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RECORDED in the OFFICIAL RECORDS of COLLIER COUNTY, FL
04/21/2004 at 04:00PM DWIGHT E. BROCK, CLERK

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**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR BISCAYNE PLACE AT OLDE CYPRESS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BISCAYNE PLACE AT OLDE CYPRESS is made this 21st day of February, 2004, by Florida Bay Partners, Inc., a Florida corporation (hereinafter referred to as the "Developer" or "Declarant") for itself and its successors, grantees and assigns.

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and made a part hereof (hereinafter the "Land"), and intends to develop or has developed or has caused to be developed on all or portions of the Land a planned residential community known as Biscayne Place at Olde Cypress (hereinafter the "Neighborhood" or "Biscayne Place ") all in accordance with applicable zoning ordinances; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in the Neighborhood, and to subject the Land to the land use covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth; and

WHEREAS, Declarant has deemed it desirable for the effective preservation of the values and amenities established as aforesaid to create a corporation known as Biscayne Place Homeowners Association, Inc., a Florida not-for-profit corporation, to which there has been or will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance and repair of the Neighborhood and improvements, and the enforcement of this Declaration of Covenants, Conditions and Restrictions ("Declaration"), and the collection and disbursement of the assessments and charges hereinafter more particularly set forth; and

WHEREAS, Declarant has created, under the laws of the State of Florida, a corporation not for profit, known as Biscayne Place Homeowners Association, Inc., for the purpose of exercising the functions aforesaid and may create other Associations for the specific purpose of carrying out the provisions of this Declaration.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Declarant declares that the Land as described on Exhibit "A" to this Declaration shall be held, transferred, sold, conveyed and occupied subject to the Declaration as defined herein, and to the covenants, restrictions, easements, charges and liens hereinafter set forth. The covenants and restrictions contained in this Declaration shall run with the land and be binding upon and inure to the benefit of all present and future Owners of lots and dwelling units. The acquisition of fee simple title to a lot, or any ownership interest in the Neighborhood, or the lease, occupancy, or use of any portion of a dwelling unit, shall constitute an acceptance and ratification of all provisions of this Declaration and an agreement to be bound by its terms. The Declarant reserves the right to add property to this Declaration.

1. **DEFINITIONS.** All terms and words in this Declaration and its recorded exhibits shall have the meanings stated below unless the context clearly requires otherwise.

1.1 **"Architectural Review Committee"** means the committee formed to maintain the quality and architectural harmony of improvements within Biscayne Place pursuant to this Declaration.

1.2 **"Articles"** means the Articles of Incorporation of Biscayne Place Homeowners Association, Inc., a Florida not-for-profit corporation.

1.3 "Association" shall mean and refer to the Biscayne Place Homeowners Association, Inc., a Florida corporation not for profit, whose Articles of Incorporation are attached hereto as Exhibit "B" and Bylaws are attached hereto as Exhibit "C".

1.4 "Association Expenses" means the expenses for which the Owners are or may be liable to the Association in accordance with the method of allocation described herein and includes the following:

1.4.1 Common Area Expenses which means and includes expenses incurred or to be incurred by the Association with regard to ownership, operation, administration, maintenance and repair of the Common Area or any part thereof; and

1.4.2 Lot and Dwelling Unit Expenses which means and includes those expenses incurred or to be incurred by the Association with regard to the operation, administration, maintenance and repair of lots and dwelling units as set forth in the provisions of this Declaration.

1.5 "Biscayne Place" or "Neighborhood" means the residential community to be called Biscayne Place, which is to be developed upon the Land and all improvements now or hereafter located thereon and includes the Land and all improvements on any Land submitted to the provisions of this Declaration, and any lands added hereafter pursuant to the right to add additional lands.

1.6 "Board of Directors" or "Board" means and refers to the Board of Directors of the Biscayne Place Homeowners Association, Inc.

1.7 "Bylaws" means the Bylaws of the Biscayne Place Homeowners Association, Inc.

1.8 "Common Areas" shall mean and refer to those areas of land within or without the Property which are dedicated to or owned by the Association; or any other property which is dedicated, conveyed, leased, used or licensed to the Association; any property over which the Association holds an easement; or any property anywhere located for which the Association has assumed responsibility of its maintenance, either under the terms of this Declaration or by separate agreement, and which are intended to be devoted to the common use and/or enjoyment of the Members, together with any and all personal property and fixtures located thereon. Common Areas shall include, but not be limited to, the Water Management Systems, streets, medians, sidewalks, open spaces, perimeter walls, landscaped areas, fountains, street lighting, project signage and entry features and any other area or facility that Developer designates as such. Common Areas may be dedicated by Supplement. The term "Common Areas" shall also include any personal property acquired by the Association if said property is designated as Common Areas in the bill of sale or instrument transferring same or subsequently declared by the Association or the Declarant to be Common Areas.

1.09 "County" means Collier County, Florida.

1.10 "Declarant" or "Developer" means and refers to Florida Bay Partners, Inc, a Florida corporation, its successors and assigns, provided that an Owner shall not, solely by purchase of a dwelling unit, be deemed a successor or assign of Developer or of the rights of Developer under this Declaration unless such Owner is specifically so designated as a successor or assignee of such rights in the respective instrument of conveyance or any other instrument executed by the Developer. The Developer shall have the right to designate any other party or entity as a successor Developer, and if such designation occurs, the designated party or entity shall succeed to all of the Developer's rights and powers as set forth in these documents.

1.11 "Declaration" means and refers to this Declaration of Covenants, Conditions and Restrictions for Biscayne Place at Olde Cypress, as it may be amended from time to time.

1.12 "Dwelling Unit" or "Unit" means and refers to the improvements on the Lot or Parcel comprising the residential unit and the amenities appurtenant thereto.

1.13 "Family" shall refer to any one of the following:

- A. One natural person.
- B. Two or more natural persons, each of whom is related by blood, marriage or adoption to each of the others.
- C. Two or more natural persons meeting the requirements of B above, except that there is among them one person who is not related to some or all of the others.

Should any Owner employ an individual(s) as a companion, nanny or maid, and such individual(s) resides in the Unit, then that individual(s) shall be deemed a Family member for purposes of this Declaration and its exhibits.

1.14 "Governing Documents" means and refers to the Declaration of Covenants, Conditions and Restrictions for Olde Cypress, and its exhibits and this Declaration and its exhibits, including but not limited to the Articles of Incorporation, Bylaws, Rules and Regulations and the Resolutions of the Association. In the event of a conflict in the interpretation of the Governing Documents, they shall be applied in the order of priority stated above.

1.15 "Guest" means any person who is physically present in, or occupies a Unit on a temporary basis at the invitation of the Owner, without the payment of consideration.

1.16 "Institutional Mortgagee" shall mean the holder of any mortgage against the Property, Plot, Parcel or Dwelling Unit, which holder is the Declarant, a bank, savings and loan association, mortgage company, real estate or mortgage investment trust, pension or profit sharing trust; or the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, any agency of the United States of America or the Government of the State of Florida, or the holder of a first mortgage which is guaranteed or insured by the Federal Housing Administration, the Veterans Administration, any agency of the United States of America or by any other public or private corporation engaged in the business of guaranteeing or insuring residential mortgage loans, and their successors and assigns. The term also includes any and all individuals, corporations, lending institutions, or other entities, or the successors and assigns of such lenders (herein referred to as the "Lenders") which have loaned money to Declarant, or any entity or person which succeeds to Declarant's position as Declarant of part or all of Biscayne Place and which hold a mortgage upon any portion of the Properties securing such a loan.

1.18 "Land" means the land more particularly described on Exhibit "A", which is subject to this Declaration, including Common Areas, if any, and any additional real estate which may hereafter be declared to be subject to this Declaration and all improvements made to such land including Dwelling Units.

1.19 "Lease" means the grant by a Unit Owner of a temporary right of use of the Owner's Unit for valuable consideration.

1.20 "Lot" means one or more of the platted parcels, into which the Properties have been subdivided, on which a single family residence has been or is intended to be constructed, the legal description of which is set forth in the deed of conveyance. Wherever herein the

term "Lot" is used, it shall be interpreted as if followed by the words "and Dwelling Unit constructed thereon," except where the context clearly requires otherwise. The Developer may subject additional Lots to this Declaration.

1.21 "Member" means and refers to all persons who are members of the Association as provided in this Declaration, and the Articles of Incorporation and Bylaws of the Association.

1.22 "Occupant" or "Occupy", when used in connection with a Dwelling Unit means any person who is physically present in the unit on two (2) or more consecutive days, including staying overnight.

1.23 "Owner" means and refers to any person or persons, entity or entities, who are the record Owner of the fee simple title to any Lot or Dwelling Unit located within the Land, other than the Developer.

1.24 "Primary Occupant" means the natural person approved for occupancy, together with his family, when title to a Dwelling Unit is held in the name of more than two (2) persons, or by a trustee or a corporation or other entity which is not a natural person.

1.25 "Rules and Regulations" means and refers to the administrative rules and regulations governing procedures for administering the Association and the Properties as adopted by resolution of the Board of Directors.

1.26 "Streets" shall mean and refer to any roadway which is dedicated exclusively to the Association, and any and all other roadways for which the Association is charged with maintaining, or has agreed to maintain by any separate agreement. Streets and all median landscaping and special surface treatments therein such as, but not limited to, pavers or stamped concrete shall be maintained by the Association. The Declarant hereby reserves an easement for ingress and egress over all streets within the Property not owned by it (if any) for development of Biscayne Place which shall terminate upon the conveyance of the last Lot owned by the Declarant. Declarant reserves the right to grant an easement for ingress and egress over the Streets and elsewhere within Biscayne Place, in favor of those persons of Declarant's choosing, for the development, operations or maintenance of Biscayne Place or any component thereof.

1.27 "Water Management System" shall mean and refer to lakes, ditches, culverts, lines, and constructed surface and/or underground systems and facilities for the drainage and/or storage of surface water. Said Water Management System may be entirely located upon the Land, but may also be comprised of public and private easements located outside of the Land, if the facilities service all or some portion of the Land on an exclusive or non-exclusive basis. The Water Management System shall be for the use and benefit of all properties that are now or hereafter a part of the Land. The Water Management System may, if Declarant so elects, service other properties that do not form a part of the Land.

2. CONTINUATION OF DEVELOPMENT. The Land is being developed by the Declarant into Lots intended for the construction of single family residences. The Owners recognize that Biscayne Place may be under development for an extended time. Incident to that development, the Owners acknowledge that the quiet enjoyment of the Land may be unavoidably interfered with to some extent by construction and sales operations. From time to time, Declarant and others have presented to the public certain renderings, plans, and models showing possible future development of Biscayne Place. Declarant does not warrant in any way the schemes in these renderings, plans or models. They are primarily schematic and in no way represent a final development plan for Biscayne Place.

3. ASSOCIATION: MEMBERSHIP: VOTING RIGHTS. The administration and management of Biscayne Place shall be by Biscayne Place Homeowners Association, Inc., a Florida Corporation not for profit, and such other Associations created for the specific purposes of carrying out the provisions of this Declaration, which shall perform their functions pursuant to the following:

3.1 Articles of Incorporation. Copies of the Articles of Incorporation of the Association are attached as Exhibit "B".

3.2 Bylaws. The Bylaws of the Association shall be the Bylaws attached as Exhibit "C", and as may be amended from time to time.

3.3 Delegation of Management. The Association may contract with a third party for the management and maintenance of Biscayne Place and authorize a management agent to assist that 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 the maintenance, repair and replacement of any Common Areas, with funds made available by the Association for such purposes. The Association and its Officers shall, however, retain at all times the powers and duties provided in the Declaration, Articles and Bylaws.

3.4 Members. Every person or entity who is a record Owner of legal title to any Lot or Unit shall be a Member, provided however, that no such person or entity who holds such interest merely as a security for the performance of an obligation shall be deemed the Owner for purposes of determining membership and use rights. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which Membership is based. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which Membership is based.

3.4.1 Class A. Class A Members shall be all Owners, as defined in Section 1, with the exception of the Class B Member. Class A Membership as to a Lot or Unit shall become effective upon the occurrence of the last to occur of the following events:

- A. Recording in the Public Records of a Deed or other instrument evidencing legal title to the Lot vested in the Member;
- B. Approval of the respective Association, if required;
- C. Delivery to the Association of a copy of the recorded Deed or other instrument evidencing title, if required; or
- D. Delivery to the Association, if required, of a written designation of a Primary Occupant.

3.4.2 Class B. The Class B Member shall be the Declarant or any assignee, in whole or in part, of the Declarant's development rights.

Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which Membership is based.

3.5 Voting Interests. The Class A Members of the Association are entitled to one (1) vote for each Lot or Condominium Unit owned by them. The total number of Class A votes shall not exceed the total number of Lots in Biscayne Place. The vote of a Lot is not divisible. If a Lot is owned by one natural person, his right to vote shall be established by the record title. If a Lot is owned jointly by two or

more natural persons who are not acting as Trustees, that Lot's vote may be cast by any one of the record Owners. If two or more Owners do not agree among themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the Owner is not a natural person or is a trustee, the vote of that Lot shall be cast by the Dwelling Unit's primary occupant designated as set forth in Article 12 of this Declaration. The Class B Member shall be entitled to one (1) vote for each Lot which the Class B Member owns, or has an option to acquire.

Class B Membership shall cease to exist at the turnover date as specified in Article 14 herein or at such earlier time as Developer actually turns over control of the Association, whereupon the Developer shall become a Class A Member as to all Lots owned by it. At all times prior to the termination of Class B Membership, the Class B Member shall have the same number of votes at any meeting in which votes are to be taken as are held by all Class A Members, plus one.

3.6 Approval or Disapproval of Matters. Whenever the decision or approval of an Owner is required upon any matter, whether or not the subject of an Association meeting, such decision or approval shall be expressed by the same person who would cast the vote of such Owner's Lot if in an Association meeting, unless the joinder of all record Owners is specifically required.

3.7 Vote Required for Initiation of Legal Action. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of the Owners of two-thirds (2/3) of all Lots (at a duly called meeting of the Association, at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Association for the purpose of suing, or making, preparing or investigation any lawsuit, or commencing any lawsuit other than for the following purposes:

3.7.1 The collection of assessments or fees;

3.7.2 The collection of other charges which Owners are obligated to pay pursuant to the Master Declaration or the Declaration;

3.7.3 The enforcement of the use and occupancy restrictions contained in the Master Declaration or the Declaration; or,

3.7.4 In an emergency where waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Land or to the Owner(s).

3.8 Notice Required for Initiation of Legal Action. Further, the Board of Directors shall not institute any significant legal proceeding, including any arbitration or judicial reference proceeding, against any person without providing the Members of the Association with at least thirty (30) days prior written notice of the Association's intention to institute legal proceedings. The notice shall describe the purpose of the proceedings, the parties to the proceeding, the anticipated costs to the Association (including attorneys' fees) in processing the proceeding, the source of funds to process the proceeding (reserves or special or regular assessments), and suggested information that should be disclosed to third parties, such as prospective purchasers and lenders, while the proceeding is being prosecuted. For purposes of this Subparagraph 3.8, "significant legal proceedings" shall mean any legal proceeding in which it reasonably could be anticipated that any of the following events could occur:

3.8.1 The levy of a special assessment to fund all or any portion of the costs of the proceeding;

3.8.2 The expenditure of funds from the Association reserves in connection with the proceeding in an amount in excess of five percent (5%) of the then current reserves;

3.8.3 The amount of the claim is in excess of Twenty Five Thousand Dollars (\$25,000.00); or

3.8.4 The action could have a material adverse effect on the ability to sell and/or refinance a Lot or Dwelling Unit within the Development during the period the proceeding is being prosecuted.

Notwithstanding the foregoing, the notice shall not be required to commence and pursue any action to collect delinquent assessments as described in Section 4. Furthermore, if the Board of Directors in good faith determines that there is insufficient time to provide prior notice to the Members as required herein prior to the expiration of any applicable statute of limitations or prior to the loss of any other significant right of the Association, the Board may take the necessary steps to commence the proceeding to preserve the rights of the Association, provided that as soon as is reasonably practical thereafter, and not later than thirty (30) days following the commencement of the proceeding, the Board of Directors shall provide the Members with notice as required herein.

3.9 Developer Approvals. As long as Developer holds Lots, or the option to acquire additional Lots within Biscayne Place for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

3.9.1 Assessment of Developer as an Owner for capital improvements; or

3.9.2 Any action by the Association that would be detrimental to the sale of Lots or Dwelling Units by Developer. The determination as to what actions would be detrimental to sales shall be in the sole discretion of Developer.

3.10 Change of Members. A change of membership in the Association shall be established by the new Owners' Membership becoming effective as provided in 3.4 above; and the Membership of the prior Owner shall thereby be automatically terminated.

3.11 Termination of Membership. The termination of membership in the Association does not relieve or release any former Member from liability or obligation incurred under or in anyway connected with the Association during the period of this Membership, nor does it impair any rights or remedies which are in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3.12 Association as Owner of Lots. The Association has the power to purchase Lots and Dwelling Units, and to acquire and hold, lease, mortgage, and convey them, subject to the approval of a majority of the Board of Directors.

3.13 Membership Roster. The Association shall maintain a current roster of names and mailing addresses of Owners and Primary Occupants. A copy of the up-to-date roster shall be available to any Owner upon request.

3.14 Limitation on Liability. Notwithstanding the duty of the Association to maintain and repair any Common Areas, the Association shall not be liable to Owners for property damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or Owners or other persons.

3.15 Board of Directors. Except as otherwise provided by law or by the Governing Documents, the Association shall act through its Board of Directors and its Officers, and no vote of the

Members shall be required. The Officers and Directors of the Association have a fiduciary relationship to the Members.

3.16 Powers and Duties. The powers and duties of the Association include those set forth in this Declaration, the Articles of Incorporation and the Bylaws. The Association may contract, sue, or be sued with respect to the exercise or non-exercise of its powers. If the Association has the authority to maintain a class action, the Association may be joined in an action as representative of that class with reference to litigation and disputes involving the matters for which that Association could bring a class action. Nothing herein limits any statutory or common law right of an individual Owner or class of Owners to bring any action which may otherwise be available.

4. COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS.

4.1 Creation of Lien and Personal Obligation for Assessments. Each Owner of any Lot (including any purchaser at a judicial sale) or Dwelling Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- A. the Lot's or Dwelling Unit's prorata share of annual assessments based on the annual budget adopted by the Association;
- B. the Lot's or Dwelling Unit's prorata share of special assessments for capital improvements or other Association expenditures not provided for by annual assessments; and
- C. any charges against less than all of the Lots or Dwelling Units specifically authorized by the Governing Documents.

Assessments shall be established and collected as provided herein and in the Bylaws of the Association. The annual and special assessments and charges, together with interest, costs, and reasonable attorney's fees shall bind such property in the hands of the Owner, his heirs, devisees, personal representatives, successors and assigns. In any conveyance, voluntary or otherwise, the transferee shall be jointly and severally liable with the transferor for all unpaid assessments coming due prior to the time of such conveyance, without prejudice to the rights of the transferee to recover from the transferor the amounts paid by the transferee therefor. Except as provided elsewhere in this Declaration as to the Developer and foreclosing Institutional Mortgagees, no Owner may be excused from the payment of assessments unless all Owners are similarly excused.

4.2 Assessments. The Owner of any Lot by acceptance of a deed is deemed to agree to pay such Lot's or Dwelling Unit's prorata share of Association assessments and other charges as set forth in this Declaration.

4.3 Share of Association Assessments. Each Lot and Dwelling Unit and the Owner thereof shall be liable for an equal share of all annual and special assessments of the Association, such share being a fraction of the whole, the numerator being "one" (1) and the denominator being the total number of Lots within the Neighborhood.

4.4 Developer's Obligation for Assessments. For so long as Declarant owns any portion of the Property, Declarant may, in its sole discretion, elect not to pay Regular Assessments on Lots it owns, but pay the difference, if any, between the amount of Regular Assessments payable by Owners other than Declarant and the actual Association Expenses. If Declarant determines not to pay the difference between the amount of Regular Assessments payable by Owners other than Declarant and the actual Association Expenses, then Declarant shall pay Regular Assessments as any other Owner. Declarant's obligations

hereunder may be satisfied in the form of a cash subsidy, or by "in kind" contributions of goods and/or services, or a combination of these. Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials, or a combination of services and materials, with Declarant or other entities for the payment of some portion of Association Expenses. The payment of any such subsidy or "in kind" contribution by Declarant shall under no circumstances obligate Declarant to continue payment of such subsidy in future years, or obligate Declarant to pay any particular sum of such subsidy. In no event shall Declarant have any responsibility or obligation to fund any portion of reserve contributions, and Declarant's Parcels shall never be assessed for the same.

4.5 Establishment of Liens. Any and all assessments levied by the Association in accordance with the provisions of this Declaration or any of the Governing Documents, together with interest at the highest rate allowed by law, and costs of collection (including, but not limited to, reasonable attorney's fees) are hereby declared to be a charge and continuing lien upon the Lot and Dwelling Unit against which each such assessment is made, and shall also be the personal obligation of the Owner of each Lot and Dwelling Unit assessed. This lien is superior to any Homestead rights the Owner may acquire.

No Owner may exempt himself from personal liability for assessments, or release the Dwelling Unit owned by him from the liens and charges hereof, by waiver of the use and enjoyment of any Common Areas, or by abandonment of his Unit. Said lien shall be perfected from and after the recording of a Claim of Lien in the Public Records of Collier County by the Association setting forth the amount and due date of each unpaid assessment as of the date the Claim of Lien is recorded. A Claim of Lien shall secure payment of all assessments due at the time of recording (including interest, costs and attorney's fees as provided above), as well as all assessments coming due subsequently, until the Claim is satisfied or a final judgment of foreclosure obtained. Upon full payment of all sums secured by that Claim of Lien, the party making payment is entitled to a satisfaction in recordable form. The Developer shall be exempt from an Association's lien, rights, interest, and any late fees as to any assessments or guaranteed amounts owed by the Developer.

4.6 Priority of Liens. The Association's lien for unpaid assessments shall be subordinate and inferior to the lien of any recorded institutional mortgage, and any mortgage of the Developer unless the Association's Claim of Lien was recorded before the mortgage, but shall be superior to, and take priority over, any other mortgage regardless of when recorded. Any Lease of a Dwelling Unit shall be subordinate and inferior to any Claim of Lien of the Association, regardless of when the Lease was executed. A mortgagee in possession, a receiver, a purchaser at a foreclosure sale, or a mortgagee that has acquired title by deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser, or mortgagee shall hold title subject to the liability and lien of any assessment coming due after foreclosure or conveyance in lieu of foreclosure. Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be treated as a special assessment divided equally among, payable by, and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

4.7 Collection of Assessments. If any Owner fails to pay any assessment, or installment thereof, within ten (10) days after the same becomes due, then the Association shall have any or all of the following remedies, to the extent permitted by law, which remedies are cumulative and are not in lieu of, but are in addition to, all other remedies available to the Association:

A. To charge interest on such assessment or installment, from the date it becomes due until paid, at the highest rate allowed by law, as well as to impose a late payment penalty of Twenty-Five Dollars (\$25).

B. To deny Association approval of any proposed sale or transfer of the Owner's Lot and Dwelling Unit

C. To accelerate the due date for the entire remaining unpaid amount of the annual assessment against the Owner's Lot for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

D. To file an action to foreclose its lien. The lien may be foreclosed by an action in the name of the Association in the same manner as provided by Florida Statutes, as amended from time to time, for the foreclosure of liens for unpaid assessments.

E. To bring an action at law for a money judgment against the Owner without waiving any foreclosure rights of the Association.

If any Owner fails to pay any regular annual assessment, or installment thereof, within ninety (90) days after the same becomes due, then the Association may suspend the voting rights of the Owner in the Association.

4.8 Certificate. The Association shall, within fifteen (15) days of request for same, furnish to any Owner liable for assessments a certificate in writing signed by an Officer of the Association, setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

4.9 Termination of the Association. If the Association is terminated or shall no longer exist for any reason whatsoever, and no other Neighborhood Association has assumed its duties and functions, the Association shall have the power to maintain any Common Areas or otherwise perform all functions of the Association and shall be authorized to assess all Owners for the cost of such services.

4.10 Exempt Properties. All properties dedicated to, and accepted by, Collier County, the Collier County Water-Sewer District or any other quasi-public authority shall be exempt from the assessments created herein.

5. ARCHITECTURAL AND AESTHETIC CONTROL. Except for the initial construction of Dwelling Units and related improvements by the Developer, no building, structure, pool or other improvement shall be erected or altered on any Lot, nor shall any grading, excavation, landscaping, change of exterior color, or other work which in any way materially alters the exterior appearance of any structure, Lot or Common Area be performed without the prior written approval of the Architectural Review Committee as defined herein. In obtaining said written approval, the Owner, or any other person applying, shall comply with all applicable requirements and procedures of the Governing Documents. The membership, term of office, composition, compensation (if any), qualifications and procedures of the ARC shall be as provided below.

5.1 Architectural Review Committee. There is hereby established an Architectural Review Committee ("ARC") which shall be responsible for the administration of the Construction Standards of the Association. The ARC shall be composed of such number of persons as the Board directs, who need not be Members, and may constitute as few as one person. All of the members of the ARC shall be appointed, removed, and replaced by the Board of Directors.

5.2 Purpose. The ARC shall review, study and either approve or reject proposed alterations to improvements to the Lots, all in compliance with this Declaration and as further set forth in any rules and regulations and the Association Standards as shall be adopted and established and may be amended from time to time by the Board of Directors. Notwithstanding any provision herein, the ARC shall have no power or authority to review improvements initially constructed on Lots, or improvements made to existing Lots, by the Declarant. The ARC shall exercise its best judgment to see that all improvements

conform and harmonize with any existing buildings as to external design, quality and type of constructions, considerations herein set forth. The actions of the ARC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

5.3 Criteria. After turnover of control of the Association from the Developer to the members, the ARC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines, performance criteria, and application and review procedures. Copies shall be available from the ARC for review. The guidelines and procedures shall be as promulgated by the Association, and the ARC shall have sole and full authority to prepare and to amend them. The ARC shall make the guidelines and procedures available to Owners and builders who seek to engage in development of or construction upon all or any portion of the Land. If the ARC fails to approve or disapprove plans submitted to it, or to request additional information reasonably required, within thirty (30) days after submission thereof, the plans shall be deemed approved. If the ARC disapproves any plans submitted to it, the Owner, builder or developer whose plans have been disapproved shall have the right to appeal the decision by written notice to the Board within fifteen (15) days after the ARC issues its disapproval. The ARC shall establish, subject to the Board's approval, a procedure for such appeals. The Board's decision on any appeal shall be final.

5.4 Limitation of Liability. The ARC shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the ARC, nor any individual member thereof, shall be liable to any person for any official act of the ARC in connection with submitted plans and specifications, except to the extent the ARC or any individual member thereof acted with malice or wrongful intent. Approval by the ARC does not necessarily assure approval by the appropriate governmental board or commission. Notwithstanding that the ARC has approved plans and specifications, neither the ARC nor any of its members shall be responsible or liable in any way to any Owner, nor contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval or failure to approve. Neither the Board, the ARC or any agent thereof, shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Association Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the ARC shall be defended and indemnified by the Association in any such suit or proceeding.

5.5 Approval Required. No construction, which term shall include within its definition, but not be limited to, staking, clearing, excavation, grading, and other site work; no exterior alteration or modification of existing improvements; and no plantings or removal of ARC for the same has been obtained. The Board of Directors may establish reasonable fees to be charged by the ARC on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

All residential structures constructed on any portion of the Property shall be designed by and built in accordance with the plan and specifications of a licensed architect and/or certified residential designer.

5.6 Removal of Non-Conforming Improvements. The Association, upon request of the ARC and after reasonable notice to the offender and to the Owner, may remove any improvements constructed, reconstructed, refinished, altered, or maintained in violation of these covenants, and the Owner thereof shall forthwith reimburse the Association for all expenses incurred in connection therewith. Such expense until paid shall constitute an individual assessment against the Owner and the Owner's Lot.

5.7 Compliance. Any contractor, subcontractor, agent, employee or other invitee of any Owner who fails to comply with the terms and provisions of the Association Standards and their

procedures promulgated by the ARC may be excluded by the Board from the Lot without liability to any person, subject to the notice and hearing procedures contained in the By-Laws.

- 5.8 Exception. This Article shall not apply to any of the activities of Declarant, or to improvements or modifications to the Common Area by or on behalf of the Association.

6. EASEMENTS.

6.1 Encroachments. There shall be reciprocal appurtenant easements of encroachment as between each Lot or Dwelling Unit and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots or Dwelling Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions), including a reciprocal appurtenant easement of encroachment for landscape buffers, to a distance of not more than five (5) foot, as measured from any point on the common boundary between each Lot or Dwelling Unit and the adjacent portion of the Common Property or as between said adjacent Lot or Dwelling Unit, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, Tenant, or the Association.

6.2 Easements. The Developer (during any period in which the Developer has any ownership interest in the Properties), the Association shall have the right to grant such electric, telephone, gas, water, sewer, irrigation, drainage, cable television or other easements, and to relocate any existing easement in any portion of the Properties and to grant access easements and to relocate any existing access easements in any portion of the Properties as the Developer, or the Association shall deem necessary or desirable, for the proper operation and maintenance of the Properties, or any portion thereof, or for the general health or welfare of the Owners or for the purpose of carrying out any provisions of this Declaration. Such easements or the relocation of existing easements may not prevent or unreasonably interfere with the use of the Lots and Dwelling Units. Each Dwelling Unit and Lot shall be subject to an easement in favor of all other portions of the Properties to locate utilities and provide drainage and support and to use, maintain, repair, alter and replace the party walls, structural supports, roofs, pipes, wires, ducts, vents, cables, conduits, public utility lines and other similar or related facilities serving other portions of the Properties.

6.3 Driveway. The Owner of each Lot shall have an easement over any portion of the Common Areas crossed by his driveway.

6.4 Ingress and Egress. A non-exclusive easement shall exist in favor of Declarant, each Owner and occupant, their respective guests, tenants, licensees and invitees, for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the Common Areas and Streets 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 Areas as from time to time may be paved or intended for such purposes, or for purposes of ingress and egress to the public ways. This easement shall also exist over any portion of a sidewalk which is part of a Lot and not part of a common area if such sidewalk is intended for use by pedestrian traffic.

6.5 Maintenance Easement. An easement shall exist in favor of the Association as to the portions of each Owner's Lot for which the Association has the maintenance responsibility. In addition, an easement is hereby reserved to Declarant, and the Association and any member of its Board of Directors, and its respective officers, agents, employees and assigns, upon, across, over, in and under the Properties as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Governing Documents, including the right to enter upon any Lot for the purpose of performing maintenance to the

landscaping or the exterior of improvements to such Lot as may be permitted herein. Access for emergency repairs may be made at any time.

6.6 Easements for Cross-Drainage. Every Unit, the Common Area, and adjoining Lots shall be burdened with easements for natural drainage of storm water runoff and/or other drainage from other portions of the Properties and of adjoining Lots; provided, no person shall alter the natural drainage on any Lot so as to materially increase the storm water onto adjacent portions of the Properties without consent of the Owner of the affected property.

6.7 Easements of Support and Shelter. Each Lot has such easements of support and shelter as may be necessary for the quiet enjoyment and possession of the Lot and the improvements constructed upon the Lot. In addition to the easement of support and shelter, the Owner of an adjoining Lot has an easement for access for repair and maintenance over and through the other Lot, and an easement for fences, sidewalks, drives, pipes, ducts, utility ways and spaces, and any other improvements passing through the other Lot and serving the dominant, adjoining Lot exclusively. Physical structures and improvements within such easements and serving the dominant Lot exclusively will be the property of the dominant Lot or considered a part of the Common Areas where appropriate. Physical structures serving both Lots will be shared on a mutually nonexclusive basis for all purposes for which the improvements were intended. Access for non-emergency repairs and improvements to physical improvements serving adjoining Lots may be made by the Owner of the dominant Lot, through the Association upon appointment and at reasonable times. Access to servient easement areas for repairs and construction will be in such manner as to not unreasonably disturb the possession of the servient tenement and in such manner as to preserve the function of the improvements as necessary to perform its function and any damage will be reasonably restored.

6.8 Water Management System. Each Owner, the Association and Declarant shall have a perpetual, non-exclusive easement, right, license and servitude to use the Water Management System. Declarant, with the consent of the owner of the fee underlying any part of the Water Management System, or Association may reconfigure such parts of the Water Management System with the consent of the Declarant, provided same is then in accordance with sound engineering practices and governmental approvals. In such event, the perpetual non-exclusive drainage easement rights of Declarant, Association and all Owners shall, without necessity of additional written documentation, be transferred from the previously existing Water Management System to the revised system. Declarant may dedicate to any applicable governmental agency or authority, all or any part of the drainage lines, structures and facilities which are part of the Water Management System. Declarant, or others with consent of Declarant, may execute such instruments as may be necessary or desirable to effect such dedication without the joinder or consent of Association, any Owner, or the holder of any mortgage or other lien on any Lot.

Declarant hereby grants to the Association, and its successors and assigns, a perpetual, non-exclusive easement for maintenance of lakes it is charged with maintaining upon, across, over and under any Land, for ingress, egress and access to such lake or canal located within or adjacent to the Land; provided, however, the exercise of this easement shall not unreasonably interfere with the use of any Lot.

6.9 Common Area. The Declarant declares, subject to the provisions of this Declaration, that the Common Area is subject to a perpetual non-exclusive easement in favor of Declarant, Association, the Owners, their family members, guests, invitees, licensees, and lessees, to use the common Area for all normal purposes for which same is intended, including, but not limited to, ingress and egress and for the furnishing of services and facilities for which the same are reasonable intended in accordance with the terms of this Declaration.

6.10 Sales Activity. For as long as it holds any Lot for development or for sale in the ordinary course of business in Biscayne Place, the Declarant and its designees shall have the right to use, without charge, any Lot owned by it and the Common Areas, including the Clubhouse, in order to establish, modify, maintain and utilize, as it and they deem appropriate, model homes, sales offices and other offices. Without limiting the generality of the foregoing, the Declarant and its designees may show model homes or the Common Areas to prospective purchasers or tenants, erect on the Lot signs and other promotional material to advertise Lots and Units for sale or lease, and take all other action helpful for sales, leases and promotion of the Neighborhood. It is the Developer's intent to use a portion of the Clubhouse as an on-site sales center until such time as all of the Lots in Biscayne Place are sold.

6.11 Cable and Telecommunications Systems.

A. Declarant hereby reserves unto itself and its designees, successors, assignees and licensees the right, without obligations, to construct or install over, through, under, across and upon any portion of the Land for the use of the Owners and their permitted or authorized guests, invitees, tenants, licensees and family members one or more cable and/or telecommunications receiving and distribution systems and electronic surveillance systems, emergency, medical or surveillance monitoring or alarm systems (all or any part of which shall be referred to herein as the "System"), the exact description, location and nature of which may have not yet been fixed nor determined. Declarant shall have and hereby reserves to itself and its designees, successors, assignees and licensees a perpetual and exclusive right, privilege, easement and right-of-way for the installation, construction and maintenance of the System (the scope, extent, size and location of which over, across, upon and through the Land shall be determined solely by Declarant, its successors, designees and assigns) together with a perpetual and exclusive right and privilege of: (i) unlimited ingress and egress thereto for installing, constructing, inspecting, repairing, maintaining, altering, moving, improving and replacing the facilities and equipment constituting the System including, without limitation, any towers, antennas, conduits, wires, cables, lines, panels, boxes, housings, connections, insulators and amplifiers necessary or desirable to receive and distribute services of the System including, without limitation, television and radio signals, electronic banking, surveillance, fire, police and emergency medical protection; and (ii) transmitting, the facilities and equipment of which shall be owned and exclusively controlled by Declarant, its successors and assigns or its designees.

B. Declarant and/or the Association shall have the right to enter contracts for the exclusive provision of the System. If Declarant enters into a contract or contracts pursuant to this subsection (b), the Association shall, to the extent the Declarant assigns its rights and obligations under any such contract or contracts, accept such assignment, and the Association hereby agrees to be bound by all of the terms and provisions of the contract or contracts.

C. The term "contractual Designee" or "Designees" shall mean the company or companies with which Declarant or the Association has contracted for the furnishing of such System services.

D. Every Owner subscribing to the System services contract may be subject to a charge, payable per Parcel on such day of each month or quarter in advance, as the Board may select, for basic cable television programming services. The Association shall impose, along with Association Assessments, against each Parcel an Individual Assessment as it shall determine, in the amount of the basic fees due and payable for the

System and shall collect same and forthwith remit the amount collected to the contractual Designee providing the System services.

7. MAINTENANCE, IMPROVEMENTS,.

7.1 Maintenance of Dwelling Units. The maintenance, repair and replacement of the Dwelling Units shall be the responsibility of the Owner thereof. The Owners' responsibility shall be to keep the appearance of the structure and all related improvements in a condition comparable to when they were new, except normal wear. The Owner's responsibility includes, without limitation, air conditioning compressors, screens, garage doors, glass, exterior lights, patios, pools, screen enclosures, perimeter walls and fencing, exterior painting and driveways that serve that individual Dwelling Unit. However, by special agreement by the Owner with the Association's Board of Directors, the Association may, but is not obligated to, assume the responsibility for painting the exterior of the Unit. Should the Association assume such a responsibility, then the expenses associated therewith shall be the sole responsibility of the Owner.

7.2 Maintenance of Lots and Common Areas. The maintenance of all landscaping located on a Lot, including the trees, shrubs, lawn, flower beds and walkways located on a Lot, shall be the responsibility of the Association. The maintenance of any sprinkler system located on a Lot shall also be the responsibility of the Association. Each Owner shall be responsible for their prorata share of the maintenance expense. Any damage to a Lot caused by work performed or ordered by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage. Additionally, the Association's responsibilities include, but are not limited to:

- A. Maintenance, repair, and replacement of landscaping, perimeter walls and entry features on Common Areas.
- B. Common Areas recreation facilities maintenance, repair and replacement.
- C. Maintenance, repair and replacement of any improvements located within Common Areas.
- D. Maintenance, repair and replacement of all drainage and irrigation facilities; and of the Water Management System (unless said responsibilities have been transferred to a governing agency having jurisdiction thereof, which has assumed all maintenance responsibilities).
- E. Maintenance, repair and replacement of all Streets and any and all other improvements located within the Common Area;
- F. Maintenance, repair and replacement of all sewer facilities, including the lift station.

7.3 Maintenance of Streets. All Streets may be owned or maintained by the Association as Declarant directs.

7.4 Sidewalks. Declarant may construct sidewalks in Biscayne Place. Driveway cuts may be made in sidewalks or curbs, provided that the cuts and the construction of the driveways must be done in accordance with plans and specifications approved by Declarant. The Owner of a Lot shall be liable to

the Association for all damage done to sidewalks and/or Common Areas and roads by construction of a residence on the Owner's Lot. The Owner of such Lot shall repair to the satisfaction of the Association any such damage, and if the Owner fails to make such repairs, then the Association may make such repairs at the expense of the Owner. Such expense until paid shall constitute an Individual Assessment against the Owner and the Owner's Parcel. The Developer shall not be liable for normal settling and cracking of sidewalks.

7.5 Completion of Neighborhood. The Developer shall undertake the work of developing all Lots and Dwelling Units within the Neighborhood. The completion of that work, or the sale, lease, or other disposition of Dwelling Units is essential to the establishment and welfare of the Neighborhood as an ongoing residential community. In order that such work may be completed and the Neighborhood established as a full residential community as soon as possible, nothing in this Declaration shall be understood or construed to prevent the Developer, or the employees, contractors or sub-contractors of Developer, or of Developer's transferees, from doing whatever they may determine to be reasonable, necessary or advisable for the completion of the work and the establishment of the Neighborhood as a residential community. As used in this paragraph, the words, "its transferees" specifically excludes purchasers of Lots improved with completed residences.

7.6 Enforcement of Maintenance. If the Owner of a Dwelling Unit fails to maintain it as required above, the Association shall have the right to institute legal proceedings to enforce compliance, or may take any and all other steps necessary to remedy such violation, including but not limited to entering the Lot without consent of the Owner. The responsible Association may repair, replace, or maintain any item which constitutes a hazard to other property or residents, or which has a material adverse effect on the appearance of the Neighborhood. Any expenses so incurred by the Association shall be charged to the Owner, which charge shall be a lien on the Lot which may be foreclosed and shall include attorneys fees and other expenses associated with said foreclosure. In addition, if the Owner and the Association by special agreement designate the Association as the party responsible for painting the exterior of the Unit as set forth in 7.1 above, all expenses incurred by the Association shall be assessed against the Owner, together with reasonable attorneys fees and other expenses of enforcement.

7.7 Negligence: Damage Caused By Condition in Unit. The Owner of each Dwelling Unit shall be liable for the expenses of any maintenance repair or replacement of Common Areas, Master Association Property, other Units or personal property made necessary by his act or negligence, or by that of any member of his Family or his Guests, employees, agents, or lessees. Each Owner has a duty to maintain his Unit, except those items required to be maintained by the Association as provided herein and personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other Units, Association Property, Master Association Property or the property of other Owners and residents. If any condition, defect or malfunction, resulting from the Owner's failure to perform this duty causes damage to other Units, Association Property, Master Association Property or property within other Units, the Owner of the offending Unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance. If one or more of the Units involved is not occupied at the time the damage is discovered, the Association may enter the Unit without prior notice to the Owner and take reasonable actions to mitigate damage or prevent its spread. The Association may, but is not obligated to, repair the damage with the prior consent of the Owner.

8. WATER MANAGEMENT SYSTEM AREA RESTRICTIONS AND EASEMENTS

8.1 Improvements. No improvements, planting or other material (other than landscape material) of any kind shall be constructed, erected or installed, unless constructed, erected or installed by Declarant, nor shall an Owner in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water, in any portion of a Water Management System reserved for, or intended by Declarant to be reserved for, drainage ways, sluice-ways or for the accumulation of run-off waters, as

reflected in any plat or instrument of record, without the specific written permission of the Declarant, while a Class B Member, and thereafter by the Association.

8.2 Ingress and Egress. An Owner shall in no way deny or prevent ingress and egress by Declarant or Association to any Water Management System for maintenance or landscape purposes. The right of ingress and egress, and easements therefor, are hereby granted in favor of the Declarant, the Association, and all appropriate governmental or quasi-governmental agencies that may reasonably require such ingress or egress, and easements therefor, are hereby specifically reserved and created.

8.3 Modification. No Lot shall be increased in size by the filling in of any water retention or Water Management system on which it abuts. Owners shall not fill, dike, rip-rap, block, divert or change the established water retention and Water Management systems that have been or may be created by easement. No Owner may draw water for irrigation or other purposes from any lake, pond, canal or other Water Management System, nor is any swimming in such areas allowed.

8.4 Responsibility. All Water Management Systems within the Land will be the ultimate responsibility of the Association. The Association may enter any Lots or Common Areas and make whatever improvements or repairs are deemed necessary to restore proper water management. The cost shall be an expense of the Association. In addition thereto, any Owner or other beneficiary of the Water Management System shall have the right to institute litigation against the Association to ensure that the Water Management System, and easements therefor, are properly and continuously maintained.

Notwithstanding the foregoing, the Association shall have the power and authority to convey title to, and maintenance responsibilities for, all or such portion of the Water Management systems as Association elects; provided, however, said conveyance may only be made to a governmental agency, which may assume responsibility for the proper maintenance and care of the Water Management System..

8.5 Construction. Nothing in this Section shall be construed to allow construction of any new water management facility or alteration of Water Management Systems without first obtaining the necessary permits from all governmental regulatory agencies having jurisdiction.

8.6 Other Properties. Declarant does hereby reserve the right to grant non-exclusive drainage easements benefitting lands not included within the Land, and to allow said benefitted lands to utilize the Water Management System, upon such terms and conditions (if any) that Declarant deems appropriate, without regard as to whether said benefitted lands ever comprise a portion of Biscayne Place.

9. INSURANCE OF LIVING UNITS

9.1 Duty to Insure and to Reconstruct. Each Owner shall at all times maintain casualty insurance on his Dwelling Unit and all other insurable improvements in an amount equal to the full replacement cost thereof. If any improvements located on any Lot are destroyed or damaged as a result of fire, windstorm, flood, tornado, hurricane or other casualty, the Owner of such improvements shall remove all debris within sixty (60) days from the date that such damage or destruction occurred, and to complete the repair or replacement within one (1) year thereafter. All such repairs or replacements must restore the improvements to substantially their original character, design and condition, and shall utilize and conform with the original foundation and appearance of the original improvements except as otherwise approved by the ARC.

9.2 Failure to Reconstruct. If the Owner of any Lot fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for above, the Association shall give written notice to the Owner of his default. If after thirty

(30) days the Owner has not made satisfactory arrangements to meet his obligations, the Association shall be deemed to have been granted the right by the respective Owner, as such Owner's attorney-in-fact, to commence and/or complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements. If the Association exercises the rights afforded to it by this Section, which shall be in the sole discretion of the Board of Directors, the Owner of the Lot shall be deemed to have assigned to the Association any right he may have to insurance proceeds that may be available because of the damage or destruction of the improvements. The Association shall have the right to recover from the Owner any costs not paid by insurance, and shall have a lien on the Lot and Dwelling Unit to secure payment.

9.3 Failure to Insure: Association as Co-Insured. For the purpose of this Section, each Owner of a Lot within the Neighborhood agrees that the Association shall be named as a co-insured under any hazard and/or flood insurance policy relating to his Lot and improvements constructed thereon. Further, the Association may require that all such policies be in an amount sufficient to finance the repair or replacement of the improvements, taking into account local construction costs and property values as they may from time to time exist. If an Owner fails or refuses to maintain such insurance coverage deemed reasonably necessary by the Association, or if the Owner allows the required insurance coverage to lapse, or for some other reason causes the same to become ineffective, the Association may (but is not obligated to) purchase whatever coverage it deems reasonably necessary for the Association's benefit. The Association has the right to require each Owner to produce proof of insurance. The costs incurred by the Association by reason of any Owner's failure or refusal to comply with this Section shall be immediately due and payable by the Owner in all respects, together with interest, reasonable attorneys fees and costs of collection, upon the Association notifying the Owner, in writing, that it has procured such insurance.

9.4 Association's Right of Entry. For the purpose of performing the duties authorized by the Governing Documents, the Association (and/or the Master Association), through its duly authorized agents and employees, shall have an irrevocable right of access to Units during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Areas or of any portion of a Unit or Units to be maintained by the Association (and/or the Master Association) pursuant to the Governing Documents or as may be necessary to prevent damage to the Common Areas or the property of the Master Association or to a Unit or Units.

10. GENERAL COVENANTS AND RESTRICTIONS.

10.1 Use Restrictions. Biscayne Place shall be limited to residential uses (single and multi-family) and no Dwelling Unit shall be used for any other purpose. No business buildings may be erected on a Lot and no business may be conducted on any part thereof, nor shall any building or portion thereof be used or maintained as a professional office. Notwithstanding the above provisions, the Declarant may cause Dwelling Units to be used or maintained as sales offices or as model homes.

10.2 Leasing. An Owner may lease his Dwelling Unit without prior Board approval, subject to the following restrictions and conditions:

All of the provisions of the Governing Documents and the Rules and Regulations of the Association pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Dwelling Unit.

The Owner shall be liable for all losses and any violation of the Governing Documents committed by such Owner's tenant, without prejudice to such Owner's right to collect any sums paid from the tenant.

10.3 Temporary Structures. No structure of a temporary character, including trailer, tent or shack shall be used on any Lot at any time as a living unit, either temporarily or permanently.

10.4 Signs. No sign or advertisement of any kind, including, without limitation, those of realtors, contractors and subcontractors, shall be erected on any Lot unless the same complies with the standards and guidelines, if any, established by the Board of Directors of the Association. The Association reserves the right to restrict the size, color, lettering, height, material and location of signs. The Association shall have the right to remove signs which fail to comply with standards set by the Association. Nothing herein shall prohibit Declarant from installing any signs for purposes of developing, selling or leasing all or any portion of the Land.

10.5 Appearance: Refuse Disposal. After closing of title, each Owner shall keep his Lot free and clear of trash and debris and shall reasonably maintain his Dwelling Unit. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers suitably screened from the street and adjacent Lots. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No garbage incinerators shall be permitted.

10.6 Maintenance. The Declarant shall care for vacant or unimproved Lots within the Properties, remove and destroy tall grass, undergrowth, weeds and rubbish therefrom, and do any other things and perform any labor necessary or desirable in the judgment of the Declarant to keep the Lots in good order. The Association shall have the right to repair any structure or improvement on any Lot which constitutes a danger or nuisance or is in unsightly disrepair, provided that the Owner of the Lot is given no less than five (5) days notice of the Association's intent to do so. Such notice shall reasonably specify the proposed action. The Association shall charge the expense of same against the Owner of said Lot, which charge shall be a lien on the Lot which may be foreclosed and shall include Declarant's attorney's fees and/or the Association's attorneys fees and other costs in connection with said foreclosure.

10.7 Awnings and Windows. Awnings, hurricane shutters, solar film and other window shading or decoration shall be subject to the prior approval and control of the ARC.

10.8 Fences. No fence, wall, hedge or other similar structure shall be erected on any Lot or Common Area without the prior approval of the ARC.

10.9 Landscaping. No landscaping shall be installed, cut down, destroyed or removed without the prior written consent of the ARC. No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot, unless approved by the ARC. No weeds, underbrush, high grass or other unsightly vegetation shall be permitted to grow or remain upon any Lot and no refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Lot. If for any reason an Owner permits such weeds, high grass, underbrush or other unsightly growths and fails to correct same after five (5) days notice by the Association, then the Association shall have the right to enter upon the premises and make such corrections and shall charge the Owner for the cost of the corrections. Said charge, until paid, shall be a lien against the offending Lot.

10.10 Commercial Activities and Business Use. No business or commercial activity shall be conducted on the Land, except the Developer's construction of improvements and the maintenance of sales offices or models. Notwithstanding, an Owner or occupant residing in a residence may conduct business activities within the residence so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the residence; (ii) the business activity conforms to all zoning requirements for the Lot and all applicable county ordinances; (iii) the business activity does not involve persons coming onto the Lot who do not reside in the Lot or door-to-door solicitation of other residents of the Lot; and (iv) the business activity is consistent with the residential

character of the Lot and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Lot as may be determined in the sole discretion of the Board.

10.11 Pets and Animals. No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Unit, with the exception of dogs, cats, or other usual and common household pets, in a reasonable number so as not to create a nuisance. All pets shall be contained within the Owner's Dwelling Unit. Pets or animals may not be kept within a screened or similarly enclosed area without owner's supervision. Any pet or animal taken outside a Dwelling Unit must be on a leash held by the Owner or be carried by the Owner. No pet or animal shall cause an annoyance or nuisance to any other Owner. Pets must be on a leash or carried when on Common Areas. It shall be the Owner's obligation to dispose of waste material from pets. The Board of Directors shall have the right to order the removal of any pet which, in the Board's sole discretion, is considered a nuisance, and the same shall be done without compensation to the Owner. In such event, the Board shall give written notice thereof to the pet's Owner, and the pet shall immediately thereafter be permanently removed. A pet not on a leash shall be deemed a nuisance. Failure to clean the waste material from a pet shall be deemed a nuisance. Any pet, which in the opinion of the Association, creates an unreasonable annoyance to other Residents shall be deemed a nuisance.

10.12 Trucks, Commercial Vehicles, Recreation Vehicles, Motor Homes, Mobile Homes, Boats, Campers, Trailers, and Golf Carts.

- A. No commercial vehicles, or campers, mobile homes, motor homes, house trailers, or trailers of every other description, recreational vehicles, boats, boat trailers, golf carts or motorcycles shall be permitted to be parked or to be stored on any portion of the Property except within enclosed garages or areas, if any designated by the Association for that purpose.
- B. No parking on lawns shall be permitted.
- C. No vehicle shall be used as a domicile or living unit, either permanent or temporary.

10.13 Garages, Carports and Storage Areas.

- A. No garage shall be erected which is separated from a Dwelling Unit. Each Dwelling Unit shall have a garage which shall accommodate no less than two automobiles. Repair of vehicles shall be permitted only inside the garage. When ingress and egress to the garage is not desired, the garage doors shall remain closed.
- B. Carports shall not be permitted.
- C. No garage shall ever be permanently enclosed or converted to other uses without substitution of another enclosed garage and approval of the ARC.

10.14 Garage Sales. No garage sale, estate sale, flea market, auction, or similar event shall be held on any Lot without prior written approval of the Board of Directors of the Association. The Association may, in its sole discretion, prohibit such events but if such events are permitted, under no circumstances may more than two (2) such events be held on any Lot in any twelve (12) month period.

10.15. Outside Lighting and Mailboxes. Except as may be initially installed by Developer, no spotlights, floodlights, or similar type high intensity lighting shall be placed or utilized upon any Lot

which in any way will allow light to be reflected on any other Lot or the improvements thereon without the written authorization of the ARC, or Developer, whichever is applicable. Other types of low intensity lighting which do not unreasonably disturb the Owners or other occupants of the Properties may be allowed. If the Developer installs a front yard lamp on each Lot then the Owner of each Lot shall maintain and keep operating that lamp during all hours of darkness; Owner's responsibility includes any replacement of the photoelectric cell and replacement of light bulbs. In the event that the front yard lamp is not functional for a one week period, the Association shall have the right to repair the lamp and the Owner shall reimburse the Association for the costs of such repairs. The Association shall be responsible for installation and maintenance of mailboxes. If a mailbox is damaged or destroyed by an Owner or guest of an Owner, the mailbox will be repaired or replaced by the Association at the Owner's expense and such expense shall be treated as an assessment on the Owner's Lot or Dwelling Unit and shall be a lien until paid.

10.16 Television and Other Outdoor Antennae. No outdoor television, radio or other antenna or antenna system may be erected or installed on any Lot or Dwelling Unit or on the Common Areas. An Owner may install a satellite dish on the Owner's Lot that is no larger than 24 inches in diameter.

10.17 Radio Equipment. No ham radios, CB base stations, or other similar radio transmission equipment shall be operated or permitted to be operated without prior written consent of the Board of Directors of the Association.

11. ENFORCEMENT OF COVENANTS AND ABATEMENT OF VIOLATIONS. Every Owner shall at all times comply with all the covenants, conditions and restrictions of the Governing Documents. Violations of the Governing Documents should be reported immediately in writing to a Member of the Board of Directors. Before undertaking any remedial, disciplinary or enforcement action against a person alleged to be in violation, the Association shall give the alleged violator reasonable written notice of the alleged violation, except in emergencies. Disagreements concerning violations, including, without limitation, disagreements regarding the proper interpretation and effect of the Governing Documents, shall be presented to and determined by the Board, whose interpretation of the Governing Documents and/or whose remedial action shall control. If any person, firm or entity subject to the Governing Documents fails to abide by them, as they are interpreted by the Board of Directors of the Association, that person shall be liable to be fined by the Association for each such failure to comply or other violation.

11.1 Legal Action. Judicial enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants. Failure of an Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. If such action is instituted, the Association shall, in addition, be entitled to recover its costs and attorney's fees incurred in enforcing the Governing Documents.

11.2 Entry by Association. Violation of any conditions or restrictions or breach of any covenant herein contained or in any of the Governing Documents shall also give the Declarant, its successors and assigns, and/or the Association and its authorized agent or representative, in addition to all other remedies, the right to enter upon the land where such violation or breach exists and summarily abate and remove, at the expense of the Owner of the land, any construction or other violation that may be or exist thereon. The Declarant, its successors and assigns and/or the Association and its authorized agents shall not thereby become liable in any manner for trespass, abatement or removal.

11.3 Fines. The Board may impose a fine or fines upon an Owner for failure of the Owner, his family, guests, invitees, tenants, or employees to comply with any covenant restriction, rule, or regulation contained herein or promulgated pursuant to the Governing Documents.

- A. Notice. The Association shall notify the Owner in writing, at least fourteen (14) days prior to the date of the next Board meeting, of the nature of the alleged infraction or violations. Included in the notice shall be the date and time of the next Board meeting, at which time the Owner shall have the right to be heard and to present reasons why penalty(ies) should not be imposed.
- B. Hearing. The Board shall appoint a committee of three (3) members ("Hearing Committee"), who are not officers, directors, or employees of the Association, or the spouse, parent child, brother or sister of an officer, director or employee, to conduct a hearing at the next scheduled Board meeting. The facts of the alleged infractions shall be presented to the Hearing Committee after which the Owner shall have a reasonable opportunity to present his defense and reasons why penalties should not be imposed. A written decision of the Hearing Committee shall be submitted to the Owner not later than ten (10) days after the Board meeting.
- C. Amount of Fine. The Hearing Committee may impose a fine in an amount not to exceed \$100.00 per violation. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity to be heard, except that no such fine shall exceed \$1,000.00 in the aggregate.
- D. Collection of Fines. Fines shall be treated as an assessment due to the Association fourteen (14) days after written notice to the Owner of the imposition of the fine, as provided above.
- E. Application. All monies received from fines shall become part of the common surplus.
- F. Non-exclusive Remedy. Fines shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Owner shall be deducted from or offset against any damages that the Association may otherwise recover at law from such Owner connected with the same offense.

12. DEVELOPER'S RIGHTS AND DUTIES. So long as the Developer holds any Lots in the Neighborhood for sale in the ordinary course of business, the following shall apply, notwithstanding any other provisions to the contrary:

12.1 Developer's Use. Until the Developer has completed all of the contemplated improvements and has sold all of the Lots and Dwelling Units within Biscayne Place, neither the Owners nor the Association (nor their use of the Lots and Dwelling Units), shall unreasonably interfere with the completion of the contemplated improvements or sales of Lots or any other property within Biscayne Place. The Developer may make any use of the unsold Lots or Common Areas, including the clubhouse, as may reasonably be expected to facilitate completion and sales, including, but not limited to, maintenance of construction and sales offices, display of signs, leasing of Dwelling Units, and showing the Units for sale to prospective purchasers.

12.2 Assignment of Development Rights. All or any portion of the rights, privileges, powers and duties of the Developer set forth in the Governing Documents may be assigned in whole or in part by the Developer to any person or entity, without the consent of any other Owner or any holder of a mortgage secured by any Lot. Upon the acceptance of such assignment by the assignee, the assignor shall be relieved of all liabilities and responsibilities to the extent of the assignment. In the event of the foreclosure of any mortgage owed by the Developer, or deed in lieu of such foreclosure, the person first acquiring title to such interest by reason of such foreclosure, or deed in lieu of foreclosure, shall succeed to all rights, powers, privileges and immunities of the Developer in and to such interest.

12.3 Amendment of Declaration. In addition to any other right of amendment or modification provided for in this Declaration and its Exhibits, the Declarant, or any entity which succeeds to its position as the Developer of the Land described in Exhibit "A", may, in its sole discretion, by an instrument filed of record, unilaterally modify, enlarge, amend, waive or add to the covenants, conditions, restrictions and other provisions of this Declaration or any of its Exhibits. This right specifically includes the right to amend this Declaration and its Exhibits to bring additional property and Lots within the Properties, to withdraw property previously submitted to this Declaration, and to change the size or dimension of any Lot without the approval of any Owner or mortgagee so long as that Lot has not been conveyed to an Owner other than the Developer. The right to amend set forth in this paragraph shall expire when the Declarant no longer holds any Lots or Dwelling Units within Biscayne Place for sale in the ordinary course of business, or upon turnover of control of the Association to the members, whichever is earlier. Any amendment made pursuant to this paragraph may be made without notice to the Members or to any other entity.

12.4. Sales or Leases of Units. The Developer shall have the right to sell, lease or transfer any Living Unit owned by it on such terms and conditions as it deems in its own best interest, and no Association approval shall be required.

12.5 Non-Enforcement of Covenants. The Developer shall have no liability with regard to the enforcement or non-enforcement of the covenants, conditions and restrictions in the Governing Documents.

12.6 Easements. The Developer shall have the right to create any and all easements over across and through the Properties as may be necessary or convenient to the development process.

13. TURNOVER.

13.1 Time of Turnover. The turnover of control of the Association shall occur not later than three (3) months after ninety percent (90%) of the Lots which will ultimately be located within the Neighborhood have been conveyed to Owners other than Developer. At the Turnover Meeting the Class "A" Members shall elect a Board of Directors and the Directors appointed by the Developer shall resign. However, Developer may retain the right to elect at least one (1) member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business, at least five percent (5%) of the Lots.

13.2 Procedure for Calling Turnover Meeting. No more than forty-five (45) days and no less than thirty (30) days prior to the Turnover Meeting, the Association shall notify in writing all Class "A" Members of the date, time and place of the Turnover Meeting.

13.3 Early Turnover. The Developer may turn over control of an Association to Owners other than the Developer prior to the turnover dates set forth above by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Owners other than the Developer to elect Directors and assume control of the Association. Provided at least thirty (30) days notice of Developer's

decision to cause its appointees to resign is provided to the Owners, the Developer shall not be liable in any manner in connection with such resignations, even if Owners other than the Developer refuse or fail to assume control.

13.4 Conveyance of Common Areas at Turnover. The Common Areas shall be those areas specifically designated by Declarant as exclusively or primarily for use by Owners. Declarant may, at any time prior to the termination of its Class B Membership, convey and transfer (or cause to be conveyed or transferred) to the Association, and the Association shall accept, any or all of the Common Areas.

14. DURATION OF COVENANTS; AMENDMENT OF DECLARATION:

14.1 Duration of Covenants. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association, the Developer and any Owner, their respective legal representative, heirs, successors and assigns, for an initial period to expire on the thirtieth (30th) anniversary of the date of recordation of the Declaration of Covenants, Conditions and Restrictions for Biscayne Place. Upon the expiration of said initial period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial period, or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4) of all voting interests, in person or by proxy, at a duly held meeting of Members of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal will be considered, shall be given at least forty-five (45) days in advance of said meeting. If the Members vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination so adopted, the date of the meeting of the Association, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of Collier County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

14.2 Proposal. Amendments to this Declaration may be proposed by the Board of Directors or by written petition signed by one-fourth (1/4) of the voting interests. If by petition, the proposed amendments must be submitted to a vote of the Owners not later than the next annual meeting.

14.3 Vote Required. Except as otherwise provided by law, or by specific provision of the Governing Documents, this Declaration may be amended at any time by concurrence of two-thirds (2/3) of the voting interests present in person or by proxy and voting at any annual or special meeting called for the purpose at which a quorum is present. However, the full text of any proposed amendments shall be included in the notice of such Annual or Special Meeting and no amendment shall be effective which is in contravention of the duties, responsibilities or obligations of the Association or Members as provided in this Declaration and its Exhibits. No Amendment shall change the Owner's share of liability for assessments or voting rights unless the Owner consents to the amendment.

14.4 Certificate; Record. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall identify the O. R. Book and Page of the Public Records where the Declaration is recorded, and shall be executed by Officers of the Association with the formalities of a deed. The amendment shall be effective when recorded in the Public Records of Collier County, Florida.

14.5 Exceptions. Wherever in this Declaration the consent, approval, or affirmative vote of more than two-thirds (2/3) of the voting interests, is required in order to authorize or take a particular action, the language requiring the particular number of consents, approvals, or votes may not be amended except by the same vote required to authorize or take the action.

14.6 Amendment of Provision Relating to Developer. Until the termination of the Class B Membership, Declarant may unilaterally amend this Declaration without the consent of the Association or any third party. Following turnover, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes in the Association, and the vote of the Declarant, so long as the Declarant owns any Lot; provided, however, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of the Declarant under this Declaration or any other of the Governing Documents, without specific written approval from the Declarant.

15. GENERAL PROVISIONS:

15.1 Waiver. Any waiver by Developer of any provisions of this Declaration of breach hereof must be in writing and shall not operate or be construed as a waiver of any other provision or subsequent breach.

15.2 Severability. If any section, subsection, sentence, clause, phrase or portion of this Declaration is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portion thereof.

15.3 Headings. The headings of any sections herein are for convenience only and shall not affect the meanings or interpretation of the contents thereof.

15.4 Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration or the Bylaws, shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. The Member or Owner bears the responsibility for notifying the Association of any change of address.

15.5 Interpretation. The Board of Directors of the Association is responsible for interpreting the provisions of this Declaration and its Exhibits. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel that an interpretation adopted by the Board is not unreasonable shall conclusively establish the validity of such interpretation.

16. MASTER ASSOCIATION.

16.1 Membership in Master Association. By taking title to a Lot, the Owner becomes a Member of the Olde Cypress Master Property Owners Association, Inc., a Florida Corporation not for profit corporation and subject to the terms and conditions of the Master Declaration and General Protective Covenants, Conditions, and Restrictions for Olde Cypress recorded in Official Record Book 2539, Pages 2902 et seq., of the Public Records of Collier County, Florida (the "Master Declaration"), as it may be amended from time to time.

16.2 Master Association Assessments. Pursuant to the Master Declaration, the Master Association has the right to assess the Members for all expenses which may be incurred by the Master Association in the performance of its duties. These assessments may be collected by the Association as agent for the Master Association at the discretion of the Master Association and remitted to the Master Association on a timely basis. The Master Association may, in its discretion, collect assessments directly.

16.3 Membership in Master Association and Voting Rights. In accordance with the provisions of the Governing Documents, all Owners are automatically and irrevocably Members of the Master Association. Voting rights and procedures in the Master Association shall be as outlined in the Master Declaration. The President of the Association shall appoint one (1) member of the Board of Directors to act as Neighborhood Representative, as defined in the Master Declaration, and to cast the votes of the Members on Master Association matters. The Neighborhood Representative shall be an Officer of the Association and shall have the power and authority to act on behalf of all Members of the Association. Section 5.06 of the Master Declaration shall govern voting rights and procedures with regard to any matter the Neighborhood Representative is required to vote on.

16.4 Notice to Olde Cypress Master Association. Copies of all amendments to this Declaration, the Articles of Incorporation and Bylaws of the Association, and any easements or conveyances affecting the Common Areas, shall be forwarded to Olde Cypress Master Property Owners Association, no later than fifteen (15) days after recording in the public records. The Association shall also provide a current list of the names and mailing address of all Owners within fifteen (15) days after receiving a written request for same from the Master Association.

IN WITNESS WHEREOF, Nick Shepherd, as President of Florida Bay Partners, Inc., a Florida corporation, does hereby execute this Declaration of Covenants, Conditions and Restrictions this 25th day of February, 2004.

Jeannie Cuman
Witness

Jeffrey P. Hood
Witness

Florida Bay Partners, Inc.,
a Florida corporation

By: Nick Shepherd
Its: President

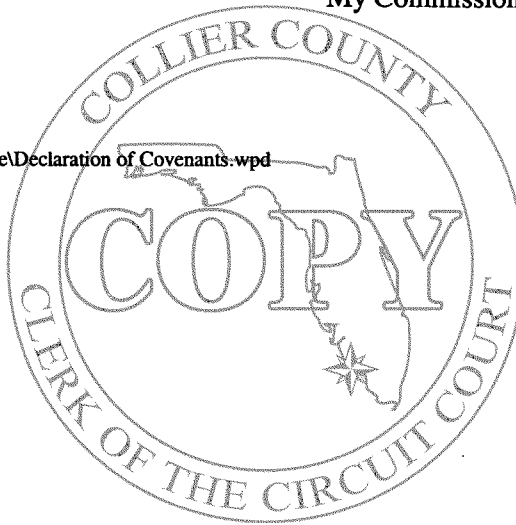
STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 25 day of February, 2004, by Nick Shepherd, as President of Florida Bay Partners, Inc., a Florida corporation, on behalf of the corporation, who is personally known to me or who produced _____ as identification.

Mary J Moss
Notary Public

Printed Name

My Commission Expires:



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Mary J Moss
My Commission DD238749
Expires November 17 2007

OR: 3547 PG: 1453

**JOINDER OF MORTGAGEE TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF BISCAIYNE PLACE AT OLDE CYPRESS**

Southern Community Bank of Southwest Florida, the owner and holder of a Construction Mortgage and Security Agreement from Florida Bay Partners, Inc., a Florida corporation, in favor of Southern Community Bank of Southwest Florida dated October 23, 2002 and recorded October 25, 2002 in O.R. Book 3139, Page 2626; as modified by Mortgage Modification, Spreader Agreement and Notice of Future Advance recorded in O.R. Book 3327, Page 3288; and Assignment of Leases, Rents and Profits recorded in O.R. Book 3139, Page 2639; and UCC-1 Financing Statement recorded in O.R. Book 3139, Page 2642, all in the Public Records of Collier County, Florida. (the "Mortgage") encumbering the land described in Exhibit "A" to the Declaration of Covenants, Conditions and Restrictions for Biscayne Place to which this Joinder is attached, hereby consents to and joins in the Declaration and agrees that the lien of its mortgage shall be upon the encumbered Lots, together with all of the appurtenances, including, but not limited to, any common areas appurtenant to the Lots so encumbered and to the undivided shares of the common areas.

Nothing contained herein shall be deemed to in any way limit or affect the validity of the mortgage held by Southern Community Bank of Southwest Florida, the priority of the lien created thereby and the sole purpose of this Joinder is to acknowledge the consent of said Mortgagee to the Declaration of Covenants, Conditions and Restrictions as hereinabove provided.

EXECUTED this 26th day of February, 2004.

WITNESSES:

MORTGAGEE:

Southern Community Bank
of Southwest Florida

By: [Signature]
Its: V.P.

[Signature]
Kelly S. Hart

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing Joinder of Mortgagee was acknowledged before me this 26 day of FEBRUARY, 2004, by WILLIAM V. WEST JR. as _____ of Southern Community Bank of Southwest Florida, who is personally known to me or has presented _____ as identification.



[Signature]
Notary Public
Kelly S. Hart
Printed Name

Exhibit "A"

Lots 1 through 8, as shown on the plat of Olde Cypress, Tract 12, according to the plat thereof recorded in Plat Book 37, Pages 91 and 92, Public Records of Collier County, Florida.



**ARTICLES OF INCORPORATION
OF
BISCAYNE PLACE HOMEOWNERS ASSOCIATION, INC.**
(a Florida Not-For-Profit Corporation)

Pursuant to the Florida Statutes, these Articles of Incorporation are created by Nick Shepherd, as the sole incorporator, for the purposes set forth below.

ARTICLE I

Name

The name of the corporation is Biscayne Place Homeowners Association, Inc., sometimes hereinafter referred to as the "Association".

ARTICLE II

Principal Office

The initial principal office of the corporation is located 3200 Bailey Lane, Suite 117, Naples, Florida.

ARTICLE III

Purpose and Powers

This Association will not permit pecuniary gain or profit nor distribution of its income to its Members, Officers or Directors. It is a non-profit corporation formed for the purpose of establishing a corporate, residential neighborhood Homeowners' Association which will, subject to a Declaration of Covenants, Conditions and Restrictions to be recorded in the Public Records of Collier County, Florida, have the specific purposes and powers below:

(A) **Purposes:**

- (1) To promote the health, safety and welfare of the residents of the residential community located on the property subject to the jurisdiction of the Association.
- (2) To fulfill all of the purposes listed above and to exercise all of the powers listed below with respect to all additional properties which may be brought under the jurisdiction of this Association through recorded amendment or amendments to the aforesaid Declaration.

(B) Powers: The Association shall have all of the common law and statutory powers of a Florida corporation not for profit consistent with these Articles and with the said Declaration of Covenants, Conditions and Restrictions for Biscayne Place at Olde Cypress Homeowners Association, Inc. and shall have all of the powers and the authority reasonable or appropriate to the operation and regulation of a residential neighborhood subject to the said recorded Declaration, as it may from time to time be amended, including but not limited to the power to :

- (1) Fix, levy, collect and enforce payment by any lawful means of all charges, assessments or liens pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all license fees, taxes or governmental charges levied or imposed against the property of the corporation;
- (2) Enforce any and all covenants, conditions, restrictions and agreements applicable to the residential neighborhood known as Biscayne Place at Olde Cypress in Collier County, Florida;
- (3) Pay taxes, if any, on the Common Areas;
- (4) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the corporation;
- (5) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (6) Dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless at least two-thirds (2/3) of the voting interests consent to such dedication, sale or transfer;
- (7) Purchase policies of insurance upon the Properties and use the proceeds from policies to effectuate its purposes;
- (8) Participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes, or to annex additional property and common areas, provided that merger, consolidation or annexation shall have the consent of at least (2/3) of the voting interests of the Association; and

- (9) Exercise any and all powers, rights and privileges which a corporation organized under Chapter 617 of Florida Statutes may now have or hereafter have subject always to the Declaration as amended from time to time.

ARTICLE IV

Membership and Voting Rights

Membership and Voting Rights shall be as set forth in the Declaration of Covenants, Conditions and Restrictions for Biscayne Place at Olde Cypress to which a copy of these Articles shall be attached as an Exhibit "B".

ARTICLE V

Term

The term of the Association shall be perpetual.

ARTICLE VI

Bylaws

The Bylaws of the association may be altered, amended or rescinded in the manner provided therein.

ARTICLE VII

Amendments

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

(A) **Proposal**: Amendments to these Articles may be proposed by a majority of the Board or upon petition of one-fourth (1/4) of the voting interests, and shall be submitted to a vote of the Members not later than the next annual meeting.

(B) **Vote Required**: Except as otherwise required by Florida law, these Articles of Incorporation may be amended by vote of a majority of the voting interests present and voting in person or by proxy at any annual or special meeting or by approval in writing of a majority of the voting interests without a meeting, provided that notice of any proposed amendment has been given to the Members of the Association, and that the notice contains a fair statement of the proposed amendment.

(C) **Effective Date**: An amendment shall become effective upon filing with the Secretary of the State.

ARTICLE VIII

Directors and Officers

(A) The affairs of the association will be administered by a Board of Directors consisting of three (3) Directors.

(B) Directors of the Association shall be elected by the Members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws, or if not provided in the Bylaws, then as provided by Florida Statute.

(C) The business of the Association shall be conducted by the Officers designated in the Bylaws. The Officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the Members of the association and shall serve at the pleasure of the Board.

ARTICLE IX

Initial Directors and Officers

The initial Officers and Directors of the Association shall be:

<u>Name:</u>	<u>Address:</u>	<u>Title:</u>
Nick Shepherd	3200 Bailey Lane, Suite 117 Naples, Florida 34105	President
Stephen Hokanson	3200 Bailey Lane, Suite 117 Naples, Florida 34105	Vice-President and Treasurer
Mary Moss	3200 Bailey Lane, Suite 117 Naples, Florida 34105	Secretary

ARTICLE X

Initial Registered Agent

The initial registered office of the Association shall be Lisa H. Barnett, at Cheffy Passidomo Wilson & Johnson, 821 Fifth Avenue South, Suite 201, Naples, Florida 34102.

ARTICLE XI

Indemnification

To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Officer of the Association against all expenses and liabilities, including any attorneys fees actually and reasonably incurred by or imposed on him/her in connection with any legal

proceeding (or settlement or appeal proceeding) to which he/she may be a party because of his/her being or having been a Director or Officer of the Association. The foregoing right of indemnification shall not be available if a judgment or other final adjudication establishes that his/her actions or omissions to act were material to the cause adjudicated and involved:

(A) Willful misconduct or a conscious disregard for the best interest of the Association, in a proceeding by or in the right of the Association to procure a judgment in its favor.

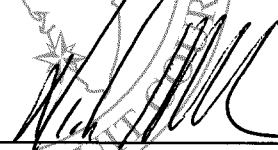
(B) A violation of criminal law, unless the Director or Officer had no reasonable cause to believe his/her action was unlawful or had reasonable cause to believe his/her action was lawful.

(C) A transaction from which the Director or Officer derived an improper personal benefit.

(D) Wrongful conduct by Directors or Officers appointed by the Developer, in a proceeding brought by or on behalf of the Association.

In the event of a settlement, the right to indemnification shall not apply unless the Board of Directors approves such settlement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or Officer may be entitled.

IN WITNESS WHEREOF, Nick Shepherd does hereby execute these Articles of Incorporation this 25th day of February, 2004.



Nick Shepherd

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept service of process for Biscayne Place Homeowners Association, Inc., at the place designated in these Articles of Incorporation, I hereby accept the appointment to act in this capacity and agree to comply with the laws of the State of Florida in keeping open said office.



Lisa H. Barnett

**BYLAWS
OF
BISCAYNE PLACE HOMEOWNERS ASSOCIATION, INC.**
(a Florida Not-For-Profit Corporation)

SECTION 1. IDENTIFICATION OF ASSOCIATION.

These are the Bylaws of Biscayne Place Homeowners Association, Inc. (the "Association") as duly adopted by its Board of Directors ("Board"). The Association is a Corporation Not-for-Profit, organized pursuant to Chapter 720, Florida Statutes.

1.1 Association Address. The office of the Association shall be for the present at 3200 Bailey Lane, Suite 117, Naples, Florida and thereafter may be located at any place in Collier County, Florida (the "County") designated by the Board.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Corporate Seal. The seal of the Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not-for-Profit".

SECTION 2. EXPLANATION OF TERMINOLOGY.

Definitions. The terms defined in the Articles of Incorporation of the Association (the "Articles") and the Declaration of Covenants, Conditions and Restrictions for Biscayne Place at Olde Cypress ("Declaration") are incorporated herein by reference.

SECTION 3. MEMBERSHIP; MEMBERS MEETINGS; VOTING AND PROXIES.

3.1 Membership. The qualification of Members, the manner of their admission to membership in the Association and the termination of such membership and the voting by Members shall be as set forth in the Articles and the Declaration.

3.2 Annual Members' Meeting. The Members shall meet annually ("Annual Members' Meeting") in the month of March. The Annual Members' Meeting shall be held at the office of the Association or at such other place in the County on such day or days and at such time or times as is designated by the Board in the notice of such meeting commencing with the year following the year in which the Articles are filed with the Secretary of State of the State of Florida. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of the Articles and Declaration) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3 Special Meetings. Special Meetings of the Membership (meetings other than the Annual Members' Meeting) shall be held at any place within the County whenever called by a majority of the Board or when the President or Vice-President receives a written request from 25% of the voting interests of the Association. Special Meetings of the Membership shall be conducted in the same manner as Annual Members' Meetings. Business conducted at special meetings shall be limited to the purpose(s) described in the notice of the meeting.

3.4 Notice. A written notice of all Members' Meetings, whether the Annual Members' Meeting or "Special Meetings" (collectively "Meeting"), shall be given to each Member at his last known address as it

appears on the books of the Association, and shall be mailed to the said address not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notice of all Annual Members Meetings shall, in addition, specify the number of Directors of the Association to be designated by Developer and the number of Directors to be elected by the Members. All notices shall be signed by an officer of the Association or reflect a facsimile of such a signature. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

3.5 Action in Lieu of Meeting. The Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the Documents, the decision of a majority of the votes cast by Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

3.6 Quorum. The percentage of voting interests required to constitute a quorum at a meeting of the Members shall be a majority of the total voting interests.

3.7 Member Action. Any Member may join in the action of any Meeting by signing and concurring in the minutes thereof and such a signing shall constitute the presence of such Member for the purpose of determining a quorum. When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written proxy shall be required to decide the question. If the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the Documents, then such express provision shall govern and control the required vote on the decision of such question.

3.8 Election of Directors. At any Annual Members' Meeting when elections of Directors are to occur, written ballots are to be supplied to Members for such purposes. Furthermore, at any Annual Members' Meeting at which Directors are to be elected, the Board of Directors shall appoint an Election Committee consisting of three (3) Members and one (1) officer of the Association to supervise the election, prepare ballots, count and verify ballots and proxies, disqualify votes if such disqualification is justified under the circumstances and to certify the results of the election to the Board of Directors. This Committee shall be able to determine questions within its jurisdiction by plurality vote of its members but matters resulting in deadlocked votes of the Committee shall be referred to the entire Board of Directors for resolution. The election of directors shall be by secret ballot. Following the "Turnover Event" as defined in the Declaration, for elections of members of the Board of Directors, Members shall cast their vote only in person at a Members' Meeting or by ballot that the Member personally casts.

3.9 Adjournment if No Quorum. If a quorum is not in attendance at a Meeting, the Members entitled to vote thereat who are present, either in person or by proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board of Directors.

3.10 Minutes of Meetings. Minutes of all Meetings shall be kept in a business like manner and be available for inspection by the Members and Directors at all reasonable times.

3.11 Voting Rights. Voting rights of Members shall be as stated in the Articles and Declaration.

3.12 Limited Proxies. Votes may be cast in person or by limited proxy. "Limited Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in the Member's place and stead with respect to a matter subject to vote by the Members which has been noticed by the Association to be voted upon at a Members Meeting. Proxies shall be in writing signed by the Member giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, but in no event longer than ninety (90) days after the noticed date of the meeting for which it is given. A Limited Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast according to such Proxy. Limited Proxies may be used for votes taken to amend the Articles or these Bylaws, or for any other matter that requires or permits the vote of Members except the election of Directors.

3.13 Secret Ballot. The voting on any matter at a Meeting shall be by secret ballot upon request of the holders of ten percent (10%) of the votes represented at such Meeting and entitled to be cast on such matter if such request is made prior to the vote in question, except for election of directors, which shall always be by secret ballot.

SECTION 4. BOARD OF DIRECTORS; DIRECTORS' MEETINGS.

4.1 Association Business. The business and administration of the Association shall be by its Board of Directors.

4.2 Number of Directors and Term. The number of Directors which shall constitute the whole Board of Directors shall be not less than three (3) nor more than five (5), which number shall be determined by the Board of Directors. However, there shall always be an odd number of Directors serving. Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association. In order to provide for a continuity of experience by establishing a system of staggered terms, at the first election at which Members other than the Developer elect a majority of the Directors, the number of Directors to be elected shall be three (3). The two (2) candidates receiving the highest number of votes shall be elected for a two (2) year term. The candidate receiving the next highest number of votes shall be elected for a one (1) year term. In the cases of tie votes, the Directors elected shall decide amongst themselves who shall serve the longer terms. Thereafter, all Directors shall be elected for one (1) year terms and shall serve until his or her successor is duly elected, unless he or she shall sooner resign or is removed as provided herein.

4.3 Organizational Meeting. The organizational meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they are elected. No further notice of the organizational meeting shall be necessary.

4.4 Regular and Special Meetings. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of Directors. Special meetings of the Board may be called at the discretion of the President and Vice-President. Special meetings of the Board must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Such Special meeting may be held in the County at such time and place as determined by the Directors requesting such meeting or in such other place as all Directors shall agree upon.

4.5 Notice. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during, or after a meeting and such

shall be deemed equivalent to the receipt of notice by such Director. Notice of all Board meetings shall be given to members by posting a Notice in a conspicuous place in the Neighborhood at least forty eight (48) hours in advance of a meeting, except in an emergency. If a Notice is not posted in a conspicuous place in the community, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency.

4.6 Quorum. A quorum of the Board of Directors shall consist of the Directors entitled to cast a majority of the votes of the entire Board. A Director may join in the action of a meeting of the Board of Directors by signing the minutes thereof, and such signing shall constitute the presence of such Director for the purpose of determining a quorum. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board of Directors, except as may be otherwise specifically provided by law, by the Articles or by the Documents. If at any meetings of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board of Directors.

4.7 Presiding Officer. The presiding officer at all Board of Directors meetings shall be the President. In the absence of the President, the Directors shall designate any one of their number to preside.

4.8 Directors' Fees. Directors' fees, if any, shall be determined by the Members.

4.9 Minutes. Minutes of all meetings of the Board shall be kept in a business like manner and be available for inspection by Members and Directors at all reasonable times. These Minutes shall be retained for not less than seven (7) years from the date of the meeting.

4.10 Executive Committee. The Board of Directors shall have the power to appoint an Executive Committee of the Board. An Executive Committee shall have and exercise such powers of the Board of Directors as may be delegated to such Executive Committee by the Board of Directors.

4.11 Meetings Open to Members. After the Turnover Event, all meetings of the Board of Directors shall be open to the Members and properly noticed as described herein, except for meetings between the Board and its attorney with respect to proposed or pending litigation.

4.12 Removal of Director. A Director elected by all the Members may be removed from office upon the affirmative vote of a majority of the Members or the agreement in writing of a majority of Members. A Director appointed by Developer as provided in the Documents, may be removed only by Developer in its sole and absolute discretion and without any need of a meeting or vote. Developer shall have the unqualified right to name a successor for any Director elected or designated by it and thereafter removed by it or for any vacancy on the Board of Directors as to a Director designated by it. Developer shall notify the Board of Directors of the name of the respective successor Director and the commencement date for the term of such successor Director.

4.13 Vacancies on Board of Directors. A vacancy on the Board caused by the expiration of a Director's term, or by removal pursuant to section 4.12 above, shall be filled by electing a new Board member. Any other vacancy occurring prior to the expiration of a term shall be filled by the affirmative vote of the majority of the remaining Directors, even if the remaining Directors constitute less than a quorum, or by the sole remaining Director.

SECTION 5. POWER AND DUTIES OF THE BOARD OF DIRECTORS.

All powers and duties of the Association shall be exercised by the Board of Directors. Such powers and duties shall include, but not be limited to, all powers and duties set forth in the Documents.

SECTION 6. OFFICERS OF THE ASSOCIATION.

6.1 Executive Officers. Executive officers of the Association shall be the President, who shall be a Director, one (1) or several Vice-Presidents, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed without cause from office by vote of the Directors at any meeting of the Board of Directors. The Board of Directors may, from time to time, elect such other officers and assistant officers and designate their powers and duties as shall be required to manage the affairs of the Association. One person may hold any two offices simultaneously except the President, who may only hold one office.

6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not-for-profit, including, but not limited to, the power to appoint such committees at such times from among the Members as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association. If in attendance, the President shall preside at all meetings of the Board of Directors.

6.3 Vice-President. In the absence or disability of the President, a Vice-President shall exercise the powers and perform the duties of the President. The Vice-President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors. In the event there shall be more than one Vice-President elected by the Board of Directors, then they shall be designated "First", "Second", etc., and shall exercise the powers and perform the duties of the Presidency in such order.

6.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the Members, which minutes shall be kept in a business like manner and be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. He shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of the Secretary of the Association as may be required by the Board of Directors or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

6.5 Treasurer. The Treasurer shall have the custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with the good accounting practices and he shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

6.6 Compensation. The compensation, if any, of the officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board of Directors from hiring a Director as an employee of the Association or preclude the contracting with a Director or a party affiliated with a Director for the management or performance of contract services for the Association.

SECTION 7. ACCOUNTING RECORDS; FISCAL MANAGEMENT.

7.1 Accounting Records. The Association shall maintain accounting records in accordance with good accounting practices, which shall be open to inspection by Members and institutional Mortgagees or their respective authorized representatives at reasonable times and upon reasonable notice. The authorization of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Written summaries of the accounting records shall be available at least annually to the Members. Such records shall include, but not be limited to: (i) a record of all receipts and expenditures; and, (ii) an account for each Lot which shall designate the name and address of the owner thereof, the amount of Individual Assessments and all other Assessments, if any, charged to the Lot, the amounts and due dates for payment of same, the amounts paid upon the account and the balance.

7.2 Budget. The Board of Directors shall adopt a Budget (as provided for in the Declaration) of the anticipated Association expenses and income for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board of Directors ("Budget Meeting") called for that purpose to be held preceding the year to which the Budget applies. No vote of the members shall be required but notice of the special meeting shall be given as provided in these Bylaws. Prior to the Budget Meeting, a proposed Budget for the Association Expenses shall be prepared by or on behalf of the Board of Directors. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to each Member and each owner shall be given notice of the Individual Assessment applicable to his Lot. The copy of the Budget shall be deemed furnished and the notice of the Individual Assessment shall be deemed given upon its delivery or upon its being mailed to the Member shown on the records of the Association at his last known address as shown on the records of the Association.

7.3 Financial Procedures and Reports. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between the calendar years on a pro-rata basis any expenses which are prepaid in any one calendar year for the Association Expenses which cover more than such calendar year; (iv) assessments may be made monthly but shall not be made less than quarterly, at the discretion of the Board, in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Association Expenses and for all unpaid Association Expenses previously incurred; (v) items of Association Expenses incurred in a Calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received; and (vi) within sixty (60) days of the conclusion of each fiscal year, the Association shall prepare an annual financial report in accordance with section 617.303, Florida Statutes, and any amendment thereto and provide Members with a copy of the financial report or with written notice that the report is available upon request at no charge to the Member. Notwithstanding the foregoing, the Assessments for Association Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

7.4 Assessments. The individual Assessment shall be payable as provided for in the Declaration.

7.5 Deficiencies. No Board of Directors shall be required to anticipate revenue from Assessments or expend funds to pay for Association Expenses not budgeted or which shall exceed budgeted items, and no Board of Directors is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Association Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of an adjustment to the applicable Assessment (e.g., Individual Assessment or Special Assessment) which determination shall be in the discretion of the Board of Directors.

7.6 Association Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

7.7 Official Records of the Association. Following the "Turnover Event", the Association shall maintain official records and accounting records of the Association in the manner and extent required by Section 617.303(3) and (4), Florida Statutes or any subsequent amendment thereto.

SECTION 8. RULES AND REGULATIONS. The Board of Directors may at any meeting adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation and use of any of the Land provided, however, that such rules and regulations are not inconsistent with the terms or provision of the Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members shown on the records of the Association at the time of such delivery or mailing at the last known address for such Members as shown on the records of the Association and shall not take effect until forty-eight (48) hours after such delivery or mailing. Notwithstanding the foregoing, where rules and regulations are to regulate the use of specific portions of the Land, the same shall be conspicuously posted on such property and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view towards protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

SECTION 9. PARLIAMENTARY RULES.

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of all Members of the Association and the Board, provided, however, if such rules of order are in conflict with any of the Documents, Robert's Rules of Order shall yield to the provision of the documents.

SECTION 10. AMENDMENT OF THE BYLAWS.

10.1 Vote Required. After the Turnover Event, any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by majority vote of the voting interests of the Association.

10.2 Developer Rights. Notwithstanding any of the foregoing provisions of this Section 10 to the contrary, until the Turnover Event, all amendments or modifications to these Bylaws and adoption or repeal of Bylaws shall only be made by action of the First Board of Directors, appointed by the Developer which Board shall have the power to amend, modify, adopt and repeal any Bylaws without the requirement of any consent or approval or vote of the Members.

10.3 Developer Consent. Notwithstanding any provision of this Section 10 to the contrary, these Bylaws shall not be amended in any manner which shall amend, modify or affect any provision, terms, conditions, rights or obligations set forth in any other of the Documents (as the same may be amended from time to time in accordance with the provisions thereof) including, without limitation, any rights of Developer or of an Institutional Mortgagee (as defined in the Declaration) without the prior written consent by Developer or Institutional Mortgagee, as the case may be.

10.5 Recording of Amendment. Any instrument amending, modifying, repealing or adding Bylaws shall identify the particular Section or Sections affected and give the exact language of such modification,

amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition shall be certified by the Secretary or Assistant Secretary of the Association and shall become effective upon recording amongst the public records of the County.

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