DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE RESERVATION

THIS DECLARATION, Made this 28th day of August, 2003, by the undersigned shall read as follows:

WITNESSETH:

WHEREAS, The Developer owns certain property located in Gulf County, Florida, more particularly described in the plat of The Reservation recorded in the public records of Gulf County, Florida at Plat Book 4, page 36; and

WHEREAS, The Developer plans to develop the property as a residential community; and

WHEREAS, in order to preserve and protect the value and desirability of the property, the Developer deems it prudent to place this Declaration of Covenants, Conditions and Restrictions of record and to impose same against the property.

NOW, THEREFORE, the Developer hereby declares that all of the property described above, along with any additions to said property allowed by these covenants, 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 property and be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

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DEFINITIONS

Section 1. "Association" shall mean and refer to the Owners' Association of The Reservation, Inc., a not for profit Florida Corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property more particularly described on the plat of The Reservation recorded in the public records of Gulf County, Florida at Plat Book 4, page 36.

Section 3. "Common Area" shall mean all of the Property to be owned by the Association for the common use and enjoyment of the Owner of lots. The Common Area is legally described on the plat of the subdivision recorded at Plat Book 4, page 36, public records of Gulf County, Florida, and made a part hereof. The Common Area includes the private streets, recreation area, utility areas and all other areas as described on said plat.

Section 4. "Lot" shall mean and refer to any numerically numbered plot of land located in the property described above.

Section 5. "Articles" shall mean and refer to the Articles of Incorporation of the Association.

Section 6. "By-Laws" shall mean and refer to the by-laws of the association.

Section 7. "Home" shall mean and refer to any house, situated upon a Lot. A "Home"

shall be deemed to exist when a "Certificate of Occupancy" or equivalent has been issued for it.

Section 8. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot or Home. A mortgagee under a mortgage encumbering any Lot or Home shall not be considered an Owner unless and until such mortgagee has acquired record title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 9. "Member" shall mean and refer to all of the persons or entities who are members of the Association.

Section 10. "Developer" shall mean and refer to DeHildren Development & Construction, Inc., its successors and assigns.

Section 11. "Development Period" shall mean and refer to the period beginning with the recording of this Declaration and terminating ten years thereafter or the date the Developer turns over control of the Association to the Members, whichever is earlier.

ARTICLE II

EASEMENTS

Section 1. Types of Easements. The property is subject to easements, if any set forth and described in the Plat of The Reservation and those certain easements set forth and described hereinafter as follows:

(1) Easements on the Plat. Easements are reserved as depicted on the Plat as may be required for utility service, beach access and drainage to serve The Reservation adequately and the Developer, during the Development Period, and thereafter the Association, may grant permits, licenses and easements over, under or upon the easement areas depicted on the Plat for utility service or drainage or other purposes reasonable necessary or useful for the proper maintenance or operation of The Reservation.

(2) Construction Easement. An exclusive easement is hereby reserved for the benefit of the Developer, his agents, employees, successors and assigns, for the purpose of completing construction on any existing Lot.

(3) Easement of Enjoyment. Every Owner and his respective licensees, guests, invitees, agents, servants and employees shall have a non-exclusive easement of enjoyment in and to the Common Areas.

(4) Driveway and Utility Easement. Lots 7 and 8; Lots 9 and 10; and Lots 11 and 12 are subject to an easement for the installation and maintenance of common driveways and utility service over a 10 foot wide portion of each lot.

(5) Future Easements. Developer reserves the right to impose further restrictions and to grant or dedicate easements and rights of way on any Lot within the Property owned by the Developer. In addition, Developer hereby expressly reserves the right to grant easements and rights of way over, under and through the land other than the Lots, so long as Developer shall own any portion of the Property. The easements granted by the Developer shall not materially adversely affect any improvements or unreasonably interfere with the enjoyment of the property.

Section 2. Easements as Appurtenances. All easements described above or on the plat

shall be private easements created solely for the benefit of the Developer, Association or Owners, their successors and assigns and all said easements and other rights created herein for an Owner shall be appurtenant to the Lot of that Owner and all conveyances of title to the Lot shall include a conveyance of the easements and rights as are herein provided, even though no specific reference to such easements and rights appear in any such instruments.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a member of the Association. Notwithstanding anything else to the contrary set forth in this Section 1, any such person or entity who holds such interest merely as a security for the performance of any obligation shall not be a member of said Association.

Section 2. Voting Rights. The voting rights of the members will be as provided in the by-laws of the association.

ARTICLE IV

COMMON AREA

Section 1. Owners' Enjoyment of Common Areas. Every Owner of a Lot in The Reservation shall be entitled to use and enjoy the Common Areas subject to conditions and limitations, as hereafter provided and such rights shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. The Developer will be the fee simple title holder of the Common Areas initially, but will convey such fee simple title to the Association subject to and in accordance with the terms and provisions herein.

Section 3. Alteration and Improvement. During the Development Period, the Developer reserves the right, but does not covenant that it will exercise such right, to make improvements to the Common Areas. Such improvements may include, but are not limited to, tennis courts, shuffle boards, gazebos, fitness trails and walking paths and swimming pools.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees 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 attorneys' fees, shall be a charge on and continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' 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. Annual assessments may include reasonable reserves as the Association may deem necessary, for the future repair, maintenance or improvement of the Common Area.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be

used exclusively for the maintenance of the Common Area, for capital improvements, road maintenance and to promote the health, safety and welfare of the members of the Association and their families residing with them, their guests and tenants.

Section 3. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Units on the first day of the month following recordation of these covenants. Each Owner shall be obligated to pay assessments for his Lot commencing on the day he acquires title for same and said assessment shall be collected from said Lot Owner on a periodic basis no more frequently than monthly. The Board of Directors of the Association shall thereafter fix the amount of the annual assessments against each Unit at least thirty (30) days in advance of each assessment. Written notice of the annual assessment shall be sent to every Owner. The due dates may be altered by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment due on a specified Lot has been paid.

Section 4. Effect of Nonpayment of Assessment: Remedies of the Association. Should any assessment not be paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, become a continuing lien on the property of the delinquent Owner which shall bind such property in the hands of the then Owner, his heirs, devisee, personal representatives, successors and assigns.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date when due at the highest rate allowed by law and the Association may bring an action at law against the Owner personally obligated to pay the same and may record a claim of lien against the property on which the assessment is unpaid and may foreclose the lien against the property on which the assessment is unpaid, or may pursue one or more of such remedies at the same time or successively, and there shall be added to the amount of such assessment attorney's fees and costs of collection and of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as provided and a reasonable attorney's fee to be fixed by the court together with the cost of the action, and the Association shall be entitled to such attorneys' fees in connection with any appeal of any such action.

The Board of Directors of the Association shall, from time to time, be permitted to fix late fees in reasonable amounts to cover the requisite bookkeeping, administration and collection required with regard to payments not paid within fifteen (15) days from the date thereof.

Section 5. Suspension of Right to Use Common Areas Recreational Amenities. In addition to the other consequences of non-payment of assessments, the Board of Directors may suspend the right of an Owner to use the recreational amenities that may become a part of the Common Areas, as elsewhere provided herein. Such suspension shall apply to all members of the Owner's family, his guests, licenses, invitees, and lessees, if any.

Section 6. Annual Assessments. The annual assessment of the initial year of operation of the Association shall be as follows:

For each Lot - $200.00

and may be increased or decreased by the Board of Directors of The Owners Association at The Reservation, Inc. in following years based on the needs of the Association.

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The Developers shall not be liable for and shall be excused from the payment of any annual or special assessments assessed against any Lot owned by the Developer during the period beginning with the recording of this Declaration and terminating at the end of the Development Period, unless the Developer elects an earlier termination date. During this period, the Developer guarantees that the annual assessments imposed on the Lot Owners other than the Developer shall not increase over the dollar amount annually stated above; provided, such guaranteed level of assessment may be adjusted in subsequent years to reflect increased costs experienced by the Association and additional services included in the Association budget. The Developer shall pay any amount of the common expenses of The Reservation incurred during the period and not produced by the annual assessments at the guaranteed level receivable from other Lot Owners. Upon termination of this guarantee, the Developer shall pay annual assessments for The Reservation common expenses for Lots owned by the Developer.

Section 7. Each lot owner shall be responsible for an undivided 1/17 of the assets and liabilities of the association.

ARTICLE VI

The RESERVATION ARCHITECTURAL REVIEW COMMITTEE

Section 1. Design Objectives. The homes in The Reservation will be in the Florida Coastal Cottage style/tradition. The chief concern is that the community be basically homogenous. Continuity of design character is of major importance.

Section 2. Appointment of Committee. There shall be appointed by the Developer during the Development Period, The Reservation Architectural Review Committee ("ARC"), which committee shall consist of at least three persons. After the Development Period, the appointments to the ARC shall be made by the Association Board of Directors.

Section 3. Modification and Amendment of Guidelines. The restrictions and guidelines contained in this Article VI for construction and improvement of Lots within The Reservation may be modified and amended by the Developer at any time during the Development Period. Thereafter, the restrictions and guidelines contained in this Article and as amended from time to time by the Developer may be further amended upon the recommendation of the ARC and a vote of two-thirds (2/3) of the Owners of Lots in The Reservation. All modifications and amendments shall be evidenced by a written amendment to this Declaration, properly executed, which shall be recorded in the public records of Gulf County, Florida.

Section 4. Review by ARC. The ARC in its review of all proposed construction, modifications or alterations to existing structures, shall be guided by the following standards of environmental control, to wit: those included in this recorded Declaration of Covenants and Restrictions for The Reservation, as amended from time to time, applicable to the Lots, and such other design criteria as the ARC may promulgate from time to time; and compliance with the following:

A. Architectural Control. No building, fence, wall, or other addition or modification to existing structures shall be commenced, erected or maintained upon The Reservation, nor shall any exterior addition to or change or alteration therein, including patio covers, be made, nor any landscaping done until the plans, drawn to appropriate scale, and specifications showing the nature, kind, shape, height, material and location of the same including exterior finish and color regime have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures, topography and vegetation by the ARC.

B. The Review Process. The Reservation Architectural Review committee exists to review all buildings or other structures proposed for construction at The Reservation and to encourage high quality architectural design in keeping with the design objectives of the project. The review process has been set up to establish a systemic and uniform review of proposed construction. Required drawings and submittal forms must receive preliminary approval before submission for final approval. All submittals to the ARC for house construction are required to be in compliance with all Gulf County building codes. Though the ARC serves to enforce the Covenants and Restrictions and design objectives, it does not wish to stifle creativity in producing a unique homesite. The ARC, however, through its architectural review process may disapprove any proposed construction for purely aesthetic reasons, where in its sole judgment, such action is required to protect the beauty and harmony of the development.

Written approval or disapproval of the proposed building or structure shall be given within thirty (30) days of receipt of complete documentation as required in these Restrictive Covenants.

ARC shall not accept partially completed submittal packages, and, at the request of an Owner, shall provide receipt of full submittal in writing to Lot Owner.

No site clearing, material deliveries or construction may begin without first obtaining building permit from the ARC and a Gulf County building permit. A permit is issued only after final approval is granted by the ARC, and an approved job sign has been erected at the site. Therefore, the review process must begin early enough to obtain approval that coordinates with the construction schedule. All normal procedures set up by the Gulf County building department must be followed as well.

When construction of a Home has commenced, the work must be pursued diligently and continuously and must be completed within a period of twelve (12) months from the issuance of the Gulf County building permit. Any requests for time extensions must be made in writing to the ARC. Such requests shall indicate the current status of the project, the reasons shall indicate the current status of the project, the reasons for the time extension request and the new date for completion of the project. A project not completed within the stipulated time period, or a project upon which construction is not continuous, shall be considered a nuisance and a violation of these restrictions, and subject to appropriate action by the ARC or the Association. The ARC may issue temporary permits to except any prohibitions expressed or implied by this section, provided the ARC can show good cause for doing so.

C. Design Review. The Design Documents are prepared to document the development of the design of building plans and site plans. The following Design Documents must be submitted along with a review fee in the amount of $150.00 by check made payable to the Developer in order for the ARC to review the submission:

1. Dimension Site Plan. This drawing shall show setbacks and all planned improvements, gates, fountains, etc.

2. Foundation and Framing Plan. Plans to be drawn at 1/4" scale and in conformity with all Gulf County and State of Florida codes.

3. Floor Plans. Floor plans to be drawn at 1/4" scale, containing all information necessary for construction.

4. Elevations. Elevations shall be drawn at 1/4" scale. All exterior

views of the house must be shown and all exterior elevations of amenities such as walls, fountains, built-up planters, etc., shall be shown.

5. Details. Drawings shall show exterior trim, window and door details, railings, planter construction, site walls and fences, and all other exterior amenities.

6. Construction Schedule. The schedule shall start with the date of ARC approval. Estimated Gulf County building permit date, start of construction, end of house construction, end of landscaping, and occupancy shall be listed. The Owner's contractor shall endorse the schedule.

D. Architectural & Site Design Standards & Criteria. The following architectural and site standards and criteria are imposed upon and shall apply to The Reservation.

1. Permitted Structures. No structures of any kind shall be erected, altered, placed, or permitted to remain on any of the platted Lots, within the property, other than a main residence, a guest cottage, a garage, a one-level pool house. Only one of the structures can exceed a footprint of 500 square feet.

2. Grading. Construction shall be located in sympathy with existing topography with as little disruption to the natural grade as possible. Materials and debris resulting from clearing and grubbing shall be removed from the site promptly. Grading operations shall not adversely effect adjacent properties and finished grading shall be such that the washing of water onto adjacent properties is kept to a minimum. Newly graded areas shall be protected against erosion.

Unless an alternative drainage plan for a homesite is approved by Gulf County, Owner shall construct and maintain drainage improvements for each site in accordance with the county approved grading plan prepared by Preble/Rish Engineering.

3. Exterior. Permissible exterior building materials include wood lap siding, composite and prefinished lap siding without wood grain, vertical board and batten, cedar or pine shakes. Stucco or synthetic stucco over wood and stucco over masonry can only be used below the first finish floor level. Vinyl siding is not acceptable. All exterior corners must be 2x4 or 2x6. All window casings must be 2x4 or 2x6. All floor system bands must be 2x10 or 2x12. All eaves must be open with exposed rafters. Soffits are not allowed except in special circumstances. Facia may be used at the end of rafters and frieze boards are recommended.

4. Exterior Colors. All exterior walls must be white, off-white, or natural weather stained wood. Accent colors will be allowed on doors, shutters, or trim. Pastel colors will be allowed as accent color only. All exterior colors must be approved by the ARC.

5. Setbacks. Setbacks shall be as required by Gulf County, Florida land development regulations.

6. Footprint Size. The footprint of the heated and cooled area of the house shall be no larger than 1600 square feet.

7. Roof.

(a) Materials: Roofing material for all pitched roofs shall be mill

finished metal in either 5-V crimp, standing seam, corrugated or metal shingle patterns. Asphalt or composition shingles are not acceptable. Clay or concrete tile is not acceptable.

(b) Pitch: Roof pitches must be a minimum of 4/12 and a maximum of 12/12 except porches and horizontal decks abutting vertical surfaces.

8. First Floor. Finish elevation shall be 10' above existing grade. Lower level must be enclosed with solid foundation walls or other materials to screen all openings except auto entrances. Patterns and material examples are in the design addendum.

9. Height. No home shall extend more than 35 feet above the first finish floor elevation or such height limitation as imposed by Gulf County at the time of construction, whichever is higher. This includes the height of any tower, which is itself limited to a floor area no greater than 200 square feet.

10. Exterior Doors. Sliding doors are not permitted unless they are french or colonial style sliders. No snap in grills are allowed. Only single light or true divided lights are allowed.

11. Windows. Wooden windows are encouraged. White color vinyl and white aluminum clad or insulated windows are permitted. Bronze or black aluminum windows are prohibited. Glazed, tinted and reflective mirror windows are not permitted. No fake mullions or snap in grills will be permitted. All window sashes other than single light must be true divided lights.

12. Awnings. Awnings are permissible provided design materials are approved by ARC.

13. Shutters. The use of wooden shutters is encouraged. Bahamian or traditional shutters shall be sized to cover the window. Operable shutters are not necessary. Top half Bahamian shutters are permitted.

14. Garages. Garages are permitted, however, the design and details shall be subject to ARC approval in the same manner as other construction details provided for herein. The maximum square footage of any garage shall be 500 square feet.

15. Fences. Fences are not permitted.

16. Outbuildings. Outbuildings, such as, but not limited to, storage sheds, pump houses or play houses will be reviewed by the ARC. All outbuildings must be approved by the ARC and in conformity with the overall environment of The Reservation.

17. Guest Cottages. Guest cottages are permitted, however, the design and details shall be subject to ARC approval in the same manner as other construction details provided herein. The maximum footprint of any guest house is limited to 500 square feet. All guest cottages must be pile supported and meet all County, State, and Federal regulations along with the requirements of these covenants.

18. Screen Porches. Screen porches are recommended on all houses. Placement on the front of the house is recommended, but rear or side is acceptable.

19. Garden Structures. Garden structures such as arbors and trellises may be placed within a foot of the property line. Such structures must be painted white or

natural. Maximum height shall be 12' above existing grade.

20. Driveways. Driveways are permitted, however, the design and details shall be subject to ARC approval in the same manner as other construction details provided for herein. The width of the driveway may not exceed 10 feet. Driveways must be constructed of the same materials as used on all common roads in The Reservation. All driveways must be built within the upland areas as shown on the recorded plat unless approval is granted by the Corp of Engineers.

21. Parking. Parking areas must be designed to retain the natural character of the homesite and streetscape.

22. Exterior Lighting. Exterior lighting shall not be intrusive to adjacent properties. Landscape accent lighting is encouraged. Such lighting must be placed as close to grade as possible and all wiring placed underground. All exterior lighting will comply with County and State regulations relative to turtles.

23. Conservation of Natural Vegetation. Construction shall be undertaken sympathetic to existing vegetation so as to retain as much of the existing vegetation as possible. All existing vegetation shall be preserved except where driveway and walkway exist. No vegetation shall be removed or destroyed without approval of the site plan by the ARC. Any palm trees that fall within the building footprint, walks, or drives must be replanted or replaced elsewhere on the Lot.

24. In the event that County or State building requirements on set-back lines are different from those contained herein, the stricter standard shall apply.

25. Landscaping. Manicured lawns are permitted. The use of indigenous plants is encouraged. Septic mounds must be designed as to reflect the gentle dune topography of the site. Septic contours must be approved by the ARC.

E. General Restrictions.

1. No boats, trailers, or motor homes shall be stored on any Lot, except underneath a structure which is concealed with screening or foundation walls.

2. Except for the purpose of landscaping sprinklers, no individual water supply shall be permitted on any Lot for the purpose of providing household water. All sewage from any building on any Lot may be disposed of through the approved septic systems.

3. No television antennae or satellite reception devices, other than a satellite dish less than 24" in diameter that is screened from view from the street, shall be permitted.

4. No signage may be displayed or located on any Lot except a small sign identifying the property name. Such sign shall be less than 2 square feet. Size and design of the identifying sign must be compatible with the neighborhood and approved by ARC. The foregoing shall not preclude the erection of signs by the developer during the time of its development or marketing of The Reservation.

5. All trash, garbage and the like shall be stored in sanitary, covered containers. Such garbage can containers shall be stored in a way as to not be visible from the street and adjacent Lots and must be stored outside the street right-of-way. Trash receptacle enclosures are encouraged.

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6. Pets. The keeping of a dog or other pet at The Reservation is not a right of a Lot Owner but is a conditional license. This conditional license is subject to termination at any time by the Board of Directors of the Association upon finding that a dog or other pet is vicious, is annoying to other residents, or has in any way become a nuisance. The Owner of a pet assumes liability for all damage to persons or property caused by the pet or resulting from its presence at The Reservation.

7. Mail boxes are permitted for the delivery of mail. All mailboxes will be identical. Design of boxes and stand will be approved by the ARC.

8. Temporary or permanent clothes drying lines are not permitted on any Lot.

9. No trade, business, illegal, noxious, or offensive activity shall be permitted or carried out on any part of a 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 a Lot Owner's neighbors with the exception of a home office not occupying more than 25% of the home space.

10. The Lots shall be used only for single family residences and related improvements, as permitted in accordance with this Declaration of Covenants and Restrictions.

11. Swimming pools, patios and spas are permitted. However, the location and design of swimming pools, patios and spas must be approved by ARC.

12. The installation or addition of color panels, windmills or other forms of energy-generating equipment is subject to the approval of the Developer, its agents, successors or assigns, under the procedures established herein. Such equipment shall be installed or constructed in such manner that it will conform to the architectural design of the approved dwelling and shall be concealed from view as much as possible, and shall, as determined by the Developer, its agents, successors or assigns, in their sole discretion, conform to the overall development and aesthetic scheme of The Reservation.

13. No window or wall air conditioning units shall be permitted. All air conditioner compressors shall be screened from view and insulated by a fence, wall or shrubbery to minimize noise and visibility.

14. All exterior electrical and mechanical equipment must be concealed from view by walls of the same material as the building, by approved screening or by landscaping.

15. All utilities must be underground and concealed from view.

16. Any owner shall tie into a sanitary sewer facility within ninety (90) days of its availability in the subdivision. Any septic tank installed prior to availability of sewer treatment shall be closed and cleaned up in accordance with State law.

Section 6. Attorney's Fees. In all litigation involving this Declaration or regulations promulgated pursuant to the Declaration, including provisions of the Declaration or regulations regarding architectural or environmental control, the prevailing party shall be entitled to collect and shall be awarded attorneys' fees and court costs.

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ARTICLE VII

TERMS AND AMENDMENTS

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Section 1. Term. The covenants and restrictions contained in this Declaration shall run with and bind the land for a period of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive period of ten (10) years unless cancelled by a vote of ninety (90%) percent of the Owners of record. This Declaration may be only terminated prior to the expiration of the twenty (20) years, or the expiration of any ten (10) year extension period by the consent of all Owners of record in the development. This Declaration may be amended during the first twenty (20) year period by an instrument signed by no less than two-thirds (2/3) of the then Owners of record in the development. All amendments shall be recorded in the Public Records of Gulf County, Florida. No amendment shall change a Unit Owner's percentage of the sharing of the common expenses or common surplus, not the voting rights appurtenant to any Unit, unless the record Owner(s) thereof and all record owners of mortgages or other voluntarily placed liens thereon shall join in the execution of the amendment.

Section 2. Developer Amendments. During the development period which begins the date of recording these covenants and ends upon the date that the Developer transfers the last lot owned by Developer or terminates its rights by written instrument; the Developer may unilaterally amend these covenants and such amendment shall not require the consent of any Owner or any mortgagee.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Severability. Invalidation of any one of the provisions contained in this Declaration by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 2. Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all provisions of this Declaration. Additionally, the Association is granted an easement over the Property of each Unit Owner for the purpose of enforcing the provisions of same, and may go upon the Property of the said Unit Owner to remove or repair any existing cause of a violation of these provisions. In the event the Association, after notice to the Unit Owners and failure to cure by the Unit Owner, does in fact exercise its rights to cure said defect, then in that event, all costs, including but not limited to court costs and reasonable attorney's fees incident to said action by the Association, shall become the personal obligation of the Unit Owner and be imposed as a lien against the Unit in the same fashion as if said sums represented monies due for unpaid assessments.

Section 3. Insurance.

A. The Association through its Board of Directors may purchase an insurance policy or policies insuring all fixtures and personal property thereon against loss or damage by fire and hazards covered by windstorm and extended coverage endorsement; such policy shall be in an amount which shall be equal to the maximum insurable replacement value as determined annually by the insurance carrier, or by the Directors of the Association in the event the carrier fails or refuses to make such determination. The policies shall be purchased in the name of the Association for the benefit of the Association, the Unit Owners and their mortgagees as their interests may appear and provisions shall be made for the issuance of mortgagee endorsements to the mortgagees of respective Units. Further, the Association

through its Board of Directors shall purchase an insurance policy covering public liability as to the Common Area in such amounts as shall be determined by the Board of Directors, in its sole discretion, from time to time.

B. In the event of loss under the policy or policies provided in this subparagraph A, the Association shall use the net insurance proceeds to repair and replace damage to the real or personal property covered by said policy or policies with any excess to be retained by the Association and used in connection with the payment of common expenses. If the insurance proceeds are insufficient to cover the loss, the Association shall levy an assessment against all Owners in accordance with this Declaration to cover any deficiency. Any reconstruction, repair or replacement shall be in accordance with the plans and specifications as finally amended, on file with the building department of the governmental agency having jurisdiction thereover.

C. The Association, upon the majority vote of the Directors, may provide and keep insurance for the protection of its Directors and Architectural Review board.

D. Each Unit Owner shall keep and maintain at all times insurance insuring the buildings and improvements erected on the Owner's Lot against loss or damage by fire and hazards covered by windstorm and extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value of the improvements. Further, each Owner agrees to keep in effect policies of insurance for public liability insuring the Owner against all claims and demands made by any person or persons for injury received in connection with the use, operation and maintenance of the improvements on the Owner's Lot.

Section 4. Information. The Association is required to make available to Lot and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Articles, By-Laws, other rules concerning The Reservation and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstance.

Section 5. Financial Statements. Any holder of a first mortgage shall be or is entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 6. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the property number or address, any such eligible mortgage holder, or eligible insurer, or guarantor will be entitled to time written notice of:

A. Any condemnation loss or any casualty loss which affects a material portion of the project or any property on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

B. Any delinquency in the payment of assessments or charges owed by an Owner of a property subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of 60 days;

C. Any lapse or cancellation of any insurance policy maintained by the Association;

D. Any proposed action which would require the consent of a specified percentage of mortgage holders.

Section 7. Effective Date. This Declaration shall become effective upon its recordation

in the Public Records of Gulf County, Florida.

IN WITNESS WHEREOF the undersigned have hereunto set their hands and seals the date and year first above written.

Signed, sealed, and delivered in the presence of:

DeHildren Development & Construction, Inc.

By: _____

_____
Signature of Witness

Gregory J. Waddell
Printed Name of Witness

_____
Signature of Witness

Mike Conder
Printed Name of Witness

CIRCUIT COURT SUUM CUIQUE GULF COUNTY, FLORIDA

STATE OF Georgia
COUNTY OF Decatur

I HEREBY CERTIFY that on this day, before me, an officer duly authorized to administer oaths and take acknowledgments, personally appeared Jon Mark Harrell as President of DeHildren Development & Construction, Inc., known to me to be the person(s) described in and who executed the foregoing instruments, who acknowledged before me that they executed the same, that I relied upon the following form(s) of identification of the above-named person: Personally known to me

Witness my hand and official seal in the County and State last aforesaid this 28th day of July, 2003.

_____
Notary Public State of Georgia
My Commission Expires:

Notary Public, Decatur County, Georgia
My Commission Expires July 17, 2006

Inst:0020034972 Date:08/29/2003 Time:09:43
BLO DC,Doug C Birmingham,GULF County B:316 P:436