

RETURN TO:  
JOHN W. MONROE, JR.  
EMMANUEL, SHEPPARD & CONDON  
30 S. SPRING STREET  
PENSACOLA, FL 32502

AD458-112090 RPK

**COVENANTS, CONDITIONS AND RESTRICTIONS OF  
SILVER CREEK ESTATES, A SUBDIVISION,  
LOCATED IN THE COUNTY OF OKALOOSA, STATE OF FLORIDA**

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This Declaration, made this 15<sup>th</sup> day of June, 2006, by SILVER CREEK ESTATES, L.L.C., a Florida Limited Liability Company, hereinafter referred to as "Declarant."

**WITNESSETH:**

**WHEREAS**, Declarant is the owner of certain property in Okaloosa County, Florida, which is more particularly described as follows, to-wit:

See Exhibit "A".

Platted as a subdivision known as SILVER CREEK ESTATES.

**NOW THEREFORE**, Declarant hereby declares that all of the Subject Property shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements which are for the purpose of protecting the value and desirability of all said real property 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, or their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I -- DEFINITIONS**

Section 1 -- Association. "Association" shall mean and refer to Silver Creek Estates Homeowners Association, Inc., a corporation not-for-profit, its successors and assigns.

This is the Declaration of Covenants, Conditions and Restrictions to which the Articles of Incorporation and Bylaws of the Association make reference. A copy of the Articles of

Incorporation and Bylaws of the Association are attached hereto as Exhibits "B" and "C," respectively.

Section 2 -- Back. When used in describing a particular side or end of a Lot (such as the phrase "Back Lot line" or the "Back line of the residential structure"), the word "Back" refers to that side or end of the Lot farthest away from the street shown on the Plat.

Section 3 -- Common Areas. "Common Areas" shall mean and refer to all real property (including any improvements, fixtures or tangible personal property relating thereto) now, or hereafter, owned by the Association for the common use and enjoyments of the Owners.

Section 4 -- Declaration. "Declaration" shall mean and refer to this instrument and any recorded amendment or restatement hereof made pursuant to the terms hereof.

Section 5 -- Declarant. "Declarant" shall mean and refer to SILVER CREEK ESTATES, L.L.C., a Florida Limited Liability Company, its successors and assigns.

Section 6 -- Front. When used in describing a particular side or end of a Lot (such as the phrase "Front Lot line" or "the Front line of the residential structure"), the word "Front" refers to that side or end of the Lot nearest the street shown on the Plat.

Section 7 -- Lot. "Lot" shall mean and refer to any one of the Lots as shown upon the Plat.

Section 8 -- Owner. "Owner" shall mean and refer to all present and future record owners, whether one or more persons or entities, of a fee simple title to any Lot and shall include contract sellers pursuant to an unrecorded contract and contract purchasers pursuant to a recorded contract. Owner shall not include those persons or entities having a record interest in a Lot merely as security for the performance of an obligation. Whenever herein a use or enjoyment restriction provides that an Owner can or cannot do, or fails to do, certain acts or things, the Owner shall also be deemed to include the Owner's family, guests, tenants and purchasers pursuant to an unrecorded contract, provided, however, that only an Owner, and not a member of the Owner's family, the Owners' guests, the Owners' tenants or the Owner's purchasers pursuant to an unrecorded contract, shall be held financially responsible for any such act or failure to act.

Section 9 -- Plat. "Plat" shall mean and refer to the Subdivision Plat of the Subject Property to be known as Silver Creek Estates and which is recorded in the Public Records of Okaloosa County, Florida.

Section 10 -- Subject Property. "Subject Property" shall mean and refer to all of that real property described on the Plat, together with such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11 - Subdivision. "Subdivision" shall mean and refer to Silver Creek Estates situated in Okaloosa County, Florida, according to the Plat.

## **ARTICLE II -- MEMBERSHIP AND VOTING RIGHTS**

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

Section 2 -- Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant (who shall become a Class A member as provided hereafter) and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B members shall be Declarant and it shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

Notwithstanding any of the foregoing, Class B membership shall cease to exist, be converted to Class A and shall not thereafter be reinstated on December 31, 2009.

The Declarant shall not exercise its voting rights granted to it under this Article in an unreasonable manner nor in such a way as to cause undue hardship upon any Owner. Likewise, Class A members shall not exercise their voting rights granted to them in a manner so as to hinder the Declarant, in any manner, in selling the Lots it has remaining, nor to affect any reservation or right of the Declarant contained herein, or elsewhere, so long as Declarant holds at least one (1) Lot for resale purposes.

Section 3 -- Transfer of Control of Board. Notwithstanding the foregoing, members other than the Declarant (which excludes builders, contractors, or others who purchase a Lot for the purpose of constructing improvements thereon for resale) are entitled to elect at least a majority of the members of Board of Directors three (3) months after ninety percent (90%) of the Lots in the Subdivision have been conveyed to members.

### Section 4 -- Declarant's Voting Rights.

A. Declarant shall be entitled to elect at least one (1) member to the Board of Directors as long as Declarant holds at least five percent (5%) of the Lots for sale in the ordinary course of business.

B. After Declarant relinquishes control of the Association, Declarant may continue to vote any Declarant owned lots in the same manner as any other member.

### ARTICLE III -- GENERAL PROVISIONS

Section 1 -- Enforcement. The Association, or any Owner shall have the right to enforce by any proceeding by law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or any Owner to enforce any such restrictions, conditions, covenants, reservations, liens or charges shall in no event be deemed a waiver of the rights to do so thereafter. If any court proceedings are required for the successful enforcement of any restrictions, conditions, covenants or reservations herein contained, or any liens or charges against any Owner or against any other person or entity, said Owner, person or entity expressly agrees to pay all costs, including a reasonable attorney's fee, of the Owner or the Association who initiates such successful judicial proceedings for the enforcement of said restrictions, conditions, covenants, reservations, liens or charges.

Section 2 -- Severability. Invalidation of any one of the restrictions, conditions, covenants, reservations, liens or charges, by judgment or court order, shall in no way affect any other provisions of this Declaration, which shall remain in full force and effect thereafter.

Section 3 -- Duration and Amendment. The restrictions, conditions and covenants of this Declaration shall run with and bind the land, shall be deemed a part of all deeds and contracts for conveyance of any and all Lots, and shall be binding on all Owners for a period of 40 years from the date this Declaration is recorded, unless amended by an instrument signed by three-fourths (3/4) of the then Owners. After the initial 40-year term, this Declaration shall be automatically extended for successive periods of 10 years, unless amended by an instrument signed by a majority of the then Owners. Notwithstanding the foregoing, Declarant reserves the right unto itself to amend this Declaration at any time within two (2) years after the date hereof if doing so is necessary or advisable to accommodate FHA, VA, FNMA or the like financing of residential structures within the Subdivision. Any such amendment must be recorded in the Public Records of Okaloosa County, Florida.

Section 4 -- Nonliability of Association. The Association shall not in any way or manner be held liable to any Owner or any other person or entity for failure to enforce, or for any violation of, the restrictions, conditions, covenants, reservation, lines or charges herein contained by any Owner, other than itself.

Section 5 -- Notice. Unless otherwise expressly provided herein, the requirements of the Association to give any type of notice provided herein may be satisfied by mailing said notice, postage prepaid, to the last mailing address of the Owner as reflected on the records of the Association.

Section 6 -- Miscellany. Any single violation of any provision of this Declaration by an Owner shall constitute a continuing violation which shall allow the Association or any

other Owner to seek permanent injunctive relief. In no event shall a violation of the restrictions, conditions or covenants ever be interpreted to operate as a reverter or a forfeiture of title.

Section 7 -- FHAVA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

#### **ARTICLE IV -- COMMON AREAS**

Section 1 -- Owners' Easements of Use and Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Areas 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 and the right of an Owner to use and enjoy any recreational facilities situated upon the Common Areas for any period during which any assessment against his Lot remains unpaid or any violation of the provisions of his Declaration remains uncured; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations pertaining to the use and enjoyment of any such recreational facilities;

B. The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedications or transfer shall be effective unless an instrument signed by the members entitled to cast three-fourths (3/4) of the votes of the Association has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days and no more than sixty (60) days in advance.

C. The right of the Association, in accordance with its articles and bylaws, and with consent of two-thirds (2/3) of Lot Owners (excluding Declarant) to borrow money for the purpose of improving and maintaining the Common Areas and facilities, and in aid thereof, to mortgage said property, but the right of said mortgagee in said properties shall be subordinate to the rights of Owners hereunder.

D. The right of the Association to reasonably limit the use of the Common Areas.

Section 2 -- Delegation of Use. Subject to the provisions of Section 1 of this Article, any Owner may delegate, in accordance with the Bylaws of the Association, his right of use and enjoyment of the Common Areas and facilities to the members of his family, guests, his tenants, contract purchasers who reside on his Lot, contractors performing work for the Owner, suppliers and purveyors of services solicited by the Owner and delivery men.

Section 3 -- Reservation of Easement. Declarant does hereby reserve a nonexclusive perpetual easement and right of access across, under and to all Common Areas for construction thereon of Subdivision improvements, activities in connection with the sale of Lots and such other purposes and uses as Declarant deems appropriate or necessary in connection with the sale and development of the Subject Property as well as the right to assign and transfer such reserved easements to others. Declarant further reserves unto itself the right to grant in the future additional easements across such Common Area for utilities or for other purposes as determined necessary in the sole opinion of Declarant.

## **ARTICLE V -- ASSESSMENTS**

Section 1 -- Creation of the Lien and Personal Obligation of Assessments. Each Owner of each Lot by acceptance of a deed (or in the situation of a contract purchaser pursuant to a recorded contract, by acceptance of such contract), whether or not it shall be so expressed in such deed or such contract, is deemed to covenant and agree to pay to the Association: (a) an annual assessment and (b) any special assessments, both of 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 and a continuing lien upon the Lot against which such assessment is made from the time such assessment becomes due. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time when the assessment becomes due.

Section 2 -- Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health and welfare of the residents of the Properties and for the improvement and maintenance of the Common Area and for, but not limited to, maintenance of the Subdivision entrance; maintenance of the road right-of-way landscaping, if any; maintenance of any island landscaping; maintenance of the Subdivision entrance sign, lighting, water pump, sprinkler system, electric meter, and landscaping (if any) at the entrance to the Subdivision, and street lights throughout the Subdivision, if any, and the payment of utility charges; payment of premiums for Common Area liability insurance; and the cleaning of debris from Lots or building sites on which a residential dwelling has not yet been constructed. The Association shall have the obligation to maintain the Common Areas and such other areas as may be determined by the Association, and shall pay all ad valorem real estate taxes assessed upon it.

Section 3 -- Maximum Annual Assessment. Until January 1, 2007, the maximum annual assessment shall be \$100.00 per Lot.

A. From and after January 1, 2007, the maximum annual assessment may be increased each year by not more than twenty-five percent (25%) above the maximum assessment for the previous year without a vote of the Owners.

B. From and after January 1, 2007, the maximum annual assessment may be increased above twenty-five percent (25%) by a vote of two-thirds (2/3) of the

Owners who are voting in person or by proxy, at a meeting of the members of the Association duly called for this purpose.

C. The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum without a vote of the Owners.

D. Notwithstanding any of the preceding provisions, the Association shall be obligated to pay all ad valorem real property taxes upon the Common Areas and no limitation above shall ever prohibit the Association from increasing the annual assessment to an amount sufficient to pay such taxes and for such maintenance and repairs.

Section 4 -- Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment per Lot applicable to that year only for the purpose of defraying, in whole or in part, the cost of any acquisition, construction, reconstruction, repair, improvement or maintenance upon any Common Areas or any real property owned by the Association, public property adjacent to or in the vicinity of the Common Areas or any of the Lots, including fixtures and personal property related thereto, landscaping, special signage and street lights; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5 -- Segregation of Funds. Funds collected by the Association from the annual assessments and any special assessment shall be maintained separately. Notwithstanding the requirement that separated and segregated funds are required as aforesaid, there need be no physical division of such funds and same may be held in a consolidated account in which each separate fund shall have an undivided interest.

Section 6 -- Notice and Quorum for any Action Authorized under Sections 3 and 4. Written notice of any meeting of Owners called for the purpose of taking any actions authorized under Sections 3 and 4 of this Article shall be sent by United States mail, postage prepaid, to all affected Owners of record (as of thirty (30) days prior to the date of mailing such notice) as required by the Bylaws. At the first such meeting called, the presence of affected Owners or of proxies entitled to cast 51% of all the votes of the affected membership shall constitute a quorum. If the required quorum is not present, the required quorum of a subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7 -- Rate of Assessment. The annual and special assessments pertaining to all matters shall be fixed at a uniform rate for all Lots and each Owner for each Lot owned shall be responsible for pro-rata share of the total annual assessment and any special assessments (which shall be a 1/70 share until new lots are added to the Subdivision and brought under the control of the Association as contemplated by Article VII, Section 29, or otherwise), provided, however, Declarant shall not be obligated to pay any annual assessments for Lots owned by it for two (2) years after recording the Plat provided it pays the portion of common expenses incurred by the Association that exceed the amount assessed against other Lot Owners.

Section 8 -- Assessment Periods and Due Dates. The annual assessment shall be assessed on a calendar year basis and is due and payable on such date as set forth by a Resolution of the Board of Directors of the Association. The Board of Directors of the Association shall fix the amount of the annual assessment for each Lot in advance of each annual assessment period. Written notice of the annual assessment shall be mailed to every affected Owner. The Association is not required to prorate the first year's annual assessment. The Association shall, upon written request and for a reasonable charge, furnish a sealed certificate signed by an officer of the Association stating what assessments are outstanding against any Lot and the due date for such assessments. A properly executed and sealed 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.

Section 9 -- Effect of Nonpayment of Assessment: Remedies of the Association. Any annual or special assessment not paid within thirty (30) days after the due date shall bear a late charge of ten percent (10%) of the assessment amount, plus interest from such date at the highest legal rate per annum. The Association may, after first giving ten (10) days written notice to the holder of any first mortgage, bring an action at law against the Owner personally obligated to pay same, and/or foreclose the lien against the Lot to collect all amounts due and owing, including attorney's fees and costs. No Owner may waive or otherwise avoid personal liability for the assessments provided for herein by nonuse of any Common Areas or abandonment of his Lot.

Section 10 -- Subordination of the Lien to Mortgages of Record. Any lien of the Association for assessments under this Article V recorded after the date of recordation of any mortgage shall be subordinate to the mortgage on the Lot. When the mortgagee of a mortgage of record, or other purchaser, of a Lot obtains title to the Lot as a result of foreclosure of the mortgage, or, as a result of a deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the assessments by the Association pertaining to such Lot or chargeable to the former owner of such Lot which became due prior to the acquisition of title as a result of the foreclosure, or deed in lieu of foreclosure, unless such assessment is secured by a claim of lien for assessments that is recorded in the public records of Okaloosa County, Florida, prior to the recording of the foreclosed mortgage (or for which a deed in lieu of foreclosure is given), and such subordinate lien shall be extinguished automatically upon the recording of the certificate of title or the deed in lieu of foreclosure. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a Lot from liability for, nor the Lot so sold or transferred from the lien of any assessments thereafter becoming due. All such assessments, together with interest, costs, and attorney's fees, shall, however, continue to be the personal obligation of the person who was the Owner of the Lot at the time the assessment fell due. Except as hereinabove provided, the sale or transfer of an interest in any Lot shall not affect the assessment lien. Any liens extinguished by the provisions of this article shall be reallocated and assessed against all Lots as a common expense.

Section 11 -- Maintenance. In the event an Owner shall fail (after thirty (30) days written notice from the Association sent United States Mail, postage prepaid) to maintain a Lot or to maintain the improvements situated thereon in a neat, clean and orderly fashion



and otherwise satisfactory to the Board of Directors of the Association, the Association may, after approval of two-thirds (2/3) vote of its Board of Directors, have the right, through its agents, employees and contractors, to enter upon said Lot and to repair, maintain and restore the Lot and/or exterior of the building or any other improvement erected thereon. The cost of such Lot and/or exterior maintenance, together with interest at the maximum rate then allowed by law (if not paid within ten (10) days after written demand therefor), as well as reasonable attorneys' fees and costs, shall be a charge on the Lot, shall be a continuing lien on the Lot and shall also be the personal obligation of such Owner at the time such maintenance is performed. Such lien may be enforced in the manner prescribed by law.

## **ARTICLE VI -- ARCHITECTURAL CONTROL**

Section 1 -- Prior Approval. No building, fence, wall, mailbox, driveway, gate, lightpost, landscaping or other structure or improvement of any nature whatsoever shall be commenced, erected or maintained upon any Lot or the Subject Property by any Owner, the Association or anyone else, nor shall any exterior addition to or change alteration or modification be made to any of the foregoing until the design, plans, specifications, plot plan and landscaping plan showing the nature, kind, shape, height, material, color and location of same have been submitted to and approved in writing by the Architectural Review Committee as complying with the standards generally set forth in Section 2 of this Article VI. In the event the Architectural Review Committee fails to approve or disapprove such design, plans, specifications, plot plans and/or landscaping plans within thirty (30) days after same have been received by said Committee, or in any event, if no suit to enjoin the erection of such improvements or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. The plans submitted to the Architectural Review Committee shall, without limitation, show the elevation and other matters set forth on the front, rear and both side walls of the structure.

Section 2 -- Architectural Review Committee. The Architectural Review Committee shall initially consist of three (3) representatives of Declarant who shall serve until their resignation therefrom. It is contemplated that the Subject Property will be developed as a first-class single family residential subdivision of high standards. Accordingly, decisions of the Architectural Review Committee shall be based upon the uniform application of such reasonable, but high, standards as are consistent with a first-class single family residential subdivision, such standards to include, among other things, the harmony of external design including roof style (pitch, shingle and color), chimney, exterior siding (material and color), windows and trim, shutters (color and style), front doors, garage doors, location in relation to surrounding structures and topography, the type, kind and character of buildings, structure and other improvements, and aesthetic qualities in general. The initial members of the Architectural Review Committee shall be David Holcomb, Sandy McEachern, and Mike Patterson.

## ARTICLE VII -- ADDITIONAL RESTRICTIONS

The following restrictions are guidelines which it is anticipated will be observed and adhered to in substantially all situations. However, the Architectural Review Committee is hereby vested with the authority to grant in writing waivers and variances from any of the following restrictions as well as setback requirements shown on the Plat utilizing the same standards of review as those set forth in Article VI, Section 2, where it is clearly demonstrated by the person requesting the waiver that both the granting of such a waiver will not impact adversely on the aesthetic qualities of the proposed improvements, the Lot upon which same is located, and the Subject Property as a whole, and, that same is consistent with a first-class single family residential subdivision of high standards contemplated hereby. Neither the Architectural Review Committee, nor any of its members, shall in any way or manner be held liable to any Owner, the Association or any other person or entity for its good faith exercise of the discretionary authorities herein conferred. No waiver or variance given by the Architectural Review Committee pursuant to this Article shall have any effect on any setback requirements or square footage requirements imposed by the Land Development Code of Okaloosa County, Florida and appropriate waivers or variances may be required in certain circumstances.

Section 1 -- Use. All Lots shall be occupied solely for single family residential purposes and shall not be used for commercial, trade, public amusement, public entertainment, business or any other purpose of any kind or character.

Section 2 -- Minimum Square Footage and Residential Design. No residential structure shall be erected or placed on any building site, exclusive of garages, porches, patios and terraces, of less than 1400 square feet. No residential structure shall exceed two stories in height, and the second story square footage may not exceed 50% of the first story. All residential structures shall contain an attached private garage for two (2) cars.

Section 3 -- Maintenance. All structures, improvements, yards, drives and landscaping must be diligently and properly maintained at all times. (This Section is not applicable to the Declarant and shall apply after sale of Lots by Declarant. Further, this Section is not applicable to Owners until ten (10) days after Owner's residence shall be available for occupancy.)

Section 4 -- Prohibited Residences. No boat, trailer, camper, house trailer, truck, van, basement, tent, shack, garage, barn, boathouse, mobile home or manufactured home, (including, but not limited to, residential structures bearing the Department of Community Affairs insignia which may otherwise allow the home to qualify for placement on a Lot under current zoning laws), or any other such similar structure or vehicle (other than the primary dwelling to be located on the Lot) shall at any time be used as a residence, temporary or permanent, nor shall any structure of a temporary character be used as a residence. It is the intent of the Declarant that homes in the Subdivision will be constructed in the traditional manner, from the ground up.

Section 5 -- Vehicles. Automobiles, boats, campers, trucks, vans, motorbikes, trailers, motor homes and the like, stored or for any reason left upon the premises or

owned or regularly used by the residents must either be completely garaged or stored in such a location so that same is out of view from both the Front Lot line and any adjoining Lots, except for short-term parking not exceeding a forty-eight hour duration. The parking or storage of any such items in any other manner (such as in the street, road right-of-way or in any portion of the driveway which is not out of view from both the Front Lot line and any adjoining Lots) is expressly prohibited. Notwithstanding the foregoing, such items screened from view by a six-foot privacy fence shall be deemed to comply with this section.

Section 6 -- Nuisance. No noxious or offensive activity shall be carried on or upon any Lot, nor shall anything be done thereon which may be or become an annoyance or a nuisance to the Owners of other Lots.

Section 7 -- Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or building site, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, and provided that they are not permitted to run at large.

Section 8 -- Appearance. All residences, structures and improvements shall be designed to present a pleasing, attractive, tasteful, neat and well-maintained appearance from all views.

Section 9 -- Dumping. No garbage, rubbish, trash or other unsightly objects shall be stored on any of the Subject Property, or upon any property contiguous thereto.

Section 10 -- Compliance with Law. All laws of the United States, the State of Florida and the County of Okaloosa, and all rules and regulations of their administrative agencies now and hereafter in effect, pertaining to sewage disposal, water supply, sanitation, zoning, building permits, land use planning and the like shall be observed by all Owners, unless an appropriate permit or variance to do otherwise is properly granted, and any governmental official having a lawful and administrative duty to inspect any of the Subject Property with respect to any such matters shall have a license to enter upon any of the Subject Property at all reasonable times to make such inspections and recommendations.

Section 11 -- Release of Restrictions. When a building or other structure has been erected or its construction substantially advanced and the building is located on any Lot or building site in a manner that constitutes a violation of these covenants and restrictions or the building setback lines shown on the recorded plat, the Architectural Review Committee may release the Lot or building site, or parts of it, from any part of the covenants and restrictions, or setback lines, referenced herein or on the Plat, that are violated provided, however, that such a release shall have no effect on any setback or square footage requirements imposed by the Land Development Code of Okaloosa County, Florida and appropriate waivers or variances may be required in certain circumstances. The Architectural Review Committee shall not give such a release except for a violation that it determines to be a minor or insubstantial violation, in its sole discretion.

Section 12 -- Wiring. No aboveground electric, telephone, cable television, radio or any other such wiring or utility services shall be permitted. (There shall be an exception for all necessary aboveground electrical wiring in the Common Areas in connection with any lift stations for sewage and/or storm drainage).

Section 13 -- Lot Setback. No residential dwelling shall be constructed on any Lot or building site in the Subdivision which does not conform to the setback lines shown on the recorded Plat, however, an automatic waiver of 10% of any setback requirement on the Plat is hereby granted for violations of any setback requirement not exceeding 10%. The automatic waiver established by this section has no effect on any setback requirements imposed by the Land Development Code of Okaloosa County, Florida, and appropriate waivers or variances may be required in certain circumstances.

Section 14 -- Antennas. No visible outside antennas, satellite systems, poles, masts, windmills or towers shall be erected on any Lot. No radio transmitting equipment shall be erected on, or operated from, any Lot.

Section 15 -- Basketball Goals. No outside basketball goals shall be erected on any Lot unless hidden from view from the Front Lot line.

Section 16 -- Clotheslines. Outside clotheslines or other items detrimental to the appearance of the Subdivision shall not be permitted on any Lot.

Section 17 -- Outdoor Cooking. All outdoor cooking, including permanent or portable barbeque grills, shall be screened from view from the Front Lot line.

Section 18-- Garbage and Trash Receptacles. All garbage and trash receptacles must be covered with an appropriate structure, or otherwise concealed in an effective manner, at the residential structure.

Section 19 -- Fences. The Architectural Review Committee shall have complete control regarding the erection of fences, including control over the style, building materials, height and location of fences, and may refuse to authorize any fence whatsoever in its absolute discretion, which is not subject to review. However, chain link fences will not be allowed except around retention ponds as required by local subdivision ordinances.

Section 20 -- Garage Doors/Garage Size. All dwellings must be constructed with a two-car garage.

Section 21 -- Signs. No sign of any kind shall be displayed to the public view on any Lot or building site in the Subdivision except for one (1) sign of not more than five (5) square feet, advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period; provided Declarant may erect a sign not exceeding five feet (5') in height by eight feet (8') in width, on any lot or building site which it owns. The Owner of a model home may exceed these restrictions, if approved by the Architectural Review Committee.

Section 22 -- Drainage Easements. Drainage easements shall not be obstructed in any way that will alter the natural and normal flow of drainage.

Section 23 -- Surface Flow. No one shall change the natural contours of the land causing undue and harmful flow of surface water drainage to adjoining property owners. In order to facilitate natural surface water drainage, it may be necessary for the Declarant to contour each Lot or building site to provide a continuous drainage pattern from Lot to Lot within the Subdivision. These drainage patterns shall not be altered.

Section 24 -- Multiple Lots as Building Sites. If one or more Lots, or one Lot and all or a portion of an adjacent Lot, or two or more fractional parts of adjoining Lots, within the Subdivision, are utilized for one single family residential purpose, the setback requirements herein shall be measured from the boundary line of the entire building site or plot being then and there utilized and devoted to the single family residence. Two (2) fractional parts of adjacent Lots may be utilized as a single family residential building site or plot, provided that no such building site or plot shall contain fewer square feet than the smallest platted Lot within the Subdivision nor have a width, at the building setback line, of less than the width, at the building setback line, of the smallest platted Lot within the Subdivision.

Section 25 -- Model Homes. Notwithstanding Section 1 supra, the Architectural Review Committee shall have the right to authorize the use of any Lot as a model home site, to be used under such terms and conditions as it may prescribe, which decisions will not be subject to review.

Section 26 -- Easements Prohibited. No Lot Owner may grant easements across the Owner's lot for ingress and egress to adjoining properties, sewer, utilities or any other purposes without the prior written approval of Declarant.

Section 27 -- Temporary Storage Sheds. Storage sheds or buildings of a temporary character shall be allowed to be maintained at the discretion of the Architectural Control Committee. The Architectural Control Committee's decisions on these matters shall not be subject to review by anyone.

Section 28 -- Assignability of Declarant's Rights. Declarant's rights under this Declaration may be assigned by Declarant in Declarant's sole discretion.

Section 29 -- Utility Easements and Vegetative Buffer. Utility easements for purposes of installation and maintenance of public utilities and drainage easements, and the Vegetated buffer, are hereby reserved as set forth on the plat. Within such easements, no structured, planting or other materials of permanent nature shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of such utilities, or which may change the direction or flow of drainage channels in the easement or obstruct or retard the flow of water through any such drainage channels. The Vegetated buffer is to remain in its natural, undisturbed state.

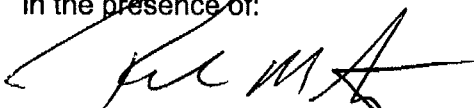
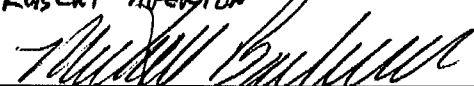
Section 30 -- Construction Conditions. Each Lot Owner will be responsible for requiring that a protective silt fencing material (filter cloth or hay bales where appropriate)

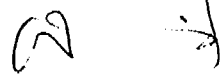
be erected and continuously maintained during construction along each boundary of their lot which adjoins a paved roadway and/or a wetlands or retention area, to ensure that no soil, construction debris or litter of any kind shall be allowed to remain in or on any paved roadway and/or a wetlands or retention area in the subdivision. The Owner of each Lot shall be responsible for the clean-up and removal of any soil, construction debris or other litter of any kind, which is deposited by any means whatsoever in or on any paved roadway and/or a wetlands or retention area in the subdivision which is generated from their lot.

**IN WITNESS WHEREOF**, the Declarant has executed this Declaration of Covenants, Conditions and Restrictions, this 1ST day of JUNE, 2006.

Signed, sealed and delivered in the presence of:


SILVER CREEK ESTATES, L.L.C.  
a Florida Limited Liability Company

  
\_\_\_\_\_  
ROBERT ASHTON  
  
\_\_\_\_\_  
MICKEY BARBERREE

  
\_\_\_\_\_  
By: Donald W. David  
Its: Managing Member

STATE OF FLORIDA  
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 1st day of June 2006, by Donald W. David, as Managing Member of SILVER CREEK ESTATES, L.L.C., a Florida Limited Liability Company, on behalf of the company, who personally appeared before me and is personally known to me.

  
\_\_\_\_\_  
NOTARY PUBLIC

This Instrument Was Prepared By:  
Phillip A. Pugh of  
EMMANUEL, SHEPPARD & CONDON  
30 South Spring Street  
Post Office Drawer 1271  
Pensacola, Florida 32596


 X Rushing  
My Commission DD152631  
Expires September 23, 2006

EXHIBIT "A"

LEGAL DESCRIPTION:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 24 TOWNSHIP 4 NORTH, RANGE 24 WEST, OKALOOSA COUNTY, FLORIDA, PROCEED N 00°14'12" E, A DISTANCE OF 652.22 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED, SAID POINT ALSO THE EASTERLY BOUNDARY LINE OF SAID PARCEL; THENCE PROCEED N 00°14'42"E, A DISTANCE OF 1513.02 FEET; THENCE, DEPARTING THE SAID EASTERLY LINE, PROCEED S 89°12'38" W ALONG THE NORTHERLY BOUNDARY LINE, A DISTANCE OF 1329.31 FEET TO A POINT ON THE WESTERLY BOUNDARY LINE OF SAID PARCEL; THENCE, DEPARTING SAID NORTHERLY BOUNDARY LINE, PROCEED S 00°11'57" W, A DISTANCE OF 1513.00 FEET TO A POINT ON THE SOUTHERLY BOUNDARY LINE OF SAID PARCEL; THENCE DEPARTING THE SAID WESTERLY LINE, PROCEED N 89°12'38" E, A DISTANCE OF 1328.10 FEET BACK TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED CONTAINING 46.0 ACRES MORE OR LESS.

EXHIBIT "B"

**ARTICLES OF INCORPORATION  
OF  
SILVER CREEK ESTATES  
HOMEOWNERS ASSOCIATION, INC.  
(A Corporation Not For Profit)**

**ARTICLE I - NAME**

This corporation shall be known as SILVER CREEK ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION." The principal office of the ASSOCIATION shall be located at 128 John King Road, Suite 18, Crestview, Florida 32539, but meetings of the members and directors may be held at such places within the State of Florida, County of Okaloosa, as may be designated by the Board of Directors.

**ARTICLE II - REGISTERED OFFICE AND REGISTERED AGENT**

The address of the initial registered office is 128 John King Road, Suite 18, Crestview, Florida 32539. The Board of Directors may from time to time change the principal office of the ASSOCIATION to any other address in the State of Florida. The name of the initial registered agent is David Holcomb.

**ARTICLE III - PURPOSES AND POWERS**

The purpose for which this ASSOCIATION is organized is to create an entity which can provide for maintenance and architectural control of the Subdivision and common properties and architectural control of the residential lots within that certain tract of property described as follows, to-wit:

See Exhibit "A".

Together with any and all other property added to the control of the ASSOCIATION by amendment to the Declaration of Covenants, Conditions and Restrictions affecting the above-described property, and to promote the health, safety and welfare of the residents within the Subdivision and to:

a. Exercise all of the powers and privileges and perform all of the duties and obligations of the ASSOCIATION as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "DECLARATION," applicable to the property and recorded in the Public Records of Okaloosa County, Florida, as same may be amended from time to time as therein provided, said DECLARATION being incorporated herein as if set forth at length;

b. Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the DECLARATION, to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the



business of the ASSOCIATION, including all licenses, taxes or governmental charges levied or imposed against the property of the ASSOCIATION;

c. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the ASSOCIATION;

d. Borrow money and, with the assent of two-thirds (2/3) of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

e. Dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; no such dedication or transfer shall be effective unless an instrument has been signed by three-fourths (3/4) of the members agreeing to such dedication, sale, or transfer;

f. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or annex additional property and Common Area, provided that any such merger, consolidation, or annexation shall have the consent of three-fourths (3/4) of each class of members except that for a period of two years after recording the plat, the Declarant may annex additional property as provided in the DECLARATION;

g. Have and exercise any and all powers, rights and privileges which a corporation not for profit organized under the Florida law may now or hereafter have or exercise by law.

#### **ARTICLE IV - QUALIFICATION AND MANNER OF ADMISSION OF MEMBERS**

Every person or entity who is a record owner of a lot, either individually or jointly with others which is subject by covenants of record to assessment by the ASSOCIATION, including a contract seller, shall be a member of the ASSOCIATION. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the ASSOCIATION.

A member, unless acting in the capacity of a duly elected officer of the ASSOCIATION, does not have the authority to act for the ASSOCIATION solely by virtue of being a member.

#### **ARTICLE V - VOTING RIGHTS/TRANSITION OF CONTROL**

The ASSOCIATION shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each lot owned. When more than one (1) person or entity holds an interest in a lot, then the vote attributable to such lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. Class B members shall be the Declarant, as defined in the DECLARATION, who shall be entitled to three (3) votes for each lot owned, as set forth in the DECLARATION. Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

Notwithstanding the foregoing, members other than the Declarant (which excludes builders, contractors, or others who purchase a Lot for the purpose of constructing improvements thereon for resale) are entitled to elect at least a majority of the members of Board of Directors three months after ninety percent (90%) of the Lots in the Subdivision have been conveyed to members.

Declarant shall be entitled to elect at least one member to the Board of Directors as long as Declarant holds at least five percent (5%) of the Lots for sale in the ordinary course of business.

After Declarant relinquishes control of the ASSOCIATION, Declarant may continue to vote any Declarant owned lots in the same manner as any other member.

In all events, Class B membership shall cease to exist and be converted to Class A and shall not thereafter be reinstated on December 31, 2009.

**ARTICLE VI - TERM OF EXISTENCE**

This corporation is to exist perpetually.

**ARTICLE VII - INCORPORATOR**

The name and address of the incorporator is David Holcomb, 128 John King Road, Suite 18, Crestview, Florida 32539.

**ARTICLE VIII - BOARD OF DIRECTORS**

The business affairs of this ASSOCIATION shall be managed by the Board of Directors, which shall initially consist of three (3) members. The number of Directors may be increased or decreased from time to time as provided in the Bylaws, but shall never be less than three (3).

The members of the Board of Directors need not be members of the ASSOCIATION and shall serve for a term as set forth in the Bylaws.

The President of the ASSOCIATION shall at all times be a member of the Board of Directors, and members of the Board of Directors shall be elected and hold office in accordance with the Bylaws.

The names and street addresses of the persons who are to serve as the first Board of Directors of the corporation are:

1. David Holcomb  
128 John King Road, Suite 18  
Crestview, Florida 32539
2. Sandy McEachern  
128 John King Road, Suite 18  
Crestview, Florida 32539
3. Mike Patterson  
128 John King Road, Suite 18  
Crestview, Florida 32539

#### **ARTICLE IX - OFFICERS**

The officers of this ASSOCIATION shall be a President, who shall at all times be a member of the Board of Directors, a Vice President and Secretary/Treasurer, and such other officers as the Board of Directors may from time to time create.

The names of the persons who are to serve as officers of this ASSOCIATION until the first election are:

President:	David Holcomb
Vice President:	Sandy McEachern
Secretary/Treasurer:	Mike Patterson

The officers shall be selected at the annual meeting of the Board of Directors as provided in the Bylaws and each shall hold office until he shall sooner resign or shall be removed or otherwise disqualified to serve. Officers shall serve at the pleasure of the Directors.

#### **ARTICLE X - DISSOLUTION**

The ASSOCIATION may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of the members. Upon dissolution of the ASSOCIATION, other than incident to a merger or consolidation, the assets of the ASSOCIATION shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this ASSOCIATION was created. In the event that acceptance of such dedication is

refused, the assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

**ARTICLE XI - AMENDMENTS**

These Articles of Incorporation may be amended by a two-thirds (2/3) vote of the total members at a special meeting of the membership called for that purpose.

Amendments may also be made at a regular meeting of the membership by a two-thirds (2/3) vote of the total members upon notice given, as provided by the Bylaws, of intention to submit such amendments. However, no amendment shall be effective without the written consent of the Declarant until after five (5) years from date of filing these Articles of Incorporation with the Secretary of State, State of Florida.

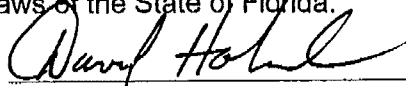
**ARTICLE XII - DEFINITIONS**

The terms used herein shall have the same definition as set forth in the DECLARATION and the Bylaws.

**ARTICLE XIII - FHA/VA APPROVAL**

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties (except as provided in the DECLARATION), mergers and consolidations, mortgaging of common area, dedication of common area, and dissolution and amendment of these Articles.

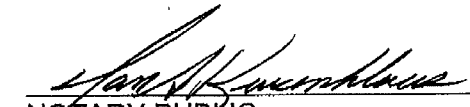
**IN WITNESS WHEREOF**, I, the undersigned subscribing incorporator, have hereunto set my hand and seal this 9<sup>th</sup> day of May, 2006, for the purpose of forming this corporation not for profit under the laws of the State of Florida.

  
\_\_\_\_\_  
David Holcomb  
Incorporator

STATE OF FLORIDA  
COUNTY OF OKALOOSA

The foregoing was acknowledged before me this 9<sup>th</sup> day of May, 2006, by David Holcomb, who personally appeared before me and is personally known to me.



  
\_\_\_\_\_  
NOTARY PUBLIC

**RESIDENT AGENT'S CERTIFICATE**

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

SILVER CREEK ESTATES HOMEOWNERS ASSOCIATION, INC., a Florida Corporation Not For Profit, desiring to organize under the laws of the State of Florida, with its principal office as indicated in the Articles of Incorporation, in Crestview, Okaloosa County, Florida, has named David Holcomb, 128 John King Road, Suite 18, Crestview, Florida 32539, as its agent to accept service of process within this State.

**Acknowledgment and Acceptance**

Having been named to accept service of process for the above stated corporation (or Association) at the place designated in this Certificate, I hereby accept such designation and agree to comply with the provisions of said Act relative to keeping open said office.

  
\_\_\_\_\_  
David Holcomb

This Instrument Prepared By:  
Phillip A. Pugh  
Emmanuel Sheppard & Condon  
30 South Spring Street  
Pensacola, FL 32502

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EXHIBIT "A"

LEGAL DESCRIPTION:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 24 TOWNSHIP 4 NORTH, RANGE 24 WEST, OKALOOSA COUNTY, FLORIDA, PROCEED N 00°14'12" E, A DISTANCE OF 652.22 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED, SAID POINT ALSO THE EASTERLY BOUNDARY LINE OF SAID PARCEL; THENCE PROCEED N 00°14'42"E, A DISTANCE OF 1513.02 FEET; THENCE, DEPARTING THE SAID EASTERLY LINE, PROCEED S 89°12'38" W ALONG THE NORTHERLY BOUNDARY LINE, A DISTANCE OF 1329.31 FEET TO A POINT ON THE WESTERLY BOUNDARY LINE OF SAID PARCEL; THENCE, DEPARTING SAID NORTHERLY BOUNDARY LINE, PROCEED S 00°11'57" W, A DISTANCE OF 1513.00 FEET TO A POINT ON THE SOUTHERLY BOUNDARY LINE OF SAID PARCEL; THENCE DEPARTING THE SAID WESTERLY LINE, PROCEED N 89°12'38" E, A DISTANCE OF 1328.10 FEET BACK TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED CONTAINING 46.0 ACRES MORE OR LESS.

EXHIBIT "C"

**BYLAWS**

**OF**

**SILVER CREEK ESTATES**  
**HOMEOWNERS ASSOCIATION, INC.**  
(A Corporation Not For Profit)

**Article I - Name and Location**

This corporation shall be known as SILVER CREEK ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION." The principal office of the ASSOCIATION shall be located at 128 John King Road, Suite 18, Crestview, Florida 32539, but meetings of members and directors may be held at such places within the State of Florida, County of Okaloosa, as may be designated by the Board of Directors.

**Article II - Definitions**

Section 1. "DECLARATION" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the office of the Clerk of the Circuit Court of Okaloosa County, Florida.

Section 2. "MEMBER" shall mean and refer to those persons entitled to membership as provided in the DECLARATION.

Section 3. All other terms used herein shall have the same definitions as set forth in the DECLARATION.

**Article III - Meetings of Members**

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the ASSOCIATION, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7 o'clock p.m., or on such other date as the Board of Directors may determine. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote ten percent (10%) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last

appearing on the books of the ASSOCIATION, or supplied by such member to the ASSOCIATION for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, in person or by proxy, thirty percent (30%) of the total votes of all members at the time of the meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the DECLARATION or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Adjourned Meetings. If an annual meeting or special meeting is adjourned to a different date, time or place, then the new date, time or place must be announced at the meeting before it is adjourned. Otherwise, notice of the new time, place or date must be given in the same manner as required for the adjourned meeting.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 7. Voting. At all meetings of members where a quorum has been attained, those members present in person or by proxy may vote in the manner set forth in the DECLARATION and a simple majority of the voting interests present in person or by proxy shall be required on any action unless otherwise provided in the Articles of Incorporation, the DECLARATION, or these Bylaws.

#### **Article IV - Board of Directors**

Section 1. Number. The affairs of this ASSOCIATION shall be initially managed by a Board of three (3) directors, who need not be members of the ASSOCIATION. There shall never be less than three (3) directors.

Section 2. Term of Office. Directors shall be elected at the annual meeting and shall serve for a term of one (1) year or so long thereafter until their successors are duly elected.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the ASSOCIATION. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the ASSOCIATION. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.



Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

**Article V - Nomination and Election of Directors**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the ASSOCIATION. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Elections. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the DECLARATION. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**Article VI - Meetings of Directors**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the ASSOCIATION, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Notice to Members. All meetings of the Board of Directors shall be open to all members except meetings between the Board and its attorney to discuss proposed or pending litigation where the contents of the discussion would be governed by the attorney-client privilege. Notices of all board meetings must be posted in a conspicuous place in the subdivision at least 48 hours in advance of a meeting, except in an emergency. If notice is not posted in a conspicuous place in the subdivision, notice of each board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. If the meeting for which the notice is being provided shall be for the purpose of acting on assessments, the notice shall include a statement that assessments will be considered and the nature of the assessments to be considered.

Section 4. Voting. Directors may not vote by proxy or by secret ballot at board meetings except a secret ballot may be used when electing officers.

Section 5. Miscellaneous. The voting and notice requirements set forth in this Article shall also apply to the meetings of any committees authorized by the Board of Directors including the Architectural Review Committee.

Section 6. Minutes. Minutes of all meetings of the Board of Directors and committees must be maintained in written form or in another form that can be converted into written form within a reasonable time. The minutes must reflect the action taken by the Board, or committee, including the recording of votes or the abstention from voting on each matter voted upon for each director present or for each committee member present.

**Article VII - Powers and Duties of the Board of Directors Including Fiscal Matters**

Section 1. Powers. The Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing the use of the common area and facilities;
- b. Suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the ASSOCIATION.
- c. Exercise for the ASSOCIATION all powers, duties and authority vested in or delegated to this ASSOCIATION and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the DECLARATION;
- d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- e. Employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. Make available to lot owners and lenders and to holders, insurers or guarantors of any first mortgage, current copies of the DECLARATION, Bylaws, other rules concerning the project 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 circumstances;
- b. Supervise all officers, agents and employees of this ASSOCIATION, and to see that their duties are properly performed;
- c. As more fully provided in the DECLARATION, to:

1. Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
2. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

d. Issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

e. Procure and maintain in effect casualty and liability insurance and fidelity bond coverage together with such additional coverages as the ASSOCIATION's Board of Directors may determine;

f. Cause the common area and properties to be maintained;

g. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth of the Class A members who are entitled to vote.

Section 3. Budgets. The ASSOCIATION shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The ASSOCIATION shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member within ten (10) business days after receipt of a written request therefor.

Section 4. Financial Reporting. The ASSOCIATION shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The ASSOCIATION shall, within ten (10) business days after completion of the annual financial report, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

- (a) Financial statements presented in conformity with generally accepted accounting principles; or

- (b) A financial report of actual receipts and expenditures, cash basis, which report must show:
1. The amount of receipts and expenditures by classification; and
  2. The beginning and ending cash balances of the ASSOCIATION.

### **Article VIII - Officers and Their Duties**

**Section 1. Enumeration of Officers.** The officers of this ASSOCIATION shall be a President, who shall at all times be a member of the Board of Directors, a Vice-President, a Secretary/Treasurer, and such other officers as the Board may from time to time by resolution create.

**Section 2. Election of Officers.** The election of officers shall take place at the annual membership meeting.

**Section 3. Term.** The officers of this ASSOCIATION shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4. Special Appointments.** The Board may elect such other officers as the affairs of the ASSOCIATION may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7. Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

**Section 8. Duties.** The duties of the officers are as follows:

**President:** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all

leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the ASSOCIATION and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the ASSOCIATION together with their addresses; and shall perform such other duties as required by the Board;

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the ASSOCIATION and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the ASSOCIATION; keep proper books of account; cause an annual audit of the ASSOCIATION books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

### **Article IX - Official Records**

Section 1. The ASSOCIATION shall maintain each of the following items which constitute the "Official Records" of the ASSOCIATION:

- (a) Copies of any plans, specifications, permits and warranties relating to improvements constructed on the Common Area or other property that the ASSOCIATION is obligated to maintain, repair or replace.
- (b) A copy of the Bylaws of the ASSOCIATION and of each amendment thereto.
- (c) A copy of the Articles of Incorporation of the ASSOCIATION and each amendment thereto.
- (d) A copy of the DECLARATION.
- (e) A copy of the current rules of the ASSOCIATION.
- (f) The minutes of all meetings of the Board of Directors and of the members and of any committees appointed by the Board which minutes must be retained for at least seven (7) years.

- (g) A current roster of all members and their mailing addresses and lot designations.
- (h) All of the ASSOCIATION's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.
- (i) A copy of all contracts to which the ASSOCIATION is a party, including, without limitation, any management agreement, lease, or other contract under which the ASSOCIATION has an obligation or responsibility. Bids received by the ASSOCIATION for work to be performed must also be considered Official Records and must be kept for a period of one (1) year.
- (j) The financial and accounting records of the ASSOCIATION, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:
  - 1. Accurate, itemized and detailed records of all receipts and expenditures.
  - 2. A current account and periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
  - 3. All tax returns, financial statements and financial reports of the ASSOCIATION.
  - 4. Any other records that identify, measure, record, or communicate financial information.

Section 2. The Official Records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This Section may be complied with by having a copy of the Official Records available for inspection or copying in the subdivision.

Section 3. The Board of Directors may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections, and may impose fees to cover the costs of providing copies of the Official Records, including, without limitation, the cost of copying. The ASSOCIATION shall maintain an adequate number of copies of the recorded governing documents, to insure their availability to members and prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

### **Article X - Assessments**

As more fully provided in the Declaration, each member is obligated to pay to the ASSOCIATION annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, a late charge of ten percent (10%) of the assessment amount shall be due and the assessment shall bear interest from the date of delinquency at the highest rate allowed by law. If the assessment is not paid within thirty (30) days after the due date, the Board of Directors, through its officers, may cause to be filed in the public records of Okaloosa County, Florida, a lien certificate evidencing the lien against the lot as provided for in the DECLARATION. The ASSOCIATION may bring an action at law against the member personally obligated to pay the assessment or foreclose the lien against the property, and all interest, costs and reasonable attorney's fees of either such action shall be added to the amount of such assessment and shall be included in the lien. No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the common properties or abandonment of his lot.

### **Article XI - Corporate Seal**

The ASSOCIATION shall have a seal in circular form having within its circumference the words: SILVER CREEK ESTATES HOMEOWNERS ASSOCIATION, INC., a Florida Corporation Not for Profit.

### **Article XII - Amendments**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a majority vote of members at a duly called meeting at which a quorum is present in person or by proxy, except that the Federal Housing Administration or Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflicts between the DECLARATION and these Bylaws, the DECLARATION shall control.

Section 3. No amendment which affects the Declarant's rights prior to the owners obtaining control of the ASSOCIATION shall be effective without the written consent of the Declarant.

### **Article XIII - Committees**

The ASSOCIATION shall appoint an architectural control committee as provided in the DECLARATION and a nominating committee as provided in these Bylaws. The initial members of the architectural control committee shall be as set forth in the DECLARATION and they shall continue to serve until removed by the Board of Directors, subject to the

limitations and provisions set forth in the DECLARATION. In addition, the Board of Directors shall appoint other committees as deemed appropriate to carry out its purposes.

9<sup>th</sup> IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this day of MAY, 2006.

Signed, sealed and delivered in the presence of:

SILVER CREEK ESTATES HOMEOWNERS ASSOCIATION, INC., a Florida Corporation  
Not for Profit

Jennifer T. McEach  
Mr. Pugh

By: David Holcomb  
David Holcomb, President

STATE OF FLORIDA  
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me on this the 9<sup>th</sup> day of May, 2006, by David Holcomb, as President of SILVER CREEK ESTATES HOMEOWNERS ASSOCIATION, INC., a Florida Corporation Not for Profit, on behalf of said corporation, who personally appeared before me and is personally known to me.



Dan S. Krusenklau  
NOTARY PUBLIC

This Instrument Prepared By:  
Phillip A. Pugh  
Emmanuel Sheppard & Condon  
30 South Spring Street  
Pensacola, FL 32502

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