

## Units II and III

### COVENANTS AND RESTRICTIONS PARADISE BAY UNITS II AND III

THIS DECLARATION made and entered on this 14th. day of March , 1985, by East Bay Exchange, Inc., a Florida corporation, hereafter referred to as "Declarant", witnesseth:

WHEREAS, Declarant is the owner of certain property in Santa Rosa County, Florida, which is more particularly described as: Unit #2 & #3 Paradise Bay, a subdivision of a portion of Section 28, Township 2 South, Range 28 West, Santa Rosa County, Florida, according to the plat of that subdivision recorded in Plat Book D at page 21 of the public records of said county.

NOW THEREFORE, Declarant declares that all of the property described above shall be held, sold, and conveyed subject to the following 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 properties 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 Paradise Bay Homeowners' Association, Inc., a Florida corporation not for profit, its successors and assigns.

Section 2. Owners shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, as well as the contract vendee under a contract for deed, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. Properties shall mean and refer to that certain real property granted above and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. Common Area shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is the area upon which the entrance sign is located, that property known as the "park", and the 0.17 acre area known as Rushing Memorial Park, those properties being described below:

Section 5. Lot shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the common Area.

Section 6. Declarant shall mean and refer to East Bay Exchange, Inc. , and the successors and assigns of Declarant.

Section 7. Common Expenses shall include expenditures made or liabilities incurred by the Association for the benefit of the properties as otherwise authorized herein, together with payments or obligations to reserve accounts.

#### ARTICLE II RIGHTS OF OWNERS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot 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 Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association to grant permits, licenses, and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

Section 2. Delegation of use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

#### ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting member Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in an Lot, all such persons shall be members. The vote for such Lot shall be exercised as determined by the Owners thereof, but in no event shall more than one vote be cast with respect to any Lot. Class B. The Class B member shall be the Declarant, which shall be entitled to three(3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever . occurs earlier: (a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or (b) four (4) months after 75% of the units in the project have been conveyed to Unit purchasers; or (c) three (3) years following conveyance of the first unit, whichever event is earlier.

#### ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, 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 the successors in title of that Owner unless assumed expressly by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents, and for the improvement and maintenance of the Common Area. The Association shall have the obligation to maintain the entrance sign and ground and landscaping in the area of the entrance sign, as well as maintenance and landscaping of Rushing Memorial Park, and shall pay all ad valorem real property taxes assessed upon it.

Section 3. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be (\$ 80.00 ) per Lot. (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership. (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above fifteen percent (15%) by a vote of two&mdash;third (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum. (d) Regardless of the provisions above, the Association shall be obligated to pay all ad valorem real property taxes unpaid upon any Common Area, and no limitation above shall ever prohibit the Association from increasing the annual assessment to an amount sufficient to pay such taxes.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided. any such assessment shall have the assent of two&mdash;thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum For Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one&mdash;third (1/3) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots. All assessments shall be payable on a monthly basis unless the Board of Directors determines reasonably that because of the small amount of monthly payments, or for other good and valid reason, it would be a convenience to the Owners to pay on a quarterly, semiannual, or annual basis.

Section 7. Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of any lot by Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates

shall be established by the Board of Directors. The Association shall, on demand, and for a reasonable charge furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. There shall be no assessment on Lots not conveyed of record by Declarant, but Declarant shall reasonably maintain, at the expense of Declarant, those Lots not conveyed of record by Declarant.

Section 8. Effect of Nonpayment of the Association. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of eighteen (18) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Limitation on Association While Controlled. by Declarant. While under control of Declarant the functions of the Association shall be limited to maintain the entrance sign and now, trim., and otherwise keep up the area around the entrance sign, and to maintain Rushing Memorial Park. No other activity shall be commenced while the Association is under the control of Declarant. After Declarant no longer has control of the Association, the Association may elect to provide any other services to promote the health, safety, and welfare of the residents of the subdivision. In addition, the Association may elect to procure other properties, whether adjacent to the subdivision or not, for recreational or other purposes. Provided, however, that no activity of the Association shall be commenced without approval of seventy&mdash;five percent (75%) of the Owners in the subdivision (as heretofore stated, each Lot to have one vote) if the activity shall necessitate more than a nominal expenditure of funds.

Section 11. Reserve Fund. The Association is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common areas, which fund is to be maintained out of regular assessments for common expenses.

Section 12. Working Capital. Unless Declarant reasonably determines that expenses of the Association shall be less during the initial months of the operation so that no working capital fund is necessary, there shall be collected at closing of the initial sale of each Lot, a sum equal to at least two (2) month's assessments for each Lot, which fund shall be transferred to the Association at closing and shall be kept in an account for the benefit of the Association.

Section, 13. Right of Entry. The Association has a reasonable right of entry upon any Unit to make emergency repairs and to do other work reasonably necessary to the proper maintenance and operation of the project.

#### ARTICLE V ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, landscaping plan and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by K.C. Hembree or Virginia C. Hembree and the Board of Directors of the Association, or by any architectural committee appointed by the Board. In the event K.C. Hembree or Virginia C. Hembree and the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with, but failure to act on the plans will not be grounds for violating any other provision of this instrument. K. C. Hembree shall have the power to appoint another person or corporation to exercise the powers set forth above for K.C. Hembree or Virginia C. Hembree in the event that both resign or otherwise are unable to serve.

#### ARTICLE VI ADDITIONAL DEVELOPMENT

Section 1. Declarant is the owner of property described in that certain deed to it from Paradise Bay Developers, a Florida general partnership, and John F. Phelps, recorded in Official Record Book 720 at page 230 of the public records of Santa Rosa County, Florida. The property subject of this Declaration is a portion of that property so conveyed to Declarant. Upon development of the remaining property now owned by Declarant, or adjacent property thereto which may hereafter be acquired by Declarant, if developed by Declarant in a manner substantially similar to the development of this subdivision, then Declarant shall have the right to require that owners of lots in the additional development become members of Paradise Bay Homeowners' Association, Inc., but, if so, then these owners shall become members of the association upon the same terms and conditions created and imposed by this instrument.

#### ARTICLE VII USE RESTRICTIONS

Section 1. This subdivision shall be used as building sites for single family residential buildings only. No building site on the recorded plat may be subdivided into portions, or portions of one lot joined into portions of other lots, unless approved by K.C. Hembree or Virginia C. Hembree or Paradise Bay Homeowners' Association, Inc. No structures shall be erected, altered, placed, or permitted on any residential building site other than a single family dwelling not to exceed two and one-half stories in height.

Section 2. No residential building shall be erected in this subdivision unless the minimum square footage of living area, exclusive of any porches, carports, and garages, is at least 1,300 square feet in area. Each multi-storied residence constructed on any lot or building site in this subdivision shall have not less than 1,000 square feet of living area on the first floor, excluding carports, porches, and outside utility buildings, however, the 1,000 square feet may include an enclosed garage.

Section 3. No building shall be located on any building site nearer than 25 feet from the front lot line, 7.5 feet from any interior lot line, or 15 feet from any side road right-of-way. Approved accessory buildings and satellite antennas shall be located in that portion of the building site generally known as the rear yard, and shall not be located forward of the rear building line of the main structure. Any such accessory buildings shall be constructed with quality materials, shall be neat in appearance, shall not detract from general appearance of the property, and shall not be constructed without approval by the architectural control committee under Article V hereof. Specifically, the architectural control committee may require that any satellite antenna or "dish" be screened from view of other areas of the subdivision where buildings may be located.

Section 4. No outside clothesline shall be permitted unless enclosed by a six foot privacy fence.

Section 5. Fences shall be of a minimum height from the ground of four feet, and a maximum height from the ground of six feet. Fences shall be located only on that portion of the building site generally known as the rear yard and shall not be located forward of the front building line of the main structure. All fences shall be of good design and construction and no farm (wire type) fence or chain link fence shall be permitted as a fence to be constructed on any portion of the building site.

Section 6. No trailer, house trailer, basement, tent, shack, garage, barn, or other outbuilding shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

Section 7. No noxious or offensive trade or activity shall be carried on in this subdivision, nor shall anything be done thereon which may become an annoyance or a nuisance to the neighborhood.

Section 8. For aesthetic purposes and to prevent erosion, all front yards shall be sodded unless an alternative acceptable to the Architectural Control Committee is approved. To prevent erosion and damming, the drainage ditches and swales must be sodded to the street pavement. All drainage ditches and swales shall be maintained neatly by the abutting property owner, even if located in the County right-of-way. Driveways that cross drainage ditches may be swaled or raised over a culvert. Culverts must be finished with mitered end sections and concrete collars. To prevent damming, swaled driveways must conform to the, prescribed grades of the subdivision design engineer.

Section 9. No sign of any kind shall be displayed for public view on any lot except one sign not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property in the construction and sales period.

Section 10. Any construction commenced upon the property shall be pursued diligently and such construction shall be completed within six months from date of construction of the foundation. No building unfinished on the exterior, nor any building without electricity and water, shall be occupied at any time.

Section 11. East Bay Exchange, Inc., reserves the right to grant easements to government entities and public utilities and the right to grant easements for installation and maintenance of utilities and drainage facilities for so long as there is a Class B membership. When there shall no longer be a Class B membership, Paradise Bay Homeowners' Association, Inc., shall succeed to such power. No such right or easement shall be granted which shall materially affect the value of any lot in the sub-division.

Section 12. No horses, livestock, animals, reptiles, chickens or fowl of any kind shall be permitted, except dogs and cats owned as personal pets. Dogs and cats shall not be kept in such numbers as to be an annoyance to other owners in the sub-division, nor shall they be kept for any commercial or business undertaking.

Section 13. All dwellings, yards, drives and landscaping shall be neatly maintained at all times. No trash, garbage, or receptacle for same shall be allowed forward of the front line of the main structure except for the day that a trash or garbage collection is scheduled.

Section 14. No recreational vehicle, motor home, camper, beach buggy, boat, boat trailer, or other such vehicle similar

thereto, shall be parked in the subdivision unless they are parked to the rear of the front building line of the dwelling erected on the premises. No junked or wrecked vehicles shall be parked at any location in the subdivision except in an enclosed garage.

Section 15. Prior Development Annexation. Any owner of a lot in Paradise Bay Unit I, according to the plat of that subdivision recorded In Plat Book C at page 163 of the public records of Santa Rosa County, Florida, may become a member of this association on the same terms and conditions as this document, excepting only that the use restrictions recorded in Official Record Book 573 at page 227 shall govern the use of the premises, rather than the use restrictions in the prior paragraphs hereto. No owner of that subdivision shall become a member of the association created hereby unless that lot owner shall record in the public records of Santa Rosa County, Florida, an instrument imposing the provisions of this instrument (except for the use restrictions) on the lot of that owner so that it shall be a covenant running with the land. Any such document of acceptance shall be executed by all owners and lien holders with any interest in the lot.

Section .16. Enclosed Garage Attached. No dwelling shall be constructed in this subdivision unless it contains an enclosed garage attached to the dwelling.

#### ARTICLE VIII GENERAL PROVISIONS

Section 1. Enforcement. The Association or an Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, as well as all currently existing restrictive covenants affecting the development. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall In no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be extended automatically for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by Owners of not less than seventy&mdash;five percent (75%) of the Lots.

Section 4. A committee of the Board of Directors of the Homeowners&rsquo; Association is granted the right to waive minor violations of these covenants upon written determination by the committee or Board that the violation waived is minor and does not adversely affect the value of the Lots in the remainder of the development.

Section 5. If any Owner or occupant of any Lot in the development shall violate any of these covenants and restrictions while in force and effect, it shall be lawful for Declarant or any owner to prosecute any proceedings at law or in equity against any person violating or attempting to violate such covenants or restrictions and either to prevent them from doing so or to recover damages for such violations.

Section 6. These covenants and restrictions are to run with the land and shall be binding on all parties until these restrictions are waived in writing by a majority of the then record Owners of Lots in the subdivision. Except as otherwise provided herein, in no event shall any restrictions and covenants be so waived prior to January 1, 2015, except by an instrument signed by the Owners of no less than ninety percent (90%) of the Lots.

Section 7. In no event and under no circumstances shall a violation of any covenant or restriction herein contained work a forfeiture or reverter of title.

Section 8. Invalidation of any of these covenants or re-strictions or portions thereof by judgment or court order shall in no wise affect any other provision, which shall remain in full force and effect.

This is a true copy of the covenants for units 2 and 3.Certified by Bland Pugh &ndash; Board of Directors.