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**DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
GLENLAKE
BLUEWATER BAY, FLORIDA**

** OFFICIAL RECORDS **
BK 1647 PG 259

THIS DECLARATION is made on the date hereinafter set forth by BLUEWATER BAY PROPERTIES, LTD., (a Florida limited partnership) herein after referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain real property at Bluewater Bay, Okaloosa County, Florida, which is more particularly described on Exhibit A attached hereto and made a part hereof and incorporated herein by reference (the "Property" or "Glenlake"); and;

WHEREAS, the Declarant intends to develop the property and to convey the property by individual parcels, by reference to a plat, and;

WHEREAS, the Developer intends a common development plan or scheme to be followed throughout the property;

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

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean and refer to the Glenlake Property Owners Association, Inc., (a Florida nonprofit Corporation), it's successors and assigns.

Section 2. "Board" or "Board of Directors" shall mean and refer to the Association's elected body having its normal meaning under Florida corporate law.

Section 3. "Declarant" or "Developer" shall mean and refer to Bluewater Bay Properties, Ltd., its designated successors and assigns.

Section 4. "Property" shall mean and refer to that certain real property described in Exhibit A and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any residence which is a part of the Property, including contract purchaser, but excluding those having such interest merely as security for the performance of an obligation and including the Declarant while it owns a residence.

Section 6. "Common Area" shall mean all the real property designated as "Common Area" on the Plat of Glenlake and all other real and personal property (including the improvements thereto) hereafter dedicated to or owned by the Association.

Section 7. "Residence" shall mean and refer to any plot of land shown upon the recorded subdivision plat of the Property and all improvements thereon with the exception of the Common Area, said plat being recorded in the Official Records of Okaloosa County, Florida.

Section 8. "Area of Common Responsibility" shall mean and refer to the Common Area together with those areas, if any, which by agreement with any owners within Glenlake, become the responsibility of the Association. Also included in this definition shall be the obligation to pay to Bluewater Bay Development Company, Ltd. ("BBDC") or its designated successor or assigns, the sum of \$36.00 per year per unimproved lot and the sum of \$60.00 per year per improved lot as a contribution toward costs of providing supplemental security and maintaining various roads, rights-of-way, landscaping and other common areas in the Bluewater Bay community; provided, however, that the Association shall not be obligated to pay such fees in the event a Municipal Service Benefit Unit is established at Bluewater Bay for the purpose of providing these community services or in the event BBDC or its successors or assigns discontinues a program of providing these services.

Section 9. "Common Expense" shall mean and include the actual and estimated expenses of operating the Association, and its Areas of Common Responsibility, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to the Declaration, the By-Laws, and the Articles of Incorporation. Common Expenses shall be allocated by General Assessments as the Association deems appropriate.

Section 10. "Member" shall mean and refer to a person or entity entitled to membership in the Association as provided herein.

Section 11. "Mortgage" shall include a deed of trust as well as a mortgage.

Section 12. "Mortgagee" shall include a beneficiary or holder of a deed of trust as well as a mortgagee.

Section 13. "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor.

Section 14. "General Assessment" An assessment of a portion of Common Expenses to every Residential Unit on an equal basis.

Section 15. "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

ARTICLE II PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner and invitee shall have a right and easement of enjoyment and use in and to the Common Area, which easement shall be appurtenant to and shall pass with the title to every residence, subject to the following provisions:

- a. The right of the Association to suspend the voting rights of any Owner for any period during which any assessment against his residence is past due.
- b. The right of the Association to sell or dedicate or transfer all or any part of the Common Area for such purposes as it deems appropriate, subject to receiving the affirmative approval of a majority of Class A members and the Declarant.

Section 2. Delegation of Use. Subject to rules of the Association, an Owner may delegate his right of enjoyment and use of the Common Area to the members of his family, his guests and his tenants. However, in the event of the delegation of such use, the Owner shall remain responsible for the acts of those who exercise the right at the owner's invitation.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner shall be a member of the Association and shall be subject to this Declaration and the By-laws of the Association. Membership shall be appurtenant to and may not be separated from ownership of any residence.

Section 2. Classes of Membership. The Association shall have two classes of voting membership.

- a. Class A. Class A members shall be all Owners, with the exception of the Declarant while Declarant is a Class B member, and shall be entitled to one vote for each residence owned. When more than one person or entity holds an interest in any residence, the vote for such residence shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any residence.
- b. Class B. The Class B member shall be the Declarant and its designated successors and assigns and shall be entitled to three (3) votes for each residence owned. The Class B membership shall cease and be converted to Class A membership when Declarant or its designated successor or assigns no longer is the record owner of a Lot or Residence or until January 1, 1997 or when the Declarant surrenders control to other owners, whichever occurs first.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

- a. Each Owner, including the Declarant, shall pay to the Association when due all assessments levied by the Association.
- b. All assessments, together with the maximum legal rate of interest from the due date, costs of collection and reasonable attorney's fees, shall be a charge rendered on the residence against which it is assessed and shall be a continuing lien upon the residence against which each assessment is made. Each such assessment shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an institutional first mortgagee taking deed in lieu of foreclosure unless expressly assumed by them.

- c. The maximum annual assessment each year may not be increased greater than ten percent (10%) above the annual assessment for the preceding year without the approval of two thirds (2/3) of each class of members either by a vote at a meeting called for that purpose or by written approval.
- d. The Association, at its option, may enforce collection of delinquent assessments including interest from the due date at the maximum legal rate, costs of collection and reasonable attorney fees by suit at law, or by foreclosure of the lien securing the assessment or by any other competent proceeding.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be for the purpose of providing for (1) the maintenance, operation, repair and replacement of the Common Area and improvements thereon; (2) the landscaping of the Common Area and the maintenance of such landscaping in a first class condition, including but not limited to, grass cutting, fertilizing and planting; (3) capital improvements to the Common Area; (4) Insurance coverage as determined herein; (5) utility charges and deposits; (6) the promotion of health, safety and welfare of the Property; (7) taxes on the Common Area; (8) such other expenses incidental or necessary to:

- (i) the operation, maintenance, improvement and well being of the Property in a first class condition or;
- (ii) the carrying out of the provisions in this Declaration and the By-Laws of the Association.

Section 3. Residence Assessments. The Association shall levy assessments in accordance with this Declaration and the By-Laws of the Association.

Section 4. Rate of Assessments. Expenses of the Association related to the Common Area, including improvements thereon shall be uniformly assessed against all residences. Expenses of the Association directly connected only with residences on which the improvements have not been completed shall be uniformly assessed against all such residences. All other expenses of the Association shall be uniformly assessed against all such residences, with completed improvements thereon, except as otherwise provided herein.

Section 5. Effect of Non-use. No owner may not waive or otherwise escape liability for the assessments provided herein by non-use of the Common Area or abandonment of his residence.

Section 6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to

the lien of any institutional first mortgage on a residence or its improvements. Sale or transfer of any residence shall not affect the assessment lien except that the sale or transfer of any residence pursuant to a mortgage foreclosure or deed in lieu of foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. However, the amount of such extinguished assessments may be added to the annual assessments for all residences. No sale or transfer shall relieve such residence from liability for any assessments thereafter becoming due or from the lien thereof.

Section 7. Security. The Association may employ such people or take such measures to provide for the security of the Property and persons on the Property as it deems appropriate.

ARTICLE V THE ASSOCIATION

Section 1. Powers. The Association shall have the powers enumerated in the By-Laws of the Association and such other powers as necessary and incidental to operate the Association and carry out the duties and responsibilities of the Association.

Section 2. Duties. It shall be the duty and obligation of the Association to (1) keep the Common Area in a first class condition; (2) maintain and operate the Property and the Association pursuant to this Declaration and the By-Laws of the Association; and (3) perform such other duties and obligations imposed upon it by this Declaration and the By-Laws of the Association.

ARTICLE VI COVENANTS AND RESTRICTIONS

Section 1. Glenlake Association and Fees. Each lot in the Subdivision is automatically a member of Glenlake Property Owners' Association as constituted from time to time. The powers and obligations of the Association and its members include the ownership, administration, and maintenance of the common areas, including (but not limited to) right-of-way and entrance landscaping, the cost of which will be assessed to the Association members. The Association and its members will also have such other powers and obligations as are more particularly described in the Association Documents. The Association Documents may be modified or amended from time to time as provided for in said Association Documents.

Section 2. Single Family Residence Only. Except as provided in paragraphs (5) and (17), no structure shall be erected, altered or permitted to remain on any lot in the Subdivision other than for use as a single family residence. The main residence on each lot shall not be more than 35 feet in height above the normal surface of the ground. No building situated on any lot shall be rented or leased separately from the rental or lease of the entire property, nor shall any property be used or leased for other than a single family residence. No duplex residence or garage apartment shall be erected or placed on or allowed to occupy said land and no building shall be altered or converted into a duplex residence or garage apartment. Furthermore, a lot owner may not use any lot for road purposes or as an easement to any lands not contained within the Subdivision.

Section 3. Motorist's Vision to Remain Unobstructed. No structure or planting (including but not limited to a fence, wall, hedge, shrub, bush, tree or other thing, natural or artificial) shall be placed or located on any lot if the location of same will, in the sole judgement and opinion of the Developer, obstruct the vision of motorists traveling on any of the streets.

Section 4. Minimum Square Footage For Any Principal Residence.

- a. No one-story residence shall be erected or allowed to remain on any lot unless the enclosed heated and cooled area thereof, exclusive of screened porches, garages and storage rooms, shall equal or exceed 2000 square feet.
- b. No one and one-half story residence, no split-level residences and no two-story residences shall be erected or allowed to remain on any lot unless the heated and cooled area thereof, exclusive of screened porches, garages and storage rooms, shall equal or exceed 2400 square feet and further provided that the first floor thereof contain a minimum of 1200 square feet.
- c. No lot clearing or construction of any kind, including but not limited to construction of main structure, garages, fences or ancillary structures, shall be permitted to commence or allowed to remain on any lot until the plans, design, colors and location of said improvements on the lot have been approved by Developer acting either directly or acting through the Bluewater Bay Architectural Review Committee or acting through such other representative as Developer may designate from time to time.

Section 5. Other Structures. Construction of structures other than the main residence and a garage shall not be permitted

on any lot of the Subdivision except for the following ancillary structures which may be permitted subject to approval by Developer of location, architectural design and exterior finishes: pet house (up to 25 square feet and not more than 5 feet high), hothouse or greenhouse (up to 100 square feet and not more than 15 feet high), poolhouse, outdoor fireplace or barbecue pit (up to 9 square feet and not more than 10 feet high), and swimming pools and mechanical installation in connection therewith. Any such ancillary structures permitted hereunder shall be attractively landscaped, constructed in a harmonious design with the main structure and located only in the lot area to the rear of the main residence (subject to rear and side setback requirements) and not visible from the street. No ancillary structure shall be built or placed on a lot until the location, quality, style, color and design have been approved by the Developer in the manner provided for herein.

Section 6. Setback For All Structures. No building or any type or kind of permanent structure (except driveways, walks and roof overhangs of up to 16 inches [if overhang exceeds 16 inches it is counted as part of structure]) or any part of same shall be erected, placed or allowed within the front building setback which is hereby established as being a line parallel to any street right-of-way on which the lot abuts and 40 feet equidistant from the closest edge of said right-of-way; or closer to any interior side lot line than a distance of ten feet or closer than 50 feet to any rear lot line. The Developer may, in its sole discretion, modify the setbacks required hereby in order to permit the construction of improvements in cases where the Developer believes that setback modifications are appropriate.

Section 7. Resubdividing or Replatting of Lots. Developer reserves the right unto itself to resubdivide or replat a lot or lots in the Subdivision. Except as provided herein no lot may be further subdivided.

Section 8. Fences. Fences or walls may be built or maintained on any portion of any lot only in such locations as Developer shall approve at its sole discretion. Without Developer's prior consent, no fence or wall shall be erected higher than six feet from the normal surface of the ground. Fences must be of uniform design and the sides facing away from the lot must be finished. No fence or wall shall be erected until the location, quality, style, color and design shall have been first approved by the Developer or its duly appointed representative in the manner provided for herein. Any such fence constructed without said approval shall at the request of Developer be immediately removed at the cost of the owner of the lot. If said owner does not cause the removal of the fence within ten days after receipt of written notice from Developer, then Developer may enter on the lot and remove the fence. The cost of Developer doing so shall be paid by owner. Without Developer's prior

consent, there shall be no fences or wall of any kind erected to the rear of the building on any lot adjacent to the golf course or lake.

Section 9. Design and Location of Improvements and Tree Removal To Be Approved By Developer. For the purpose of further insuring the development to be a residential area of highest quality and standards, and in order that all improvements on each lot shall present an attractive and pleasing appearance from all sides of view, the Developer reserves the exclusive power and discretion to control and approve the landscaping plan and the location on the lot and design of all buildings, structures and other improvements to be built on each lot. Included in the power and discretion to approve such design is the right to approve the architectural design, appearance, color, finish and materials of all exterior building surfaces. A lot owner shall be required to submit such information as Developer may request in order to facilitate Developer's approval process. One set of the plans required to be submitted for approval will be retained by Developer. If the finished building or other structure does not comply with the approved plans, Developer retains the right to cause the necessary changes to be made at owner's expense, the cost of which shall be a lien upon the property involved. Any changes in plans must first be re-approved by the Developer in accordance with the procedures specified from time to time by Developer. Developer also retains the right to approve clearing of a lot for the purposes of construction of improvements and landscaping as well as any plans for removal of trees from any lot. The plans showing such details as Developer may reasonably require, shall be submitted by owner to Developer for review and approval. The timing for submitting plans for review and the time period for Developer to respond shall be established from time to time by Developer.

Section 10. Garages and Carports. The improvements on a lot must include a garage which shall have the capacity for at least two automobiles. No carports shall be built on any lot.

Section 11. Future Purchasers. The original purchaser of property in this subdivision as well as subsequent purchasers are bound by these covenants and restrictions which run with the land (see Section 37). Therefore, structural modifications to existing structures, new structures (such as ancillary structures and fences) and exterior color changes of any structures must be approved in advance by the Developer or his authorized representative.

Section 12. No Parking of Vehicles, Boats, etc. No wheeled vehicles of any kind (mobile homes, motor homes, self-contained or otherwise, travel trailers, trucks and campers), boats or any offensive objects may be kept on road rights-of-way of the subdivision or in the driveways, front, side or rear yard area of

any lot except that passenger vehicles may be parked on a temporary basis in the paved driveway serving a lot. Boats or wheeled vehicles may be kept completely inside a garage located on the lot. No trailers or habitable motor vehicles of any nature shall be kept for use on any lot except within a fully enclosed garage. Disabled vehicles or vehicles under repair may be kept only within the garage located on said lot.

Section 13. Window Air Conditioners. Unless the prior approval of the Developer has been obtained, no window air-conditioning units shall be installed in any side of a building wall visible from the street, side yard or golf course.

Section 14. No Overhead Wires. All telephone, electric and other utility lines and connections between the main utility lines and the residence and other buildings located on each lot shall be located underground so as not to be visible.

Section 15. Completion of Commenced Construction. When the construction of any improvements is once begun, work thereon shall be prosecuted diligently and continuously until the full completion thereof. All permanent structures shown on the plans and specifications approved by the Developer must be completed within seven (7) months after the start unless such completion is rendered impossible as the direct result of strikes, fires, national emergencies or natural calamities. All landscaping must also be completed seven (7) months after construction has commenced. Prior to completion of construction, the owner of the lot in the subdivision shall install at his expense a suitable concrete driveway. The width of driveway must be at least 16 feet unless otherwise approved by Developer, and the driveway must extend from the paved portion of the abutting street to the garage entrance. Driveway location and elevation shall be submitted to the Developer for its prior approval and the driveway shall not interfere with or impede the drainage flow across any lot. All vehicles involved in such construction, including those delivering materials and supplies (except those trucks large or heavy enough to damage said driveways) shall enter upon such lot from the street only at the location for the proposed driveway. Such vehicles shall not be parked so as to obstruct the street nor shall they be parked on any property other than the lot on which the construction is proceeding. During construction all trash and waste material generated shall be removed and disposed of by the lot owner or the contractor at regular intervals so that the lot does not become unsightly in the opinion of Developer.

Section 16. No Picnic Area Prior to Construction. No picnic areas and no detached outbuildings shall be erected or permitted to remain on any lot prior to the start of construction of a permanent residence thereon.

Section 17. No Sheds, Shacks or Trailers. No shed, trailer, tent or other temporary or movable building or structure of any kind shall be erected or permitted to remain on any lot. However, this paragraph shall not prevent the location on the lot of adequate sanitary toilet facilities for use of workmen during the course of such construction or a mobile construction trailer for use during the course of construction.

Section 18. Residing Only in Residence. No trailer, basement, garage or any outbuilding of any kind, even if otherwise permitted hereunder to be or remain on a lot, shall be at any time used as a residence either temporarily or permanently.

Section 19. Size of Signs. No sign of any character shall be displayed or placed upon any lot except as approved by the Developer. The Developer hereby approves a "FOR SALE" sign not to exceed six square feet to be placed upon said lot by an owner-resident or his agent to facilitate the sale of the home. Only one "FOR SALE" sign shall be permitted per lot. "SOLD" may be affixed to said sign and remain on the lot until SEVEN days after closing of the sale. The Developer may enter upon any lot and summarily remove any signs which do not meet the provisions of this paragraph. Furthermore, Developer hereby approves a single identification sign board which may be located on a lot during the construction period on which the builder may identify his company and, at the option of builder, permit sub-contractors to identify themselves. This sign board shall be not more than four feet high and two feet wide. Signs should be placed in the center of each lot. In no event shall any signs be affixed to any trees on the lot or on the right-of-way of the street or closer to the golf course than 50 feet from the rear lot line.

Section 20. Commercial Signs. Nothing contained in these covenants and restrictions shall prevent the Developer or any person designated by the Developer from erecting or maintaining such commercial and display signs and such temporary dwellings, model houses and other structures as the Developer may deem advisable for development, marketing or sales purposes.

Section 21. Aerials and Antennas. Unless otherwise approved by Developer, no television or radio aerial or antenna nor any other exterior electronic or electric equipment or devices of any kind shall be located on any lot or installed or maintained on the exterior of any structure located on a lot.

Section 22. Mail Boxes. Only a mail box or newspaper receiving box of the types approved by Developer may be erected or located on any lot. No other receptacle of any kind for use in the delivery of mail or newspapers or similar material may be erected or located on any lot. Mail box selection should be submitted as part of house plans for Developer's approval.

Section 23. Pets. Except for not more than two dogs or two cats, no pets or other animals may be kept on a lot or in any structure located on the lot, unless confined exclusively to the interior of the main residence located on the lot. No animals of any kind may be kept for any commercial or breeding purposes. If in the sole opinion of the Developer, the animal or animals become dangerous or an annoyance or nuisance in the neighborhood or to nearby property or destructive of wildlife, they may not thereafter be kept on the lot or inside the main residence. All pets must be kept under control at all times and must not become a nuisance by barking or other acts. No pets are allowed on the golf course or lakes and all pets must be on a leash when outside the boundary of the owner's lot.

Section 24. No Offensive Activities. No illegal, noxious, commercial, or offensive activities shall be permitted or carried out on said lot nor shall anything be permitted or done thereon which is or may become a nuisance or a source of embarrassment, discomfort or annoyance to the neighborhood. No trash, garbage, rubbish, debris, waste material or other refuse shall be deposited or allowed to accumulate or remain on any part of said lot nor upon any land or lands continuous thereto. No fires for burning of trash, leaves, clippings or other debris or refuse shall be permitted to be on any part of said land or road right-of-ways. Except on the day of collection, trash containers shall be kept either inside the garage or within a screened area to the side of the house.

Section 25. Well Limitation: Water Supply. Unless prior approval is obtained from Developer and such governmental agencies as may have jurisdiction, no artisan wells may be drilled or maintained on any lot. A central water supply system owned and operated by Developer or Okaloosa County or their successors or assigns will be provided for the service of the Subdivision and shall be used as the sole source of water for all water spigots and outlets located with all buildings and improvements located on each lot, and each property owner at his expense shall connect his water lines to the water distribution main provided to serve the lot in the Subdivision. After such connection, each lot owner shall pay when due the periodic charges or rates for the furnishing of water made by the supplier thereof. A lot owner may provide an individual water supply system from a shallow well on his lot provided that said system is used solely to supply water for an air-conditioning or heating installation, irrigation purposes, swimming pools or other exterior uses.

Section 26. Sewage Disposal. Each owner of a lot, at his expense, shall connect his sewage disposal line to the sewage collection line provided to serve the lot in the Subdivision. The connection shall be made in such manner so as to comply with the requirements of the sewage collection and disposal service. After such connection and payment of sewer connection charges,

each lot owner shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal service. No septic tank or other private sewage disposal unit shall be installed or maintained on any land in the Subdivision and no sewage shall be discharged into the open grounds, golf course, other lot or into any river, marsh, pond, park, ravine, drainage ditch or canal access way.

Section 27. Easements. The Developer, for itself and its successors and assigns, hereby reserves and is given an easement, privilege and right on, over and under the ground in order to erect, maintain and use electric and telephone wires, cables, conduits, water mains, drainage lines or drainage ditches, sewers and other suitable equipment for drainage and sewage disposal purposes or for the installation, maintenance, transmission and use of electricity, gas, telephone, lighting, heating, water, drainage, sewage and other conveniences or utilities, on, in, over and under all of the easements shown on said plat (whether such easements are shown on said plat to be for drainage, utilities or other purposes) and on, in, over and under a further easement retained hereby in favor of Developer described as a seven and one-half foot strip at the front, back and sides of each lot and on, in over and under designated easements and on, in, over and under all private roads and Environmental Preservation Areas. The Developer shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements and rights referred to in this paragraph. The owner of the lot subject to the privileges, rights and easements referred to in this paragraph shall acquire no right, title or interest in or to any wires, cables, conduits, pipes, mains, lines or other equipment of facilities placed on, over or under the property which is subject to said privileges, rights and easements. The Developer for itself and its successors and assigns reserves the right to designate the users of all such easements by parties other than the real property owner.

Section 28. Lot Appearance. The owner of each lot, whether such lot be improved or unimproved, shall keep such lot and the area between the property line of the lot and the paved surface of any abutting street ("street frontage") free of trash and rubbish, and shall keep such lot and street frontage at all times in a neat and attractive condition. Within thirty (30) days after the completion of the construction of improvements, or, if sooner, within seven (7) months from the date construction commenced, all designated grass areas of front yards and street frontage must be sodded up to paved surface of any abutting street; all side and rear yards must also be fully landscaped. The area of all rear yards on lots abutting golf course must be sodded up to the property line unless this requirement is waived in writing by the Developer. The landscaping installed on the street frontage of a lot shall not impede the designed flow of storm water along the drainage swale located on the lot or in the

road right-of-way. In the event the owner of any lot fails to comply with the provisions hereof, the Developer shall, after giving written notice to the lot owner, have the right, but not the obligation, to go upon such lot and install the sodding or other landscaping required hereby or remove rubbish and any unsightly or undesirable things and objects from the lot or street frontage and to do any other things and perform and furnish any labor necessary or desirable in its judgement to complete the landscaping in the manner and the time set forth herein and to maintain the lot and street frontage in a neat and attractive condition, all at the expense of the owner of such lot. The expense shall be payable by such owner to the Developer on demand. In the event of a failure of such owner to pay the Developer as above provided, the Developer shall have the right to file a notice of lien in the office of the Clerk of the Circuit Court of Okaloosa County, Florida, and from and after the filing of such notice of lien, the Developer shall have a lien on such lot for the payment of such sum, with interest at the rate of 18% per annum or the highest permitted by law, whichever is lower, all in like manner as if the Developer had performed such work at the instance and request of such owner. Any such lien, however, shall be subordinate and inferior to any mortgage then or thereafter encumbering such lot.

Section 29. Clothes Lines. The hanging of clothes in a front or side yard shall not be permitted. The hanging of clothes in the rear of the house shall be permitted only if all clothes and clothes lines are hidden from view from adjoining property and nearby streets.

Section 30. Street Lighting. Developer will contract with the Choctawhatchee Electric Cooperative, or its successors or assigns, to install a street lighting system for the Subdivision. The cost of operating and maintaining this system shall be paid by the Association.

Section 31. Developer May Correct Violations. Whenever there shall have been built or there shall exist on any lot any structure, building, thing or condition which is in violation of these covenants and restrictions, the Developer shall, after giving written notice to the lot owner, have the right, but not the obligation, to enter upon the lot or street frontage where such violation exists and summarily abate, correct or remove the same, all at the expense of the lot owner payable to the Developer on demand. Such entry and abatement, correction or removal shall not be deemed a trespass nor make the Developer liable in any way for any damages on account thereof. In the event of a failure of such owner to pay the Developer any sums required to be paid Developer under these covenants and restrictions, the Developer shall have the right to file a notice of lien as provided in paragraph (41) hereof.

Section 32. Approval of Developer. Wherever in these covenants and restrictions the consent or approval of the Developer is required to be obtained, no action requiring such consent or approval shall be commenced or undertaken until after a request for approval is submitted in writing to the Developer and approved by the Developer. Such request shall be hand delivered or sent to the Developer by Certified Mail, Return Receipt Requested. After the Developer acts upon the application, it must be picked up and signed for by the applicant. No action shall be taken by or on behalf of the person or persons submitting such application which action violates any of the covenants and restrictions herein contained.

Section 33. Developer May Designate a Substitute. The Developer shall have the sole and exclusive right at any time and from time to time to transfer and assign to, and to withdraw from such person, firm or corporation as it shall elect, any or all rights, powers, privileges, authorities and reservations given to or reserved to Developer hereunder or under the provisions herein contained. If at any time hereafter there shall be no person, firm or corporation entitled to exercise the right, powers, privileges, authorities and reservations given to or reserved by the Developer under the provisions hereof, the same shall be vested in and be exercised by a committee to be elected or appointed by the owners of a majority of the lots in the Subdivision. Nothing herein contained, however, shall be construed as conferring any rights, powers, privileges, authorities or reservations in said committee except in the event aforesaid. In addition to the Developer, Bluewater Bay Resort, Ltd. ("BBR") shall have a non-exclusive right to enforce the provisions of this Declaration with respect to any lot adjacent to the Bluewater Bay golf course.

Section 34. Amendments or Additional Restrictions. The Developer reserves and shall have the right (a) to amend these covenants and restrictions for the purpose of curing any ambiguity in or any inconsistency between the provisions contained herein; (b) to include in any contract or deed or other instrument hereafter made, any additional covenants and restrictions applicable to and said land which do not lower the standards of the covenants and restrictions herein contained; and (c) to release any lot from any part of the covenants and restrictions which have been violated if the Developer in its sole judgement determines such violation to be a minor or insubstantial violation or if such variance is appropriate in the particular situation presented.

Section 35. Amendment of restriction with Consent of Owners. In addition to the rights of the Developer provided for in paragraph (34) hereof, the Developer reserves for itself and for any owner of a lot the right, with the consent of the Developer and of the persons then owning two-thirds or more of the platted lots shown on the plat of the Subdivision, to amend or alter

these covenants and restrictions and any part thereof in any other respects.

Section 36. Additional Restrictions by Individual Owners.
No lot owner, without the prior written consent and approval of the Developer and the Association may impose any additional covenants and restrictions and any part thereof in any other respects.

Section 37. Restrictions Effective Period. The covenants and restrictions as amended and added to from time to time as provided for herein, shall be subject to the provisions hereof and unless released as herein provided, be deemed to be covenants and restrictions running with the title to said land on the Subdivision and shall remain in full force and effect until the first day of January, A.D. 2040. Thereafter the restrictions shall remain in effect for periods of ten (10) years unless a majority of the unit owners agree in writing to extinguish these restrictions.

Section 38. Rules of Construction. All parties who take title subject to these Covenants and Restrictions understand the general rule of law to be that such covenants are to be construed strictly, against the Declarant and in favor of unrestricted use. All parties agree that these Covenants and Restrictions shall instead be construed to accomplish their purpose consistent with continued support of the value of lots. These Covenants are to be construed reasonable to accomplish their purpose.

Section 39. Legal Action on Violations. If any person, firm or corporation, or other entity shall violate or attempt to violate any of these covenants and restrictions it shall be lawful for the Developer or any person or persons owning any lot of the Subdivision (a) to prosecute proceedings at law for the recovery of damages against those so violating or attempting to violate any such covenants and restrictions and (b) to maintain a proceeding in equity against those so violating or attempting to violate any such covenants and restrictions, for the purpose of preventing or enjoining all or any such violations or attempted violations. The remedies contained in this paragraph shall be construed as cumulative of all other remedies now or hereafter provided by law. The failure of the Developer, its successors or assigns, to enforce any covenant or restriction herein contained, shall in no event be deemed as a waiver of the right to enforce the same thereafter as to the same breach or violation thereof occurring prior to or subsequent thereto. Lot owners found in violation of any provision of these covenants and restrictions shall be obliged to pay attorney's fees to the successful plaintiff in all actions seeking to prevent, correct or enjoin such violations or in damage suits thereon. All restrictions and covenants herein contained shall be deemed several and independent. The invalidity of one or more or any part of one shall in

no way impair the validity of the remaining restrictions and covenants or part thereof.

Section 40. Use of Golf Course and Lakes. The fairways, tees, greens, and roughs of the golf course area are reserved for the exclusive use of golfers who have officially registered through the clubhouse of the County Club at Bluewater Bay. No resident, regardless of club membership status, shall start play without registering at the club house. Pets shall not be allowed access to any portion of the golf course or be allowed in any lake or pond contained in the Subdivision. The Developer is authorized to promulgate such rules and regulations governing access to any use of any lake or pond within the Subdivision or abutting any lot as Developer may, in its sole discretion, deem appropriate.

Section 41. Liens. Each lot owner hereby grants a lien upon his lot for any sums which may become due the Developer hereunder. In the event of a failure of such owner to pay the Developer any sums provided for herein, the Developer shall have the right to file a notice of lien in the office of the Clerk of the Circuit Court of Okaloosa County, Florida, and from and after the filing of such notice of lien, the Developer shall have a lien on such lot for the payment of such sum, with interest at the rate of 18% per annum or the highest permitted by law, whichever is lower, all in like manner as if the Developer had performed such work at the instance and request of such owner. Any such lien, however, shall be subordinate and inferior to any mortgage then or thereafter encumbering such lot.

Section 42. Easement Over Lots For Use By Golfers. Each owner of a lot abutting the Golf Course grants an easement to Developer its successors and assigns and to each person registered to play golf on the Golf Course for the purpose of hitting golf balls over and on to such lot, and walking on said lot to recover golf balls thereon so long as destruction of property does not occur.

ARTICLE VII INSURANCE

Section 1. Insurance Coverage. The Association shall obtain such insurance as required by law and may obtain such other insurance on the Common Area as it deems in its discretion to be in the best interest of the Association or the Owners.

Section 2. Insurance by Owner. Each residence Owner must obtain property damage insurance equal to the full replacement value of his residence and contents and other such casualty and liability insurance as required.

Section 3. Cost of Association Insurance. Common Area insurance shall be an expense against all Owners. In the event the cost to the Association of insurance coverage is increased because of the action or inaction of an Owner, his family, guest, or tenants, then such increase shall be an additional assessment against the Owner.

Section 4. Named Insured. The name insured on all policies of insurance obtained by the Association shall be the Association for property owned by the Association and shall be the Association as agent for all of the Owners and their mortgagees, as their interest may appear, for property owned by the Owners.

Section 5. Insurance Proceeds. All insurance proceeds received by the Association shall be held by the Association in trust for the purposes for which they are intended.

ARTICLE VIII DAMAGE AND REPAIR

Section 1. Rebuilding. The rebuilding and repairing of all damaged property shall be subject to the provisions of Article VI, paragraph (2) and paragraph (3) and all other provisions in this Declaration. In the event of damage to a residence, the Owner thereof shall promptly, within ten (10) days of the damage, remove all debris and clear the residence or Lot of all unsightly materials. Rebuilding or repair shall commence within thirty (30) days of the damage, shall be carried on continuously and with no interruptions, and shall be completed within one hundred twenty (120) days of commencement.

Section 2. Damage to Common Area. In the event any of the Common Area is damaged, the Association shall cause such Common Area to be repaired or rebuilt unless eighty percent (80%) of the votes entitled to be cast in the Association vote within 60 days of said casualty not to repair or rebuild such Common Area.

ARTICLE IX MISCELLANEOUS

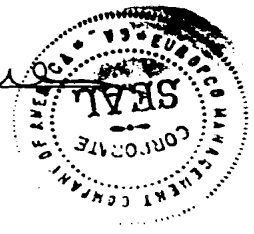
Section 1. Severability. All provisions contained in this Declaration shall be deemed several and independent. The invalidity of one or more or any part of one provision shall in no way impair the validity of the remaining provisions or part thereof.

Section 2. Rules and Regulations. The Association may adopt and amend from time to time such rules and regulations as it deems in the best interest of Glenlake, provided such rules and regulations do not conflict with this Declaration.

This Declaration made this 28th day of July, 1992 by Bluewater Bay Properties, Ltd., a Florida limited partnership.

BLUEWATER BAY PROPERTIES, LTD.
By: Europco Management Company of America, its General Partner

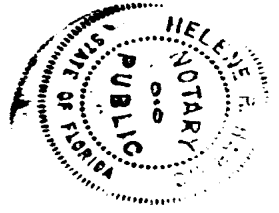
By: David C. Weaver
David C. Weaver
Senior Vice President



STATE OF FLORIDA
COUNTY OF OKALOOSA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, personally appeared David C. Weaver, Senior Vice President, EUROPSCO MANAGEMENT COMPANY OF AMERICA to me known to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same. He is personally know to me and did take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this 28th day of July, A.D. 1992.



Helene Harris
Notary Public
SERIAL # CC095367
My commission expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR. 24, 1996
BONDED THRU GENERAL INS. UND.

EXHIBIT "A"

LEGAL DESCRIPTION:

Commence at the concrete monument (L.S. #3027) marking the southern most point of Caribbean Village 1-C at Bluewater Bay, as recorded in Plat Book 6, Page 15, of the public records of Okaloosa County, Florida; said point being the eastern most point of Fairway #3 of the Lake Course at Bluewater Bay, said point also being on the northern right-of-way (R/W) of Bluewater Boulevard, a public road (120' R/W); thence run S 79°05'02" W along said northern R/W of Bluewater Boulevard, 429.18 feet, to the southern most point of the aforesaid Fairway #3 and the POINT OF BEGINNING; thence continue S 79°05'02" W along said northern R/W for 935.37 feet, to the eastern most point of Fairway #9 of the Lake Course at Bluewater Bay; thence departing said northern R/W run along the eastern boundary of said Fairway #9 the following courses: N 18°43'18" W for 111.03 feet; thence N 64°36'04" E for 21.36 feet; thence N 35°10'42" W for 159.59 feet; thence N 51°53'42" W for 697.78 feet; thence N 37°34'10" W for 562.11 feet; thence N 10°32'31" W for 46.94 feet; thence departing Fairway #9 run N 44°43'29" E for 173.54 feet; thence N 31°58'38" E for 139.49 feet to the southern boundary of Fairway #2 of said Lake Course; thence S 58°01'22" E for 172.00 feet; thence S 71°32'01" E for 200.22 feet; thence departing said Golf Course boundary run S 18°24'33" W for 207.32 feet; thence S 21°09'25" E for 40.00 feet to a point on a curve concave to the South and having a radius of 80.00 feet; thence along said curve in a easterly direction through a central angle of 27°48'42" an arc distance of 38.83 feet (Chord = 38.45 feet; Chord Bearing = N 82°44'56" E) to the point of tangency; thence run S 83°20'43" E for 181.23 feet; thence S 42°57'22" E for 598.94 feet; thence N 57°23'49" E for 141.32 feet; thence S 32°36'11" E for 235.66 feet; thence S 60°31'27" W for 112.00 feet; thence S 18°58'34" E for 211.45 feet; thence N 79°04'47" E for 37.53 feet; thence S 10°54'58" E for 10.03 feet; thence N 79°05'02" E for 334.90 feet; thence N 16°47'01" E for 64.30 feet; to the boundary of Fairway #3 of the aforesaid Lake Course; thence along said fairway boundary the following calls: S 73°12'59" E for 159.86 feet; thence S 36°06'35" E for 107.88 feet to the POINT OF BEGINNING. Parcel contains 768,327 square feet/17.64 acres, more or less.



FILE # 1208200
OKALOOSA COUNTY, FLORIDA

RCDE: AUG 15 1992 @ 8:09 AM
NEWMAN C. BRACKIN, CLERK