCE = 23.64 FEET); THENCE GO NORTH 07 DEGREES 08 MINUTES 00 SECONDS WEST, FOR A DISTANCE OF 93.92 FEET; THENCE GO SOUTH 59 DEGREES 01 MINUTES 36 SECONDS EAST, FOR A DISTANCE OF 47.77 FEET; THENCE GO NORTH 26 DEGREES 31 MINUTES 12 SECONDS EAST, FOR A DISTANCE OF 50.15 FEET TO THE INTERSECTION WITH A CURVE HAVING A RADIUS OF 25.00 FEET AND BEING CONCAVE NORTHERLY; THENCE GO NORTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 25.00 FEET, FOR AN ARC DISTANCE OF 39.27 FEET (DELTA = 90 DEGREES 00 MINUTES 00 SECONDS, CHORD BEARING = NORTH 75 DEGREES 58 MINUTES 24 SECONDS EAST, CHORD DISTANCE = 35.36 FEET) TO THE POINT OF TANGENCY; THENCE GO NORTH 30 DEGREES 58 MINUTES 24 SECONDS EAST, FOR A DISTANCE OF 78.94 FEET; THENCE GO NORTH 15 DEGREES 34 MINUTES 19 SECONDS WEST, FOR A DISTANCE OF 72.79 FEET TO A POINT ON THE AFORESAID SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD; THENCE GO SOUTH 59 DEGREES 01 MINUTES 36 SECONDS EAST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF QUINTETTE ROAD, FOR A DISTANCE OF 136.58 FEET TO THE POINT OF CURVATURE OF A CURVE HAVING A RADIUS OF 3,769.83 FEET AND BEING CONCAVE SOUTHWESTERLY; THENCE GO SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 3,769.83 FEET ALONG SAID SOUTHERLY RIGHT OF WAY LINE, FOR AN ARC DISTANCE OF 167.38 FEET (DELTA = 02 DEGREES 32 MINUTES 38 SECONDS, CHORD BEARING = SOUTH 57 DEGREES 45 MINUTES 17 SECONDS EAST, CHORD DISTANCE = 167.37 FEET) TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL IS SITUATED IN SECTION 25, TOWNSHIP 2 NORTH, RANGE 30 WEST, SANTA ROSA COUNTY FLORIDA.

EXHIBIT "C"

BLACKSTONE LOTS

Lots 1 - 40, inclusive, Block "A"

Lots 1 - 18, inclusive, Block "B"

ARROWHEAD LOTS

Lots 41 - 56, inclusive, Block "A"

Lots 19 - 58, inclusive, Block "B"

Lots 15 - 38, inclusive, Block "C"

Lots 10 - 24, inclusive, Block "D"

DEER POINTE LOTS

Lots 57 - 64, inclusive, Block "A"

Lots 59 - 66, inclusive, Block "B"

Lots I - 14, inclusive, Block "C"

Lots 1 - 9, inclusive, Block "D"

Lots 1 - 4, inclusive, Block "E"

Lots 1 - 6, inclusive, Block "F"

Lots 1 - 6, inclusive, Block "G"

Lots 1 - 7, inclusive, Block "H"

Lots 1 - 10, inclusive, Block "I"