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DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
MERCHANTS' WALK  
BLUEWATER BAY, FLORIDA

THIS DECLARATION is made on the date hereinafter set forth by Klaus Conrad, hereinafter referred to as "Declarant."

W I T N E S S E T H:

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WHEREAS, Declarant is the owner of certain real property located at Niceville, Bluewater Bay, Okaloosa County, Florida, which is more particularly described on Exhibit A attached hereto and made a part hereof;

WHEREAS, Declarant desires to subject said real property described on Exhibit A to the provisions hereof;

WHEREAS, Declarant is the owner of certain additional real property located at Bluewater Bay, Okaloosa County, Florida, which is more particularly described on Exhibit B attached hereto and made a part hereof;

WHEREAS, Declarant desires to reserve the option to subject all or any part of the real property described as Exhibit B to the provisions hereof;

NOW, THEREFORE, Declarant hereby declares that all of the real property described in Exhibit A 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.

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**ARTICLE I**

**DEFINITIONS**

1.1 "Association" shall mean and refer to the Merchants' Walk Property Owners Association, Inc., its successors and assigns.

1.2 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Unit (as defined below) which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, and including the Declarant while he owns a Unit.

1.3 "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 and the provisions of this Declaration.

1.4 "Common Area" shall mean all the real property, excluding the Units, described on the recorded plat of the Property and all improvements thereon, said plat being recorded in the official records of Okaloosa County, Florida, and such additions thereto which may be brought within the jurisdiction of the Association and the provisions of this Declaration.

1.5 "Unit" shall mean and refer to the lots shown upon the recorded plat of the Property and all improvements thereon, said plat being recorded in the Official Records of Okaloosa County, Florida, and such additional lots as may hereafter be made subject to the provisions of this Declaration.

1.6 "Declarant" shall mean and refer to Klaus Conrad, his heirs and designated successors and assigns.

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1.7 "Additional Property" shall mean and refer to that certain real property described in Exhibit B.

1.8 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions of Merchants' Walk and any amendments hereto.

**ARTICLE II**

**PROPERTY RIGHTS**

2.1 Owners' Easements of Enjoyment. All Common Area shall be owned by the Association. Every Owner shall have a right and easement of enjoyment and use for the purpose of which it was intended in and to the Common Area, which easement shall be appurtenant to and shall pass with the title to every Unit, 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 Unit 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 and subject to such conditions as the Association may approve, subject to receiving the affirmative approval in writing or by vote at a meeting called for that purpose of a majority of the votes entitled to be cast by Class A members and the Declarant, if the Declarant is the Owner of a Unit, agreeing to such sale or dedication or transfer.

(c) The right of the Association to establish rules and regulations pertaining to the use of the Common Area.

(d) The right of the Declarant, his agents, employees and sales representatives and their respective employees and agents to use

one or more of the Units as a model or sales office and construct or place on the Common Area a model or sales office and to erect and display signs in connection therewith.

(e) The right of Declarant and his agents, sales representatives, employees, contractors, and subcontractors, and their respective agents and employees, for access and ingress to and egress from, on and over the Common Area as may be required for (i) display, exhibit and sale of Units, and (ii) the construction, installation, improvement and maintenance of Units and Common Area on the Property and the Additional Property.

2.2 Delegation of Use. Any Owner may delegate his right of enjoyment and use of the Common Area to his guests and his tenants. The delegation of such use shall not relieve the Owner of any liability or responsibility imposed upon him by this Declaration or the By-laws of the Association.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

3.1 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 Unit.

3.2 Percentage of Vote. The total votes assigned to the Units shall be 100 except as provided in Section 3.3 below. The percentage of votes shall be allocated to each Unit on the basis the square feet of the area of each Unit bears to the total square feet of the area of all the Units. The determination of the area of each Unit shall be determined by a licensed Florida architect selected by the Declarant in its sole discretion. The determination by such architect of the area of the Units shall be final as to all parties.

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

3.3.1 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 the percentage of vote assigned to the Unit owned pursuant to Exhibit C attached hereto and made a part hereof. When more than one person or entity holds an interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but only one person shall be entitled to cast the vote with respect to any Unit.

3.3.2 Class B. The Class B member shall be the Declarant and its designated successors and assigns and shall be entitled to three (3) times the percentage of vote assigned to the Units owned by him. The Class B membership shall cease and be converted to Class A membership when Declarant or his heirs or designated successor or assigns no longer has the right to add any or of the Additional Property pursuant to Article IV or December 31, 1991, whichever occurs first.

3.4 Declarant Control. Notwithstanding anything to the contrary herein, the Declarant shall have the right, without the approval of the Association or any Unit Owner, to appoint and remove, with or without cause, a majority of the members of the Board of Directors of the Association for as long as the Declarant has the right to add any or all of the Additional Property pursuant to Article IV.

#### ARTICLE IV

#### ADDITIONAL PROPERTY

4.1 Right to Add Additional Property. Declarant reserves the right, without the approval of the Association or any Unit Owner and in his sole discretion, to add to the Property all or any part of the Additional Property on one or more occasions. The addition of such property shall be accomplished by the Declarant alone executing and recording

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the necessary amendments to this Declaration and amendments to the Plat of Merchants' Walk. No part of the Additional Property shall be subject to this Declaration until the amendment to this Declaration and the Plat adding such part or all of the Additional Property is properly executed and recorded.

4.2 Limitations. There are no limitations as to the location of improvements on the Additional Property except as required by zoning and other governmental regulations. There are no limitations as to the size or number of Units which may be added as a part of the Additional Property. The right of Declarant to add any or all of the Additional Property shall expire seven (7) years from the date of the recording of this Declaration.

4.3 Change of Voting Percentage and Rate of Assessment. Upon the additions of a Unit or Units pursuant to this Article, the percentage of vote and rate of assessment allocated to each Unit shall be amended to reflect the proportion the square feet of the area of each Unit bears to the total square feet of the area of all Units. The determination of the amount of square feet of the area of each Unit being added shall be determined by a licensed Florida Architect selected in the sole discretion of the Declarant. The determination of the square feet of the area of the Units being added by such architect shall be final as to all parties.

**ARTICLE V**

**COVENANT FOR MAINTENANCE ASSESSMENTS**

5.1 Creation of the Lien and Personal Obligation of Assessments.

5.1.1 Each Owner, including the Declarant, shall pay to the Association when due all assessments levied by the Association. The amount of each assessment and the due dates thereof shall be determined by the Association pursuant to a budget prepared each year by the Association.

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5.1.2 All assessments, late or delinquency charge, if any, together with the maximum legal rate of interest from the due date of each, costs of collection and reasonable attorney's fees, shall be a charge on the Unit which it is assessed and shall be a continuing lien upon the Unit 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 his successors in title unless expressly assumed by them.

5.1.3 The Association, at its option, may enforce collection of delinquent assessments late or delinquency charge if any, including interest from the due date of each at the maximum legal rate, plus 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.

5.2 Purpose of the Assessments. The assessments levied by the Association shall be for the purpose of providing for (a) the maintenance, operation, repair and replacement of the Property pursuant to Article VIII; (b) capital improvements to the Common Area; (c) Insurance coverage as determined by the Association; (d) utility charges and deposits for the Common Area; (e) the promotion of the health, safety and welfare of the Property; (f) taxes on the Common Area; (g) such other expenses incidental or necessary (i) to the operation, maintenance, improvement and well being of the Property in a first class condition and (ii) to the carrying out of the provisions in this Declaration, as amended, and the By-laws, as amended, of the Association.

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

5.4 Rate of Assessments. Expenses of the Association shall be assessed against the Units in the percentages allocated to each Unit as

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set forth on Exhibit C, unless otherwise specifically permitted in this Declaration or the By-laws.

5.5 Effect of Non-use. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

5.6 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on a Unit or its improvements. Sale or transfer of any Unit shall not affect the assessment lien except the sale or transfer of any Unit 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 Units. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

5.7 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.

5.8 Water Bills. All charges for water service to the Units will be billed to and paid by the Association. Upon the receipt of the water bills, the Association will send a copy of the appropriate bill to the Unit for which the water service was rendered. Each Unit Owner shall pay the bill to the Association upon receipt thereof. Some of the water bills will be for water service to more than one Unit. For those water bills, the Association will forward a copy of the bill to the Units which have water service charges on that bill; and the Owners of each such Unit shall pay to the Association an equal share of the bill upon receipt thereof. If a Unit Owner fails to pay the bill (or its equal share of the bill, as the case may be) to the Association within five days of the delivery of the bill to the Unit, then such amount together with interest at the highest lawful rate, shall be lien upon the Unit.

If a Unit Owner desires to protest a bill, it shall first pay the bill ( or its equal share, as the case may be) to the Association.

**ARTICLE VI**

**THE ASSOCIATION**

6.1 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.

6.2 Duties. It shall be the duty and obligation of the Association to (a) keep the Common Area and the exterior surfaces of Units in a first class condition; (b) maintain and operate the Property and the Association pursuant to this Declaration and the By-laws of the Association; and (c) perform such other duties and obligations imposed upon it by this Declaration and the By-laws, of the Association as amended.

6.3 Exercise by Directors. The powers granted the Association may be exercised by the Board of Directors of the Association, acting through the officers of the Association, without the consent of any Owner, except where the approval of an Owner or Owners is specifically required in this Declaration or the Bylaws or Articles of Incorporation of the Association.

**ARTICLE VII**

**COVENANTS AND RESTRICTIONS**

7.1 Commercial Only. Units shall only be used for commercial purposes and shall not be used for residential purposes. Units shall not be occupied or used for accommodations by transient persons.

7.2 Approval. No building, fence, wall, driveway or other structure or improvements, regardless of size or purpose, shall be commenced, placed or erected, nor shall any additions to or exterior change or alteration of appearance be made to any existing structure or building unless and until building plans and specification covering same, showing the nature, kind, shape and height, size, materials, floor plans, exterior color schemes, location and orientation and square footage, construction schedule and such other information as the Declarant shall require, have been submitted to and approved by the Declarant pursuant to Section 13.1 hereof. The Declarant shall have the absolute and exclusive right to refuse to approve any such building plans and specifications which are not suitable or desirable in its sole opinion for any reason, including purely aesthetic reasons and reasons connected with Declarant's continued ownership of Units.

7.3 Quality Design and Color. Unless specifically approved in writing by the Declarant, all buildings to be either constructed, repaired, painted or changed on the exterior shall be substantially equal to the quality of materials and color as all other buildings on the Property. Notwithstanding anything to the contrary contained in Section 13.1, the failure by the Declarant to respond within 30 days of the date of request for approval under this section shall be deemed to be a denial of such request.

7.4 No Parking of Vehicles or Boats. No wheeled vehicles of any kind, boats or any offensive objects may be kept on the Property. No recreational vehicles or trailers or mobile homes shall be maintained or kept on the Property, except in conjunction with the construction or improvements of the Property by the Declarant. Parking is allowed only within areas designated for parking and within the marked spaces thereof. Overnight parking is prohibited unless specifically approved by Declarant.

7.5 Exterior Appearance. Unless specifically approved by the Declarant (i) no awnings, shades, screens, or other item shall be attached to, hung or used on the exterior of any window or door of a

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Unit or on the exterior of any building, and (ii) no foil other than reflective material shall be used on any window. The Declarant may reasonably require that the outside appearance, including the materials on the inside of windows, of buildings of a similar nature be uniform. Notwithstanding anything contained in Section 13.1, the failure by the Declarant to respond within 30 days of the date of the request for approval under this section shall be deemed to be a denial of such request.

**7.6 Signs.** No sign of any character shall be displayed or placed upon any Unit or the Common Area except as approved by the Declarant pursuant to Section 7.7, and except "FOR SALE" and "FOR RENT" signs of reasonable size, design and color to be placed upon said Unit by an Owner or his agent to facilitate the sale or rental of the Unit. The Declarant may enter upon any Unit without being liable for trespass or tort whatsoever and summarily remove any signs which in its sole discretion do not meet the provision of this section.

**7.7 Commercial Sign Approval.** No sign of any character shall be displayed or placed upon any Unit or the Common Area (except as permitted by Section 7.6 above) until the design, dimensions and specifications of the sign showing the nature, kind, shape, height, size, materials, color schemes, location and orientation of such sign, and such other information as the Declarant shall require, have been submitted to and approved by the Declarant pursuant to Section 13.1 hereof. Notwithstanding anything to the contrary contained in Section 13.1, the failure by Declarant to respond within thirty (30) days of the date of request for approval under this section shall be deemed to be a denial of such request.

**7.8 Aerials and Antennas.** No antenna or any other exterior electronic or electric equipment or devices of any kind shall be installed or maintained on a Unit except during the period of construction.

**7.9 Mail Boxes.** Only a mail box or newspaper box approved by Declarant may be used.

7.10 Pets. No animals of any kind or description are permitted in a Unit or any portion of the Property, except for security purposes and only after the prior written approval of the Declarant.

7.11 No Offensive Activities. No illegal, noxious or offensive activity or object shall be permitted or conducted on any part of said Property, 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 occupants of the other Units. No trash, garbage, rubbish, debris, waste material or other refuse shall be deposited or allowed to accumulate or remain on any part of said Unit nor upon any land or lands contiguous thereto. Except on the day of collection, trash containers shall be kept either inside or within a designated area.

7.12 Waiver of Covenants and Restrictions. Declarant reserves the right to release any Unit from any part of the covenants and restrictions contained in this Article VII as Declarant determines in its sole judgment.

#### ARTICLE VIII

#### MAINTENANCE

8.1 Association. The Association shall be responsible for the care, maintenance and repair of the (a) Common Areas, including all improvements thereon, (b) the exterior surfaces of the Units, as required by the normal use thereof, and (c) any portion of the Property that is dedicated or conveyed to a governmental or quasi-governmental agency or utility company that has not agreed to care, maintain, and repair such portion of the Property.

8.2 Units Owners. The Owner of each Unit shall be responsible for the care, maintenance and repair of (a) his Unit (except as provided in Section 8.1 above) and all improvements and betterments in the

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Unit, and (b) any sign displayed or placed by the Owner on the Common Area or his Unit.

8.2.1 In the event any Owner fails to care for, maintain or repair his Unit, or any portion thereof, (except as provided by Section 8.1 above), including the betterments and improvements thereto, and any sign placed or displayed by the Owner on the Common Area or his Unit, in a manner satisfactory to the Board of Directors of the Association, after approval by 2/3's vote of the Board of Directors, the Association shall have the right, through its agents and employees to enter said Unit and to repair, maintain and/or restore the Unit and any improvements therein and the sign. Such right of entry and repair shall be exercisable only upon 15 days written notice given to the Owner thereof, unless, in the discretion of the Board of Directors a genuine emergency necessitates a shorter period of time or necessitates action without notice. The costs of any such care, repairs, maintenance and/or restoration shall be a lien, together with interest thereof at the highest lawful rate, against the Unit.

8.3 Building Codes. All maintenance, repairs, improvements and alterations to a Unit shall comply with the applicable building codes, zoning regulations and ordinances.

ARTICLE IX

INSURANCE

9.1 Association Insurance Coverage. The Association shall secure and maintain a property damage insurance policy with a company licensed to do business in Florida to cover the full replacement value of all permanent buildings on the Property, except improvements and betterments made to a Unit by an Owner. The Association shall obtain such other insurance as required by law and may obtain such other insurance on the Common Area and the Units as it deems in its discretion to be in the best interest of the Association or the Owners.

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9.2 Cost of Association Insurance. The cost of insurance purchased by the Association shall be an expense of the Association and shall be a part of the assessments levied on each Unit. If, in the sole opinion of the Board of Directors of the Association, the cost to the Association of insurance coverage is greater than it should be because of the use of the Unit, or the goods and materials in the Unit, or the nature of the business carried on in the Unit or the action or inaction of an Owner, his family, guest, or tenants, then such increase shall be an additional assessment against the Owner.

9.3 Named Insured. The named 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.

9.4 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.

9.5 Unit Owner Insurance. Each Owner at his expense shall secure and maintain a casualty insurance policy with a company licensed to do business in Florida to cover the improvements and betterments to his Units. Each Owner, at his expense, shall have the responsibility of obtaining such other insurance as he deems appropriate, such as public liability insurance and insurance to cover his personal property.

ARTICLE X

DAMAGE AND REPAIR

10.1 Rebuilding. All rebuilding and repairing of all damaged property shall be subject to the provisions of Section 7.2 and 7.3 and all other provisions in this Declaration.

10.2 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 the casualty not to repair or rebuild such Common Area.

10.3 Damage to Units. In the event a Unit is damaged, then such Unit shall be repaired or rebuilt unless eighty percent (80%) of the votes entitled to be cast in the Association and the Owner thereof vote within 60 days of the casualty not to repair or rebuild such damaged Unit.

10.4 Cost to Repair or Rebuild. The cost to rebuild or repair damaged property shall be paid from the proceeds of insurance to the extent available. In the event the cost to build or repair the damaged property exceeds the amount of the insurance proceeds, then each Owner shall pay such deficit for repairing or rebuilding property owned by him and each Owner shall pay his share (pursuant to Exhibit C) of the deficit for repairing or rebuilding Common Area property.

10.5 Property Not Repaired or Rebuilt. In the event it is decided as provided herein not to repair or rebuild damaged property, then such damaged property shall be removed or placed in an aesthetically pleasing condition in harmony with the building and landscaping of the Property, by the Owner if the damaged property is a Unit, and by the Association if the damaged property is Common Area. In the event a Unit Owner fails to remove or place his damaged Property in such condition, then the Association may remove or place the damaged property in the appropriate condition at the expense of the Unit Owner and the cost thereof, together with interest at the highest lawful rate will be a lien on the Unit.

ARTICLE XI

PARTY WALLS

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11.1 General Rules of Law to Apply. Each wall which is placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

11.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners abutting said wall.

11.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, the party wall shall be repaired or rebuilt as soon as practical, unless it is decided not to repair or rebuild as provided elsewhere herein. The cost of repairing or rebuilding not covered by Association insurance shall be paid in equal portion by each Owner abutting the wall; provided, however, the payment of any sum required hereunder shall not be deemed an admission or voluntary payment, and shall not in any way prejudice the right of an Owner to seek damages against another Owner or other person or entity under any rules or law regarding negligent or willful acts or omissions.

11.4 Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who, by his negligent or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

11.5 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

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**ARTICLE XII**

**EASEMENTS**

12.1 Recorded Easements. The Units and Common Area shall be subject to all easements recorded in the Official Records of Okaloosa County, Florida and the Plat of Merchants' Walk, as amended.

12.2 Utility Easements. The Declarant for himself and his heirs, successors and assigns, hereby expressly reserves unto himself a nonexclusive easement, privilege and right on, over and under the Property to erect, install, repair, maintain and use electric and telephone wires, cables, pipes, conduits, water mains, drainage lines and/or drainage ditches, sewers and other suitable equipment for drainage and sewage disposal purposes. The Declarant shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements and rights referred to in this Section. The Owners, subject to the privileges, rights and easements referred to in this Section, shall acquire no right, title or interest in or to any wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over or under the Unit which is subject to said privileges, rights and easements. The Declarant reserves the right to designate the users of all such easements.

12.3 Easement for Maintenance. Each Owner grants an easement to the Association at reasonable times to go in his Unit to perform the care, maintenance and repair as required in this Declaration. The Association may designate others to use such easement for the purpose of performing the work provided for herein.

12.4 Easement of Encroachment. There shall be a general easement of encroachment in favor of any Unit or improvement thereof, as originally built or as approved pursuant to Article VII, which is built on or extends over, above or onto the Common Area or another Unit.

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12.5 Declarant Easement. The Declarant, for himself, his heirs and assigns hereby expressly reserves for himself, a nonexclusive easement for ingress and egress on and over the sidewalks and roads which are built or are to be built on the Common Area of the Property.

12.6 Easement for Well. The Declarant for himself and his heirs, successors and assigns hereby reserves unto himself a nonexclusive easement, privilege and right on, over and under the Common Area to install, maintain, repair, and use the well as shown on the plat of Merchants' Walk together with all equipment used for the operation thereof, including without limitation pumps and pipes. Declarant may control the location and growth of landscaping that may interfere with or threaten to endanger the installation, maintenance, repair and use of such well and equipment. Notwithstanding the foregoing, the Association shall maintain and repair the well and equipment at its sole expense. The well and equipment shall remain the property of Declarant. The Association may pump sufficient amounts of water from the well to maintain the Common Area. Declarant may pump the remainder of the water available from the well for his desired uses.

12.7 Covenant Running with the Land. The easements granted and reserved in this Article XII shall be perpetual and covenants running with the land and be a burden upon the Property.

ARTICLE XIII

MISCELLANEOUS

13.1 Approval. Wherever in this Declaration the consent or approval of the Declarant or the Association is required to be obtained, no action requiring such consent or approval shall be commenced or undertaken until after a request in writing seeking the same has been submitted to and approved in writing by the Declarant or Association, as the case may be. Such request shall be sent to the Declarant or Association by Registered Mail with return receipt requested. In the event that the Declarant or Association fails to act on any such written request within 30 days after the same has been submitted as required

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above, the consent or approval to the particular action sought in such written request shall be presumed, except as provided in Sections 7.3, 7.5 and 7.7; however, no action shall be taken by or on behalf of the person or persons submitting such written request which violates any of the provision of this Declaration.

13.2 Declarant May Designate a Substitute. The Declarant 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 under the provisions herein contained; provided however, that December 31, 1991 all of the rights, powers, privileges, authorities and reservations given or reserved to the Declarant in this Declaration shall automatically pass to the Association.

13.3 Amendments by Declarant. The Declarant reserves and shall have the right without the approval or consent of any Unit Owner (a) to amend this Declaration but all such amendments shall conform to the general purposes and standards herein contained; (b) to amend this Declaration for the purpose of curing any ambiguity in or any inconsistency between the provisions contained herein; (c) to amend this Declaration pursuant to Article IV; and (d) to include in any contract or deed or other instrument hereafter made, any additional covenants and restrictions applicable to the said Property which do not lower the standards of the covenants and restrictions herein contained.

13.4 Amendment of Declaration by Class A Members. The Class A members of the Association may amend this Declaration only with the written consent of the Declarant, for as long as the Declarant shall own a Unit or have the right to add any of the Additional Property, and with the vote of sixty percent (60%) of the votes entitled to be cast by the Class A members.

13.5 Remedy for Violation. If any person, firm or corporation, or other entity shall violate or attempt to violate any of the provisions of

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this Declaration, the Declarant or the Association may (a) prosecute proceedings at law for the recovery of damages against those so violating or attempting to violate any such provision or (b) maintain a proceeding in equity against those so violating or attempting to violate any such provisions 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 Declarant, its successors or assigns, or the Association to enforce any covenant or restriction or any obligation, right, powers, privilege, authority or reservation herein contained, however long continued, 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. The party in any litigation shall be obliged to pay attorney's fee to the successful plaintiff in all actions seeking to prevent, correct or enjoin such violations or in damage suits thereon.

13.6 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.

13.7 Right to Remedy Violations. In the event of the violation of any of the provisions of this Declaration or the failure by an Owner to do any act required herein, then the Association shall have the right to enter upon a Unit to correct or remove such thing or condition that is contrary to intent and meaning of this Declaration, or do such act as required herein, at the expense of the Owner of such Unit, and the Association shall not be deemed guilty of any trespass or tort. In the event the Association expend any sum in correcting such violations or performing such acts, then the Association may assess such sum against the Unit and such assessment together with interest at the highest lawful rate shall be a lien on the Unit.

13.8 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 the Merchants' Walk, provided such rules and regulations do not conflict with this Declaration. Each Unit Owner shall comply with rules and regulations as adopted and amended by the Association, and each Unit Owner shall cause its guests, invitees, and employees to comply therewith.

13.9 Combination of Units. The Owner, including Declarant, of two or more contiguous Units may combine said Units. An Owner may sever the Units so combined into the original Units. Any work to be performed in the combination and severance of Units must comply with Article VII hereof and all other terms of this Declaration. The cost of combination and severance of Units shall be paid by the Owner desiring to combine or sever said Units. The combination or severance of Units shall not change the vote and rate of assessment assigned to each Unit.

IN WITNESS WHEREOF Declarant has caused this Declaration to be executed under as of this 22<sup>nd</sup> day of NOVEMBER, 1983.

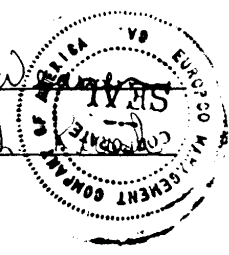
Declarant

Klaus Conrad by his attorney in fact Bluewater Bay Development Company, Ltd. acting by and through Europco Management Company of America its general partner.

By: David C. W.

Attest: Arata

CORPORATE SEAL

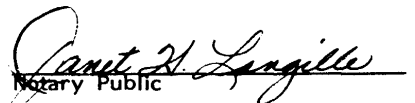


\*\* OFFICIAL RECORDS \*\*  
BK 1219 PG 1065

STATE OF FLORIDA  
COUNTY OF OKALOOSA

I hereby certify that on this day before me an officer duly authorized to take acknowledgement, personally appeared DAVID C. WEAVER and ANITA L. KIRSCH of Europco Management Company of America to me known to be the persons described in and who acknowledged executing the foregoing instrument for the uses and purposes set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the county and state last aforesaid, this 22<sup>nd</sup> day of NOVEMBER, 1983.

  
Notary Public  
My Commission Expires: 4-16-85



## Merchant's Walk at Bluewater Bay-Phase I

**LEGAL DESCRIPTION**

COMMENCE AT THE NORTHEAST CORNER OF THE NORTHWEST ONE QUARTER OF SECTION 23, TOWNSHIP -1- SOUTH, RANGE -22- WEST, OKALOOSA COUNTY, FLORIDA;

THENCE GO NORTH 89 DEGREES 03 MINUTES 22 SECONDS WEST ALONG THE NORTH LINE OF THE NORTHWEST ONE QUARTER OF SECTION 23, TOWNSHIP -1- SOUTH, RANGE -22- WEST A DISTANCE OF 999.06 FEET;

THENCE GO SOUTH 00 DEGREES 56 MINUTES 38 SECONDS WEST A DISTANCE OF 162.14 FEET;

THENCE GO SOUTH 49 DEGREES 59 MINUTES 37 SECONDS EAST A DISTANCE OF 113.95 FEET TO THE POINT OF BEGINNING;

THENCE GO NORTH 61 DEGREES 30 MINUTES 51 SECONDS EAST A DISTANCE OF 120.68 FEET TO A POINT OF CURVATURE;

THENCE GO EASTERNLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTH, HAVING A RADIUS OF 49.66 FEET AND A DELTA ANGLE OF 29 DEGREES 25 MINUTES 47 SECONDS AN ARC DISTANCE OF 25.51 FEET (CH = 25.23' CH BRG. = N 76° 13' 45" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 89 DEGREES 03 MINUTES 22 SECONDS EAST A DISTANCE OF 132.07 FEET TO A POINT OF CURVATURE;

THENCE GO ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTH WEST, HAVING A RADIUS OF 29.66 FEET AND A DELTA ANGLE OF 90 DEGREES 00 MINUTES 05 SECONDS AN ARC DISTANCE OF 46.59 FEET (CH = 41.95' CH BRG. = S 44° 03' 22" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 00 DEGREES 56 MINUTES 43 SECONDS WEST A DISTANCE OF 138.94 FEET;

THENCE GO SOUTH 48 DEGREES 56 MINUTES 49 SECONDS WEST A DISTANCE OF 57.66 FEET;

THENCE GO NORTH 89 DEGREES 59 MINUTES 37 SECONDS WEST A DISTANCE OF 91.03 FEET;

THENCE GO SOUTH 40 DEGREES 00 MINUTES 23 SECONDS WEST A DISTANCE OF 103.23 FEET;

THENCE GO NORTH 49 DEGREES 59 MINUTES 37 SECONDS WEST A DISTANCE OF 15.00 FEET;

THENCE GO SOUTH 40 DEGREES 00 MINUTES 23 SECONDS WEST A DISTANCE OF 61.09 FEET TO A POINT ON THE ARC OF A CURVE;

THENCE GO NORTHEASTERLY ALONG THE ARC OF THE CURVE BEING CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 24.34 FEET AND A DELTA ANGLE OF 60 DEGREES 36 MINUTES 49 SECONDS AN ARC DISTANCE OF 25.35 FEET (CH = 24.57' CH BRG. = S 81° 44' 43" E) TO A POINT OF COMPOUND CURVATURE;

THENCE GO SOUTHEASTERLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 91 DEGREES 25 MINUTES 55 SECONDS AN ARC DISTANCE OF 6.93 FEET (CH = 6.21' CH BRG. = S 05° 42' 35" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 40 DEGREES 00 MINUTES 23 SECONDS WEST A DISTANCE OF 13.66 FEET;

THENCE GO SOUTH 49 DEGREES 59 MINUTES 37 SECONDS EAST A DISTANCE OF 127.32 FEET;

THENCE GO NORTH 40 DEGREES 00 MINUTES 24 SECONDS EAST A DISTANCE OF 13.66 FEET TO A POINT OF CURVATURE;

THENCE GO NORTHEASTERLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 90 DEGREES 00 MINUTES 01 SECOND AN ARC DISTANCE OF 6.82 FEET (CH = 6.14' CH BRG. = N 85° 00' 25" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 49 DEGREES 59 MINUTES 40 SECONDS EAST A DISTANCE OF 2.84 FEET TO A POINT OF CURVATURE;

THENCE GO SOUTHEASTERLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 57 DEGREES 57 MINUTES 20 SECONDS AN ARC DISTANCE OF 4.39 FEET (CH = 4.21' CH BRG. = S 21° 00' 57" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 07 DEGREES 57 MINUTES 47 SECONDS WEST A DISTANCE OF 15.59 FEET;

THENCE GO SOUTH 82 DEGREES 02 MINUTES 14 SECONDS EAST A DISTANCE OF 65.03 FEET;

THENCE GO NORTH 07 DEGREES 57 MINUTES 45 SECONDS EAST A DISTANCE OF 11.80 FEET TO A POINT OF TANGENCY;

THENCE GO NORTHEASTERLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 114 DEGREES 55 MINUTES 31 SECONDS AN ARC DISTANCE OF 8.71 FEET (CH = 7.31' CH BRG. = N 65° 23' 35" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 41 DEGREES 10 MINUTES 14 SECONDS EAST A DISTANCE OF 10.99 FEET TO A POINT OF CURVATURE;

THENCE GO SOUTHERNLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE WEST, HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 142 DEGREES 58 MINUTES 38 SECONDS AN ARC DISTANCE OF 10.83 FEET (CH = 8.23' CH BRG. = S 14° 22' 36" W) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 85 DEGREES 51 MINUTES 59 SECONDS WEST A DISTANCE OF 12.32 FEET;

THENCE GO SOUTH 04 DEGREES 08 MINUTES 01 SECONDS EAST A DISTANCE OF 50.79 FEET;

THENCE GO NORTH 85 DEGREES 52 MINUTES 00 SECONDS EAST A DISTANCE OF 24.48 FEET TO A POINT OF CURVATURE;

THENCE GO EASTERNLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 44 DEGREES 00 MINUTES 28 SECONDS AN ARC DISTANCE OF 3.34 FEET (CH = 3.26' CH BRG. = S 72° 03' 54" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 49 DEGREES 59 MINUTES 35 SECONDS EAST A DISTANCE OF 3.17 FEET TO A POINT OF CURVATURE;

THENCE GO SOUTHERNLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE WEST AND HAVING A RADIUS OF 4.34 FEET AND A DELTA ANGLE OF 89 DEGREES 59 MINUTES 54 SECONDS AN ARC DISTANCE OF 6.82 FEET (CH = 6.14' CH BRG. = S 04° 59' 35" E) TO THE POINT OF TANGENCY;

THENCE GO SOUTH 40 DEGREES 00 MINUTES 24 SECONDS WEST A DISTANCE OF 13.66 FEET;

THENCE GO SOUTH 49 DEGREES 59 MINUTES 37 SECONDS EAST A DISTANCE OF 91.32 FEET;

THENCE GO NORTH 40 DEGREES 00 MINUTES 23 SECONDS EAST A DISTANCE OF 13.66 FEET TO A POINT OF CURVATURE;

THENCE GO EASTERNLY ALONG THE ARC OF THE CURVE BEING CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 4.34 FEET, A DELTA ANGLE OF 113 DEGREES 15 MINUTES 55 SECONDS AN ARC DISTANCE OF 8.58 FEET (CH = 7.25' CH BRG. = S 83° 21' 42" E) TO A POINT OF COMPOUND CURVATURE;

THENCE GO SOUTHERNLY ALONG THE ARC OF A CURVE BEING CONCAVE TO THE WEST AND HAVING A RADIUS OF 24.34 FEET, A DELTA ANGLE OF 66 DEGREES 44 MINUTES 04 SECONDS AN ARC DISTANCE OF 28.35 FEET (CH = 26.77' CH BRG. = S 06° 38' 21" W) TO A POINT OF TANGENCY;

THENCE GO SOUTH 40 DEGREES 00 MINUTES 23 SECONDS WEST A DISTANCE OF 4.63 FEET TO THE NORTHERN RIGHT OF WAY LINE OF STATE HIGHWAY 20;

THENCE GO NORTH 49 DEGREES 59 MINUTES 37 SECONDS WEST ALONG THE NORTHERN RIGHT OF WAY LINE OF STATE HIGHWAY 20 A DISTANCE OF 436.94 FEET;

THENCE GO NORTH 40 DEGREES 00 MINUTES 23 SECONDS EAST A DISTANCE OF 145.20 FEET TO A POINT;

THENCE GO NORTH 49 DEGREES 59 MINUTES 37 SECONDS WEST A DISTANCE OF 150.00 FEET;

THENCE GO NORTH 40 DEGREES 00 MINUTES 23 SECONDS EAST A DISTANCE OF 40.43 FEET;

THENCE GO NORTH 49 DEGREES 59 MINUTES 37 SECONDS WEST A DISTANCE OF 16.05 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED LYING AND BEING IN SECTION 23, TOWNSHIP -1- SOUTH, RANGE -22- WEST, CONTAINING 1.463 ACRES MORE OR LESS.

EXHIBIT "B"

\*\* OFFICIAL RECORDS \*\*  
BK 1219 PG 1067

MERCHANT'S WALK DEVELOPMENT

PROPERTY DESCRIPTION  
(Additional Property)

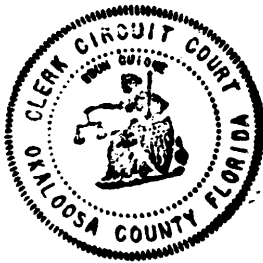
COMMENCE AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SECTION 23,  
TOWNSHIP 1 SOUTH, RANGE 22 WEST, OKALOOSA COUNTY, FLORIDA;  
THENCE GO NORTH 89° 03' 22" WEST ALONG THE NORTH LINE OF SECTION 23  
A DISTANCE OF 414.06 FEET TO THE POINT OF BEGINNING;  
THENCE CONTINUE NORTH 89° 03' 22" WEST ALONG THE NORTH LINE OF SECTION  
23 A DISTANCE OF 585.00 FEET;  
THENCE GO SOUTH 00° 56' 38" WEST A DISTANCE OF 162.14 FEET;  
THENCE GO SOUTH 49° 59' 37" EAST A DISTANCE OF 130.00 FEET;  
THENCE GO SOUTH 40° 00' 23" WEST A DISTANCE OF 40.43 FEET;  
THENCE GO SOUTH 49° 59' 37" EAST A DISTANCE OF 150.00 FEET;  
THENCE GO SOUTH 40° 00' 23" WEST A DISTANCE OF 145.20 FEET TO THE  
NORTHEASTERLY RIGHT OF WAY OF FLORIDA STATE ROAD 20;  
THENCE GO SOUTH 49° 59' 37" EAST ALONG THE NORTHEASTERLY RIGHT OF WAY OF  
STATE ROAD 20 A DISTANCE OF 465.60 FEET;  
THENCE GO NORTH 40° 00' 23" EAST A DISTANCE OF 187.71 FEET;  
THENCE GO NORTH 01° 22' 39" EAST A DISTANCE OF 630.40 FEET TO THE NORTH  
LINE OF SECTION 23 AND THE POINT OF BEGINNING OF THE PARCEL OF LAND  
HEREIN DESCRIBED, CONTAINING 7.454 ACRES MORE OR LESS.  
LESS AND EXCEPT THAT PROPERTY DESCRIBED IN EXHIBIT "A" CONSTITUTING PHASE I.

\*\* OFFICIAL RECORDS \*\*  
BK 1219 PG 1068

MERCHANTS WALK

EXHIBIT C  
(Phase I)

<u>UNIT NUMBER</u>	<u>PERCENTAGE OF VOTE AND PERCENTAGE OF ASSESSMENT</u>
A101	8 1/3%
A102	8 1/3%
A103	8 1/3%
A104	8 1/3%
A105	8 1/3%
A106	8 1/3%
A107	8 1/3%
A108	8 1/3%
A109	8 1/3%
A110	8 1/3%
A111	8 1/3%
A112	8 1/3%



FILE# 735080  
OKALOOSA COUNTY, FLORIDA  
RCD: NOV 29 1983 @ 8:19 AM  
NEWMAN C BRACKIN, CLERK