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DECLARATION OF CONDOMINIUM

FOR

SEA BREEZE LOFTS, A CONDOMINIUM

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**DECLARATION OF CONDOMINIUM
FOR
SEA BREEZE LOFTS, A CONDOMINIUM**

This Declaration of Condominium for Sea Breeze Lofts, a Condominium is made this 20th day of October, 2006 by Sea Breeze Development, LLC, a Florida limited liability company (hereinafter the "Developer", which term includes such of its successors and assigns who are specifically assigned Developer's rights under the Declaration).

1. Introduction and Submission.

A. The Land. The Developer owns the fee title to certain land located in Lee County, Florida, as more particularly described in Exhibit "A" attached hereto (the "Land").

B. Submission Statement. The Developer hereby submits the Land legally described on Exhibit "A" attached hereto, together with all improvements from time to time erected or to be installed thereon, to the condominium form of ownership and use in the manner provided for in the Florida Condominium Act as it exists on the date of this Declaration, subject to the reservations, easements and restrictions contained herein.

C. Property Subject to Certain Restrictions and Easements. The Condominium Property (as defined hereinafter) is subject to the covenants, conditions, restrictions, easements and reserved rights of the Developer contained in this Declaration and such other easements, covenants, conditions and restrictions as shown on the Condominium Plat, as contained in any future amendments to this Declaration, as declared by the Developer pursuant to reserved rights contained herein, or as otherwise shown in the Public Records of Lee County, Florida.

D. Name. The name by which this condominium is to be identified is Sea Breeze Lofts, a Condominium(the "Condominium").

E. The Florida Condominium Act. The Florida Condominium Act (defined below), as the same exists on the date of this Declaration, is incorporated herein by reference and made a part hereof.

2. Definitions.

For purposes of this Declaration and the exhibits attached hereto, the following terms shall have the respective meanings ascribed to them in this Section, except where the context clearly indicates a different meaning or a specific limited meaning is intended:

A. The Condominium Act or Act means the Florida Condominium Act (Chapter 718, Florida Statutes), as it exists on the date of this Declaration.

B. Articles or Articles of Incorporation means the Articles of Incorporation of the Association, as amended from time to time. The original Articles of Incorporation are attached hereto as Exhibit "B".

C. Assessment means a share of the funds required for the payment of Common Expenses as provided in this Declaration and which from time to time is assessed against a Unit.

D. Association means SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, the entity responsible for the operation of the Condominium.

E. Association Property means the property, real and personal, in which title or ownership is vested in, or which is dedicated on a recorded plat or leased to, the Association for the use and benefit of its members.

F. Board of Directors or Board means the Board of Directors of the Association.

G. Bylaws mean the Bylaws of the Association, as amended from time to time. The original Bylaws are attached hereto as Exhibit "C".

H. Capital Improvement Assessment means an assessment levied against the Unit Owners as provided in Section 14.B. herein.

I. Common Elements mean and include the portions of the Condominium Property which are not included within the Units including, without limitation, those portions of the surface water management system, if any, located on the Condominium Property, including dedicated lake tracts, lake maintenance or drainage easements, and corresponding infrastructure, tracts for right-of-way or access easements and corresponding roads and streets located on the Condominium Property, if any, utility easements or tracts for corresponding sewer and potable water, and all easements serving the Condominium Property.

J. Common Expenses mean all expenses incurred by the Association to accomplish its duties as contemplated by this Declaration and the Act, which shall be assessed or imposed against Units in the Condominium by the Association as authorized by this Declaration or the Act. If approved by the Board of Directors, Common Expenses shall include the cost of a master television antenna system or duly franchised cable television service obtained pursuant to a bulk contract. For all purposes of this Declaration, Common Expenses shall also include all reserves required by the Act or otherwise established by the Association, regardless of when reserve funds are expended.

K. Common Surplus means the excess of all receipts of the Association collected on behalf of the Condominium, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, over and above the amount of Common Expenses.

L. Condominium Parcel means a Unit, together with the undivided share in the Common Elements which is appurtenant to said Unit.

M. Condominium Plat means the condominium drawings required by Section 718.104 of the Act and attached hereto as Exhibit "A".

N. Condominium Property means those portions of the Land and improvements thereon, and personal property and leaseholds, both tangible and intangible, whether or not contiguous, which have been submitted to condominium ownership under this Declaration,

intended for use in connection with the Condominium, subject to the limitations thereof and exclusions therefrom.

O. County means Lee County, Florida.

P. Declaration means this instrument, as it may be amended from time to time.

Q. Developer means Sea Breeze Development, LLC, a Florida limited liability company, and its successors and such of its assigns as to which its rights hereunder are assigned by written instrument recorded in the public records of the County. Such assignment may be made on an exclusive or non-exclusive basis and may be an assignment of all or only portions of the rights of Developer hereunder; provided, however, that no such assignment shall make any assignee the Developer for purposes hereof unless such assignment specifically states that it is the parties' intent that such assignee become the Developer.

R. Development Order means Lee County Development Order No. DO5200500040, as amended from time to time.

S. First Mortgagee means a bank, savings and loan association, insurance company, credit union, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHA) or any other lender generally recognized as an institutional lender, or the Developer, holding a first mortgage on a Unit or Units.

T. Limited Common Elements mean those Common Elements the use of which is reserved to a certain Unit or Units to the exclusion of other Units and as shown on the Condominium Plat or otherwise specified in this Declaration. References herein to Common Elements also shall include all Limited Common Elements unless the context would prohibit or it is otherwise expressly provided.

U. Special Assessment means any assessment levied against Unit Owners other than the Assessment required by the annually adopted budget of the Condominium.

V. Unit or Condominium Unit is that portion of the Condominium Property which is subject to exclusive ownership, as further defined herein, and as delineated in the Condominium Plat. The term Unit is often used synonymously herein with Condominium Parcel when meaning the sum total of an Owner's ownership interest in the Condominium.

W. Unit Owner or Owner means the record owner of legal title to a Condominium Parcel.

3. Description of Condominium.

A. Identification of Units. Each Unit is identified by a separate numerical designation as shown on the Condominium Plat. There shall pass with each Unit as appurtenances thereto (a) an undivided share in the Common Elements and Common Surplus; (b) the exclusive right to use such portion of the Common Elements as may be the exclusive Limited Common Elements for such Unit; (c) an exclusive easement for the use of the airspace occupied by the Unit as it lawfully exists at any particular time and as the Unit may be lawfully altered or reconstructed from time to time, provided that the easement in airspace which is vacated from the unit shall be terminated automatically; (d) membership in the Association with

the full voting rights appurtenant thereto; and (e) other appurtenances as may be provided by this Declaration or the Act.

B. Unit Boundaries.

Each Unit shall consist of the following:

(a) the volumes of space enclosed by the unfinished inner surfaces of perimeter walls, floors and ceilings reflected on the Condominium Plat, including vents, doors, windows and such other structural elements as are ordinarily considered to be enclosures of space;

(b) all interior dividing walls and partitions (including the space occupied by such interior walls and partitions), excepting load-bearing interior walls and partitions; and

(c) the decorated inner surfaces of the perimeter and interior walls (including decorated inner surfaces of all interior load-bearing walls), ceilings and floors consisting of wallpaper, paint, plaster, carpeting, tiles, and all other finishing materials affixed or installed as part of the physical structure of the Unit.

Except for the telephone and cable television lines and equipment which are not part of the Common Elements of the Condominium, no pipes, wires, conduits or other utility lines or installations constituting a part of the overall systems designed for the service of any particular Unit, nor any of the structural members or portions of any kind, including fixtures and appliances within the Unit, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the building, shall be deemed to be a part of any Unit. In addition, any utility lines which are located within a Unit and which provide service to more than one Unit shall be considered to be Common Elements, notwithstanding their physical location being within the Unit's boundaries. If a wall or roof surface overhangs or part of a Unit encroaches onto the Common Elements, the overhanging or encroaching specific portion of such Unit shall be a part of the Unit.

C. Timeshare Estates. Timeshare estates or interests shall not be created with respect to any Units in the Condominium.

D. Limited Common Elements.

(a) **Definition of Certain Limited Common Elements.** To the extent applicable and subject to the provisions of this Declaration, each Unit may have, as Limited Common Elements appurtenant thereto, such portions of the Common Elements as are defined herein and/or shown on the Condominium Plat as "LCE", including, but not limited to, the following:

(i) any area labeled as a Limited Common Element on the Condominium Plat and contiguous to a Unit or identified as being appurtenant to a Unit, such as, but not necessarily limited to balconies and/or lanais and storage areas.

(ii) light and electrical fixtures outside the Unit or attached to the exterior walls of the building in which the Unit is located, which fixtures are designed to exclusively serve and benefit the Unit;

(iii) the structure(s) located on or adjacent to the exterior of the building on which is located any air-conditioning equipment serving the Unit;

(iv) any and all hurricane shutters which are attached to the exterior of the Unit and which are designed and constructed solely for the benefit and protection of such Unit;

(v) the mailbox which exclusively serves a Unit; and

(vi) any and all installations for security purposes contained within a building which are designed to exclusively serve the Units contained within such building.

E. Easements. The following easements are hereby created (in addition to any easements created under the Act and any other provisions of this Declaration):

(a) There shall be an easement of support in every portion of a Unit which contributes to the support of any building or Common Elements of the Condominium or the other Units within the same building.

(b) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in the event the Unit vacates such air space.

(c) Non-exclusive easements are hereby reserved unto the Developer and also granted to the respective utility providers under, through and over the Condominium Property as may be required from time to time for the construction, use and maintenance of all utilities (whether public or private), cable television, communications and security systems, and other services which may serve the Condominium; provided, however, that these easements shall not permanently interfere with the residential use of the Units. A non-exclusive easement is also reserved unto the Developer and granted to the County over and across the Common Elements for the purpose of providing drainage and for the installation, operation, use and maintenance of drainage facilities; provided, however, that the Association shall be responsible for the continuous maintenance of the easements and rights-of-way of the drainage system located on the Condominium Property, if required by the local governing authority. This obligation shall run with the land as do other provisions of the Declaration, and any Unit Owner may enforce this covenant and will be entitled to costs and fees which result from such enforcement. A Unit Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provision of such utility, cable television, communications and security systems, or other service or drainage facilities or the use of these easements.

(d) If (a) any portion of the Common Elements encroaches upon any Unit, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or (c) any encroachment shall hereafter occur as a result of (i) construction of the improvements, (ii) settling or shifting of the improvements, (iii) any alteration or repair to the Common Elements made by or with the consent of the Association or Developer, as appropriate, or (iv) any repair or restoration of the improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

(e) A non-exclusive easement in favor of each Unit Owner and resident and their guests and invitees shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this subparagraph shall be encumbered by any leasehold or lien other than those on the Condominium Parcels, unless such lien is subordinate to the rights of Unit Owners and the Association with respect to such easements.

(f) The Developer (including its designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the Condominium Property and take all action necessary or convenient for the purpose of completing the construction thereof (including, but not limited to, any proposed phase), or any part thereof, or any improvements or Units located or to be located thereon (including, but not limited to, any proposed phase), and for repair, replacement and maintenance purposes or where the Developer, in its sole discretion, determines that it is required or desires to do so.

(g) As long as the Developer is offering units for sale, the Developer, its designees, successors and assigns, shall have the right to use any such Units and parts of the Common Elements for model units and sales, management and construction offices, to show model Units and the Common Elements to prospective purchasers and tenants of Units within the overall Condominium, and to erect on the Condominium Property signs and other promotional material to advertise Units for sale or lease.

(h) Easements over, under, across, and through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to the Units and the Common Elements.

(i) All easements described or shown on the Condominium Plat or created under the Act.

(j) Until such time as the Developer is no longer offering Units for sale in the ordinary course of business, the Developer reserves the right to prohibit access to any portion of the Common Elements of the Condominium Property or uncompleted Units to any of the occupants of the Condominium, and to utilize various portions of the Common Elements or the Units in connection with such construction and development; provided, however, that no such actions by the Developer shall deny a Unit Owner the right of access to his Unit or the Common Elements or Limited Common Elements that provide such access. No Unit Owner or his guests or invitees shall in any way interfere or hamper the Developer, its employees, successors or assigns, in connection with such construction. Thereafter, during such time as the Developer, its successors or assigns, is offering Units for sale in the ordinary course of business, the Unit Owners, their guests and invitees, shall in no way interfere with such activities or prevent access to such Units by the Developer, its employees or its successors or assigns.

A Unit Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair, the provision of services contemplated or the use of the easements created under this Section. The Association and its authorized agents shall have the irrevocable right of access to each Unit during reasonable hours, when necessary, to maintain, repair or replace those items and areas contemplated herein for which the Association is responsible, and to remove any improvements interfering with or impairing such facilities or easements herein reserved pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.

Wherever in this Section or elsewhere in this Declaration an easement is granted or reserved to any party, such easement shall also benefit such party's successors, grantees, assigns, agents, employees, licensees, invitees and guests. Unless specifically stated otherwise, all easements referred to herein shall be non-exclusive easements.

F. Parking Spaces. The parking spaces shown on the Condominium Plat ("Parking Spaces") will be divided as to use into two (2) categories: "Assigned Parking Spaces" and "Guest Parking Spaces". The Developer shall assign to each Unit Owner the use of a Parking Space (or Spaces), which shall then be an Assigned Parking Space and shall be reserved as to that Unit but not a Limited Common Element as to that Unit. A Unit Owner's Assigned Parking Space(s) shall have the Unit Owner's Unit number painted or otherwise designated thereon, which shall coincide with the designation as shown on the Condominium Plat. Guest Parking Spaces shall be used by guests and invitees of Unit Owners and may also be used by Unit Owners. Notwithstanding the fact that some of the Parking Spaces will be assigned for the specific use of designated Units, all Parking Spaces shall remain Common Elements. The Condominium Association shall maintain and repair the Parking Spaces and the cost thereof shall be assessed as a common expense in the same manner as assessments for the maintenance and repair of other Common Elements. Use of the Parking Spaces may be regulated and limited by rules and regulations promulgated by the Board.

(a) Developer Parking Spaces. Developer reserves the right to reserve one or more Parking Spaces for the exclusive use of Developer and its agents, contractors, prospective purchasers and lessees for so long as Developer is offering Units for sale in the ordinary course of business.

(b) Garage Flooding. EACH UNIT OWNER ACKNOWLEDGES AND AGREES THAT CERTAIN OF THE PARKING SPACES MAY BE LOCATED BELOW THE FEDERAL FLOOD PLANE AND, ACCORDINGLY, IN THE EVENT OF FLOODING, VEHICLES AND/OR PERSONAL PROPERTY STORED THEREIN ARE SUSCEPTIBLE TO WATER DAMAGE. ADDITIONALLY, INSURANCE RATES, BOTH FOR THE CONDOMINIUM ASSOCIATION IN INSURING THE COMMON ELEMENTS PARKING SPACES AND FOR UNIT OWNERS, MAY BE HIGHER THAN IF THE SUBJECT AREAS WERE ABOVE THE FEDERAL FLOOD PLANE. BY ACQUIRING TITLE TO, OR TAKING POSSESSION OF, A UNIT, OR ACCEPTING THE ASSIGNMENT OF A PARKING SPACE, EACH UNIT OWNER, FOR HIMSELF, HIS FAMILY MEMBERS AND HIS LESSEES, GUESTS AND INVITEES, HEREBY EXPRESSLY ASSUMES ALL RISKS TO VEHICLES AND/OR OTHER PERSONAL PROPERTY AND AGREES TO HOLD DEVELOPER AND THE CONDOMINIUM ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM ANY FLOODING IN THE PARKING GARAGE OR OTHER AREAS CONTAINING PARKING SPACES.

G. Special Easements and Rights to Grant Easements.

(a) Developer hereby reserves unto itself and its successors and its assigns, and grants to the Association with the power to assign, non-exclusive easements over, under and through the Condominium Property for the construction, maintenance and operation of electric, gas and other utility systems, cable television, security systems, communications service and other easements pertaining to the construction, maintenance and operation of such equipment, conduits, pipes, lines and similar installations servicing the Condominium Property or other property, with the power to relocate any such existing easements in any portion of the Condominium Property and/or Association Property, provided that such easements or the relocation of easements will not prevent or unreasonably interfere with the reasonable use of the Units for residential purposes.

(b) Developer hereby reserves unto itself and its successors and its assigns, and grants to the Association with the power to assign, non-exclusive easements over, under, upon and through the Condominium Property for the purposes of access to, constructing or maintaining improvements upon, providing utility services to or across, or providing drainage to or from the Condominium Property, any other property which may become part of the Condominium Property pursuant to this Declaration, or any other property adjacent to the Condominium Property, provided that any such easement shall not interfere with the reasonable use of the Units for residential purposes.

(c) Developer hereby reserves unto itself and its successors and its assigns nonexclusive easements over, upon, and through the Condominium Property for vehicular and/or pedestrian traffic by the Developer, its designees, successors, assigns, licensees, lessees, invitees and guests, within the Condominium Property, provided that any such easement shall not interfere with the reasonable use of the Units for residential purposes.

H. Easements to Water's Edge Association. There is hereby created in favor of the "Water's Edge Association" (as defined in Section 8B. below), and its successors, assigns and designees, non-exclusive perpetual easements over, under and across the Condominium Property for the purposes of operation, control, maintenance, repair, and replacement of those portions of the Common Elements which are the responsibility of the Water's Edge Association, including, without limitation, the storm water management system, and for any and all other functions and responsibilities of the Water's Edge Association, as set forth elsewhere herein or in the Water's Edge Governing Documents (as defined in Section 25 below). The above easements granted to the Water's Edge Association shall not be exercised in such a manner as to interfere with the residential use of the Units in the Condominium.

I. Pathway Easement. There is hereby created in favor of the Peppertree Pointe Environmental Quality and Roadway Maintenance Association, Inc., a Florida non-profit corporation, a non-exclusive "pathway easement" over, under and across the concrete sidewalk located on the northern portion of the Condominium Property as designated on the Condominium Plat, for purposes of pedestrian ingress and egress.

J. Incidental Damage. Any damage to any Unit caused by, or as a result of, the negligent carrying out of the maintenance responsibilities of the Association or another Unit Owner, shall be repaired promptly by the Association as a Common Expense, or the Unit Owner, as the case may be.

K. Intentional Damage. Any damage to any part of the Common Elements caused by, or as the result of, any intentional act of a Unit Owner, the Unit Owner's family, agents, contractors, invitees, licensees or tenants, or by such Unit Owner in carrying out his maintenance responsibilities, if any, shall be repaired promptly at the expense of such Unit Owner.

4. Recreational Facilities.

Developer intends to construct certain recreational facilities as a part of the Condominium. The Developer reserves the right to add additional recreational facilities to the Condominium, but shall be under no obligation to do so.

5. Restraint on Separation and Partition of Common Elements.

The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, and the exclusive right to use all appropriate appurtenant Limited Common Elements, shall not be separated from such Unit and shall pass with the title to the Unit, whether or not separately described. The appurtenant share in the Common Elements and Common Surplus, and the exclusive right to use all Limited Common Elements appurtenant to a Unit, cannot be conveyed or encumbered, except together with such Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements, the Condominium Property, or any part thereof, shall lie, except as provided herein with respect to termination of the Condominium.

6. Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting Rights.

A. Ownership Shares. The undivided share in the Common Elements and Common Surplus appurtenant to each Unit, as well as the undivided share of the Common Expenses to be paid with respect to each Unit, shall be computed on the following basis:

(a) Upon recordation of the Declaration submitting all Units to condominium ownership, each Unit shall have attributable thereto an undivided share in the Common Expenses and ownership of the Common Elements and the Common Surplus equal to a fraction, the numerator of which is one (1), and the denominator of which is the total number of all Units submitted to the Condominium.

B. Voting. Each Unit Owner shall be a member of the Association. Each Unit shall be entitled to one (1) vote to be cast by its Owner in accordance with the provisions of the Bylaws and Articles of Incorporation of the Association. The total number of votes shall at all times be equal to the number of Units submitted to the condominium form of ownership under this Declaration and amendments hereto. Membership in the Association shall automatically terminate upon the termination of ownership of a Condominium Parcel in this Condominium, and the subsequent owner(s) taking title shall automatically become entitled to membership, subject to the approval of the Association.

7. Amendments.

A. Amendment by Unit Owners. Except as otherwise provided in this Declaration, the Condominium Act or the exhibits attached hereto, this Declaration (including the Condominium drawings constituting Exhibits hereto) may be amended by affirmative vote of the Owners of not less than three-fourths (3/4ths) of the Units present in person or by proxy at an Association meeting duly called for such purpose pursuant to the Bylaws; provided, however, that (1) no amendment to this Declaration shall be made which affects any of the rights and privileges provided to the Developer as defined herein without the written consent of such Developer, and (2) no amendment may change the configuration or size of a Unit in any material fashion without the written consent of the affected Unit Owner(s). All amendments under this Section shall be recorded and certified as required by the Act.

B. Amendment by Developer.

(a) Amendment to Condominium Plans and Declaration. The Developer reserves the right to make whatever changes it may deem necessary or appropriate to the Condominium drawings recorded herewith and this Declaration until such time as Developer

has transferred control of the Condominium Association to Unit Owners other than the Developer. The amendment reflecting such changes need only be executed by the Developer; provided, however, that no such amendment unilaterally approved by the Developer shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the Unit Owner shares the Common Expenses and owns the Common Surplus, unless such amendment is also approved by such Unit Owner and at least a majority of the total voting interests of the Association.

(b) Special Amendment. Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends the Declaration and any provision herein (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units; and (iii) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Unit Owner and the Association. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments. The right and power to make Special Amendments hereunder shall terminate either on such date when Developer is no longer offering Units for sale in the ordinary course of business and has transferred control of the Condominium to the Association, or on December 31, 2012, whichever shall occur first.

(c) Unilateral Amendments by Developer. This Declaration and all exhibits hereto, where applicable, may be amended unilaterally by the Developer for the purposes set forth and pursuant to Section 718.110(5), Florida Statutes, to correct scrivener's errors, and to add additional "as built" surveys for buildings and Units as they may be completed as provided for herein.

C. Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed with the same formalities required for the execution of a deed. Amendments by the Developer must be evidenced by a similar certificate executed by the Developer alone. An amendment of the Declaration is effective when the applicable certificate is properly recorded in the public records of the County.

D. Limitation. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer without the consent of said Developer in each instance. The provisions of this paragraph may not be amended in any manner.

8. Maintenance and Repairs.

Responsibility for the maintenance, repair and replacement of the Condominium Property is as follows:

A. Common Elements.

(a) Except as otherwise provided in this Declaration, the Association shall manage, maintain, repair and replace, as part of the Common Expenses, all of the Common Elements as defined herein, including, but not limited to, the following:

(i) all water and waste water lines and piping, electric and other utility lines and systems serving the Common Elements or more than one (1) Unit exclusively;

(ii) all parts of the buildings and structures within the Condominium that are Common Elements and not part of the Units, with the exception of Limited Common Elements which are the responsibility of the Unit Owners as set forth in Section 8.D. below.

(iii) all landscaping, landscape islands, lawn and grass areas and sprinkler systems within the Condominium Property;

(iv) any and all gates and fencing located on the Condominium Property;

(v) all parking areas;

(vi) trash receptacle areas located in the Condominium;

(vii) recreational facilities; and

(viii) all roads and streets within the Condominium Property.

B. Water's Edge Association. Water's Edge at Peppertree Pointe Community Association, Inc., a Florida corporation (the "Water's Edge Association") shall be responsible for management, maintenance, repair and replacement of all property and systems owned by the Water's Edge Association, and for the drainage and storm water management system serving the Condominium and Water's Edge, including, without limitation, lake maintenance of lakes owned by the Water's Edge Association, and certain recreational facilities and a boat lift pursuant to the "Water's Edge Governing Documents" (as defined in Section 25 below).

Nothing in this Section 8 shall relieve the Association of its ultimate responsibility for maintenance, management and operation of the Condominium Property as set forth in Section 718.111(3), Florida Statutes.

C. Units. The maintenance, repair and replacement of the Units shall be shared by the Association and the Unit Owners as follows:

(a) By the Association. The Association shall be responsible for maintaining, repairing and replacing all load-bearing walls contained within the Unit except for the finished surfaces thereof. The cost of such maintenance shall constitute a Common Expense.

(b) By the Unit Owner. Each Unit Owner shall maintain, repair and replace everything within the confines of the Owner's Unit which is not to be maintained by the Association pursuant to this Section, including, but not limited to the following:

- (i) all exterior doors, windows, screens and frames of any permitted improvement, which surfaces shall be maintained in such manner as to preserve a uniform appearance among the Units of the Condominium;
- (ii) interior paint, finish, covering, wallpaper, drywall and decoration of all walls, floors and ceilings;
- (iii) all built-in shelves, cabinets, counters, storage areas and closets;
- (iv) any and all appliances and mechanical, ventilating, heating and air conditioning equipment contained within or serving the Unit;
- (v) all bathroom fixtures, equipment and apparatuses;
- (vi) all electrical, plumbing, telephone and television fixtures, apparatuses, equipment, outlets, switches, wires, pipes and conduits exclusively serving the Unit, and any and all electric lines between the Unit and its individual service panel or meter;
- (vii) all interior doors, non-load-bearing walls, and partitions;
- (viii) all furniture, furnishings and personal property contained within the Unit; and
- (ix) all other maintenance or repair of or replacements involving a Unit as contemplated and authorized hereunder.

D. Maintenance of Limited Common Elements. Except as set forth otherwise herein, the Limited Common Elements shall be maintained, repaired and replaced by the Association as part of the Common Expenses of the Condominium; provided, however, that:

(a) each respective Unit Owner may utilize the portions of the lanais and/or balconies which are constructed adjacent to and connected with a Unit for the exclusive use of such Unit Owner, and the Unit Owner shall be responsible for the maintenance of all items placed within such balconies and/or lanais;

(b) in the event such balconies or lanais contain screening and structures associated therewith, the Unit Owner shall be solely responsible for the maintenance, repair, replacement and reconstruction of all portions of such screening and the structures associated therewith in accordance with the rules and regulations of the Association; provided, however, the screening of any balcony and/or lanai shall be permitted only in accordance with the applicable provisions of this Declaration and with the prior written approval of the Association.

(c) each Unit Owner shall be responsible for the maintenance, repair, replacement and reconstruction of any wiring and electrical outlets and, where applicable, light fixture(s) affixed to the exterior walls of the building in which the Unit is located, which exclusively serve the Unit;

(d) each Unit Owner shall be responsible for replacing the necessary light bulbs for said light fixture(s) by the same color and bulb wattage as originally installed or as otherwise determined and permitted by the Board;

(e) each Unit Owner shall be solely responsible for the maintenance, repair, and replacement of all air-conditioning equipment and all wiring and piping related thereto which serve the Unit and which are constructed on the Limited Common Elements or, as may be applicable, the Common Elements (for purposes of reference herein, the Unit Owner shall be the owner of all such air conditioning equipment and all wiring and piping related thereto regardless of such equipment, wiring and piping being located outside of the physical boundaries of the Unit).

(f) each Unit Owner shall maintain the interior portions of the storage area which is permanently assigned for the exclusive use of the Unit Owner, including the doors, all locks, and light fixtures, and bounded as follows:

(i) the volumes of space enclosed by the unfinished inner surfaces of perimeter walls, floors, and ceilings of such storage area, including vents, interior doors, windows and such other structural elements as are ordinarily considered to be enclosures of space;

(ii) any and all dividing walls and partitions (including the space occupied by such interior walls and partitions) located within such storage area, excepting load-bearing interior walls and partitions; and

(iii) the decorated inner surfaces of the perimeter and interior walls (including decorated inner surfaces of all interior load-bearing walls), ceilings and floors consisting of wallpaper, drywall, paint, plaster, carpeting, tiles, and all other finishing materials affixed or installed as part of the physical structure of the storage area;

Should any maintenance, repair or replacement of a portion of the Limited Common Elements which is the responsibility of the Association be caused by the lessees, servants, guests, invitees or licensees of a Unit Owner, then such Unit Owner shall be responsible therefor and the Association shall have the right to levy a fine against the Owner of said Unit in accordance with the procedures set forth in Section 20.C below to ensure compliance herewith.

In the event a Unit Owner fails to adequately maintain, as determined by the Board, those items for which such Unit Owner is responsible, said Unit Owner shall adequately maintain said items after notice from the Association. Within a reasonable time after such notice, if a Unit Owner fails to adequately maintain said items, the Association shall have such rights and remedies as provided by Section 20.B of this Declaration.

D. Disclaimer, Waiver, and Release of Claims Regarding Mold and Mildew.

Mold occurs naturally in almost all indoor environments. Mold spores may also enter a condominium through open doorways, windows or a variety of other sources. The Unit Owner acknowledges that the Condominium is located in a hot, humid climate ("Florida Environment"), which is conducive to the growth of mold and/or mildew. Mold and/or mildew may be present during or after construction in the indoor air and/or on the interior surfaces of the Unit, including, but not limited to, wall cavities, windows, and/or on the exterior surfaces of the Unit or any part thereof. Developer knows of no defects or deficiencies in the design, installation or materials in

the Unit relating to the causation or facilitation of mold and/or mildew. The Unit Owner understands and acknowledges that, except as otherwise provided by the Condominium Act, Developer makes no warranty or representation of any kind, express or implied, warranty of habitability, merchantability, fitness for a particular purpose, or good workmanship as to building materials and/or construction means and methods with regard to indoor air quality or the presence or absence of mold and/or mildew and any chemical or toxin secreted, in proximity to the Unit, or regarding the effectiveness of an architectural engineering fixture or design for reducing the presence or growth of mold and/or mildew, the responsibility for the prevention of these items being that of the Unit Owner through proper inspection and maintenance of the Unit.

What the Unit Owner Can Do. The Unit Owner can take positive steps to reduce and/or eliminate the occurrence of mold growth in and around the Unit and thereby minimize the possibility of adverse effects that may be caused by mold. The following suggestions have been compiled from the recommendations of the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association, and the National Association of Home Builders, among others but they are not meant to be all-inclusive.

(i) Before bringing items into the Unit, check for signs of mold. Potted plants (roots and soil), furnishings, stored clothing and bedding material as well as many other household goods could already contain mold which can then be spread to other areas of the Unit.

(ii) Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth.

(iii) Keep the humidity in the Unit low. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, and/or by running air conditioning equipment to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.

(iv) Raise the temperature in areas where moisture condenses on surfaces, and open doors between rooms to increase air circulation in the Unit including doors to closets.

(v) Have major appliances (e.g. furnaces, heat pumps, central air conditioners, ventilation systems, and humidifiers) inspected, cleaned and serviced regularly by a qualified professional.

(vi) Clean and dry refrigerator, air-conditioner and dehumidifier drip pans and filters regularly and be certain that refrigerator and freezer doors seal properly.

(vii) Inspect for condensation and leaks in and around the Unit on a regular basis. Look for discolorations or wet spots. Take notice of musty odors and any visible signs of mold.

(viii) Fix leaky plumbing and leaks in the exterior and interior surfaces of the Unit and all other sources of moisture problems immediately.

(ix) Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry wet surfaces and materials. Do not let water pool or stand in

the Unit. Promptly replace materials that cannot be thoroughly dried such as drywall or insulation.

(x) Do not let water pool or stand. If standing or excessive water is found, remove or seek professional help to remove it.

(xi) Perform routine visual inspections. Respond promptly upon seeing signs of moisture or mold. Thoroughly clean the affected area with a mild solution of bleach after first testing to determine if the affected material or surface is color safe. After cleaning, dry the affected surfaces completely. Porous materials such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, qualified trained professionals may be needed to assist in the remediation effort.

(xii) Regularly maintain the Unit. For example, regularly caulk the windows, faucets, drains, tub and showers.

The Association shall not be responsible for the prevention of mold and/or mildew or any damages, including, but not limited to any special or consequential damages, property damages, personal injury, loss of income, emotional distress, death, loss of use, loss of income, diminution or loss of value of the Unit, economic damages, and adverse health effects relating to, arising from or caused by mold and/or mildew accumulation regardless of the cause of said mold/or mildew. EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL CLAIMS, OBLIGATIONS, DEMANDS, DAMAGES, CAUSES OF ACTION, LIABILITIES, LOSSES AND EXPENSES, WHETHER NOW KNOWN OR HEREAFTER KNOWN, FORESEEN OR UNFORESEEN, THAT PURCHASER HAS, OR MAY HAVE IN THE FUTURE, IN LAW OR IN EQUITY ARISING OUT OF, RELATING TO, OR IN ANY WAY CONNECTED WITH INDOOR AIR QUALITY, MOISTURE, OR THE GROWTH, RELEASE, DISCHARGE, DISPERSAL OR PRESENCE OF MOLD AND/OR MILDEW OR ANY CHEMICAL OR TOXIN SECRETED THEREFROM. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF THE DEVELOPER AND ITS AFFILIATES, WHICH SHALL BE FULLY PROTECTED HEREBY.

9. Additions, Alterations or Improvements by the Association.

Whenever, in the judgment of the Board of Directors, the Common Elements, or any part thereof, shall require capital additions, alterations or improvements (as distinguished from maintenance, repairs and replacements) costing in excess of one hundred thousand dollars (\$100,000.00) in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by seventy five percent (75%) of the total voting interests in the Condominium. Any such additions, alterations or improvements to such Common Elements, or any part thereof, costing in the aggregate one hundred thousand dollars (\$100,000.00) or less in a calendar year may be made by the Board of Directors without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall be a "Capital Improvement Assessment" of the Unit Owners as provided in Section 13.B. hereof. For purposes of this Section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to

perform the above-stated purposes, regardless of whether the repayment of any part of that debt is made beyond that year.

10. Additions, Alterations or Improvements by Unit Owner.

A. To the Common Elements. After the completion of the improvements included in the Common Elements which are set forth in this Declaration, or which are contemplated by the Developer in the completion of the development as set forth herein, there shall be no material alterations or substantial additions to Common Elements or Limited Common Elements of this Condominium, other than those specifically allowed elsewhere herein, except as authorized by the Board of Directors and approved by not less than seventy-five percent (75%) of the total voting interests of the Condominium, provided that no alterations or additions may be made to the Limited Common Elements of any particular Unit if such alteration or addition will adversely affect or prejudice the rights of such Unit Owner, unless his consent first has been obtained. The cost of the foregoing shall be assessed as Common Expenses unless otherwise provided herein. No Unit Owner shall make, or allow to be made, any addition, alteration or improvement of any manner (specifically including, but not limited to, satellite dishes, antennas and the like), to or on any Common Element or Limited Common Element without the prior written consent of the Association.

B. Open Space. All open space areas contained within the Common Elements shall be preserved and developed solely as open space areas by the Developer, the Association or the Unit Owners in a manner detailed or contemplated herein or on the Condominium Plat. Neither the Association, the Developer nor the Unit Owners, without an appropriate amendment to the Development Order by the County, may utilize such areas for purposes other than as landscaped open spaces.

C. To the Units. Except as otherwise reserved by the Developer, no Unit Owner shall make any alteration or improvement to such Unit Owner's Unit except in accordance with this Section 10.C. A Unit Owner may make alterations and improvements to a Unit so long as such alterations or improvements are not visible from the outside of the Unit, do not impair the structural integrity of the building in which such Unit is contained, do not otherwise violate the terms of this Declaration, and are in compliance with all applicable building codes and laws. A Unit Owner may not expand, enlarge or relocate the boundaries of such Owner's Unit. Other alterations or improvements to a Unit which are not discussed in this Declaration may be made only if prior approval in writing is obtained from the Board or a committee designated by the Board in accordance with the Bylaws. As a condition to approval, the Board may require the Unit Owner to submit plans and specifications and a time frame for the alterations or improvements. The Board may refuse to approve alterations or improvements based on, among other things, aesthetic considerations.

D. Floor Coverings. Hard and/or heavy surface floor coverings, including, without limitation, tile, marble, or wood, in any area of a Unit, may not be installed without the prior written consent of the Association, except for in kitchen, bathroom and entry areas which have not been relocated or expanded to areas above the living rooms or bedrooms in the Units below, based on the locations shown in the floor plans attached hereto. The Association shall not approve the installation of hard and/or heavy surface floor coverings for which approval is required, unless the aggregate sound isolation and acoustical treatment carries a minimum Sound Transmission Classification (STC) of fifty (50) and a minimum Impact Isolation Classification (IIC) of forty eight (48). The installation of the foregoing materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials for

any ridged part of the building structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission).

The structural integrity of balconies and terraces constructed of steel reinforced concrete is affected adversely by water intrusion and rust aggravated by the water retention qualities of indoor-outdoor carpet, river rock, and unglazed ceramic tile and its grout. For this reason, no indoor-outdoor carpet or river rock may be used on balconies or terraces, and all tile and its bedding and grout must be of adequate material and be applied as to be waterproof. Any flooring installed by a Unit Owner on a balcony or terrace of a Unit must be installed so as to ensure proper drainage.

E. Indemnification by Unit Owner. A Unit Owner making or causing to be made any additions, alterations or improvements to the Unit or the Limited Common Elements as contemplated herein agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association and all other Unit Owners harmless from and to indemnify them for any liability or damage to the Condominium Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after that date of installation or construction thereof as may be required by the Association.

11. Additions, Alterations or Improvements by Developer.

The foregoing restrictions of Section 10 shall not apply to Developer-owned Units. The Developer shall have the additional right, without the consent or approval of the Board of Directors or other Unit Owners, to make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by it, to the proposed or already constructed Units and the Limited Common Elements appurtenant thereto. Such work shall include, without limitation (i) the removal of walls, floors, ceilings and other structural portions of the Unit; (ii) changes to the layout or number of rooms in any Developer-owned Units; and (iii) changes to the size and/or number of Developer-owned Units by combining separate Developer-owned Units or otherwise. Any amendments to this Declaration or the Condominium Plat required by actions taken pursuant to this Section may be effected by the Developer alone without the consent of any other person; provided, however, if any such amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the Unit Owner shares the Common Expenses and owns the Common Surplus, the execution of the amendment to the Declaration effecting such change must be joined in by the record owners of the Unit, all record owners of liens on the affected Unit, and at least a majority of the total voting interests in the Association. In the event the Developer combines two (2) separate units into a single dwelling, such dwelling shall continue to be deemed to be two (2) Units for purposes of voting and payment of assessments under this Declaration. The provisions of this Section may not be added to, amended or deleted unless by, or with the prior written consent of, the Developer.

12. Operation of the Condominium by the Association; Powers and Duties.

A. Powers and Duties. The Association shall be the entity responsible for the operation of the Condominium. The powers and duties of the Association shall include those set forth in the Bylaws and Articles of Incorporation, as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation, the following:

(a) The irrevocable right to have access to any portion of each Unit and its Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of such portions thereof as required by this Declaration or the Act, or at any time and by force, if necessary, for making emergency repairs therein necessary to prevent damage to the Common Elements or to any other Unit or Units.

(b) The power to make and collect Assessments and other related expenses authorized under the Act and this Declaration against Unit Owners, to lease, maintain, repair and replace the Common Elements, and to grant, modify or cancel easements pertaining to the Common Elements.

(c) The duty to maintain accounting records, according to good accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times upon prior request.

(d) The power to contract for the management and maintenance of the Condominium Property and to authorize a duly licensed management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and regulations, and perform the maintenance, repair and replacement required of the Association with such funds as shall be made available by the Association for such purposes. The Association shall also have the power to join with other condominium associations and entities in contracting for the maintenance and repair of the several condominium properties and other type properties, and may contract for or may join with other condominium or other associations in contracting for the management of the several condominium properties and other type properties.

(e) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, if any, including, without limitation, the right to receive assessments.

(f) The power to adopt and amend rules and regulations concerning the details of the operation and use of the Condominium Property.

(g) The power to acquire, lease, mortgage, and convey real and personal property and to grant, modify and cancel easements regarding such property, provided that such action may be done only (i) upon the approval of a majority of the Board of Directors, and (ii) upon a finding by the Board that such action is for the benefit of the members of the Association. The requirements of Section 9 pertaining to the Unit Owners' approval of costs in excess of the threshold amount stated therein (including the provision as to the debt incurred) shall also apply to this provision dealing with acquisition of property; provided, however, that the acquisition of a Unit as a result of a foreclosure of the lien for Assessments shall be exempt from these requirements.

(h) The power to enter into bulk service contracts on behalf of all Units in the Condominium, and the same shall be a Common Expense.

(i) The power to acquire or enter into agreements acquiring leaseholds, memberships or other possessory or use interests in lands or facilities for recreational purposes.

(j) All of the powers which a corporation not-for-profit in the State of Florida may exercise pursuant to this Declaration, the Articles of Incorporation and Bylaws, Chapter 617, Florida Statutes and the Act, in all cases except as expressly limited or restricted in the Act or the documents of the Condominium.

B. Conflict. In the event of conflict among the powers and duties of the Association or the terms and provisions of this Declaration or the exhibits attached hereto, this Declaration shall take precedence over the Articles of Incorporation, Bylaws and applicable rules and regulations; the Articles of Incorporation shall take precedence over the Bylaws and applicable rules and regulations; and the Bylaws shall take precedence over applicable rules and regulations, all as amended from time to time. Notwithstanding anything in this Declaration or its exhibits to the contrary, the Association shall at all times be the entity having ultimate authority over the Condominium, consistent with the Act.

C. Limitation of Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, and, except as otherwise provided in Section 718.111(3), Florida Statutes, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Condominium Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements done by or on behalf of any Unit Owners, regardless of whether or not the same shall have been approved by the Association pursuant to the provisions hereof.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS") , THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER BE A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE CONDOMINIUM PROPERTY, INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE CONDOMINIUM PROPERTY HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE CONDOMINIUM PROPERTY AND THE VALUE THEREOF;

(b) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, LEE COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTUOUS ACTIVITIES; AND

(c) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO

PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S) , EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE CONDOMINIUM PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION.

AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES) , SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF THE DEVELOPER AND ITS AFFILIATES, WHICH SHALL BE FULLY PROTECTED HEREBY.

D. Restraint Against Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

E. Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of all record Owners of the Unit is specifically required by this Declaration or by law.

F. Acts of the Association. Unless the approval or action of Unit Owners, and/or a certain specific percentage of the Board of Directors, is specifically required in this Declaration, the Articles of Incorporation or Bylaws of the Association, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of Unit Owners. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate, and the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

G. Binding Effect of Condominium Documents. Every Unit Owner, whether having acquired such ownership by gift, conveyance or transfer by operation of law, or otherwise, shall be bound by the Articles of Incorporation, Bylaws and this Declaration. Membership in the Association shall automatically terminate upon the termination of ownership of a Condominium Parcel in this Condominium, and the subsequent owner(s) taking title shall automatically become entitled to membership, subject to the written approval of the Association.

13. Determination of Assessments.

A. General Assessment. The Board of Directors shall from time to time, and at least annually, prepare and adopt a budget for the Condominium, determine the amount payable by the Unit Owners to meet the Common Expenses of the Condominium, and allocate and assess such expenses among the Unit Owners in accordance with the provisions of this Declaration

and the Bylaws ("General Assessment") . The Board of Directors shall advise all Unit Owners promptly in writing of the amount of the General Assessment payable by each of them as determined by the Board of Directors. The Budget for Common Expenses shall include the reserves required by law or determined appropriate by the Board, the costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or Bylaws of the Association, applicable rules and regulations or by the Association. Any adopted Budget of Common Expenses shall be subject to change by the Board of Directors, and the amount of the General Assessment shall be changed in accordance with such revised Budget for Common Expenses to cover actual expenses at any time.

B. Special and Capital Improvement Assessments. In addition to General Assessments, the Board of Directors may levy Special Assessments and Capital Improvement Assessments upon the following terms and conditions:

(a) Special Assessments shall mean or refer to amounts levied against each Owner and his Unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements; or for unforeseen budget shortages.

(b) Capital Improvement Assessments shall mean and refer to amounts levied against each Owner and his Unit, representing a portion of the costs incurred by the Association for the acquisition, installation or construction (as distinguished from maintenance, repairs and replacement) of any capital improvements located or to be located within the Common Elements.

(c) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board; provided that if such Capital Improvement Assessments, in the aggregate in any year, exceed \$100,000.00, the Board must obtain approval of a majority of the voting interests represented at a meeting at which a quorum is attained.

14. Collection of Assessments.

The General Assessments, Special Assessments and Capital Improvement Assessments (collectively, the "Assessments") shall be collected as follows:

A. Liability for Assessments. A Unit Owner, regardless of how title is acquired, including by purchase at a judicial sale or by deed in lieu of foreclosure, shall be liable for all Assessments coming due while he is the Unit Owner. Additionally, a Unit Owner shall be jointly and severally liable with the previous owner for all unpaid Assessments that came due up to the time of the conveyance, without prejudice to any right such Unit Owner may have to recover from the previous owner the amounts paid by such Unit Owner. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

B. Default in Payment of Assessments. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the rate established from time to time by the Board of Directors from due date until paid (provided, however, that no such rate shall exceed the maximum allowed by law) . In the event the Board has not established such rate, the interest rate shall be eighteen percent (18%) per annum or the maximum amount allowed by law, whichever is less. Each delinquent payment shall be

subject to an administrative late fee in an amount not to exceed the amount allowed by the Act. The Association has a lien on each Condominium Parcel for any unpaid Assessments on such Parcel, with interest thereon and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien shall be effective on the earliest date allowed by law, which shall be no later than as of the recording of the claim of lien in the public records of the County. Such lien shall be evidenced by the recording of a claim of lien in the public records of the County, stating the description of the Condominium Parcel, the name of the record Owner, the name and address of the Association, the amount(s) due and the due dates. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid or until it is barred by law. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, interest thereon, the administrative late fee, and costs and attorneys' fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a final judgment of foreclosure thereof. A claim of lien shall be signed and acknowledged by an officer or authorized agent of the Association. Upon payment, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association or its assignee may bring an action to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed in Florida, and may also bring an action at law to recover a money judgment for the unpaid Assessments and other amounts due without waiving any claim of lien. The Association is entitled to recover its costs and reasonable attorneys' fees incurred in a lien foreclosure action and an action to recover a money judgment for unpaid Assessments.

As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after fourteen (14) days prior written notice to the applicable Unit Owner, the Association may declare the balance of General Assessment installments due for the remainder of the fiscal year and payments of other known Assessments to be accelerated and the same shall there upon be due and payable upon filing a Claim of Lien in the public records. In the event that the amount of such accelerated installments or payments changes, the Unit Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within ten (10) days of same taking effect.

Any payments received by the Association from a delinquent Unit Owner shall be applied first to any interest accrued as provided above, then to any administrative late fee, then to any costs and reasonable attorneys' fees incurred in collection as aforesaid and then to the delinquent and any accelerated Assessment. The foregoing application of funds received shall be applicable despite any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

C. Notice of Intention to Foreclose Lien. Unless otherwise required by the Act or other applicable law, no foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorneys' fees or costs. The notice must be given by hand delivery or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law. The notice

requirements of this subsection are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act.

D. Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit after a foreclosure judgment has been entered, the court in its discretion may require the Unit Owner to pay a reasonable rental for the Unit. If the Unit is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent, the expenses of such receiver to be paid by the party which does not prevail in the foreclosure action.

E. First Mortgagee. In the event a First Mortgagee shall obtain title to a Unit by foreclosure, or by deed in lieu of foreclosure, such First Mortgagee, its successors and assigns, shall be liable for prior Assessments or other related expenses authorized under the Act to the maximum extent provided by the Act. If, due to the applicable provisions of the Act, any unpaid share of the Assessments or other related expenses authorized under the Act are not required to be paid, then such unpaid share or other related expenses authorized under the Act shall be deemed to be a Common Expense collectible from all of the Unit Owners, including such acquirer, and such acquirer's successors and assigns.

F. Certificate of Unpaid Assessments. Within fifteen (15) days after request by a Unit Owner or mortgagee of a Unit, the Association shall provide a certificate stating all Assessments and other moneys owed to the Association by the Unit Owner with respect to his Unit. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby. Notwithstanding any limitation on transfer fees contained in Section 718.112(2)(i), the Association or its authorized agent may charge a reasonable fee for the preparation of said certificate.

G. Installments. General Assessments shall be collected monthly or quarterly, in advance, as determined from time to time by the Board of Directors. Initially, General Assessments will be collected monthly.

H. Developer's Guarantee. The Developer guarantees that from the recording of the Declaration of Condominium until December 31, 2006, or the date of the control of the Condominium Association is turned over to the unit owners other than the Developer ("the turnover date"), whichever occurs first, quarterly assessments against each unit for the common expense for the condominium association will not exceed \$1,251.00 per quarter. If the turnover date has not occurred by December 31, 2006, the Developer further guarantees that from January 1, 2007 until the first to occur of December 31, 2007 or the turnover date, quarterly assessments against each unit for common expenses for the Condominium Association will not exceed \$1,438.65 per quarter. If the turnover date has not occurred by December 31, 2007, the Developer further guarantees that from January 1, 2008 until the Turnover Date, quarterly assessments against each unit for common expenses for the Condominium Association will not exceed \$1,654.45 per quarter. Thereafter, the Developer has the option to extend the above guaranty for one (1) or more additional years. So long as the Developer owns any Units in the Condominium, and subject to the limitations set forth in the Act, Developer shall not be required to pay any Assessments of any nature for the Units owned by Developer; provided, however, that the Developer shall be obligated to pay any amount of Common Expenses incurred during the above guaranteed periods not produced by the Assessments at the guaranteed levels set forth above, including any extensions thereof. Pursuant to Section 718.112(2)(e), Florida Statutes, Assessments shall not exceed one hundred fifteen (115%) percent of assessments for the prior fiscal year unless approved by a majority of all voting interests.

15. Insurance.

Insurance covering the Condominium Property and the Association Property shall be governed by the following provisions:

A. Insurance Trustee. The Board of Directors shall have the option, in its sole discretion, of appointing an Insurance Trustee hereunder. If the Board of Directors fails or elects not to appoint such Trustee, the Board of Directors will perform directly all obligations imposed upon such Trustee by this Declaration. Fees and expenses of any Insurance Trustee are Common Expenses.

B. Purchase, Custody and Payment.

(a) Purchase. All insurance policies purchased by the Association shall be issued by an insurance company authorized to do business in Florida meeting all criteria established by the Board or the Act and any rules promulgated thereunder.

(b) Named Insured. Under all insurance policies purchased by the Association, the named insured shall be the Association, individually, and as agent for Owners of Units covered by the policy, without naming them, and as agent for their mortgagees, without naming them. The Unit Owners and their mortgagees shall be deemed additional insureds.

(c) Custody of Policies and Payment of Proceeds. All insurance policies purchased by the Association shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (if appointed) or Association, and such policies and endorsements thereto shall be deposited with the Insurance Trustee (if appointed) or Association.

(d) Copies to Mortgagees. One (1) copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Unit covered by the policy.

(e) Exceptions from Association Responsibility; Unit Owner's Personal Coverage. Except as specifically provided herein or by the Act, the Association shall not be responsible to Unit Owners to obtain insurance coverage upon any property lying within the boundaries of their Unit (i.e. personal property and permitted fixtures contained therein) , or for their personal liability and living expense or for any other risks not otherwise insured in accordance herewith.

The Unit Owner shall be responsible for insuring any and all air-conditioning equipment and wiring and piping related thereto which is located on the Common Elements appurtenant to the Unit and all Unit floor, wall and ceiling coverings, including, but not limited to, electrical fixtures, appliances, air conditioning and heating equipment, water heaters and cabinets.

It shall be the obligation of the individual Unit Owner, if such Unit Owner so desires, to purchase and pay for insurance as to all such and other risks not covered by insurance carried by the Association.

C. Coverage Responsibilities of Association. The Association shall use its best efforts to obtain and maintain adequate insurance covering the following:

(a) Casualty. Insurance covering loss or damage to the Common Elements and all other portions of the Condominium Property which the Association is responsible to maintain under the terms of this Declaration, and all items for which the Association is required under applicable provisions of the Act to insure against loss or damage by fire and against loss or damage by risks now or hereafter embraced by standard extended coverage, and vandalism and malicious mischief endorsements (collectively, the "Insured Property") . Such policies may contain reasonable deductible provisions as determined by the Board of Directors. Such coverage shall afford protection against such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

(b) Liability. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Directors of the Association, and with a cross liability endorsement to cover liabilities of the Unit Owners as a group to any Unit Owner, and vice versa, if such endorsement is obtainable.

(c) Worker's Compensation. Worker's Compensation Insurance and other mandatory insurance, when applicable.

(d) Fidelity Insurance. Fidelity Insurance as required by the Act, covering all persons who control or disburse Association funds, such insurance to be in the amount required by Law and determined by the Board.

(e) Association Property. Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available.

(f) Other Insurance. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association, its officers, members of the Board, the Developer, any management firm and its respective employees and agents, and against the Unit Owners individually and as a group; (ii) to pay only a fraction of any loss in the event of coinsurance or if other insurance carriers have issued coverage upon the same risk; and (iii) avoid liability for a loss that is caused by an act of the Board of Directors, a member of the Board of Directors, any management firm or its respective employees and agents, one (1) or more Unit Owners or as a result of contractual undertakings. Additionally, each policy shall provide that any insurance trust agreement will be recognized, that the insurance provided shall not be prejudiced by any act or omissions of the management firm or the individual Unit Owners that are not under the control of the Association, and that the policy shall be primary, even if a Unit Owner has other insurance that covers the same loss.

Every casualty insurance policy obtained by the Association shall have the agreed amount and inflation guard endorsement unless the Board finds such endorsement is unobtainable or economically infeasible.

D. Additional Provisions. All policies of insurance shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the named insureds. Prior to obtaining any policy of casualty insurance or any

renewal thereof, the Board of Directors may wish to obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.

E. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the costs of fidelity bonding for a management firm employee may be paid by the management firm pursuant to a Management Agreement. Premiums may be financed in such manner as the Board of Directors deems appropriate.

F. Insurance Trustee; Share of Proceeds. All insurance policies obtained by or on behalf of the Association shall be for the benefit of the Association, the management firm, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering losses to the Insured Property shall be paid to the Association or Insurance Trustee, which Insurance Trustee may be designated by the Board of Directors. The Insurance Trustee shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees in the following shares, but shares need not be set forth on the records of the Insurance Trustee:

(a) Insured Property. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Unit Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Unit; provided, however, that prior to any distributions to the Unit Owners, such proceeds shall first be distributed in accordance with the provisions of this Section.

(b) Mortgagees. No mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

G. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners thereof in the following manner:

(a) Expenses of the Trustee. All expenses of the Insurance Trustee shall be paid first or provision shall be made therefor.

(b) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to each Unit Owner, by check made payable jointly to such Unit Owner and its respective mortgagee(s).

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided herein, and distributed to each Unit Owner by check made payable jointly to

such Unit Owner and its respective mortgagee(s) . If there is no mortgage on the Unit, all distributions shall be made directly to the Unit Owner.

(d) Certificate. In making distributions to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their mortgagees and their respective shares of the distribution.

H. Association as Agent. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

16. Reconstruction or Repair After Fire or Other Casualty.

A. Determination to Reconstruct or Repair. Subject to the immediately following subsection, in the event of damage to or destruction of the Insured Property as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the Insured Property, and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If the Insurance Trustee has not been appointed, then the Board of Directors shall act as if it were the Insurance Trustee hereunder.

If seventy-five percent (75%) or more of the Insured Property is substantially damaged or destroyed and if eighty percent (80%) of the total voting interests duly and promptly resolve not to proceed with the repair or restoration thereof, the Condominium Property shall not be repaired and the net proceeds of insurance resulting from such damage or destruction shall be distributed to each Unit Owner, by check made payable to such Unit Owner and its respective mortgagee(s).

Whenever in this Section the words "promptly repair" are used, it shall (except in the case of a disaster of regional impact) mean that repairs are to begin not more than sixty (60) days from the date the Insurance Trustee (if appointed) notifies the Board of Directors that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the Insurance Trustee (if appointed) notifies the Board of Directors that such proceeds of insurance are insufficient to pay the estimated costs of such work. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired. In the case of a disaster of regional impact, "promptly repair" shall mean in a reasonable amount of time based on the circumstances as determined by the Board of Directors.

B. Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original improvements and the then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the Board of Directors and the then applicable building and other codes.

C. Disbursement. The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a

construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(a) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than or equal to \$1,000,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors.

(b) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is more than \$1,000,000.00, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by subparagraph (i) above, but then only upon the further approval of an architect or engineer qualified to practice in Florida and employed by the Association to supervise the work.

(c) Unit Owners. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association, this balance shall be distributed to each Unit Owner, by check made payable jointly to such Unit Owner and its respective mortgagee(s) or, at the direction of the Board, such balance may be considered Common Surplus.

(d) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect, engineer or otherwise, nor to determine whether a disbursement is to be made from the construction fund, nor to determine the payees nor the amounts to be paid. The Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.

D. Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the Insured Property shall be in proportion to all of the Owners' respective shares in the Common Elements.

E. Responsibility of Unit Owners. If damage occurs to the Units, the maintenance and responsibility of which lies solely upon the respective Unit Owners, then each Unit Owner shall be solely responsible for all necessary reconstruction and repair to its respective Unit, which reconstruction and repair shall be effected promptly and in accordance with guidelines established by the Board of Directors. Each Unit Owner shall have the absolute responsibility of applying insurance proceeds, arising as a result of flood, fire or other casualty damage to the Unit, to the repair and/or reconstruction of such Unit; provided, however, that no Unit Owner shall have the responsibility of applying insurance proceeds to the repair and/or reconstruction of the respective Units if the Condominium is terminated in accordance with the provisions of Section 21 herein.

F. Benefit of Mortgagees. Certain provisions in this Section are for the benefit of mortgagees of Units and may be enforced by any of them.

17. Condemnation.

Any condemnation of any portion(s) of the Condominium Property shall be governed by the following provisions:

A. Deposit of Certain Condemnation Awards with Insurance Trustee. Condemnation awards pertaining to the taking of Common Elements shall be paid over by each Unit Owner to the Insurance Trustee, if appointed, or to the Board of Directors, for use as noted hereinafter in this Section. In the event the Unit Owner fails to turn over such award as required, the defaulting Unit Owner shall be charged the maximum interest which does not constitute usury under Florida law until such amount is fully paid.

Condemnation awards pertaining to the condemnation of Units shall not be the property of the Association.

B. Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for in Section 16 herein for determining whether damaged property will be reconstructed and-repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.

C. Disbursement of Fund. If the Condominium is terminated following a condemnation, the proceeds of the awards pertaining to the condemnation of Common Elements will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of any such awards shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee (if appointed) after a casualty, or as elsewhere in this Section 17 specifically provided.

D. Condemnation of Common Elements. Awards for the taking of portions of the Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, however, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed, after adjustments to these shares effected pursuant hereto by reason of the taking, to each Unit Owner by check made payable jointly to such Unit Owner and its respective mortgagee(s).

E. Condemnation of a Unit. If there is a taking of a Unit, the respective Unit Owner shall not be required to utilize any portion of the condemnation award with regard to reconstruction of the Unit. Following such taking of a Unit and the recording of a deed to the condemning authority, (1) the affected Unit Owner shall no longer have an ownership interest in the Unit or an undivided ownership interest in the Common Elements, and (2) such Unit Owner shall no longer be responsible for the payment of Common Expenses.

The following changes shall be made in the Condominium following a taking as described in this Section 17:

(a) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, use by all of the Unit Owners in the manner approved by the Board of Directors.

(b) Adjustment of Shares. The shares in the Common Elements, Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Unit Owners. This distribution shall be determined in accordance with the formula contained in Section 6 herein.

(c) Assessments. In the event the Association does not have the funds necessary to alter the remaining portion of the condemned Unit for use as a part of the Common Elements, the additional funds for such purposes shall be raised by Assessments against all of the remaining Unit Owners after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the applicable percentage shares of those Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

F. Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are effected by the taking shall be evidenced by an amendment to this Declaration of Condominium that is only required to be approved by, and executed upon the direction of, a majority of all members of the Board of Directors.

18. Occupancy and Use Restrictions

In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

A. Occupancy. Each Unit shall be used as a single family residence only, except as may be otherwise herein expressly provided. The provisions of this subsection shall not be applicable to Units used by the Developer for model Units, guest accommodations, sales or other offices or management services.

B. Nuisances. No nuisances (as reasonably determined by the Association) shall be allowed on the Condominium Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Units or which interferes with the peaceful possession or proper use of the Condominium Property by its residents or occupants. No activity specifically permitted by this Declaration shall be deemed a nuisance.

C. No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Condominium Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles of Incorporation or Bylaws, the Association shall

not be liable to any person(s) for its failure to enforce the provisions of this Section. No activity specifically permitted by this Declaration shall be deemed a violation of this Section.

D. Hurricane Shutters. The Board of Directors shall have the right to impose, amend and rescind restrictions from time to time regarding the installation and use of hurricane shutters.

E. Rules and Regulations. All Unit Owners, their guests, tenants and invitees, shall abide by the Rules and Regulations of the Condominium, as amended by the Board from time to time.

19. Selling, Leasing and Mortgaging of Units.

Units may be made subject to mortgages without restrictions, but leases thereof shall be subject to the provisions of this Section.

A. Leases. No lease or rental of a Unit may be for a period of less than thirty (30) days. The Unit Owner desiring to so lease the Unit shall, on request, provide the Association with the name, address and telephone number of each current or proposed tenant, and shall provide the Association with any other information it may request. No Unit Owner may lease or rent his Unit if he is delinquent in the payment of any Assessments. The sub-leasing or sub-renting of a Unit Owner's interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The Association shall have the right to require that a substantially uniform form of lease or sub-lease be used by all Unit Owners intending to rent or lease and to provide such form as a Common Expense of the Condominium. Entire Units only may be rented, and no individual rooms may be rented and no transient tenants may be accommodated.

A tenant of a Unit shall have all of the use rights in the Association Property and Common Elements otherwise readily available for use generally by Unit Owners, and the Owner of the leased Unit shall not have such rights, except as a guest. This shall not, however, interfere with access rights of an Owner as landlord pursuant to applicable law. Each Unit Owner shall be responsible to ensure that all tenants and occupants of the Unit comply with all of the terms and conditions of this Declaration.

B. Continuing Liability. The liability of the Unit Owner under these covenants shall continue, notwithstanding the fact that he may have sold, transferred, leased, rented or sub-let said interest as provided herein. Every purchaser, tenant or lessee shall take title to his Unit subject to this Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association, as well as the provisions of the Act.

C. No Severance of Ownership. No part of the Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Unit in connection with a sale, conveyance or other disposition of the Unit to which such interest is appurtenant, and any sale, conveyance or other disposition of a Unit shall be deemed to include that Unit's appurtenant interest in the Common Elements.

D. Committee or Outside Contractor. The Board may designate a committee or may engage the services of an outside consulting firm to carry out the approval and disapproval obligations of the Association hereunder. In the event the Board engages the services of an outside firm, the cost of such firm shall be a Common Expense.

E. Lease Approval Fees. The Association may charge a fee to any Unit Owner requesting approval of a proposed lease of a Unit, said fee to be in an amount determined by the Board from time to time and not to exceed the maximum amount permitted by the Act.

F. Factors Which May Be Considered. The Board or its designee may consider the following factors in making its decision, and any other factors it deems appropriate, any one of which shall be grounds for disapproval:

(a) The proposed Tenant has been convicted of a felony involving violence to persons or property, or demonstrating dishonesty or moral turpitude.

(b) The proposed tenant has a record of financial irresponsibility.

(c) The application for approval indicates on its face that the proposed tenant or any proposed occupant intends to act in a manner inconsistent with the covenants and restrictions applicable to the Condominium.

(d) The proposed tenant has a history of disruptive behavior or disregard for the rights and property of others.

(e) The Association has not received all information to which it is entitled.

(f) Any untrue statements made by the applicant on any documents required by the Association.

20. Compliance and Default.

Each Unit Owner and every occupant of a Unit and the Association shall be governed by and shall comply with the terms of this Declaration of Condominium and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time. The Association (and Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act:

A. Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.

B. Compliance. In the event a Unit Owner or occupant fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of the Declaration, the Bylaws, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines and to sue in a court of law for damages.

C. Fines. The Association, upon approval of seventy five percent (75%) of the total voting interests in the Condominium, may levy reasonable fines against a Unit Owner for the failure of the Unit Owner or his occupant, licensee or invitee to comply with any provision of this Declaration, the Bylaws of the Association, or reasonable rules and regulations imposed by the Board of Directors from time to time. No fine will become a lien against a Unit. No fine shall

exceed one hundred dollars (\$100.00) per violation, or the maximum amount allowed by Section 718.303(3), Florida Statutes whichever is greater. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for a hearing, provided that no such fine shall in the aggregate exceed one thousand dollars (\$1,000.00), or the maximum amount allowed by Section 718.303(3), Florida Statutes, whichever is greater. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, his licensee or invitee. The hearing shall be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine shall not be levied. The above procedural requirements for fines do not apply to unoccupied Units.

D. Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the requirements of the Act, this Declaration, the Articles or Bylaws of the Association, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees and costs).

E. No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the Articles or Bylaws of the Association, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.

F. Association's Rights Cumulative. All rights, remedies, and privileges granted to the Association or Unit Owners pursuant to this Declaration or any of the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more of such rights, remedies, or privileges shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising any other or additional rights, remedies, or privileges.

21. Termination of Condominium.

The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided elsewhere in this Declaration, or (ii) such time as termination of the condominium form of ownership is authorized by a vote of Owners owning one hundred percent (100%) of the Units. Upon such termination, the former Condominium Property shall be subject to an action for partition by any Owner, and the net proceeds of sale shall be divided among all Owners in proportion to their respective interests in the Common Elements; provided, however, that no payment shall be made to an Owner until all mortgages and liens on his Unit, in the order of their priority, have been satisfied out of his share of such net proceeds. Upon such termination, all funds of the Association, including, but not limited to, reserves, insurance proceeds, and condemnation awards, shall be divided among all Owners in proportion to their respective interests in the Common Elements; provided, however, that no payment shall be made to an Owner until all mortgages and liens on his Unit, in the order of their priority, have been satisfied out of his share of such net proceeds. The termination of the Condominium shall be effective upon a certificate of the Association, executed by its President and Secretary, certifying the basis of the termination, being recorded among the public records of the County. The Association shall notify the Division of Florida Land Sales, Condominiums and Mobile Homes, within thirty (30) days of such recordation, of the termination and the date of the recordation of the termination, and in accordance with Section 718.117(1), Florida Statutes.

22. Additional Rights of Mortgagees and Others.

The following provisions are intended for the benefit of each holder of a first mortgage upon a Unit, and, to the extent that any other provisions of this Declaration conflict with the following provisions, if at all, the following provisions shall control:

A. Upon request in writing, the Association shall furnish, within thirty (30) days of such request, to each Institutional First Mortgagee of a Unit and any holder, insurer or guarantor of a first mortgage a written notice of any default by the Unit Owner of such Unit in the performance of such Unit Owner's obligations under this Declaration that has not been cured.

B. Upon request in writing, each Institutional First Mortgagee of a Unit and any holder, insurer or guarantor of a first mortgage on a Unit shall have the following rights:

(a) to examine current copies of this Declaration, the Bylaws, rules and regulations and the books, records and financial statements of the Association during normal business hours;

(b) to receive, without any charge and within a reasonable time after such request, the annual financial report which is prepared and distributed by the Association to the Unit Owners at the end of its fiscal year;

(c) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(d) to receive written notice of any decision by the Unit Owners to make a material amendment to the Declaration, Bylaws or Articles of Incorporation of the Association;

(e) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(f) to receive written notice of any action which would require the consent of a specified number of Institutional First Mortgagees.

C. No provision of this Declaration or the Articles of Incorporation or any similar instrument pertaining to the Condominium Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over any rights of the Institutional First Mortgagees of Units pursuant to their mortgages in the case of distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, or any portion thereof or interest therein. In such event, the holder of any first mortgage on a Unit shall be entitled, upon specific written request, to timely written notice of any such loss.

D. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder, insurer or guarantor of any first mortgage on a Unit will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of any document will entitle a Unit Owner or other party to priority over such holder with respect to the distribution to such Unit Owner of the proceeds of any award or settlement.

E. Any holder of a first mortgage on a Unit who receives a written request to approve additions or amendments and fails to deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

F. As required by Section 718.110, Florida Statutes, any mortgagee consent required under this Section shall not be unreasonably withheld.

23. Disclaimer of Warranties.

DEVELOPER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES AS TO DESIGN, CONSTRUCTION, FURNISHING AND EQUIPPING OF THE CONDOMINIUM PROPERTY, EXCEPT ONLY THOSE SPECIFICALLY REQUIRED IN SECTION 718.203 OF THE ACT. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

ALL UNIT OWNERS, BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE UNITS (WHETHER FROM THE DEVELOPER OR ANOTHER PARTY), SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

24. Mediation and Arbitration.

All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for mediation or arbitration shall be resolved through such alternative resolution procedures instead of civil litigation.

25. Water's Edge Association. All Unit Owners in the Condominium, by virtue of ownership of their Units, shall automatically become members of the Water's Edge Association, shall have all the rights and obligations of membership in the Water's Edge Association, and shall be obligated to pay assessments to the Water's Edge Association. All Unit Owners shall

be subject to all of the terms, conditions, restrictions, limitations and other matters set forth in the Articles of Incorporation and any Bylaws of the Water's Edge Association (the "Water's Edge Governing Documents"), as heretofore or hereafter amended.

26. Peppertree Pointe Association.

All Unit Owners in the Condominium, by virtue of ownership in their Units, shall automatically become members of the Peppertree Pointe Environmental Quality and Roadway Maintenance Association, Inc., a Florida nonprofit corporation (the "Peppertree Pointe Association"), shall have all the rights and obligations of membership in the Peppertree Pointe Association, and shall be obligated to pay assessments to the Peppertree Pointe Association. The Association may elect to collect such assessments as a Common Expense, or Unit Owners may be required to pay such assessments directly to the Peppertree Pointe Association. All Unit Owners shall be subject to all of the terms, conditions, restrictions, limitations and other matters set forth in the governing documents of the Peppertree Pointe Association, as heretofore or hereafter amended.

27. Additional Provisions.

A. Notices. All notices to the Association required or desired hereunder or under the Bylaws of the Association shall be sent by first class mail to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Unit Owners. Except as provided specifically in the Act, all notices to any Unit Owner shall be sent by first class mail to the address of such Unit Owner appearing in the Association's records at the time the notice is transmitted. Where a Unit is owned by more than one (1) person, the Association shall provide notice, for meetings and all other purposes, to that one (1) address which the Developer initially identifies for that purpose and thereafter as one (1) or more of the Owners of the Unit shall so advise the Association in writing, or if no address is given or the Owners of the Unit do not agree, to the address provided in the deed of record.

All notices to mortgagees of Units shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time in writing to the Association.

All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of a change of address, which shall be deemed to have been given when received or five (5) business days after proper mailing, whichever shall first occur.

B. Interpretation. The Board of Directors shall be responsible for interpreting the provisions hereof and of any of the exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel to the Association, or the legal counsel having drafted this Declaration, that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

C. Binding Effect of Section 718.303, Florida Statutes. The provisions of Section 718.303, Florida Statutes, shall be in full force and effect and are incorporated herein.

D. Right of Developer to Add Recreational Facilities. If the Developer elects to construct, add to or expand recreational facilities, Developer shall pay all the expenses relating to the construction or the providing of such addition or expansion. No approval or action of the Association, Unit Owners or mortgagees shall be necessary for adding such additional

recreational facilities . All costs of maintenance, repair and replacement relating to the addition or expansion of the recreational facilities shall be a Common Expense. No recreational facilities shall be added to this Condominium by the Developer.

E. Right of Developer to Convey Property to the Association. The Developer hereby reserves the right to convey to the Association any portion(s) of the real property constituting all or a part of any proposed phase(s) of the Condominium or other areas contiguous to the Condominium Property free and clear of liens and encumbrances, including, but not limited to, wetlands or other parcels more suitable to become Association Property rather than Common Elements of the Condominium. All costs and expenses associated with such Association Property shall be Common Expenses. The Association shall be required to accept any such conveyance from Developer.

F. Exhibits. There are hereby incorporated in this Declaration all materials contained in the exhibits annexed hereto. In the event of any conflicting provisions between the exhibits and this Declaration, the provisions of this Declaration shall control.

G. Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a Vice President may be substituted therefor, and, wherever the signature of the Secretary of the Association is required hereunder, the signature of an Assistant Secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in two (2) separate capacities.

H. Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

I. Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.

J. Ratification. Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise) , and each occupant of a Unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and the Articles and Bylaws of the Association, and applicable rules and regulations, are fair and reasonable in all material respects.

K. Gender: Plurality. For convenience and ease of reference, the third person singular impersonal form of pronoun "it" or "his" has been used herein without regard to the proper grammatical person or gender of the party being referred to. All such references shall be deemed to include the singular or plural person and the masculine, feminine or neuter gender, as required by the context.

L. Captions. The captions herein and in the exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.

IN WITNESS WHEREOF, the Declarant has executed this Declaration the day and year first above written.

WITNESSES:

Sean M. Ellis
(Witness Sign Name)

SEAN M. ELLIS
(Witness Sign Name)

Robin O'Brien
(Witness Sign Name)

ROBIN O'BRIEN
(Witness Print Name)

Sea Breeze Development, LLC,
a Florida limited liability company

By: *Dawn M. Crane*
Print Name: Dawn Crane
Its: Manager

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 20 day of OCTOBER, 2006 by DAWN M. CRANE, as MANAGER of Sea Breeze Development, LLC, a Florida limited liability company, who is personally known to me or who has produced _____ as identification.

Notary Public *Robin O'Brien*

NOTARY RUBBER STAMP SEAL
OR EMBOSSED SEAL

Printed Name ROBIN O'BRIEN
MY COMMISSION # DD 536475
EXPIRES: April 4, 2010
Bonds This Notary Public Underwrites
Commission No. _____ Expiration Date _____

MORTGAGEE CONSENT

Bank of America, N.A., a national banking association (the "Mortgagee"), is the owner and holder of that certain Real Estate Mortgage, Assignment and Security Agreement (the "Mortgage") dated May 31, 2005 and recorded June 10, 2005, at O.R. Book 4750, Page 25, and modified by that certain Mortgage Modification and Notice of Receipt of Future Advance dated August 16, 2005 and recorded August 24, 2005 at O.R. Book 4864, Page 2246, each of the Public Records of Lee County, Florida. The undersigned Mortgagee hereby consents to the above Declaration of Condominium for Sea Breeze Lofts, a Condominium, and subordinates the Mortgage to the provisions of the Declaration.

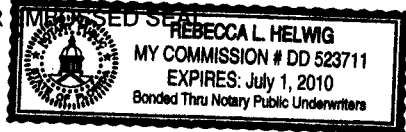
Bank of America, N.A., a national banking association

By: *Michael D. Babair*
Print Name: Michael D. Babair
Print Title: VICE PRESIDENT

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 5th day of September, 2006, by Michael Babair, as Vice President of Bank of America, N.A., a national banking association, who is personally known to me or who has produced _____ as identification.

NOTARY RUBBER STAMP SEAL
OR IMPROVED SEAL



Rebecca L Helwig
Notary Public
Rebecca L Helwig
Printed Name
DD 523711 7/1/10
Commission No. Expiration Date

EXHIBIT A

LEGAL DESCRIPTION

A tract or parcel of land lying in Section 31, Township 45 South, Range 24 East and Section 36, Township 45 South, Range 23 East, Lee County, Florida which tract or parcel is described as follows:

From the southeasterly most corner of Phase 1, Water's Edge One at Peppertree Pointe, a condominium as recorded in Condominium Book 19 at Pages 4 through 14, Public Records of Lee County, Florida, then run S 22° 05' 40" E along the westerly right-of-way line of Laguna Drive as shown on said plat for 87.58 feet; thence run N 67° 54' 20" E departing said right-of-way line for 35.00 feet to an intersection with the easterly right-of-way line of said Laguna Drive and the Point of Beginning.

From said Point of Beginning run the following three courses and distances along the south line of a lake association parcel: N 70° 00' 24" E for 71.07 feet; N 78° 39' 15" E for 97.83 feet; N 79° 01' 33" E for 103.09 feet; thence run S 01° 05' 44" E along the west line of Cardinal Cove, Phase I as shown on Condominium Plat Book 4, Page 54, Lee County Public Records for 329.21 feet; then run the following three courses and distances along the northerly line of Peppertree Drive. S 88° 02' 28" W for 55.23 feet; thence S 80° 11' 24" W for 78.09 feet; N 66° 28' 08" W for 37.68 feet; thence run along the easterly side of Laguna Drive: N 21° 45' 00" W for 40.00 feet; N 21° 06' 36" W for 49.51 feet, thence N 20° 29' 10" W for 58.35 feet; thence N 23° 49' 29" W for 49.26 feet; thence N 22° 13' 35" W for 19.82 feet; thence N 19° 46' 42" W for 71.69 feet to the Point of Beginning.

Bearings hereinabove mentioned are based on Water's Edge One at Peppertree Pointe, a Condominium, as recorded in Condominium Plat Book 19 at Pages 4 through 14, Public Records of Lee County, Florida, wherein the east line of said Plat IV bears S 01° 05' 44" E.



METRON
SURVEYING & MAPPING, LLC
LAND SURVEYORS • PLANNERS

SEA BREEZE LOFTS, A CONDOMINIUM

(EXHIBIT "A" TO THE DECLARATION)

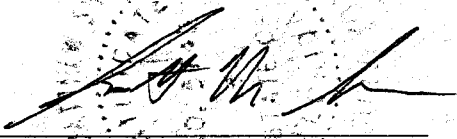
CERTIFICATE OF SURVEYOR

STATE OF FLORIDA
COUNTY OF LEE

Before me, the undersigned authority duly authorized to administer oaths and take acknowledgements, personally appeared Scott M. Shore, who after being first duly cautioned and sworn, deposed and says as follows:

1. I, Scott M. Shore, am a duly Registered Surveyor and Mapper in the State of Florida, Certificate No. 5743
2. This Certificate is made as to Sea Breeze Lofts, A Condominium located in Lee County, Florida.
3. The Affiant hereby certifies that the construction of the above referenced Sea Breeze Lofts, consisting of (units 101, 102, 103, 104, 105, 106, 201, 202, 203, 204, 205, 206, 301, 302, 303, 304, 305, and 306) and all its planned improvements, including but not limited to the landscaping, utility services, access to the units and common element facilities serving the building, have been substantially completed, so that the material attached along with the Declaration of Condominium as exhibits, together with the provisions of the Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each unit can be determined from these materials.
4. I hereby certify that the Survey for Sea Breeze Lofts, A Condominium, is accurate to the best of my knowledge and belief and further that the documents contained herein meets the requirements for Condominiums in Chapter 718, Florida Statutes.
5. Further Affiant Sayeth Naught

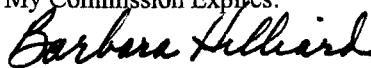
Date: AUG. 25, 2006

By: 
Scott M. Shore., P.S.M. No. 5743

Sworn to and Subscribed before me this 25th day of

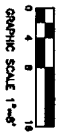
AUG., 2006.

Notary Public, State of Florida
My Commission Expires:





Barbara Hilliard
Commission #DD312375
Expires: Jun 07, 2008
Bonded Thru
Atlantic Bonding Co., Inc.

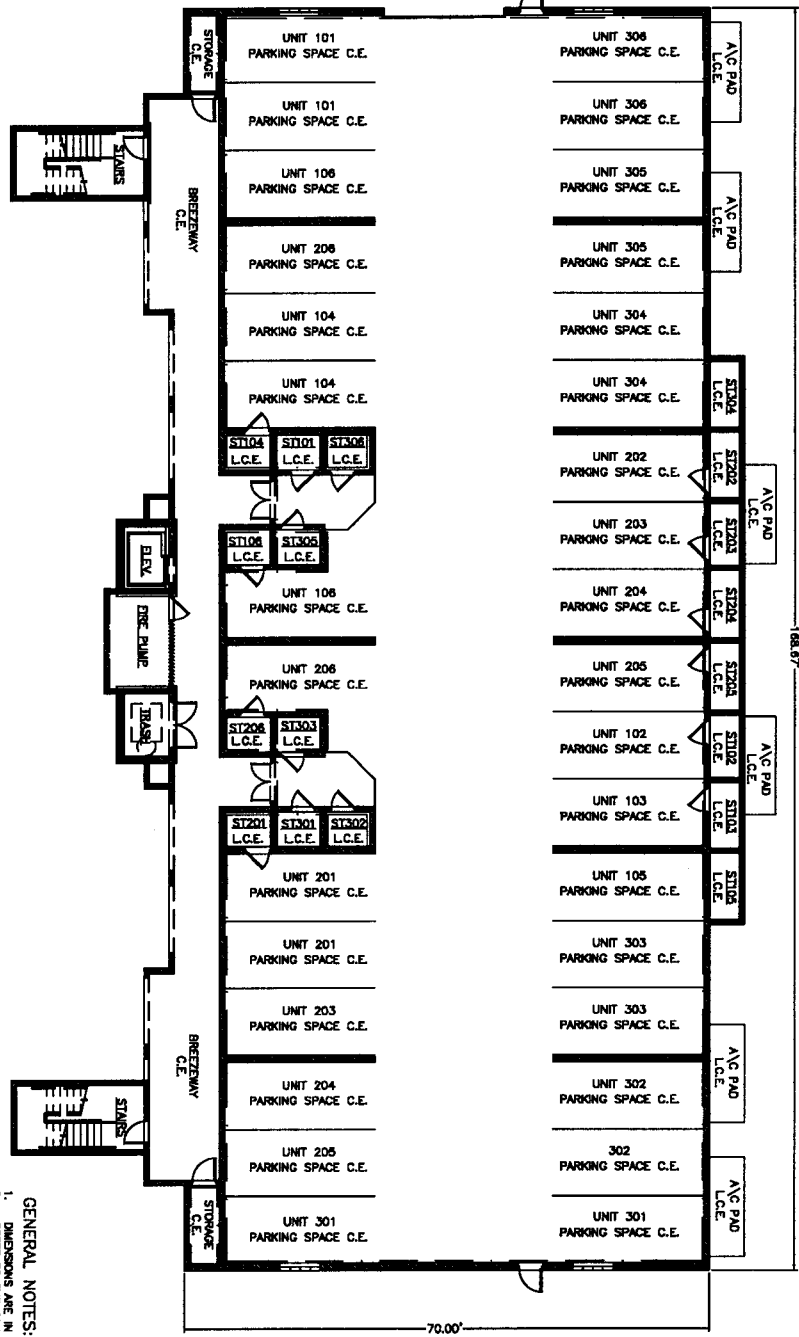


DATE: AUGUST 24, 2006

SEA BREEZE LOFTS, A CONDOMINIUM

SECTION 31, TOWNSHIP 45 SOUTH, RANGE 24 EAST,
LEE COUNTY, FLORIDA

FLOOR PLANS
GARAGE LEVEL

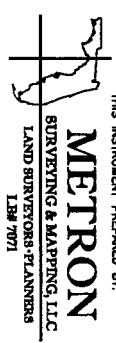


68.57'

70.00'

CONDOMINIUM PLAT BOOK _____ PAGE _____

SHEET 2 OF 4



10970 S. GARDLAND AVENUE,
SUITE 4005
FORT WORTH, FLORIDA 33607
PHONE: (817) 775-8475
FAX: (817) 775-8457

THIS INSTRUMENT PREPARED BY:

GENERAL NOTES:

1. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
2. REFER TO THE DECLARATION OF CONDOMINIUM FOR DEFINITION AND DESCRIPTION OF THE UNIT BOUNDARY, LIMITED ELEMENT (L.E.), AND COMMON ELEMENT (C.E.).
3. ELEMENTS SHOWN TO COMMON UNITS AND LIMITED COMMON ELEMENT'S COMMON ELEMENT.
4. INTERIOR WALL CONFIGURATION MAY VARY FROM GRAPHIC REPRESENTATION.
5. THIS FLOOR PLAN WAS PREPARED FROM PRELIMINARY ARCHITECTURAL PLANS FURNISHED BY TISHA & BEN C. PAUL/SUN WALK OFFSHORE FROM INTERIOR (230) 300-7973 FOR PROJECT # 0600411651.
6. ALL IMPROVEMENTS ARE EXISTING UNLESS NOTED OTHERWISE.
7. C.E. = COMMON ELEMENT
8. BLDG. = BUILDING
9. ELEV. = ELEVATOR
10. KIT. = KITCHEN
11. L.C.E. = LIMITED COMMON ELEMENT
12. STOR. = STORAGE (LIMITED COMMON ELEMENT)

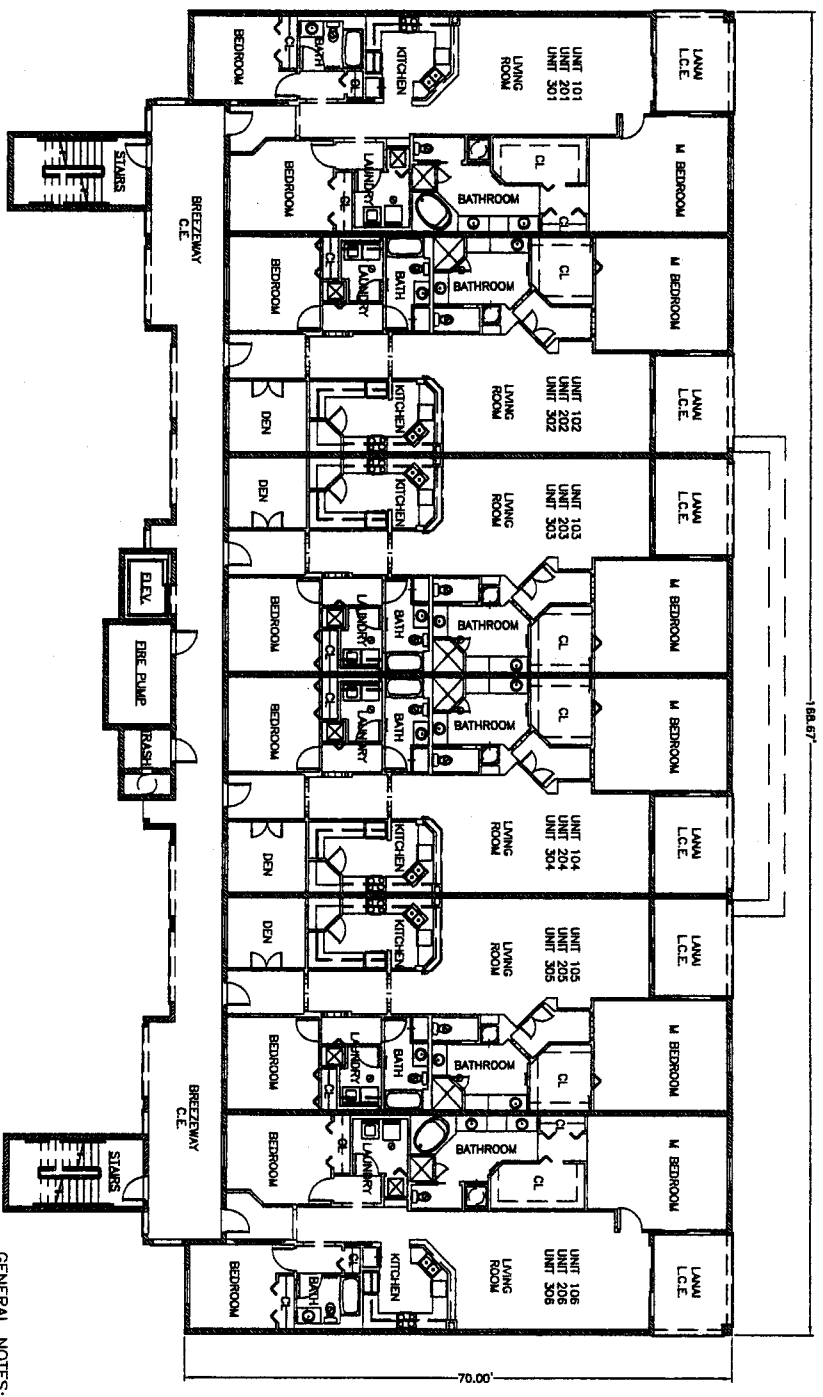
DATE: AUGUST 24, 2006



SEA BREEZE LOFTS, A CONDOMINIUM

A CONDOMINIUM LYING IN
SECTION 31, TOWNSHIP 45 SOUTH, RANGE 24 EAST,
LEE COUNTY, FLORIDA

FLOOR PLANS
2ND, 3RD & 4TH FLOOR



CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 3 OF 4

THIS INSTRUMENT PREPARED BY:
METRON
SURVEYING & MAPPING, LLC
LAND SURVEYORS PLANNERS
IB# 7071

10870 S. CLEVELAND AVENUE,
FORT AMERS, FLORIDA 33807
PHONE: (239) 275-8575
FAX: (239) 275-8457

GENERAL NOTES:

1. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
2. REFER TO THE DECLARATION OF CONDOMINIUM FOR DEFINITION AND DESCRIPTION OF THE UNIT BOUNDARY, LIMITED COMMON ELEMENT(C.E.) AND COMMON ELEMENT(C.E.)
3. EVERYTHING EXTERIOR TO THE UNITS AND LIMITED COMMON ELEMENT IS COMMON ELEMENT.
4. DIMENSIONS AND PARTITIONING MAY VARY FROM GRAPHIC REPRESENTATION.
5. THIS EXHIBIT WAS PREPARED FROM PRELIMINARY ARCHITECTURAL PLANS PREPARED BY: TTSCH & ASSOCIATES ARCHITECTS INC. 13710-2 BEN C. PRATT/SX HALE OFFICES FORT MYERS, FLORIDA 33912
6. ALL IMPROVEMENTS ARE EXISTING UNLESS NOTED OTHERWISE.
7. CL - CLOSET
8. BLDG - BUILDING
9. ELEV - ELEVATOR
10. KIT - KITCHEN
11. L.C.E. - LIMITED COMMON ELEMENT
12. M BEDROOM - MASTER BEDROOM

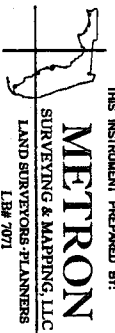
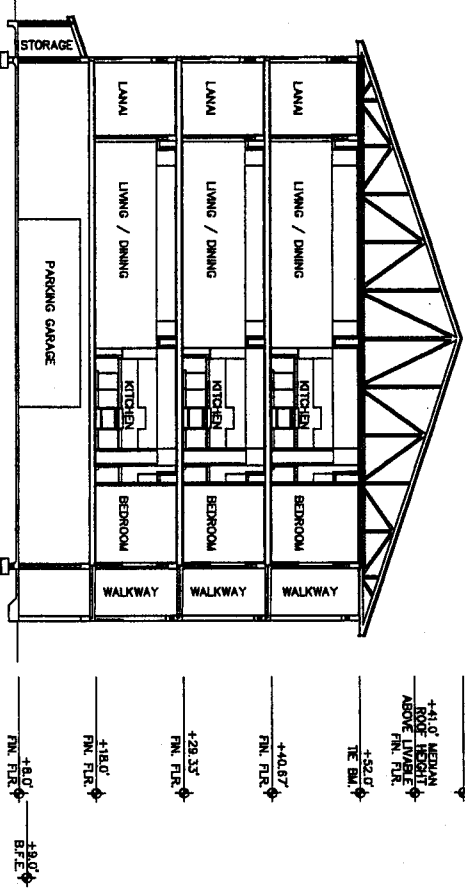
DATE: AUGUST 24, 2006



SEA BREEZE LOFTS, A CONDOMINIUM

A CONDOMINIUM LYING IN SECTION 31, TOWNSHIP 45 SOUTH, RANGE 24 EAST, LEE COUNTY, FLORIDA

BUILDING ELEVATIONS



THIS INSTRUMENT PREPARED BY:
 10870 S. SHERMAN AVENUE
 SUITE 2000
 FORT MYERS, FLORIDA 33907
 PHONE: (239) 275-8575
 FAX: (239) 275-8575

- GENERAL NOTES:**
- DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 - REFER TO THE DECLARATION OF CONDOMINIUM FOR DEFINITION AND DESIGNATION OF THE UNIT BOUNDARY, LIMITED COMMON ELEMENT(S) AND COMMON ELEMENT(S).
 - OVERHANGS EXTERIOR TO THE UNITS AND LIMITED COMMON ELEMENTS ARE SHOWN.
 - INTERIOR WALL CONSTRUCTION MAY VARY FROM GRAPHIC REPRESENTATION SHOWN.
 - THIS EXHIBIT WAS PREPARED FROM PRELIMINARY ARCHITECTURAL PLANS PREPARED BY: TITSH & ASSOCIATES ARCHITECTS INC. 15710-2 BEN C. FAN/15710 LANE CYPRESS FLORIDA 33613 PHONE: (239) 938-4875
 - ALL IMPROVEMENTS ARE EXISTING UNLESS NOTED OTHERWISE.
 - C. = CLOSET
 - BLDG = BUILDING
 - ELEV. = ELEVATOR
 - KIT = KITCHEN
 - L.C.E. = LIMITED COMMON ELEMENT
 - FIN. FLR. = FINISH FLOOR ELEVATION
 - B.F.E. = BASE FLOOD ELEVATION

EXHIBIT "B"

State of Florida



Department of State

I certify from the records of this office that SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on October 5, 2004.

The document number of this corporation is N04000009466.

I further certify that said corporation has paid all fees due this office through December 31, 2004, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 104A00057808-100504-N04000009466-1/1, noted below.

Authentication Code: 104A00057808-100504-N04000009466-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Fifth day of October, 2004



Glenda E. Hood
Glenda E. Hood
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on October 5, 2004, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H04000198409. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below

The document number of this corporation is N04000009466.

Authentication Code: 104A00057808-100504-N04000009466-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Fifth day of October, 2004



Glenda E. Hood
Glenda E. Hood
Secretary of State

850-205-0381

10/5/2004 3:53

PAGE 003/003

Florida Dept of State



FLORIDA DEPARTMENT OF STATE

Glenda E. Hood
Secretary of State

October 5, 2004

SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC.
60 SEAGATE DR #1703
NAPLES, FL 34108

The Articles of Incorporation for SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC. were filed on October 5, 2004, and assigned document number N04000009466. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H04000198409.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file/effective date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Justin M Shivers
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 104A00057808

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

H04000198409 3

ARTICLES OF INCORPORATION
OF
SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC.
A FLORIDA NON-PROFIT CORPORATION

Preamble

Compass Homes Development, LLC, a Colorado limited liability company, owns certain property in Lee County, Florida, which property is subject to a Declaration of Condominium of which these Articles form a part. This Association is being formed to administer the Declaration and to perform, among other things, the duties and exercise the powers pursuant to the Declaration. All of the definitions contained in the Declaration and the Bylaws shall apply to these Articles.

ARTICLE I
Name and Principal Office

The name of the corporation is Sea Breeze Lofts Condominium Association, Inc., a Florida non-profit corporation (hereinafter referred to as the Association); and the street address of the initial principal office of the Association is 60 Seagate Drive, #1703, Naples, Florida 34108.

Purpose

The purposes for which the Association is organized are as follows:

1. To operate as a corporation not-for-profit pursuant to Chapters 617 and 718 of the Florida Statutes.
2. To administer, enforce and carry out the terms and provisions of the Declaration, as the same may be amended from time to time.
3. To promote the health, welfare, and comfort of the Association members and residents of the Condominium, as authorized by the Declaration, by these Articles, and by the Bylaws.

ARTICLE II
Powers

The Association shall have the following powers:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of Florida which are not in conflict with the terms of these Articles, including, but not limited to, all of the powers of a corporation under Chapters 617 and 718, Florida Statute.

H04000198409 3

2. To enter into, make, establish and enforce, rules, regulations, bylaws, covenants, restrictions and agreements to carry out the purposes of the Association.

3. To make and collect Assessments against members of the Association to defray the costs, expenses, reserves and losses incurred or to be incurred by the Association; and to use the proceeds thereof in the exercise of the Association's powers and duties; and to enforce such levy of assessments through a lien and the foreclosure thereof or by other action pursuant to the Declaration.

4. To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property, including units within the Condominium, for such purposes as the Association may determine.

5. To hold funds for the exclusive benefit of the members of the Association as set forth in these Articles and as provided in the Declaration and the Bylaws.

6. To purchase insurance for the protection of the Association, its property, officers, directors and members, and such other parties as the Association may determine to be in the best interests of the Association.

7. To operate, maintain, repair, and improve all common elements, and such other portions of the Condominium as may be determined by the Board from time to time.

8. To exercise architectural control over all buildings, structures and improvements to be placed or constructed upon any portion of the Condominium pursuant to the Declaration.

9. To provide for privacy services within the Condominium as the Board in its discretion determines as necessary or appropriate.

10. To provide, purchase, acquire, replace, improve, maintain and/or repair such buildings, structures, street lights and other structures, landscaping, paving and equipment, both real and personal, related to the health and social welfare of the members of the Association and the owners and residents of the Condominium as the Board in its discretion determines necessary or appropriate.

11. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the Association and/or to contract with others for the performance of such obligations, services and/or duties.

12. To acquire or enter into agreements acquiring leaseholds, memberships or other possessory or use interests in lands or facilities and to pay the rental, membership fees, operational, replacement and other expenses as common expenses.

13. To sue and be sued.

14. To operate and maintain the Surface Water Management System, if necessary or appropriate, as permitted by the South Florida Water Management District, including, but not limited to, all lakes, retention areas, culverts and related appurtenances.

15. All other powers necessary to effectuate the purposes for which the Association is organized.

H04000198409 3

ARTICLE III
Members

1. Members. The owner of any unit in the Condominium shall be a member of the Association. Such membership shall be initially established upon the recording of these Articles and the Declaration among the Public Records of the county in which the subject property is located.

2. Transfer of Membership. Transfer of membership in the Association shall be established by the recording in the Public Records of the county in which the Condominium is located, of a deed or other instrument establishing a transfer of record title to any unit for which membership has already been established as hereinabove provided, and a Consent to Transfer form as set forth in the Declaration, the owner(s) designated by such instrument of conveyance and Consent to Transfer thereby becoming a member, and the prior owner's membership thereby being terminated. In the event of death of a member, his membership shall be automatically transferred to his heirs or successors in interest, subject to the reasonable approval of the Association. Notwithstanding the foregoing, the Association shall not be obligated to recognize such a transfer of membership until such time as the Association receives a true copy of the deed or other instrument establishing the transfer of ownership of the unit and executes a Consent to Transfer, and it shall be the responsibility and obligation of the former and new member to provide such true copy of said instrument to the Association.

3. Assignment. The share of a member in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner except as an appurtenance to the unit associated with the membership of the member, nor may a membership be separately assigned, hypothecated or transferred in any manner except as an appurtenance to such unit.

4. Members Voting Rights. The total number of members' votes shall be equal to the total number of units within the Condominium from time to time. On all matters upon which the membership shall be entitled to vote, there shall be one (1) vote for each unit. Each member shall have the number of votes equal to the number of units within the Condominium owned by the member at the time of such vote.

5. Members Meetings. The Bylaws shall provide for an annual meeting of the members of the Association and may make provision for special meetings of the members.

ARTICLE IV
Directors

1. Number of Directors. The affairs of the Association shall be managed by a Board consisting of not less than three (3) directors.

2. Election of Directors. The directors of the Association shall be elected by the members in accordance with the Bylaws, except that so long as the Developer owns any units in the Condominium, the Developer shall be entitled to designate member and/or non-member directors to the maximum extent permitted by the Florida Condominium Act.

3. Powers and Duties. All of the duties and powers of the Association existing under the Florida Statutes, the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees, subject to approval by the members only when specifically required.

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4. Removal and Vacancies. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the Bylaws; however, any director appointed by the Developer may only be removed by the Developer, and any vacancy on the Board shall be filled by the Developer if, at the time such vacancy is to be filled, the number of remaining directors appointed by the Developer is less than the maximum number of directors which may, at that time, be appointed by the Developer as set forth above.

5. Initial Directors. The names of the members of the first Board of Directors are as follows:

George Merriman
P.O. Box 10003
Breckenridge, CO 80424

Tim Crane
P.O.Box 7399-285
Breckenridge, CO 80424

David Woods
4990 Teakwood Drive
Naples, FL 34119

ARTICLE V Officers

The officers of the Association shall be a President, Vice President, Secretary, Treasurer and such other officers as the Board may from time to time create. The officers shall serve at the pleasure of the Board, and the Bylaws may provide for the removal from office of officers, for the filling vacancies, and for the duties of the officers.

ARTICLE VI Indemnification

1. The Association shall indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interest of the Association; and, with respect to any criminal action or proceeding, if such person had no reasonable cause to believe his conduct was unlawful; except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he did not reasonably believe to be in, or not opposed to, the best interest of the Association; and with respect to any criminal action or proceeding, that such person had no reasonable cause to believe that his conduct was unlawful.

2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, such person shall be indemnified

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against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by such person in connection therewith.

3. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Association as authorized in this Article.

4. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of members or otherwise; and as to action taken in an official capacity while holding office, shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

5. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, as arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VII
Bylaws

The first Bylaws shall be adopted by the Developer or initial Board, and may be altered, amended or rescinded in the manner provided by the Bylaws.

ARTICLE VIII
Amendments

Amendments to these Articles shall be proposed and adopted in the following manner:

1. A majority of the Board shall adopt, on its own accord or on the request of not less than ten percent (10%) of the total voting interests, a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be the annual or a special meeting.

2. Written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in the Bylaws for the giving of notice of meetings of members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

3. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of not less than a majority of the voting interest of the Association present at such meeting or by proxy.

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4. Any number of amendments may be submitted to the members and voted upon by them at any one meeting.

5. If all of the Directors and a majority of all of the members eligible to vote sign a written statement manifesting their intention that an amendment to these Articles be adopted, then the amendment shall thereby be adopted as though the above requirements have been satisfied.

6. In addition to the above, and subject to the limitations and procedures (including an appropriate meeting) set forth in the Act, so long as Developer controls the Association, Developer shall be entitled to amend these Articles and the Bylaws, and no amendment to the Articles or the Bylaws shall be effective without the written consent of Developer. Furthermore, subject to the limitations set forth in the Act, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, Developer, unless Developer joins in the execution of the amendment.

7. Upon the approval of an amendment to these Articles, Articles of Amendment shall be executed and delivered to the Department of State as provided by law, and a copy of said amendment shall be recorded in the Public Records of the county in which the Condominium is located.

ARTICLE IX
Term

The Association shall have perpetual existence, unless sooner terminated as set forth in the Declaration. In the event the Association is terminated as provided in the Declaration, the storm water management system and related dedicated property and corresponding infrastructure will be conveyed or dedicated to a similar nonprofit organization or entity to assure continued maintenance and operation.

ARTICLE X
Incorporator

The name and street address of the Incorporator is:

Steven I. Winer, Esquire
Roetzel & Andress, LPA
2320 First Street, Suite 1000
Fort Myers, Florida 33901
(239) 338-4213 (Phone)
(239) 337-0970 (Fax)

ARTICLE XI
Initial Registered Office Address and Name of Initial Registered Agent

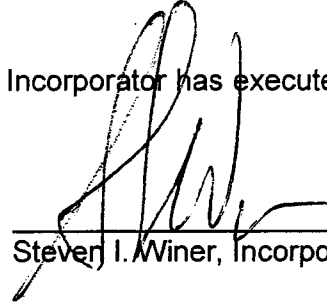
The street address of the initial registered office of the Association is Steven I. Winer. The initial registered agent of the Association at that address is 2320 First Street, Fort Myers, Florida 33901.

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ARTICLE XII
Dissolution

The Association may be dissolved upon termination of the Condominium as provided in the Declaration.

SL IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles this day of October, 2004.



Steven I. Winer, Incorporator

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 5th day of October, 2004, by Steven I. Winer, who is personally known to me or who has produced _____ as identification.

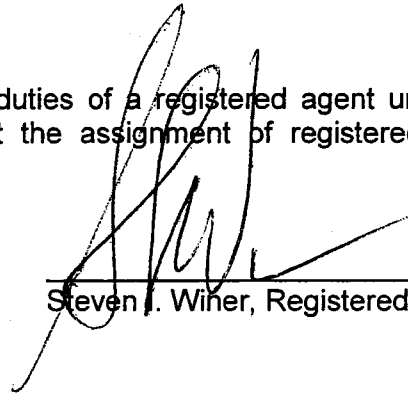


Notary Public

NOTARY RUBBER STAMP SEAL
OR EMBOSSED SEAL

Printed Name Mary C. Jennings
Commission # DD157236
Expires: Nov 14, 2006
Bonds Thru _____
Commission No. Atlantic Bonding Expiration Date _____

I am familiar with and understand the duties of a registered agent under the laws of Florida, and hereby acknowledge and accept the assignment of registered agent for this corporation.



Steven I. Winer, Registered Agent

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EXHIBIT C

BYLAWS OF SEA BREEZE LOFTS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I: IDENTITY

The Sea Breeze Lofts Condominium Association, Inc., a Florida non-profit corporation (the "Association") is a corporation organized and existing pursuant to the laws of the State of Florida for purposes of operating and administering Sea Breeze Lofts, a Condominium located in Lee County, Florida (the "Condominium").

Section 1. Principal Office. The principal office of the Association shall be at 60 Seagate Drive, #1703, Naples, FL 34108 or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. Definitions. Unless the context otherwise requires, all terms in these Bylaws shall have the same meaning as are attributed to them in the Articles and Declaration.

ARTICLE II: MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association. Membership in the Association shall be limited to owners of Units in the Condominium. Transfer of Unit ownership, either voluntary or by operation of law, shall terminate membership of the former Owner in the Association, and said membership shall become vested in the transferee, subject to the Association's approval. If Unit ownership is vested in more than one person, then all of the persons so owning said Unit shall be members eligible to hold office, attend meetings, and enjoy the other rights and responsibilities of membership, but, as hereinafter indicated, the vote of a Unit shall be cast by the voting member. If Unit ownership is vested in a corporation, said corporation shall designate an individual as its voting member.

Any application for the transfer of membership, or for a conveyance of an interest in, or to encumber or lease a Condominium Parcel, where the approval of the Board of Directors of the Association is required by these Bylaws and the Declaration of Condominium, shall be accompanied by an application fee in an amount to be set by the Board and not to exceed the maximum amount permitted by the Act.

Section 2. Voting.

(a) There shall be one (1) vote per Unit. The owner(s) of each Condominium Unit shall be entitled to one vote for each Unit owned. If a condominium Unit owner owns more than one Unit, he shall be entitled to one (1) vote for each Unit owned. The vote of a Unit shall not be divisible.

(b) A majority of the members who are present in person or by proxy pursuant to applicable Florida law and are entitled to vote under Section 5 of this Article at a meeting at which a quorum is present shall decide any question upon which the members are entitled to vote, unless the Declaration of Condominium, Articles of Incorporation, Bylaws, or agreement

entered into by the Association provides otherwise, in which event the voting percentage required in said documents shall control.

Section 3. Quorum. The presence in person, or by limited or general proxy pursuant to applicable Florida law, of a majority of the members entitled to vote under Section 5 hereof shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or may be cast by limited or general proxy in certain circumstances in accordance with applicable Florida law. All proxies shall be in writing and signed by the person entitled to vote and shall be filed with the secretary prior to the meeting in which they are to be used. Proxies shall be valid only for the particular meeting designated therein, and lawful adjournments thereof. Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by either husband or wife where a third person is designated.

Section 5. Designation of Voting Member. If a Unit is owned by one person, such person's right to vote shall be established by the recorded title to the Unit. If a Unit is owned by a corporation, the individual entitled to cast the vote of the Unit for the corporation shall be designated by the corporation, and filed with the secretary of the Association. The person designated in such certificate as entitled to cast the vote for a Unit shall be known as the "voting member". If such a certificate is required and is not filed with the secretary of the Association, the vote of the Unit concerned may not be cast and shall not be considered in determining a quorum or for any purpose. Unless the certificate shall otherwise provide, such certificate shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the Unit concerned. If a Unit is owned by more than one person, the following three provisions apply:

(a) They may, but they shall not be required to, designate a voting member by Certificate.

(b) If they do not designate a voting member, and if all or some are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the Unit vote, just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person.

ARTICLE III: MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at such place and at such time as shall be designated by and stated in the notice of the meeting.

Section 2. Notices. It shall be the duty of the secretary or manager to mail or deliver a written notice of each annual or special meeting, stating the time and place thereof and an identification of agenda items to each Unit Owner of record at least fourteen (14) days prior to such meeting, and to post at a conspicuous place on the property a copy of the notice of said meeting at least fourteen (14) continuous days preceding said meeting. Notice of any annual or special meeting shall state the purpose thereof and said meeting shall be confined to the matters stated in said notice. All notices shall be mailed, electronically transmitted to or served at the address of the Unit Owner last furnished to the Association and posted as herein before

set forth. An officer, agent, or other person providing the notice shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section.

Section 3. Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business authorized to be transacted by the members shall be held once in each calendar year at such time and on such date in each calendar year as the Board of Directors shall determine from time to time. At the annual meeting, the members shall elect, by plurality vote, a Board of Directors and shall transact such other business as may have been stated in the notice of said meeting. The election of the Board of Directors at the annual meeting shall be conducted in accordance with applicable provisions of Chapter 718, Florida Statutes. Cumulative voting shall be prohibited.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president, and shall be called by the president or secretary at the request in writing of a majority of the Board of Directors or upon request in writing of voting members representing at least ten percent (10%) of the total voting interests, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the matters stated in the notice thereof.

Section 5. Waiver and Consent. Any approval by Unit Owners called for by the Condominium Act, the Declaration of Condominium or these Bylaws shall be made at a duly noticed meeting of Unit Owners and shall be subject to all requirements of the Condominium Act or the Declaration of Condominium relating to Unit Owner decision making, except that Unit Owners may take action by written agreement, without meetings, on any matters for which the vote of members at a meeting is required or permitted by any provision of these Bylaws, or on matters for which action by written agreement without meeting is expressly allowed by the Declaration of Condominium or the Florida Condominium Act.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

ARTICLE IV: DIRECTORS

Section 1. Developer's Right to Appoint Directors. The Developer shall be entitled to elect member and/or non-member directors to the maximum extent permitted by Florida law.

Section 2. Transfer of Association Control. When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium that will ultimately be operated by the Association, the Unit Owners other than the Developer shall be entitled to elect no less than one-third of the members of the Board. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board on the earlier to occur of:

- (a) Three (3) years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
- (b) Three (3) months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(c) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

(d) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or

(e) Seven (7) years after recordation of the Declaration in the Public Records of the County; or in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to s. 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first.

Section 3. Membership. The affairs of the Association shall be managed by a board of three (3) directors.

Section 4. Election of Directors by Members. Election of directors to be elected by the members of the Association shall be conducted in the following manner:

(a) Within seventy five (75) days after the members other than the Developer are entitled to elect any directors, or within seventy five (75) days after the Developer notifies the Association that it waives its right to appoint one (1) or more directors, the Association shall call, and give not less than sixty (60) days notice of, a special meeting of the members to elect any directors the members are then entitled to elect, or to replace the appropriate number of directors previously appointed by the Developer. Such special meeting may be called and the notice given by any member if the Association fails to do so. At such special meeting, the members shall be required to elect any directors which they are entitled to elect, and if they fail to do so, any directors appointed by the Developer which would have been replaced by any directors elected by the members may resign without further liability or obligation to the Association. In the event such a special meeting is called and held, at the meeting the members may elect not to hold the next annual meeting of the members if such next annual meeting would be less than four (4) months after the date of the special meeting, and upon such election the next annual meeting of the members shall not be held.

(b) Except as provided above, the members shall elect directors at the annual members' meetings.

(c) Notice of elections of directors and nominations of candidates shall be in accordance with the Act.

(d) The election of directors by the members shall be by ballot and by a plurality of the votes cast, each member voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

Section 5. Term of Office. All directors elected by the members shall serve one (1) year terms, except that any director filling a vacancy shall only serve for the remainder of the term of the director who's vacancy is being filled.

Section 6. Organizational Meeting. The newly elected Board shall meet for the purposes of organization, the election of officers, and the transaction of other business immediately after their election without further notice.

Section 7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors.

Section 8. Special Meetings. Special meetings of the Board may be called by any director, or by the president, at any time.

Section 9. Notice of Meetings. Notice of all Board and committee meetings must be posted in a conspicuous place in the Condominium at least forty-eight (48) hours in advance of a meeting except in an emergency. Notwithstanding, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding unit use will be considered shall be mailed or delivered to the unit owners and posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with the notice requirements shall be made by an affidavit of the person providing the notice and filed among the official records of the Association. Notice of each meeting of the Board shall be given by the secretary, or by any other officer or director, or agent of the Association, which notice shall state the day, place, hour and identification of agenda items to be considered at the meeting. Notice of such meeting shall be delivered to each director either personally or by telephone or telegraph or by e-mail at least forty-eight (48) hours before the time at which such meeting is to be held, or by first-class mail, postage prepaid, addressed to such director at his residence or usual place of business, at least five (5) days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. Quorum and Manner of Acting. A majority of the directors shall constitute a quorum for the transaction of any business at a meeting of the Board. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number of directors is required by statute, the Declaration, the Articles, or these Bylaws. A director may join by written concurrence in any action taken at a meeting of the Board, but such concurrence may not be used for the purposes of creating a quorum.

Section 11. Adjourned Meetings. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board to another place and time. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment and, unless the time and place of the adjourned meetings are announced at the time of the adjournment, to the other directors, and as otherwise provided by Section 9 of these Bylaws. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Presiding Officer. The presiding officer of the Board meetings shall be the president of the Association. In the absence of the presiding officer, the directors shall designate one of their members to preside.

Section 13. Order of Business. The order of business at a Board meeting may be:

- (i) Calling of roll;
- (ii) Proof of due notice of meeting;
- (iii) Reading and disposal of any unapproved minutes;
- (iv) Reports of officers and committees;
- (v) Election of officers.

The Board may change any agenda to accommodate any meeting circumstances.

Section 14. Open Meetings. All meetings of the Board shall be open to all members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege.

Section 15. Committee Meetings. Except for a meeting of a committee of the Board to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget, meetings of committees of the Board are not subject to the provisions of this article, including, but not limited to, the provisions pertaining to notice, open meetings, and recording of meetings.

Section 16. Recording. Any member may tape record or videotape Board meetings, subject to reasonable rules of the Board.

ARTICLE V: OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors and shall serve without compensation. One person may not hold more than one of the aforementioned offices, except one person may be both Secretary and Treasurer. The President and Vice President shall be members of the Board of Directors. Notwithstanding the foregoing, the restriction as to one person holding only one of the aforementioned offices or the President and Vice President being members of the Board of Directors shall not apply until control of the Association shall be transferred to the Unit Owners other than the Developer.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors. Officers may be elected by secret ballot pursuant to applicable Florida law.

Section 3. Appointive Officers. The Board may appoint assistant secretaries and assistant treasurers, and such other officers as the Board of Directors deems necessary or appropriate.

Section 4. Term. The officers of the Association shall hold office until their successors are chosen and qualified. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors; provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the chief executive officer of the Association. The President shall have executive powers and general supervision over the affairs of the Association and other officers.

Section 6. The Vice President. The Vice President shall perform all of the duties of the President in the President's absence and such other duties as may be required of him from time to time by the Board of Directors of the Association.

Section 7. The Secretary. The Secretary shall issue notices of all Board of Directors meetings and all meetings of the Unit Owners; shall attend and keep the minutes of same; shall have charge of all of the Association's books, records and papers, including roster of members and mortgagees, except those kept by the Treasurer.

Section 8. The Treasurer.

(a) The Treasurer shall have custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each Unit in the Condominium which shall designate the name and current mailing address of the Unit Owner, the amount of each assessment, the dates and amounts in which the assessment came due, the amount paid upon the account and the balance due.

(b) The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these Bylaws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of transactions and of the financial condition of the Association.

(c) The Treasurer shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors and, when requested, to the Developer or other entity designated by the Board of Directors.

(d) The Treasurer shall give status reports to potential transferees on which reports the transferees may rely.

Section 9. Proviso. Notwithstanding any provisions to the contrary in these Bylaws, the Association shall maintain separate accounting records for this Association, shall keep such records according to good accounting practices, shall open such records for inspection by Unit Owners of this Condominium or their authorized representatives at reasonable times and shall supply written summaries of such records at least annually to the Unit Owners of this Condominium or their authorized representatives. In the event the Board of Directors designates a management firm to operate the Condominium on behalf of the Association, said management firm shall be required to follow the aforesaid provisions.

ARTICLE VI: FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors; and shall be withdrawn only upon checks and demands for

money signed by such officer, officers or agent of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by the President or Vice President of the Association; provided, however, that the provisions of any Management Agreement entered into by the Association and a management firm designated by the Association to operate the Condominium relative to the subject matter in this Section 1 shall supersede the provisions hereof. The foregoing is further subject to the applicable provisions of the Declaration of Condominium.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association who control or disburse funds of the Association, and any contractor handling or responsible for Association funds, shall be bonded or insured. The amount of the bond or insurance shall be determined by the Board of Directors, but in no event shall it be less than the minimum amount required under Florida law. The Association shall bear the cost of bonding or insurance.

Section 3. Fiscal Year. The fiscal year of the Association shall be the calendar year, unless changed by the Board.

Section 4. Determination of Assessments.

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate for the Common Expenses of the Condominium. Common Expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, obligations of the Association pursuant to the Declaration of Condominium, water and sewer and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium or Florida law. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect Assessments and to lease, maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium; provided, however, the Association shall not charge any fee against a Unit Owner for the use of Common Elements or Association Property unless such use is the subject of a lease between the Association and the Unit Owner. Funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing common expenses as provided in the Declaration of Condominium and exhibits attached thereto. Said Assessments shall be payable monthly in advance and shall be due on the first day of each month in advance unless otherwise ordered by the Board of Directors. Special Assessments, should such be required by the Board of Directors, shall be levied in the same manner as herein before provided for regular assessments and shall be payable in the manner determined by the Board of Directors.

(b) All funds due from Unit Owners not as Common Expenses, including sums due pursuant to any applicable agreements or arrangements pertaining to all or substantially all Units, may be collected by the Association, or its agents.

(c) An annual budget and level of Assessment for Common Expenses sufficient to fund such budget shall be proposed and adopted by the Board of Directors in accordance with the Florida Condominium Act. The Board shall hand deliver or mail, or cause to be mailed, to each Unit Owner a notice of the Board of Directors meeting at which the budget will be considered not less than fourteen (14) days prior to said meeting. Such notice shall include a

copy of the proposed annual budget and Assessment as well as the time and place for the meeting which shall be open to the Unit Owners. If the Association shall fail for any reason to adopt a budget and authorize an Assessment prior to the beginning of the new fiscal year, the budget and Assessment for the previous year shall continue in effect until changed by the Association.

If the adopted budget requires an Assessment against the Unit Owners in any fiscal year exceeding one hundred fifteen percent (115%) of the Assessments for the preceding year, the Board, upon written application of ten percent (10%) of the Unit Owners to the Board, shall call a special meeting of the Unit Owners within sixty (60) days after adoption of the annual budget, and upon not less than fourteen (14) days written notice to each Unit Owner. At this special meeting, Unit Owners shall consider and enact a budget upon the vote of the members representing a majority of all voting interests. If a special meeting of the Unit Owners has been called pursuant to this section and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled. In determining whether assessments exceed one hundred fifteen percent (115%) of similar Assessments in the preceding year, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or Assessments for betterment to the Condominium Property shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board shall not impose an Assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal year's Assessment without prior approval of the members representing a majority of all voting interests.

(d) All Assessments shall be payable to the Association, subject, however, to the provisions of a Management Agreement for as long as it shall remain in effect providing for collection of such Assessments directly by an Association designated management firm, and also subject to any specific applicable provisions in the Declaration of Condominium.

Section 5. Application of Payments and Commingling of Funds. Reserve and operating funds collected by the Association, or by an Association designated management firm as long as a Management Agreement shall be in effect, may be commingled in a single fund for purposes of investment as permitted by the Condominium Act. All decisions to commingle funds must be made by the Board of Directors. All Assessment payments collected shall be applied (1) pursuant to the applicable provisions of the Declaration of Condominium, or (2) as provided by a Management Agreement as long as the Management Agreement remains in effect, or thereafter, as the Board of Directors determines in its sole discretion. All funds shall be maintained in a separate account in the name of the Association. If so designated by the Board, a management firm shall maintain separate accounting records for each condominium it manages pursuant to the provisions of such Management Agreement and the Florida Condominium Act.

Section 6. Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Association may accelerate the monthly installment for the remainder of the fiscal year upon notice thereof to the Unit Owner and, thereupon, the unpaid installments of the assessment together with the monthly assessments for the remainder of the fiscal year shall become due upon the date of recording a Claim of Lien in the public records. The acceleration of installments may be repeated at the end of each fiscal year thereafter if at the end of such period there remains any sums due and unpaid.

ARTICLE VII: UNAUDITED FINANCIAL STATEMENTS

The Association shall comply with all Financial Statement and reporting requirements contained in Chapter 718, Florida Statutes.

ARTICLE VIII: COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation by a Unit Owner of any of the provisions of the Declaration of Condominium, these Bylaws, or the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the Unit Owner by written notice of said breach, transmitted by mail or delivered in person. The Association shall have the following elections:

- (a) An action at law to recover for its damages on behalf of the Association or on behalf of the other Unit Owners;
- (b) An action in equity to enforce performance on the part of the Unit Owner;
- (c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief; or
- (d) Arbitration.

Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from the date of a written request, signed by a Unit Owner, sent to the Board of Directors, shall authorize any Unit Owner to bring an action in equity or suit at law on account of the violation in the manner provided for in the Condominium Act.

Section 2. Fines. In addition to the remedies as identified in Section 1 above, the Association may levy a fine not to exceed the maximum amount allowed by Chapter 718, Florida Statutes, against any owner, resident, guest or invitee, for failure to abide by any provisions of the Declaration, these Bylaws or the rules of the Association. No fine will become a lien against a Unit. A fine may be levied for each day of a continuing violation, with a single notice and an opportunity for a hearing, provided that no such fine shall exceed the maximum aggregate amount allowed under Chapter 718, Florida Statutes. No fine may be levied except after giving reasonable notice and an opportunity for a hearing to the owner, resident, guest or invitee. Reasonable notice shall include a statement of the date, time and place of the hearing; a statement as to the provisions of the Declaration, these Bylaws or the rules of the Association which have allegedly been violated; and a short and plain statement of the matters asserted by the Association.

A hearing shall be held before a committee of other unit owners. At the sole discretion of the Board of Directors, this committee may be either a standing committee appointed by the Board of Directors for the purpose of addressing all fine situations, or a committee appointed by the Board of Directors for the particular hearing. At such hearing, the party against whom the fine may be levied shall have the opportunity to respond to, to present evidence relating to, and to provide written and oral argument on all issues involved, and shall have an opportunity to review, challenge and respond to any material considered by the committee. If a majority of the committee does not agree with the fine, the fine may not be levied.

Section 3. Negligence or Carelessness of Unit Owner. Any Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by the insurance company of rights of subrogation.

Section 4. Costs and Attorneys' Fees. In any proceeding brought by the Association pursuant to these Bylaws, the Association, if it is the prevailing party, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court, including appellate fees.

Section 5. No Waiver of Rights. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 6. Election of Remedies. All rights, remedies and privileges granted to the Association or Unit Owners pursuant to any terms, provisions, covenants or conditions of the Condominium documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Condominium documents, or at law or in equity.

ARTICLE IX: AMENDMENTS TO THESE BYLAWS

These Bylaws may be altered, amended or added to at any duly called meeting of the Unit Owners, provided:

- (a) Notice of the meeting shall contain a statement of the proposed amendment.
- (b) The amendment shall be approved upon the affirmative vote of a majority of the voting interests present in person or by proxy.
- (c) Said amendment shall be recorded and certified as required by the Condominium Act.
- (d) No amendment to these Bylaws shall be made which affects any of the rights and privileges provided to the Developer in the Condominium documents without the written consent of the Developer.

ARTICLE X: INDEMNIFICATION

The Association shall indemnify every director and every officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, including reasonable counsel fees, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XI: LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the Association during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XII: LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable for injury or damage by a latent condition in the Condominium Property, nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XIII: PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Florida Condominium Act, the Declaration of Condominium, or these Bylaws, unless the Board shall decide otherwise to accommodate the circumstances.

ARTICLE XIV: RULES AND REGULATIONS

In addition to the rules and regulations set forth in the Declaration of Condominium, the rules and regulations adopted and amended by the Board from time to time shall govern the use of the Units, Common Elements, Limited Common Elements, and any other Condominium Property, and also the conduct of all residents thereof. The Unit Owners shall, at all times, obey said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision. In the event of any conflict between the rules and regulations adopted from time to time and the Condominium documents or the Florida Condominium Act, the latter shall prevail.

ARTICLE XV: ARBITRATION

As required by the Florida Condominium Act, all issues or disputes which are recognized by the Florida Condominium Act or by administrative rules promulgated under the Florida Condominium Act as being required for mediation or arbitration shall be resolved through such alternative resolution procedures instead of civil litigation.

ARTICLE XVI: EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Florida Condominium Act:

Section 1. In anticipation of or during any emergency defined in Section 6 below, the Board of Directors of the Association may:

(a) Name as assistant officers persons who are not Board members, which assistant officers shall have the same authority as the executive officers to whom they are assistant, during the period of the emergency, to accommodate the incapacity of any officer of the Association; and

(b) Relocate the principal office or designate alternative principal offices or authorize the officers to do so.

Section 2. During any emergency defined in Section 6 below:

(a) Notice of a meeting of the Board of Directors need be given only to those Directors whom it is practicable to reach and may be given in any practical manner, including by publication and radio; and

(b) The Director or Directors in attendance at a meeting shall constitute a quorum.

Section 3. Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association binds the Association and shall have the presumption of being reasonable and necessary.

Section 4. An officer, director, or employee of the Association acting in accordance with these emergency provisions is only liable for willful misconduct.

Section 5. These emergency provisions shall supersede any inconsistent or contrary provisions of the Bylaws for the period of the emergency.

Section 6. An emergency exists for purposes of this Article if a quorum of the Association's Directors cannot readily be assembled because of some catastrophic event.

ARTICLE XVIII: CERTIFICATE OF COMPLIANCE

A Certificate of Compliance from a licensed electrical contractor or electrician may be accepted by the Board as evidence of compliance of the Condominium Units to the applicable fire and life safety codes.

ARTICLE XIX: FLORIDA CONDOMINIUM ACT

All provisions of Section 718.112(2)(a) through (m), Florida Statutes, are deemed to be included by reference in these Bylaws.

The foregoing were adopted as the Bylaws of the Association on the 20th day of October, 2004

SEA BREEZE DEVELOPMENT, LLC, a
Florida limited liability company

By: [Signature]
Print Name: Sam Cohen
Its: Manager