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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR RIDGEWALK

This Declaration of Covenants, Conditions, Restrictions and Easements for RidgeWalk is made on the ____ day of _____, 20__ by Ridgewalk, LLC, a Florida limited liability company ("Declarant").

STATEMENT OF PURPOSE

A. Declarant is the owner of all the property shown on the subdivision plat for RidgeWalk, a Planned Unit Development, recorded at Plat Book _____, Page _____, of the Public Records of Walton County, Florida, as described in attached Exhibit A.

B. The lots within RidgeWalk will be used for residential purposes as determined by Declarant and the Architectural Review Committee from time to time, and also as defined herein. The easements within RidgeWalk will be used by the various utility providers to furnish services to the neighborhood. The common areas will be transferred to a nonprofit Florida corporation formed or to be formed by Declarant, which corporation will own such areas for the benefit of the lot owners in RidgeWalk.

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

ARTICLE I - DEFINITIONS

The following definitions apply wherever the capitalized terms appear in this Declaration. Additional terms also may be defined the first time they appear.

1.1 "Articles" means the Articles of Incorporation of the RidgeWalk Homeowners Association, Inc. (hereafter "Association"), filed with the Secretary of State of Florida, as amended from time to time.

1.2 "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 an 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.

1.3 "Association" means the Association for RidgeWalk Homeowners Association, Inc., a Florida nonprofit corporation, its successors and assigns, formed or to be formed by Declarant.

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

1.5 "RidgeWalk Architectural Guidelines" refer to Declarant's requirements for building design, construction and landscaping, and subsequent amendments thereto.

1.6 "Bylaws" means the Bylaws of the Association.

1.7 "RidgeWalk" refers to RidgeWalk, a Planned Unit Development, the plat of which is recorded at Plat Book _____, Page _____, of the Public Records of Walton County, a copy of which is attached hereto as Exhibit B.

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 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 by the Association. Initially the Common Property shall consist of all roads, utility lines outside of Lot(s), retention areas, and stormwater discharge facility.

1.9 "Declarant" means Ridgewalk, LLC, a Florida limited liability company, and its successors, assigns, affiliates, subsidiaries, parent companies, related entities and transferees so designated by Declarant. 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 RidgeWalk or any portion thereof.

1.10 "Declaration" means this Declaration of Covenants, Conditions, Restrictions, and Easements for RidgeWalk, a Planned Unit Development and all supplements and amendments to this Declaration.

1.11 "Stormwater Management System" means all drainage easements and rights of way, lakes, ponds, water management tracts, drainage facilities, conservation districts, conservation areas, and buffer zones, as shown on the Plat. The "Stormwater Management 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, overdrainage, environmental degradation, and water pollution, or otherwise affect the quantity and quality of discharges from the Stormwater Management System as permitted pursuant to Chapter 62-330, Florida Administrative Code.

1.12 "Residential" means those types of living arrangements where one or more individuals reside in a single family home environment. "Residential" shall not include business or commercial purposes.

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

1.14 "Member" means a member of the Association. Each Owner is also a Member. There are two classes of Members as defined in Article VII.

1.15 "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.

1.16 "Owner" means the record owner, whether 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 nor does it mean the Declarant.

1.17 "Plat" means the plat of RidgeWalk and the plats of any additional land annexed to and made part of RidgeWalk, from time to time.

1.18 "Public Records" means and refers to the Official Public Records of Walton County, Florida.

1.19 "Rules" means the rules governing the use of the Common Property originally enacted by Declarant and revised from time to time by the Association. The procedures regarding the Rules are set forth in Paragraph 5.6.

ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION

This article describes the real property of which RidgeWalk 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 of RidgeWalk.

2.2 Annexation of Additional Property.

(a) Parties Authorized to Annex Property. 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 (the "Additional Property") to RidgeWalk, if such property is adjacent to or abuts any property shown on the Plat. 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. Declarant's right to annex is absolute, regardless of whether Declarant owns the adjacent property or whether same is owned by a third party.

(ii) By Association. Additional property may be annexed to RidgeWalk by the Association, pursuant to the same requirements as 2.2 (a) (i), but only after the termination of the Class B Membership. A two-third (2/3) vote of all owners entitled to vote is required for the Association to annex additional property.

(b) Procedure. The party effecting the annexation shall record a Supplemental Declaration in the Public Records. The Supplemental Declaration shall be executed by 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 expenses. Upon recording the Supplemental Declaration, the annexed property will become part of RidgeWalk.

2.3 Further Subdivision or Replat of Lots. Owners (other than Declarant) may not subdivide or separate any Lot into smaller lots; however, this shall not prohibit corrective deeds or similar corrective instruments. 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 within fifteen (15) days to a request for the Owner's consent. Declarant also may replat a Lot or Lots to Common Property, to roadway, or to other legal purpose, without the consent of the other Owners, whereupon such replatted Lot or Lots will no longer be deemed a "Lot". Declarant also may establish additional easements on a Lot or Lots without the consent of the other Owners.

ARTICLE III - ARCHITECTURAL REVIEW AND CONSTRUCTION REQUIREMENTS

To ensure that the residential buildings within RidgeWalk are harmonious, Declarant will create an Architectural Review Committee to approve all construction. Although certain requirements are specified herein, and in the RidgeWalk Architectural Guidelines, the Architectural Review Committee will not be limited to the specific requirements but rather will have broad discretion. In addition, to ensure consistency and to maintain values within RidgeWalk, all homes

constructed in RidgeWalk shall be built by Randy Wises Homes, Inc.

3.1 Architectural Review Committee.

(a) **Composition.** The Architectural Review Committee (“ARC”) will consist of three persons selected by Declarant. The initial ARC shall have the same members as the Association Board of Directors. Declarant may temporarily delegate this right to appoint members or may assign this right by written instrument recorded in the Public Records. Member(s) of the ARC will serve at the pleasure of the entity entitled to select the member(s) and may be replaced at any time. If Declarant (or assignee) fails to appoint at least one person to the ARC and such vacancy continues for 30 days after the Association gives written notice to Declarant (or assignee) of such vacancy, the Association will have the right to appoint the member(s) of the ARC until such time as Declarant (or assignee) exercises its right of appointment.

(b) **Professional Advisor.** The ARC may employ one or more architects or land planners to advise the ARC, but is not required to do so. Each advisor may sit on the ARC as either a voting or nonvoting member, at the discretion of the other member(s) of ARC. At the discretion of the ARC, the advisor may be paid a reasonable fee derived from application fees or payable by the Association.

(c) **Objectives.** Architectural and design review shall focus on, but not be limited to, the following objectives.

(i) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms.

(ii) Ensuring that the location and configuration of the proposed improvements are visually harmonious with the terrain and do not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.

(iii) Ensuring that the architectural design of proposed improvements and their materials and colors visually enhance Ridgewalk 's overall appearance.

(iv) Ensuring the plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining or nearby lots, and blend harmoniously with the natural landscape.

(v) Ensuring that any proposed improvements comply with the provisions of the Architectural Guidelines and the covenants and restrictions set forth in the applicable declarations.

(vi) Promoting building design and construction techniques that respond to energy consumption and environmental quality consideration such as heat loss, air emissions, and run-off water quality.

(d) **Enforcement Powers.** The ARC reserves the right during construction of the

proposed improvements as a part of its approval process, to enter into the lot to inspect the proposed improvements to assure their compliance with the approved plans and specifications.

(i) If any proposed improvements shall be made without the approval of the ARC, or are not in compliance with the approved plans and specifications, then owner shall, upon written demand, cause the proposed improvements to be removed or restored within ten (10) days from the date of the written demand to their original conditions, and such owner shall bear all costs and expenses of such restoration or removal, including costs and reasonable attorney's fees of the ARC.

(ii) If owner has not removed or restored or commenced to remove or restore the unapproved proposed improvements within the period set forth in subparagraph 2 hereof, the ARC shall have the right, with approval of the Board of Directors, to (i) levy a special assessment in a reasonable amount, dependent on the nature of the noncompliance, (ii) institute an action to recover sums due, for damages or (iii) seek injunctive relief to require the owner to cease, remove or restore the unapproved proposed improvements. It is hereby declared that any violation of the requirements, set forth herein may not be adequately compensated by recovery of damages and, accordingly, the ARC, on behalf of the Association, may seek an injunction to restrain a violation or breach or threatened violation or breach.

(iii) All the remedies set forth herein are cumulative. No delay, failure or omission on the part of the ARC in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or a waiver of the right to enforce its rights, powers or remedies. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the ARC, the Association or any owner on account of any failure to bring any action on account of any violation or breach of the provisions of the Architectural Guidelines.

(iv) In all enforcement actions, the prevailing party shall be entitled to be reimbursed for its attorney's fees, prior to or at trial or on appeal and all reasonable court costs.

(e) Basis for Decision. Approval shall be granted or denied by the ARC based upon the standards and Architectural Guidelines promulgated by the ARC from time-to-time, including:

(i) Compliance with the provisions of the Architectural Guidelines;

(ii) The quality of workmanship and materials;

(iii) The harmony of external design with the surrounding area;

(iv) The effect of the construction on the appearance from surrounding property; and

(v) Such other factors, including purely aesthetic considerations, which in the sole opinion of the ARC shall affect the desirability or suitability of the construction.

(f) **Limitations of Responsibility.** The primary goal of the ARC is to review the application, plans, materials, and samples submitted to determine if the proposed structure conforms in appearance with the Architectural Guidelines and does not assume responsibility for the following:

(i) Structural adequacy, capacity, or safety features of the proposed structure.

(ii) Soil conditions, erosion requirements, drainage, or other general site work.

(iii) Compliance with all building codes, safety requirements, governmental laws, regulations, or ordinances.

(iv) Performance or quality of work by any contractor.

(v) Any owner making or causing to be made any proposed improvement, agrees and shall be deemed to have agreed, for such owner and his heirs, personal representatives, successors and assigns to hold the ARC, Association and all other owners harmless from any liability, damage of property and from expenses arising from the construction and installation of any proposed improvements or in any way relating to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld, and such owner shall be solely responsible for the maintenance, repair and insurance of any proposed improvement and for assuring that the proposed improvement is in full compliance with all local, state and federal laws, rules and regulations.

(g) **Administrator.** The ARC may appoint an Administrator to handle the day-to-day responsibilities of processing submissions and coordinating with owners, including the following:

(i) Explanation and interpretation of the Architectural Guidelines.

(ii) Providing pre-design conferences to consider existing data relating to a particular home site, adjacent, or planned homes, easements, setbacks, etc.

(iii) Scheduling of all meetings and member notification.

(iv) Review job progress, schedule ARC inspections, and issue applicable ARC permits and certifications.

(h) **Meetings.** The ARC will conduct regular monthly meetings. Special meetings may be called by the Administrator. Anyone intending to appear before the ARC in conjunction with the construction application shall notify the ARC Administrator. All appearances before the ARC shall

be limited to fifteen (15) minutes or as the ARC deems.

(i) Minutes. All decisions of the ARC will be recorded in minutes taken at ARC meetings. Recorded minutes will be available to Owners upon request. Plans and specifications will be retained by the ARC as part of the record.

(j) Appeals. If an application has been denied, or the approval is subject to conditions, which the Owner feels are unacceptable, the owner may request a hearing before the Board of Directors.

(k) Noncompliance. In the event an Owner does not comply with his/her obligations hereunder including, without limitation, construction of any unapproved proposed improvement or failure to construct in full accordance with the approved plans and specifications. The ARC shall give the Owner written notice of the non-compliance and ten (10) business days to cure the non-compliance. If such non-compliance is not cured, the ARC may remove and restore the unapproved proposed improvements or elect to retain an attorney. In order to determine compliance and completion, the owner/builder shall contact the ARC for final in-field inspection and provide a County Building Department Certificate of Occupancy (CO).

(l) Variances. All variance requests pertaining to ARC approvals must be made in writing to the ARC. Any variances granted shall be considered unique and will not set any precedent for future decisions.

(m) Additional Requirements. The Architectural Guidelines have been adopted to assist the owners within RidgeWalk and the ARC in connection with the architectural approval process. This is merely a Code, and the ARC will have the right to waive any of the requirements, or will have the right to require additional or more stringent requirements.

3.2 Architectural Review Procedures.

(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 ARC. 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; construction of privacy walls or other fences or gates; addition of awnings, flower boxes, shelves, statues, or other outdoor ornamentation; addition of window coverings; 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 ARC.

(b) Application. Three sets of the plans shall be submitted for approval and shall include:

(i) The construction plans and specifications, including all proposed clearing and landscaping;

- (ii) elevations of all proposed improvements. Elevations shall be drawn at ¼” scale. All exterior views of the dwelling must be shown and all exterior elevations of amenities such as walls, fountains, built up planters, etc. shall be shown;
- (iii) a lot survey showing current improvements;
- (iv) Dimension Site Plan. This drawing shall show setbacks and all planned improvements, gates, fountains, etc;
- (v) Foundation and Framing Plan. Plans to be drawn at ¼” scale and in conformity with all Walton County and State of Florida codes;
- (vi) Floor Plans. Floor plans to be drawn ¼” scale, containing all information necessary for construction;
- (vii) Details. Drawings shall show exterior trim, window and door details, railings, planter construction, side walls and fences, and all other exterior amenities; and
- (viii) such other items as the ARC 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 ARC.

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

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

(e) Notification of Approval. The ARC must notify an applicant in writing of its decision within thirty (30) days of receiving a completed application. If approval or disapproval is not given within thirty (30) days after submission of a completed application, the application will be deemed approved unless the applicant agrees to an extension.

(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 ARC, may bring an action for specific performance, declaratory decree, or injunction, and will be entitled to recover all costs of such action including attorneys 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) own no Lots within

RidgeWalk, the Association only 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.

(g) Construction Completion. Each Owner shall commence construction within eighteen (18) months from purchase of the Lot and complete same no later than thirty (30) months from purchase of the Lot.

(h) Repurchase Rights. In the event Owner fails to comply with the Construction Completion requirements set forth above, the Declarant shall have the right but not the obligation to repurchase the Lot. The Repurchase Price shall be eighty five percent (85%) of the original sales price less any mortgage or lien on the Lot and all closing costs for the repurchase.

3.3 Liability. The ARC and Declarant 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, or to ensure that construction was done in accordance with the plans.

3.4 Specific Restrictions and Requirements. The following restrictions and requirements shall apply to the Lots and to structures constructed thereon; however, the ARC will not be limited to these items when reviewing plans and will have broad discretion in the interpretation of these restrictions.

(a) Commercial Building. No building may be erected, placed, or permitted to remain on any Lot for business or commercial purposes. However, this shall not preclude Declarant from annexing additional property which may be designated for commercial or business uses.

(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, or if not specified on the Plat, of the applicable government regulation.

(c) Exterior Color and Materials. The color and materials of all exterior surfaces will be subject to approval of the ARC. The ARC may promulgate a list of approved colors and materials for this purpose. This restriction includes, but is not limited to, roofs, window tints and films.

(d) 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 or maintenance of any entry way, hedge, planting, tree, grass, fence, or other improvement or landscaping in any Common Property, or with maintenance or repair of the Stormwater Management System or of any improvement located within the Common Property or any drainage easement. 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 benefitting from the easements or responsible for the maintenance of them.

(e) Utility Connections. Connections for all utilities, including, but not limited to, water, sewage, electricity, telephone, and cable must be run underground from the connecting point therefrom to the building in such a manner as is acceptable to the respective utility authority or company and the ARC.

(g) 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 central location as designated on the Plat.

(h) Signs. No sign of any kind shall be displayed to general view on any Lot except under any of the following circumstances:

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

(ii) Declarant and assigns may display signs for the sale of Lots, homes, and promotion of the subdivision; and

(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 but only after which time Declarant has sold all lots within RidgeWalk; and

(iv) One "For Rent" 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, but only after which time Declarant has sold all lots within RidgeWalk.

(i) Fences. No fences, except as may be required by law or government regulation, may be erected on any Lot without prior written approval of the Architectural Review Committee in accordance with the RidgeWalk Architectural Guidelines.

(j) Manufactured Homes. No trailers, modular or pre-fabricated homes shall be permitted in RidgeWalk unless approved by the ARC.

3.5 Temporary Structures. No structure of a temporary nature, whether a trailer, tent, shack, garage, barn, work shed or any other such building, is permitted on a Lot. This restriction excludes temporary buildings used in connection with and during the construction of a building if approved by the ARC. The Declarant is exempt from the restrictions in this paragraph 3.5.

3.6 Completion of Construction and Repairs. The improvement of a Lot and the construction, repair, or remodeling of any improvement must be diligently and continuously pursued once begun. The ARC may, as a condition of approval, impose a deadline to complete construction. In addition to any other remedies, the ARC may impose a fine for each day of violation for work that is not diligently pursued, continued, and completed.

3.7 Sales Offices. Notwithstanding anything in this Declaration to the contrary, Declarant and parties approved by Declarant may construct and maintain sales offices and sales trailers, together with a sign or signs relating thereto, on a Lot or Lots or on any other property within

RidgeWalk until such time as all of the Lots are sold.

3.8 Destruction or Damage to Community Property. Owners will be responsible for any and all damage caused to Common Property, 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. Any liability incurred under this provision will be both a personal obligation and an Individual Lot Assessment on such Owner's Lot.

3.9 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 outside RidgeWalk which is owned by Declarant, its affiliates or related entities, regardless of whether Declarant annexes the adjoining property; and (ii) cause any Lot to be platted as a right of way. Declarant also reserves the right to impose additional easements on any Lot owned by Declarant. No Lot Owner shall have a right of access through any Lot to adjoining property outside RidgeWalk.

3.10 Landscaping Standards. The goal of the ARC is to provide for the sensitive enhancement of the environment by the encouragement of an ongoing planting program, which adheres to a "natural theme". While every effort should be made to complement the landscaping of the common area, plant material selections and planting arrangements which reinforce naturalistic settings in keeping with the character of the site will be expected.

(i) To ensure that the unique elements which create the visual appeal of the community are preserved and enhanced, and that any proposed vegetative improvements are kept consistent for the benefit of all, a comprehensive landscape plan and plant list will be required for all proposed home site construction projects. The ARC reserves the right to approve or disapprove any such submission, and may at its sole discretion make suggestions or require modifications which may be appropriate to bring the proposed landscape plan into compliance with the Architectural Guidelines.

(ii) The Landscape Plan shall be prepared and submitted to the ARC. No installation work may commence prior to receipt of written approval by the ARC of the landscape documents.

(iii) The general landscape design theme for Ridgewalk is intended to be natural and informal, using sufficient plant material to present an established appearance at time of installation. The goal is to have a continuous flow of the landscape from one lot to another between the street and the front of the house, rather than making each lot an autonomous island from lot line to lot line.

(iv) Landscape installations will be encouraged to utilize native or indigenous plants with exceptions only as specified herein or as allowed by the ARC. While there are a number of exotic plants that thrive in this environment, it is the intent of the ARC to restrict all landscape plantings visible from the roads to species that are indigenous to the site. Any deviation will only be with written approval of the ARC.

(v) All front yard plantings visible from the street shall be landscaped with native

plant species. It is strongly suggested that existing vegetation be preserved, and every effort shall be made to landscape adjacent areas with more of the same species to achieve a look of continuity. Areas enclosed by walls or fences may be planted with adaptable, non-native species provided they are not and will not become visible from the street. Areas of turf grass are encouraged as should be shown on the Landscape Plan and approved by the ARC.

(vi) It is strongly suggested that developed home sites have an automatic irrigation system utilizing either domestic potable water or water from a shallow well supplied by the lot owner. Domestic water is the preferred choice, since it does not present the iron staining problems often found with shallow well water. No well shall be allowed to cause excessive staining or emit odors deemed to be offensive to the community.

(vii) All street rights-of-way on which each lot fronts should be on an automatic irrigation system operated and maintained by the Association. For soil stabilization purposes, these rights-of-way will be planted and irrigated and should be maintained as such, until a lot owner begins to develop his lot. At that time, the HOA roadside irrigation heads along the street on which the owner's lot fronts will be capped off 8 feet from the curb. The HOA will repair and/or replace at the conclusion of construction.

3.11 Building Code and Architectural Standards. The following shall apply to any and all construction, improvement, alteration or maintenance of any structure, to any change to the exterior of any structure and to grading, excavating, tree removal, landscaping or any other change to the grounds of a single-family site within RidgeWalk. In the event a violation takes place, the construction or work being performed shall cease until conformance is achieved. Infractions of the construction rules may be cause for a fine per infraction and/or suspension of a contractor or subcontractor from the community.

(i) Accessory Structures. Gazebos, cabanas and detached garages are permissible where lot sizes warrant. If built, the accessory structures must be located within the required setbacks and match the architectural details of the home to include wall and roof materials and color. Accessory structures must have prior approval of the ARC in its sole discretion.

(ii) Building Heights. Maximum building height of residences shall be fifty feet (50') or as designated by Walton County at the time a building permit is issued. The height shall be measured from the existing natural grade to the average of the roof peak and roof eaves.

(iii) Maximum Building Coverage. In order to preserve storm water run-off areas and natural vegetation, the maximum of the lot that can be covered by the structure is outlined for each individual lot shown on the Recorded Plat of Ridgewalk and known as the building envelope.

(iv) Sidewalks. Owners will be required to construct a poured concrete sidewalk a minimum of four feet (4') in width. Sidewalks will be installed at the time of construction of the residence and installation of the driveway.

ARTICLE IV - USE OF PROPERTY; INDIVIDUAL LOTS

The following restrictions are imposed on the use of the Lots to promote a harmonious

neighborhood and limit uses that may be a nuisance to other Owners.

4.1 Business and Commercial Use. No building may be erected on any Lot for business and commercial purposes.

4.2 Further Division of Lots. Declarant reserves the right to re-subdivide any Lots not sold to an Owner. In the event of re-subdivision all provisions in this Declaration will apply to each re-subdivided Lot as if each re-subdivided Lot had been a Lot as originally shown on the Plat.

4.3 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 a sightly manner. If an Owner fails to undertake the necessary repair or maintenance within thirty (30) days of notice of violation (given by Declarant or the Architectural Review Committee) or fails to complete the work within sixty (60) days of the notice, Declarant or the Association may effect the repairs or maintenance to the Owner's Lot to preserve the beauty, quality, and value of RidgeWalk and the costs of these repairs or maintenance, plus a 15% administrative fee to Declarant (and later to Association once Declarant owns no Lots), shall be payable by the Owner. If the Owner fails to make this payment within five (5) days of demand, the costs and fee will constitute an Individual Lot Assessment against the Owner's Lot. If the work was effected by Declarant, the Association will be responsible to pay the requisite costs and administrative fee to Declarant and collect the same from the Owner. Each Owner grants Declarant, the Association, and their respective contractors, employees, and agents a perpetual easement to enter onto the Owner's Lot to carry out the work, and releases those parties from all liability with respect to such work. Additionally, the Association may impose a fine for each day this paragraph 4.3 is violated.

4.4 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 and the front Lot line of the Owner's Lot. All unimproved areas of a Lot must be maintained in an attractively landscaped and sightly manner. The Association may impose a fine for each day this paragraph is violated.

4.5 Litter, Trash, Garbage. No garbage, trash, refuse, or rubbish may be deposited, dumped, or kept on any Lot except in closed sanitary containers. Trash containers must be kept inside a garage or otherwise hidden from public view. Trash containers may 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.

4.6 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 RidgeWalk is strictly prohibited without the approval of Declarant or the Association.

4.7 Parking. Private passenger motor vehicles and non-commercial trucks and non-commercial vans may be parked on the Lots but must be kept completely on the driveway area of a Lot without blocking the sidewalk. Boats and personal watercraft, including but not limited to jet ski and wave runner type watercraft, and all trailers therefor may not be parked in the driveways of Lots, and must be parked in the backyards or garages of all Lots and not visible from the roads, nor from other Lots. Commercial trucks and commercial vans may only be parked on the driveway area of a

Lot when necessary for providing services to an Owner, or for pickup and delivery service, but only while undertaking this activity and never overnight. This provision shall not apply to a vehicle owned by an Owner used by the Owner as his/her primary vehicle in connection with the Owner's business. Recreational vehicles, motor homes, travel trailers, campers, and trailers may not be parked on the driveway area of a Lot in excess of forty-eight (48) hours, and may be so parked for loading and unloading only. They may not be used for overnight stays by any persons. At all other times they must be kept in the backyards or garages of all Lots and not visible from the roads, nor from other Lots. Repairs to and/or maintenance of any vehicle on the Lots is prohibited. There shall be no parking on roads of any motor vehicles, including without limitation, cars trucks, trailers, boats, water craft, campers, recreational vehicles or motor cycles.

4.8 Animals/Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that no more than two (2) pets, may be kept by Owners only, provided that such pets; (a) are not kept, bred or maintained for commercial purposes; (b) are duly licensed, if applicable; (c) do not constitute a nuisance; and (d) are not permitted to be present beyond the boundaries of the Owner's Lot without being caged or leashed. All owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of their pets on any Lot. Should a pet owner fail to clean up after his pet, the Association shall perform that service and bill the Owner of the Lot on which the pet resides, with a minimum, charge of \$25.00 for such service. The charge may be increased by vote of the Board of Directors. The Association further reserves the right to adopt and enforce additional pet regulations necessary to ensure that pets are not and do not become a nuisance, and demand that an Owner permanently remove from a Lot any and all pets which create disturbances and annoyances to other Owners, their tenants or guests.

4.9 Preservation Areas. These are certain areas noted on the Plat as being "Preservation Areas", "Conservation Areas" or "Wetland Buffers". These areas may be Common Property owned by the Association or areas within Owner's Lots. These areas are set aside due to governmental permit requirements. The natural vegetation in these areas shall not be cut, mowed, poisoned, disturbed, impacted or otherwise destroyed by any Owner without express written approval from the Association. Any Owner who violates this provision shall defend, indemnify and hold harmless the Declarant and Association for any losses either of them may sustain as a result of said Owner's actions, including without limitation reasonable attorney fees and court costs. Declarant and Association reserve the right to select their own counsel in the event of an indemnifying event.

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 Members.

(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 (without 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 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.

5.2 Maintenance; Management; Contracts.

(a) Association Responsibility. The Association will be responsible for the management, control, maintenance, repair, replacement and improvement of the Common Property and must keep the same attractive, clean, and in good repair in accordance with this Declaration and applicable governmental regulations. This shall include, but not be limited to, water and sewer lines, lift station, and roads. The lift station may be constructed on property outside RidgeWalk and shared by non lot owners in RidgeWalk. In such event, Declarant reserves the right to enter into a shared use agreement with adjacent property owners delineating the rights and obligations of those individuals and RidgeWalk lot owners concerning the use, maintenance, and replacement of the lift station and transmission lines. Declarant further reserves the right to assign to Association Declarant's obligations in the shared use agreement.

(b) Management Agreements. In order to provide the most consistent service within RidgeWalk and to preserve the values and integrity of the community, the Declarant/Association will contract for management for the following areas:

(i) Property Management. The Association will contract with ResortQuest Northwest Florida, LLC ("Property Manager") for the Association's maintenance and repair obligations. Management costs will be included within the Assessments. 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.

(ii) Rental Management. The Declarant designates ResortQuest Northwest Florida, LLC ("Rental Manager") as the sole rental management company authorized to provide rental management services within RidgeWalk. Owners who desire to rent their property must contract directly with the Rental Manager.

5.3 Capital Improvements. The Association may make capital improvements to the Common Property and may modify the uses of the Common Property.

5.4 Damage or Destruction of Common Property by Owner. If any Owner or any guest, customer, tenant, licensee, agent, employee or family member 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 that Owner and will become an Individual Lot Assessment payable by the responsible Owner plus a 15% administrative fee to the Association.

5.5 Compliance with Laws. Lots and the Common Property may be used and must be maintained in accordance with all applicable laws, ordinances, and regulations, including, without limitation, all regulations and requirements of Walton County, Florida, the Northwest Florida Water Management District, the Florida Department of Environmental Protection and the United States Army Corps of Engineers.

5.6 Rules for Use of Common Property. Members will have the right to use the Common Property only in accordance with the terms of the Rules initially made by Declarant and revised from time to time by the Association. The Rules may restrict the time of use, provide limitations on use of the Common Property by a Member's guests and lessees, and provided such fee or charge is uniformly assessed. No Member will be entitled to any rebate or reduction in such Member's Assessments on account of any such restrictions imposed on the Member's use of the Common Property. The Rules will be kept at the offices of the Association and copies will be made available without charge to any Member requesting the same.

5.7 Stormwater Management System Located in Common Property. The Association will be responsible for the maintenance, operation, and repair of such portion of the Stormwater Management System (which includes without limitation dry and wet retention areas and exfiltration system) as is located on Common Property. 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 Northwest Florida Water Management District and the Florida Department of Environmental Protection. Any repair or reconstruction of the Stormwater Management System shall be as permitted or, if modified, as approved by the Northwest Florida Water Management District or the Florida Department of Environmental Protection.

ARTICLE VI - GRANT AND RESERVATION OF EASEMENTS

Every Owner has the benefit of certain easements and the responsibility for others.

6.1 Owners' Easement of Enjoyment of the Common Property. Every Owner will have a right and easement of enjoyment in and to the Common Property, subject to the restrictions imposed in this Declaration or in the Rules. This easement will be appurtenant to and shall pass with title to every Lot. Any Owner, subject to the provisions of this Declaration, the Articles, the Bylaws, and the Rules, may delegate the Owner's right to enjoyment of the Common Property to the Owner's family, tenants and guests.

6.2 Easements in Favor of Declarant and Association. Declarant reserves for itself, its successors and assigns, and for the Association, the following perpetual easements:

(a) Utilities. Easements, for ingress, egress, installation, replacement, repair, and maintenance of all public and private utilities and conveniences, upon all property subject to utility easements as shown on the Plat; across, over, through, and under the Common Property; and five feet in width along the front, rear, and side line of each Lot. This easement shall be automatically deemed abandoned as to the interior side Lot lines if two or more Lots are combined into a single building site.

(b) Police Powers; Security. A blanket easement throughout RidgeWalk 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.

(c) Construction Easement. An exclusive easement is hereby reserved for the benefit of Declarant, its agents, employees, successors and assigns, for the purposes of completing construction on any existing Lot, and for new construction on any property annexed hereto pursuant to the annexation provisions described in this Declaration.

(d) Ingress and Egress. Declarant reserves a non-exclusive easement for the right to ingress and egress to the private roads of RidgeWalk.

(e) Future Easements. Declarant reserves the right to impose further restrictions and to grant or dedicate easements and rights of way on any Lot within the Property owned by the Declarant. In addition, Declarant hereby expressly reserves the right to grant easements and rights of way over, under and through the land now or later annexed other than the Lots, so long as the Declarant shall own any portion of RidgeWalk, or property to be annexed.

ARTICLE VII - ASSOCIATION ORGANIZATION

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

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

7.2 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 Member is Declarant, which shall be entitled in all matters to the number of votes equal to (i) the number of Lots from time to time subject to the Declaration, and (ii) the number of Lots anticipated for Additional Property annexed by Declarant pursuant to Section 2.2 of this Declaration (which shall not be greater than the allowable zoning as amended from time to time, for the Additional Property, plus one (1) vote. Declarant may assign its Class B Membership. The Class B Membership will end and be converted to Class A Membership when the earlier of the following events occurs:

(i) Three months after 90 percent of the Lots in all phases of RidgeWalk that will ultimately be operated by the Association have been conveyed to Owners; or

(ii) Declarant chooses to become a Class A Member, as evidenced by instrument to such effect, executed by Declarant, which is recorded in the Public Records.

The term "Owners of Lots other than the Declarant" shall not include builders, contractors, or others who purchase a parcel for the purpose of constructing improvements thereon for resale.

7.3 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.

7.4 Board of Directors.

(a) Composition. The Board initially will consist of at least three 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.

(i) Members other than the Declarant are entitled to elect at least one member of the Board if 50 percent of the parcels in all phases of the community which will ultimately be operated by the Association have been conveyed to members; and

(ii) The Declarant is entitled to elect at least one member of the Board as long as the Declarant holds for sale in the ordinary course of business at least 5 percent of the parcels in all phases of RidgeWalk. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote any Declarant-owned voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board.

(b) Classes. Each director will be appointed or elected to one of three classes to be known as 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 as permitted by the Bylaws, each new position must be assigned to a class with the intention that each class will have as equal a number of directors as possible under the circumstances.

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

(d) Qualifications. For so long as Class B Membership exists, directors need not be Members. 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, such person 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 five (5) 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 the Bylaws.

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

7.5 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 VIII - OPERATION OF ASSOCIATION AND BOARD

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.

8.1 Annual 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 set forth in Articles and the Bylaws.

(b) Quorum. Voting at an Annual Meeting requires the presence of (i) Members (in person or by proxy) representing 30% of the voting interests of the entire membership, and (ii) Declarant or its representative so long as Declarant owns at least one Lot.

(c) Notice of the Annual Meeting. The Association shall give all Members actual notice of all membership meetings, which shall be mailed, delivered, or electronically transmitted to the Members not less than fourteen (14) days prior to the meeting.

8.2 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 the presence in person or by telephone conference call, of at least 50% of the directors. 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 given by posting conspicuous notices for the meeting on the Common Property posted in a conspicuous place at least seven (7) days before the Board meeting, 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.

8.3 Recordkeeping. 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.

ARTICLE IX - ASSOCIATION BUDGET

The Board is responsible for the fiscal management of the Association.

9.1 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 must prepare an annual budget.

9.2 Budget. A copy of the budget must be provided to each Member at least thirty (30) days prior to the Board of Directors' meeting in which such Budget will be adopted. The annual budget will estimate total expenses to be incurred by the Association in carrying out its responsibilities. The budget must 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 estimate of revenues from the General Assessment.

9.3 Reserves. The Association shall accumulate and maintain adequate reserves for working capital, contingencies, and replacements, to be included in the annual budget and collected as part of the annual General Assessment. This shall not occur until the termination of Declarant's guarantee described in Paragraph 10.2 of this document. Extraordinary expenses not originally included in the annual budget will be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose. If there is an excess of reserves at the end of a fiscal year, such excess may be used to reduce the General Assessments for the following year.

9.4 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 General Assessment must be adopted by a majority of the Board. The Board shall cause a copy of the proposal to be sent to Owners at least thirty (30) days prior to the Board Meeting at which the Budget is to be adopted.

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

9.6 Financial Reporting. The Board shall prepare an annual financial report for the Association as required by Florida law within 60 days of the close of the fiscal year and either provide each Member with a copy of the report or a notice that a copy is available without charge.

9.7 Capital Improvements. The Board shall determine whether capital improvements should be paid from General Assessments or by Special Assessments. If the cost of all capital improvements to be paid within a single calendar 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 maintenance of existing improvements will not be considered a capital improvement.

9.8. 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.

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

ARTICLE X - 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.

10.1 Obligation 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) Initial Capital Contribution of \$500.00 per Lot;
- (b) General Assessments for expenses included in the budget,
- (c) Special Assessments for the purposes provided in this Declaration; and
- (d) Individual Lot Assessments for any charges particular to that Lot.

10.2 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, but shall not be required, to renew the Budget Guarantee on an annual basis. In return for the Budget Guarantee, 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."

10.3 Equitable Division of Assessments. The General Assessments 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 equally among lots, whether vacant or improved. Each Lot will be subject to a sum equal to the respective General Assessment or Special Assessment divided by the number of all Lots, excluding Exempt Lots.

10.4 General Assessments.

(a) Establishment by Board. The Board will set the date or dates the General Assessments will be due, when General Assessments are delinquent, and it may provide for payment in monthly, quarterly, semiannual, or annual installments. General Assessments shall initially be collected on a quarterly basis.

(b) Pro-ration 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 the 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. The initial late fee for an installment shall be Twenty-five Dollars (\$25.00). Additionally, interest will accrue at eighteen percent (18%) per annum on delinquent payments. This provision shall not apply to the Declarant.

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

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

(b) Emergency Special Assessment. By a 2/3 vote, the Board may impose a Special Assessment for any emergency maintenance or repair or other non-budgeted 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 7 is an Exempt Lot, but the payment of the Special Assessment is not required until March of the same year, then even if Lot 7 is not an Exempt Lot as of February of such year, Lot 7 still will be considered exempt from such Special Assessment.]

10.6 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.

10.7 Effect of Nonpayment of Assessment; Remedies.

(a) Personal Obligation. All Assessments, together with any late fees, interests, 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 any 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 this Paragraph.

(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. 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 and 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.

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

(f) Waiver of Jury Trial. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS DECLARATION OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THE SUBJECT MATTER OF THIS DECLARATION AND THE SALE OF ANY LOT FROM DECLARANT, OR ITS SUCCESSORS AND ASSIGNS, TO AN OWNER THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS DECLARATION.

10.8 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 XI - INSURANCE AND INDEMNITY

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.

11.1 Review of Coverage. The Board shall review limits of coverage for each type of insurance at least once every three (3) years.

11.2 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 80% of the insurable value (based upon replacement) of the improvements constructed on the Common Property.

11.3 Public Liability and Property Damage. The Board shall obtain public liability and property damage 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 and the activities of the Association as permitted by this Declaration. 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 as an additional insured until 25 years after the date of this Declaration.

11.4 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.

11.5 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.

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

11.7 Indemnity of Declarant. In consideration of Declarant conveying the Common Property to the Association, the Association releases, indemnifies, and shall defend and hold Declarant, its officers, employees, and agents harmless from any and all liability arising out of the Common Property or construction and shall defend Declarant against all claims of any third party. Such indemnity and defense includes any attorneys' fees and costs incurred by Declarant at trial and on appeal. Declarant shall have the right to choose its own attorney(s).

ARTICLE XII - GENERAL PROVISIONS

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

12.1 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.

12.2 Release From Minor Violations. Declarant and the Architectural Review Committee or either of them shall have the right at any time, by written instrument recorded in the Public Records of Walton County, to release a Lot from minor violations of this Declaration including, without limitation (i) encroachments into easements and (ii) encroachments over building restriction lines.

12.3 Enforcement.

(a) The covenants and restrictions contained in this Declaration may be enforced by Declarant, 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 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. Any dispute arising pursuant to benefits and obligations contained in this Declaration, or arising from the sale of Lots by Declarant to Owners, shall be determined by a judge and not a jury, with venue solely being in the First Judicial Circuit Court in and for Walton County, Florida. All Owners specifically waive their right to a jury trial in any litigation arising out of this Declaration or arising from the sale of Lots by Declarant. In the event either party incurs any attorney's fees and costs in enforcing this Agreement, whether or not action is instituted, the defaulting party shall reimburse the non-defaulting party for such attorney's fees and costs upon demand. Prior to initiating any litigation, the parties shall submit their dispute(s) to non-binding mediation.

(b) The Northwest Florida Water Management District 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 surface water or stormwater management system.

12.4 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.

12.5 Notices. Notices shall be given as to Owners by sending first class postage prepaid mail to the Owner's address maintained by the Association, and as to Declarant, by sending certified mail to the address of Declarant filed with the Florida Secretary of State.

12.6 Amendment.

(a) Subject to the provisions of Paragraph 12.7, 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 Northwest Florida Water Management District or other governmental agency, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Department of Housing and Urban Development, or any other 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 12.7, 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 12.7, this Declaration may be amended by consent of Owners of seventy-five percent (75%) 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 RidgeWalk.

(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 Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the Northwest Florida Water Management District.

12.7

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.

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

12.9 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 increases 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.

12.10 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 50 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 50-year period or one year before the final year of 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 at least 75% of all Owners and all Mortgagees, upon which event this Declaration shall be terminated as of the 1st day of January of the year following the year in which such instrument was recorded, as the case may be.

ARTICLE XIII - STORMWATER MANAGEMENT

13.1 Stormwater Management System and Stormwater Discharge Facility. The Association shall operate and maintain a stormwater management system and stormwater discharge facility as exempted or permitted by Walton County and the Northwest Florida Water Management District. The Association shall establish rules and regulations, assess members and contract for services to provide the services for operating and maintenance. Said operation of the stormwater management system and discharge facility shall be as follows:

(a) Each Lot shall be a part of the stormwater management system, which requires stormwater retention areas to be maintained by the Association, and operated in accordance with the regulatory requirements of Walton County and the Northwest Florida Water Management District;

(i) Every Owner of a Lot is hereby prohibited from:

- (a) altering, modifying, disturbing or doing any act which interferes with the stormwater retention facilities.
- (b) using the area beneath their home for stormwater retention or detention.
- (c) allowing stormwater to discharge or run off their Lot unless approved by Declarant or the Architectural Review Committee to connect to the subdivision discharge facility.

(b) There shall be assessed by the Association, on each lot owner, a pro-rated and monthly basis assessment in the amount required to maintain, repair, and meet the expenses and costs of the stormwater retention facilities, including, but not limited to, the expenses of repair, maintenance, and when necessary, the replacement of the drainage system, and stormwater system.

13.2 Drainage Easements. A blanket non-exclusive easement and right on, over, under and through the ground within the Properties to maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health, safety or appearance or to comply with governmental requirements. The Declarant or Association, as applicable, shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable. This easement may be exercised by the Declarant or the Association. Without limiting the generality of the foregoing language, the Owner of each Lot shall maintain in good and operational condition and repair the areas of the Owner's Lot constructed or approved for use for stormwater management, retention, storage or treatment. No such area shall be altered and no improvements shall be placed or allowed to be placed or to remain in such areas without the prior written approval of the Architectural Review Committee.

13.3 Assignment of Maintenance Duties.

(a) Owners. Each Owner shall have the legal obligation to care for and maintain all of his/her lot including exterior and interior maintenance of his/her home or other structure located on his/her Lot. Each Owner shall also be responsible for painting, maintaining and restoring all exterior finishes on his/her home or other structure. If the Association, through its Board of Directors, determines that any Owner has failed to maintain any part of his/her Lot, including improvements, in good order and repair, free from debris, the Association, by a majority vote of the

Board and twenty (20) days after written notice to Owner, shall have the right without liability to enter upon such Lot to correct, repair, restore, paint, maintain and clean up any part of the Lot and to have any objectionable items removed. All costs related to such action shall be assessed to the Owner as an Individual Lot Assessment plus a fifteen percent (15%) administrative fee to the Association.

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

- (i) Maintenance of common parking areas, if any, and exterior lighting within the Property but not attached to an Owner's house or other structure or otherwise located on or within a Lot.
- (ii) Maintenance of the stormwater drainage and management system as defined below.
- (iii) Maintenance of all Common Areas

IN WITNESS WHEREOF, Declarant has caused this Declaration of Covenants, Conditions, Restrictions and Easements for RidgeWalk to be executed the day and year first above written.

WITNESSES:

Ridgewalk, LLC, a Florida
limited liability company

Printed: _____

By: _____
Matthew R. Parker

Printed: _____

Its: Manager

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Matthew R. Parker, Manager of Ridgewalk, LLC. Such persons did not take an oath and: *(Notary must check applicable box)*

____ are personally known to me.

____ produced current _____ driver's licenses as identification.

____ produced _____ as identification.

{Notary Seal must be affixed}

Signature of Notary

Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal):

My Commission Expires (if not legible on seal):

EXHIBIT A

Legal Description

EXHIBIT B

PLAT