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DECLARATION OF CONDOMINIUM

FOR

LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I, A CONDOMINIUM

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DECLARATION OF CONDOMINIUM
OF
LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I, A CONDOMINIUM

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DECLARATION OF CONDOMINIUM FOR
LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I, A CONDOMINIUM

DIVOSTA HOMES, L.P. hereby makes this Declaration of Condominium to be recorded among the Public Records of Sarasota County, Florida, and states and declares:

1. SUBMISSION TO CONDOMINIUM OWNERSHIP: The Condominium Developer hereby submits the real property described in Exhibit "A" as Phase 1 ("Initial Phase") and all improvements erected or to be erected thereon, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, located on and intended for use in connection therewith, to the Condominium form of Ownership and use in the manner provided by Chapter 718, the Florida Condominium Act, as it exists on the date of recordation of this Declaration (the "Condominium Act"), excluding therefrom, however, all public utility installations, cable television lines, and other similar equipment, if any, owned by the utilities furnishing services to the Condominium. The real property described in Exhibit "A-1" as Phases 2 through 12 ("Additional Phases") is not being submitted to condominium ownership by this Declaration, but rather is described in order to comply with the requirements of Section 718.403 of the Condominium Act, and may be added pursuant to the provisions of Section 2. This Declaration is not effective until it is recorded in the Public Records of Sarasota County, Florida. 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 Condominium parcels. The acquisition of title to a Unit or any other interest in the Condominium property, or the lease, occupancy, or use of any portion of a Unit or the Condominium property, constitutes an acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by its terms.

2. DESCRIPTION OF IMPROVEMENTS: SURVEY AND PLANS:

2.1 Survey and Plot Plans. Attached hereto and made a part hereof as Exhibit "B", is a site plan of the land being submitted to Condominium, as well as other adjoining land which may be submitted in future Phases, and a plot plan with the floor plans for the Initial Phase, which graphically describes the improvements in which Units in the Initial Phase are located, including their identification numbers, locations and approximate dimensions, and also attached as included within Exhibit "B" is a survey of the land. The Initial Phase, as represented in the survey Exhibit has been certified by a Florida Registered Land Surveyor indicating statutory compliance with Section 718.104 of the Condominium Act (also included in Exhibit "B"). The legal description of a Unit consists of the identifying number of such Unit as shown on Exhibit "B".

2.2 Reservation of Right to Add Additional Phases and Description of Phases of the Condominium. The Condominium Developer may and hereby reserves the right to develop the Condominium in up to 12 phases, to be designated as Phases 1 through 12. All land that may become a part of the Condominium is situated in Sarasota County, Florida. There will be no time-share estates created with respect to any of the phases that are or might be developed as part of this Condominium complex.

A. Initial Phase. The Initial Phase of this Condominium is declared and submitted to Condominium pursuant to this Declaration as set forth in Section 1.

B. Additional Phases. Until 7 years after the date of the recording of this Declaration of Condominium, the Condominium Developer has and hereby reserves the right to amend this Declaration, by recording in the Public Records of Sarasota County, Florida, an amendment or amendments executed solely by the Condominium Developer submitting to the Condominium form of Ownership, and expanding this Condominium to include any of the Additional Phases of the Condominium legally described in Exhibit "A-

1" attached hereto. The addition of the Additional Phases is optional by the Condominium Developer.

C. Effect on Condominium Association Documents. If and when any of the Additional Phases are submitted to Condominium as part of this Condominium, all definitions and provisions of this Declaration, and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Condominium Association apply to all Units, Common Elements and Limited Common Elements in such Additional Phase(s) except for descriptions and size of particular Units, Common Elements and Limited Common Elements which may differ.

D. Amendment. An amendment to this Declaration executed by the Condominium Developer pursuant to this Section 2.2 is effective at the time of filing of the amendment in the Public Records of Sarasota County, Florida, and shall be effective and binding on all Unit Owners and Units within the Condominium. The joinder or consent of Unit Owners or mortgagees is not necessary for such an amendment to be effective.

E. No Obligation. The Condominium Developer is not obligated to declare and submit the Additional Phases as a part of the Condominium, or to declare them if it declares the Initial Phase to be a part of the Condominium property. The Condominium Developer hereby reserves the right to develop (including as a separate Condominium or Condominiums or separate non-condominium community) or to sell any, all or a portion of the Additional Phases in any manner or to any person or entity free of any restriction hereunder, together with an easement of ingress/egress over the Phases that have been submitted to this Declaration.

F. No Rights. Unit Owners in any declared Phase have no rights in any other additional Phase or Phases, unless and until an amendment pursuant to this Section 2.2 is recorded in the Public Records of Sarasota County, Florida with respect to any such phase(s). If the Condominium is not expanded to include the Additional Phases within the time period described in Section 2.2, the Unit Owners in the property which has then been submitted hereunder (which at that time would contain all of the Units of the Condominium) are entitled to 100% ownership of all Common Elements within such property. If and when the Condominium is expanded to include any or all of the Additional Phases as a part of the Condominium, the Unit Owners in all Phases then submitted will own the Common Elements within all of such Phases. The interest of each Unit Owner in the Common Elements and share of common expenses for that Unit consists of a fraction, the numerator of which shall be 1 and the denominator of which shall be a denominator equal to the number of Units actually submitted. The formula for determining the share of ownership of the Common Elements and common expenses is illustrated in Exhibit "F". If all Units are submitted, such fraction would be 1/72. Each Unit shall have one vote.

G. Changes. The Condominium Developer reserves the right to make non-material changes in the legal description of any Phase.

H. Similar Buildings. Residential buildings and Units which may be added to the Condominium may be substantially different from the residential buildings and Units in the Initial Phase of the Condominium, and from the Exhibits to the Declaration of Condominium. The Units may vary in design shape and structure within the size limitations set forth herein. Any such change, however, will not vary the Unit Owner's share in the Common Elements, surplus or expenses as determined pursuant to this Declaration.

I. Description of Initial Phase and Additional Phases. The maximum number of Units built will be 72. The minimum and maximum number of Units to be built in Phase 1 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 2 is 6. The minimum and maximum of Units to be

built (if at all) in Phase 3 is 6. The minimum and maximum of Units to be built (if at all) in Phase 4 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 5 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 6 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 7 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 8 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 9 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 10 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 11 is 6. The minimum and maximum number of Units to be built (if at all) in Phase 12 is 6. The Condominium will consist of 4 types of Units: The Sandpiper, with approximately 1638 square feet of living area, consisting of 2 bedrooms/2 bathrooms plus den, with 1 car garage; The Osprey, with approximately 1863 square feet of living area, consisting of 2 bedrooms/2 bathrooms plus den or third bedroom, with 1 car garage; The Spoonbill, with approximately 2045 square feet of living area, consisting of 2 bedrooms/2 baths plus den or third bedroom, with 2 car garage; and The Ibis, with approximately 1554 square feet of living area, consisting of 2 bedrooms/2 baths plus den, with 1 car garage. The minimum square footage of each Unit shall not be less than 1500 square feet of living area and the maximum square footage shall not be greater than 3000 square feet living area.

J. Notice. Condominium Developer shall notify each Unit Owner by certified mail of the election not to add Additional Phases.

3. NAME AND ADDRESS: The name by which this Condominium shall be identified is Lakeside at the Isles on Palmer Ranch Section I, a Condominium (the "Condominium"), and its street address is Burgos Drive and Fassano Drive, Sarasota, Sarasota County, Florida.

4. DEFINITIONS: The terms used in this Declaration and its exhibits shall have the meanings stated below and in the Condominium Act (as defined above) unless the context otherwise requires.

4.1 "Apartment" has the same meaning as the term "Unit" as defined in the Condominium Act.

4.2 "Apartment Owner" or "Owner" has the same meaning as the term "Unit Owner" as defined in the Condominium Act, except for the purpose of interpreting use and occupancy restrictions related to Units. In cases where Primary Occupants have been designated for a Unit because of its ownership, the word "Owner" refers to the Primary Occupants and not the record owner.

4.3 "Isles of Sarasota" means that certain planned unit development in which this Condominium is located, as more particularly described in the Declaration of Covenants, Conditions and Restrictions for Isles of Sarasota, recorded at Instrument No. 2005165352, Public Records of Sarasota County, Florida ("Association Declaration"). "Association" means Isles of Sarasota Homeowners Association, Inc., a not-for-profit homeowners' association responsible for the operation of Isles of Sarasota and the maintenance of the landscaping of this Condominium. "Association Documents" means the Declaration of Covenants, Conditions and Restrictions for Isles of Sarasota, Articles of Incorporation, Bylaws and Rules and Regulations and the Resolutions of the Association. Isles of Sarasota is a "Community" and the Association shall be considered the "Community Association" as those terms are defined in the Master Association Declaration.

4.4 "Condominium Association Assessments" means a share of the funds required for the payment of common expenses from which time to time is assessed against the Units.

4.5 "Condominium Association" means Lakeside at the Isles on Palmer Ranch Section I Condominium Association, Inc., a Florida not-for-profit corporation, the entity responsible for the operation of this Condominium.

4.6 "Condominium Association Property" means all property, real or personal, owned or leased by the Condominium Association for the use and benefit of the Unit Owners.

4.7 "Board of Directors" or "Board" means the representative body which is responsible for the administration of the Condominium Association's affairs, and is the same body that is sometimes referred to in the Condominium Act as the "Board of Administration".

4.8 "Condominium Association Documents" means and includes this Declaration and all recorded exhibits hereto, and any unrecorded Rules and Regulations as amended from time to time.

4.9 "Condominium Developer" means DiVosta Homes, L.P., its successors and assigns as to which Condominium Developer's rights are specifically assigned. All or any of the rights, privileges, powers, obligations and immunities granted or reserved to the Condominium Developer in the Condominium Association Documents or under the Condominium Act may be assigned by the Condominium Developer to any person or entity without the consent of any Unit Owner or any holder of a mortgage secured by any Unit. In the event of the foreclosure of any mortgage on real property owned by the Condominium Developer, or deed in lieu of foreclosure, the person first acquiring title to such interest shall succeed to the rights, powers, privileges and immunities (but not the obligations) of the Condominium Developer and shall have the right to assign those rights, powers, privileges, and immunities.

4.10 "Family" or "Single Family" means 1 natural person (as opposed to an artificial entity); or a group of 2 or more natural persons living together, each of whom is related to each of the others by blood, marriage, legal custody or adoption; or not more than 2 persons not so related, who reside together as a single housekeeping unit, along with their children, if any.

4.11 "Fixtures" means those items of tangible personal property which by being physically annexed or constructively affixed to the Unit have become accessory to it and part and parcel of it, including but not limited to, interior partitions, walls, appliances which have been built in or permanently affixed, and plumbing fixtures in kitchens and bathrooms. Fixtures do not include floor, wall or ceiling coverings.

4.12 "Overall Governing Documents" means and refers to the Master Association Documents; the Association Documents, and the Condominium Association Documents.

4.13 "Guest" means any person who is not the Unit Owner or a lessee or a member of the owner's or lessee's family, who is physically present in, or occupies the Unit on a temporary basis at the invitation of the owner or other legally permitted occupant, without the payment of consideration.

4.14 "Institutional Mortgagee" means the mortgagee (or its assignee) of a first mortgage against a Condominium parcel, which mortgagee is a bank, savings and loan association, mortgage company, insurance company, real estate or mortgage investment trust, pension or profit sharing trust, the Federal Housing Administration, the Veterans Administration, or any agency of the United States of America. The term also refers to any holder of a mortgage against a Condominium parcel which mortgage 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.

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

4.16 "Limited Common Elements" means and includes those Common Elements that are reserved for the use of a certain Unit or Units to the exclusion of other Units.

4.17 "Occupy" when used in connection with a Unit, means the act of staying overnight in a Unit. "Occupant" is a person who occupies a Unit.

4.18 "Primary Institutional Mortgagee" means that institutional mortgagee which, at the time a determination is made, holds first mortgages on more Units in the Condominium than any other institutional mortgagee, such determination to be made by reference to the number of Units encumbered, and not by the dollar amount of such mortgages.

4.19 "Primary Occupants" means the 2 natural persons approved for occupancy, together with their family, in accordance with Section 14 herein.

4.20 "Rules and Regulations" means those rules and regulations set forth in Exhibit "E" to this Declaration as they may be further amended by the Board of Directors, as more particularly described in the Bylaws.

4.21 "Palmer Ranch" means that certain planned unit development in which this Condominium is located, as more particularly described in the Declaration of Protective Covenants, Conditions and Restrictions for Palmer Ranch recorded in OR Book 1894 at Page 2467 of the Public Records of Sarasota County, Florida (the "Master Association Declaration"), including any Exhibits thereto, all as amended from time to time. "Master Association" means Palmer Ranch Master Property Owners Association, Inc., a not-for-profit homeowners' association responsible for the operation of Palmer Ranch. "Master Association Documents" means the Master Association Declaration, Articles of Incorporation, Bylaws, Use Restrictions, Rules and Regulations of the Master Association, any Supplemental Declaration thereto, Building and Planning Standards, and any other exhibits to the Master Association Declaration.

4.22 "Voting Interest" means and refers to the arrangement established in the Condominium Association Documents by which the owners of each Unit collectively are entitled to one vote in Condominium Association matters. The voting interest of a particular Unit shall be a fraction, numerator of which shall be 1 and the denominator of which shall be the number of Units submitted to this Condominium.

5. UNIT BOUNDARIES:

5.1 Survey, Plot Plans and Floor Plans. Attached to this Declaration as Exhibits, and herein designated as Exhibit "B" and incorporated by reference herein, are a survey of the Land and plot plans, which graphically describe the improvements in which Units are located, and which show all the Units including their identification numbers, locations and approximate dimensions and the Common Elements and Limited Common Elements.

5.2 Unit Boundaries. Each Unit shall include that part of the building that lies within the following boundaries:

A. Upper Boundaries. The upper and lower boundaries of the Unit are the following boundaries, extended to their intersections with the perimeter boundaries:

(1) Upper Boundaries. The horizontal plane of the unfinished lower surface of the ceiling of the Unit.

(2) Lower Boundaries. The horizontal plane of the unfinished upper surface of the concrete floor of the Unit.

B. Perimeter Boundaries. The perimeter boundaries of the Unit are the vertical planes of the unfinished interior surfaces of the plasterboard walls bounding the Unit as shown in Exhibit "B", extended to their intersections with each other and with the upper and lower boundaries.

C. Interior Walls. No part of the interior partition walls within an apartment shall be considered part of the boundary of a Unit.

D. Apertures. Where there are openings in any boundary, including, without limitation, windows, doors and skylights, the boundaries of the Unit shall extend to the interior unfinished surfaces of the coverings of such openings, and the frameworks thereof.

In cases not specifically covered in this Section 5.2 or in any case of conflict or ambiguity, the graphic depictions of the Unit boundaries set forth in Exhibit "B", hereto shall control in determining the boundaries of a Unit, except the provisions of 5.2(D) above shall control over Exhibit "B".

6. CONDOMINIUM PARCELS: APPURTENANCES AND USE:

6.1 Shares of Ownership. The Condominium will initially contain 6 Units. The owner of each Unit shall also own an undivided share in the Common Elements and the common surplus that is set forth in Exhibit "F" to this Declaration of Condominium.

6.2 Appurtenances to Each Unit. The owner of each Unit shall have certain rights and own a certain interest in the Condominium property, including without limitation the following:

A. An undivided ownership share in the Land and other Common Elements and the common surplus, as specifically set forth in Section 6.1 above.

B. Membership and voting rights in the Condominium Association, which shall be acquired and exercised as provided in the Articles of Incorporation and Bylaws of the Condominium Association, attached hereto as Exhibits "C" and "D", respectively.

C. The exclusive right to use the Limited Common Elements reserved for the Unit, and the right to use the Common Elements.

D. An exclusive easement for the use of the airspace occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time. An easement in airspace that is vacated shall be terminated automatically.

E. Other appurtenances as may be provided in this Declaration and its exhibits.

Each Unit and its appurtenances constitutes a "Condominium parcel".

6.3 Use and Possession. A Unit Owner is entitled to exclusive use and possession of his Unit. He is entitled to use the Common Elements in accordance with the purposes for which they are intended, but no use of the Unit or the Common Elements may unreasonably interfere with the rights of other Unit Owners or other persons having rights to use the Condominium property. No Unit may be subdivided, and

no fractional portion may be sold, leased or otherwise transferred. The use, occupancy, alteration, transfer and appearance of the Units, Common Elements and Limited Common Elements shall be governed by the Condominium Association Documents and by the Rules and Regulations adopted by the Board of Directors.

6.4 Isles of Sarasota Homeowners Association, Inc. This Condominium is part of a planned unit development located in Palmer Ranch designated as "Isles of Sarasota" which currently is contemplated to consist of a maximum of 686 residential dwellings, but that figure may increase as set forth in the Association Declaration. The additional development that may occur within Isles of Sarasota may consist of additional condominiums and/or planned unit developments operated by condominium associations or homeowners' associations. The commonly used facilities and Recreation Area available to the residents of the overall Isles of Sarasota community shall be operated by the Association. The Association will own the Association Property, consisting of the Isles of Sarasota recreational amenity and open space that is not otherwise dedicated to or deeded to the Master Association or contained within the Condominium property. The Isles of Sarasota Developer will deed the Association Property to the Association by Quit-Claim Deed and the Association shall be obligated to accept such conveyance. The Association shall also operate and maintain roadways and parking facilities, if any, that are part of the Association Property and landscaping throughout Isles of Sarasota, regardless of whether they are within the Common Elements or common areas of a particular Neighborhood. All members of the Condominium Association shall be required to be members of the Association by virtue of ownership in this Condominium, and shall be subject to and required to pay Assessments to the Association.

6.5 Palmer Ranch. The Condominium is a component of the larger planned unit development known as Palmer Ranch. Every Owner, by acceptance of a deed to a Unit, acknowledges that, in addition to being subject to and bound by the Condominium Association Documents, he or she is subject to the Master Association Documents and that he or she is automatically a member of and subject to assessment by the Master Association in accordance with the terms of the Master Association Documents. Each Owner covenants and agrees to pay all assessments levied against such Owner's Unit by the Master Association, whether billed directly by the Master Association or by the Association on behalf of the Master Association.

6.6 Supremacy of the Master Association Documents. In addition to all of the rights and obligations which have been conferred or imposed upon the Condominium Association pursuant to the Condominium Association Documents, the Condominium Association shall be entitled to exercise any of the rights conferred upon it and shall be subject to all of the obligations imposed upon it pursuant to the Master Association Documents. The Condominium Association shall also be subject to all superior rights and powers that have been conferred upon the Master Association pursuant to the Master Association Documents. The Condominium Association shall take no action in derogation of the rights of the Master Association.

6.7 Cumulative Effect; Conflict. The provisions of the Condominium Association Documents shall be cumulative with the provisions of the Master Association Documents; however, in the event of conflict between or among the provisions of the Condominium Association Documents and the Master Association Documents, the latter shall be superior to those of the Condominium Association. The foregoing priorities shall not prevent enforcement by the Condominium Association of provisions or rules that are stricter than those of the Master Association, nor shall they prevent the Condominium Association or Unit Owners from exercising all of the powers, obligations and rights set forth in the Condominium Act.

6.8 Voting in Master Association and Association Matters. Owners in this Condominium shall vote in Master Association and Association matters in the manner set forth in the Master Association Documents and Association Documents.

7. COMMON ELEMENTS: EASEMENTS:

7.1 Definition. The term "Common Elements" means all of the property submitted to Condominium ownership that is not within the Unit boundaries set forth in Section 5 above. The Common Elements include without limitation the following:

- A. The Land.
- B. All portions of the building and other improvements outside the Units, including all Limited Common Elements.
- C. Easements through each Unit for conduits, ducts, plumbing, wiring and other facilities for furnishing utility services to other Units or the Common Elements.
- D. An easement of support in every portion of the Condominium which contributes to the support of a building.
- E. The fixtures and installations required for access and utility services to more than one Unit or to the Common Elements.

7.2 Easements. Each of the following easements and easement rights is reserved through the Condominium property and is a covenant running with the land of the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be revoked and shall survive the exclusion of any land from the Condominium. None of these easements may be encumbered by any leasehold or lien other than those on the Condominium parcels. Any lien encumbering these easements shall automatically be subordinate to the rights of Unit Owners with respect to such easements.

A. Utility and other Easements. The Condominium Association, subject to the prior written consent of Condominium Developer, which consent shall be required so long as Condominium Developer holds Units for sale in the ordinary course of business, has the power, without the joinder of any Unit Owner, to grant, modify or move easements such as electric, gas, cable television, or other utility or service easements, or relocate any existing easements, in any portion of the Common Elements or Condominium Association Property, and to grant easements or relocate any existing easements in any portion of the Common Elements or Condominium Association Property, as the Condominium Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium or for the health, safety and welfare of the members. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the Units. The Condominium Association, subject to Condominium Developer's prior written consent, as described above may also transfer title to utility-related equipment, facilities or material, and to take any other action to satisfy the requirements of any utility company or governmental agency to which any such utility-related equipment, facilities or material are to be so transferred.

B. Encroachments. If any Unit encroaches upon any of the Common Elements or upon any other Unit for any reason other than the intentional act of the Unit Owner, or if any Common Element encroaches upon any Unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.

C. Ingress and Egress. A non-exclusive easement shall exist in favor of each Unit Owner and occupant, their respective guests, tenants, licensees and invitees for pedestrian and vehicular traffic over,

through, and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use, and for pedestrian and vehicular traffic over, through, and across such portions of the Common Elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public way.

D. Construction; Maintenance. The Condominium Developer (including its agents designees, contractors, successors and assigns) shall have the right, but not the obligation, in its and their sole discretion, from time to time, to enter the Condominium property and take all other action necessary or convenient for the purpose of completing the construction thereof, of any improvements or Units located or to be located thereon, and for repair, replacement and maintenance purposes where the Condominium Association fails to do so.

E. Sales Activity. The Condominium Developer, its designees, successors and assigns, shall have the right to use any Units and parts of the Common Elements for model apartments and sales offices, to show model apartments and the Common Elements to prospective purchasers and tenants of the Units, and to erect on the Condominium property signs and other promotional material to advertise Units for sale or lease. These rights shall also include the right to use Units and parts of the Common Elements to advertise and promote other condominiums in Isles of Sarasota. Condominium Developer shall retain all rights set forth in this Section 7.2.E. as long as the Condominium Developer offers residential Units for sale in Isles of Sarasota in the ordinary course of business.

F. Association and Master Association. The Common Elements and Condominium Association Property, and all Unit Owners and occupants of any Units, shall be subject to and benefited by those easements more particularly described in the Association Documents, and the Master Association Documents.

7.3 Restraint Upon Separation and Partition. The undivided share of ownership in the Common Elements and common surplus appurtenant to a Unit cannot be conveyed or separately described. As long as the Condominium exists, the Common Elements cannot be partitioned. The shares in the funds and assets of the Condominium Association cannot be assigned, pledged or transferred except as an appurtenance to the Units.

8. LIMITED COMMON ELEMENTS:

8.1 Description of Limited Common Elements. Certain Common Elements have been reserved for the use of a particular Unit or Units, to the exclusion of the other Units. The Limited Common Elements and the Units to which their exclusive use is appurtenant, are as described in this Declaration and as further identified on the survey and plot plan attached hereto as Exhibit "B". In the event of a conflict between the depiction of Limited Common Elements in Exhibit "B" and this Declaration, Exhibit "B" shall control. The Condominium Developer will assign the exclusive right to use the following Common Elements that are hereby designated as Limited Common Elements:

A. Parking Spaces. The garage parking space designated on the survey and plot plan shall be a Limited Common Element appurtenant to the corresponding Unit.

B. Air Conditioning and Heating Equipment. All equipment, fixtures and installations located outside of a Unit, which furnish air conditioning or heating exclusively to that Unit, shall be Limited Common Elements, and shall be maintained, repaired and replaced by, and solely at the expense of, the owner of the Unit, except as otherwise provided in Section 11.4 below.

C. Balconies, Terraces, Porches and Covered Entries. Any balcony, terrace or porch (and steps leading up to) and covered entry that is attached or adjacent to and serves only one or two Units shall be a Limited Common Element.

D. Others. Any part of the Common Elements that is connected to or exclusively serves a single Unit, and is specifically required in Section 11 of this Declaration to be maintained, repaired or replaced by or at the expense of the Unit Owner, shall be deemed a Limited Common Element appurtenant to that Unit, whether specifically described above or not. This paragraph includes windows, screens and doors, including all hardware therefor.

8.2 Exclusive Use; Transfer of Use Rights. The exclusive use of a Limited Common Element is an appurtenance to the Unit or Units to which it is designated or assigned. The right of exclusive use of each Limited Common Element passes with the Unit to which it is assigned, whether or not separately described, and cannot be separated from it.

9. CONDOMINIUM ASSOCIATION. The operation of the Condominium is by Lakeside at the Isles on Palmer Ranch Section I Condominium Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:

9.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Condominium Association is attached as Exhibit "C".

9.2 Bylaws. A copy of the Bylaws of the Condominium Association is attached as Exhibit "D".

9.3 Delegation of Management. The Condominium Association may contract for the management and maintenance of the Condominium property and employ a licensed manager or management company (which may be an affiliate of Condominium Developer) to assist the Condominium Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Condominium Association Assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds made available by the Condominium Association for such purposes. The Condominium Association and its officers however, shall retain at all times the powers and duties provided in the Condominium Act.

9.4 Membership. The membership of the Condominium Association shall be the record owners of legal title to the Units, as further provided in the Bylaws.

9.5 Acts of the Condominium Association. Unless the approval or affirmative vote of the Unit Owners is specifically made necessary by some provision of the Condominium Act or the Condominium Association Documents, all approvals or actions permitted or required to be given or taken by the Condominium Association may be given or taken by its Board of Directors, without a vote of the Unit Owners. The officers and Directors of the Condominium Association have a fiduciary relationship to the Unit Owners. A Unit Owner does not have the authority to act for the Condominium Association by reason of being a Unit Owner.

9.6 Powers and Duties. The powers and duties of the Condominium Association include those set forth in the Condominium Act and the Overall Governing Documents. For these purposes, the powers of the Condominium Association include, but are not limited to, the maintenance, management, and operation of the Condominium property and Condominium Association Property. The Condominium Association may impose fees for the use of Common Elements or Condominium Association Property. The Condominium Association has the power to enter into agreements to acquire leaseholds, memberships and

other ownership, possessory or use interests in lands or facilities, whether or not the lands or facilities are contiguous to the lands of the Condominium, for the use and enjoyment of the Unit Owners. The Condominium Association may contract, sue, or be sued with respect to the exercise or nonexercise of its powers and duties.

9.7 Official Records. The Condominium Association shall maintain its official records as required by law. The records shall be open to inspection by members or their authorized representatives at all reasonable times. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

9.8 Purchase of Units. The Condominium Association has the power to purchase one or more Units in the Condominium, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors.

9.9 Acquisition of Property. The Condominium Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 9.8 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the total voting interests.

9.10 Disposition of Property. Any property owned by the Condominium Association, whether real, personal or mixed, may be mortgaged, leased or otherwise encumbered by the affirmative vote of a majority of the entire Board of Directors, without need for authorization by the Unit Owners. Any real property owned by the Condominium Association may be conveyed by the Board of Directors, but only after approval by at least a majority of the total voting interests. The Board of Directors shall have the authority to convey personal property without the need for authorization by the Unit Owners.

9.11 Roster. The Condominium Association shall maintain a current roster of names and mailing addresses of Unit Owners, based upon information supplied by the Unit Owners. A copy of the roster shall be made available to any member upon request.

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

9.13 Merger of Condominium Association. The Condominium Association's members may vote to merge the Condominium Association with another condominium association, in the manner required by Florida law. As long as Condominium Developer offers Units in the Condominium for sale in the ordinary course of business, the Condominium Association shall not be merged with any other condominium association without Condominium Developer's prior written consent, which consent may be denied in Condominium Developer's absolute discretion.

10. CONDOMINIUM ASSOCIATION ASSESSMENTS AND LIENS: The Condominium Association has the power to levy and collect Condominium Association Assessments against each Unit and Unit Owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Condominium Association. This power includes both "regular" Condominium Association Assessments for each Unit's share of the common expenses as set forth in the annual budget, and "special" Condominium Association Assessments for unusual, nonrecurring or

unbudgeted common expenses. The Condominium Association may also levy special charges against any individual Unit for any amounts, other than for common expenses, which are properly chargeable against such Unit under this Declaration or the Bylaws. Condominium Association Assessments shall be levied and payment enforced, subject to any limitations as provided in the Bylaws, and as follows:

10.1 Common Expenses. Common expenses include the expenses of operation, maintenance, repair, replacement or insurance of the Common Elements and Condominium Association Property, the expenses of operating the Condominium Association, and any other expenses properly incurred by the Condominium Association for the Condominium, including amounts budgeted for the purpose of funding reserve accounts. The cost of water and sewer service to the Units shall be a common expense. If the Condominium Association contracts for pest control within Units or cable or master antennae television programming services in bulk for the entire Condominium, the cost of such services shall be a common expense. Assessments adopted by the Association and the Master Association are not common expenses of the Condominium Association.

10.2 Share of Common Expenses. The owner of each Unit shall be liable for a share of the common expenses equal to his share of ownership of the Common Elements and the common surplus, as set forth in Section 6.1 above.

10.3 Ownership. Condominium Association Assessments and other funds collected by or on behalf of the Condominium Association become the property of the Condominium Association; no Unit Owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his Unit. No Unit Owner can withdraw or receive distribution of his share of the common surplus, except as otherwise provided herein or by law.

10.4 Who is Liable for Condominium Association Assessments. The owner of each Unit, regardless of how title was acquired, is liable for all Condominium Association Assessments or installments thereon coming due while he is the owner. Multiple owners are jointly and severally liable. Except as provided in Section 20.3 below, whenever title to a Condominium parcel is transferred for any reason, the new owner is jointly and severally liable with the previous owner for all Condominium Association Assessments which came due prior to the transfer and remain unpaid without prejudice to any right the new owner may have to recover from the previous owner any amounts paid by the new owner.

10.5 No Waiver or Excuse from Payment. The liability for Condominium Association Assessments may not be avoided or abated by waiver of the use or enjoyment of any Common Elements, by abandonment of the Unit on which the Condominium Association Assessments are made, or by interruption in the availability of the Unit or the Common Elements for any reason whatsoever. No Unit Owner may be excused from payment of his share of the common expenses unless all Unit Owners are likewise proportionately excused from payment, except as otherwise provided in Section 10.11 below as to Condominium Developer and in Section 20.3 below as to certain mortgagees.

10.6 Application of Payments; Failure to Pay; Interest. Condominium Association Assessments and installments thereon paid on or before 10 days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law, calculated from the date due until paid. The Condominium Association may also impose a late payment fee (in addition to interest) to the extent permitted by law. Condominium Association Assessments and installments thereon shall become due, and the Unit Owner shall become liable for said Condominium Association Assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All payments on account shall be applied first to interest, then to late payment fees, court costs and attorney's fees, and finally to delinquent Condominium Association Assessments. No payment by check is deemed received until the

check has cleared.

10.7 Liens. The Condominium Association has a lien on each Condominium parcel securing payment of past due Condominium Association Assessments, including interest and attorney's fees and costs incurred by the Condominium Association incident to the collection of the Condominium Association Assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of Lien in the Public Records of Sarasota County, Florida, stating the description of the condominium parcel, the name of the record owner, the name and address of the Condominium Association, the amount due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid Condominium Association Assessments coming due to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

10.8 Priority of Lien. The Condominium Association's lien for unpaid Condominium Association Assessments shall be subordinate and inferior to the lien of a recorded first mortgage, but only to the least extent required by the Condominium Act, as amended from time to time. The Condominium Association's lien shall be subordinate and inferior to the lien of: the Master Association; Association; taxes and assessments, regardless of when the respective taxes, assessments, or liens are recorded. The Condominium Association's lien shall be superior to, and take priority over, any other mortgage or lien regardless of when the mortgage or lien was recorded, except as otherwise expressly provided by law or as stated above. The Master Association's lien shall be superior to the Association's lien. Any lease of a Unit shall be subordinate and inferior to the Condominium Association's lien, regardless of when the lease was executed.

10.9 Foreclosure of Lien. The Condominium Association may bring an action in its name to foreclose its lien for unpaid Condominium Association Assessments in the manner provided in the Condominium Act, and may also bring an action to recover a money judgment for the unpaid Condominium Association Assessments without waiving any lien rights.

10.10 Certificate as to Condominium Association Assessments. Pursuant to Section 718.116(8) of the Condominium Act, within 15 days after request by a Unit Owner, purchaser or mortgagee, the Condominium Association shall provide a certificate (sometimes referred to as an "estoppel letter") stating whether all Condominium Association Assessments and other monies owed to the Condominium Association by the Unit Owner with respect to the Condominium have been paid. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby. The Condominium Association or its authorized agent may impose a reasonable fee in connection with issuing the estoppel letter. The Condominium Association or its authorized agent shall not be required to provide a prospective purchaser or lienholder with information about the Condominium or the Condominium Association other than information or documents required by the Condominium Act to be made available or disclosed. The Condominium Association or its authorized agent may impose a reasonable fee to a prospective purchaser, lienholder, or the Owner for its time in providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than information required by law, provided that such fee shall not exceed \$150.00 plus the reasonable cost of photocopying and any attorney's fees incurred by the Condominium Association in connection with the Condominium Association's response. The Condominium Association and its authorized agent are not liable for providing such information in good faith pursuant to a written request if the person providing the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy".

10.11 Condominium Developer's Guaranty of Common Expenses. The Condominium Developer shall be excused from the payment of the share of the common expenses for a period commencing upon the

recording of the Declaration of Condominium and ending on the earlier of either: (a) December 31st of the year in which the Declaration of Condominium is recorded; or (b) the date control of the Condominium Association is turned over to unit owners other than Condominium Developer (such period of time is referred to as the "First Guaranty Period" and the ending date of the First Guaranty Period is referred to as the "First Guaranty Expiration Date"). However, during the First Guaranty Period, the Condominium Developer guarantees that the monthly common expenses and assessments levied upon each unit will not exceed \$242.00. Condominium Developer has the option to initiate additional guaranty periods (as described below) by providing notice of such decision to the Condominium Association prior to the commencement of the year immediately following the expiration of the prior guaranty period. If Condominium Developer has not provided such notice to the Condominium Association, then Condominium Developer shall pay its share of common expenses for the units it owns in the Condominium that have been submitted to the Declaration of Condominium. If it elects, Condominium Developer shall be excused from the payment of the share of the common expenses for a period commencing on January 1st of the year subsequent to the year in which the Declaration of Condominium is recorded and ending on the earlier of either: (a) December 31st of the year subsequent to the year in which the Declaration of Condominium is recorded; or (b) the date control of the Condominium Association is turned over to unit owners other than Condominium Developer (such period of time is referred to as the "Second Guaranty Period" and the ending date of the Second Guaranty Period is referred to as the "Second Guaranty Expiration Date"). However, during the Second Guaranty Period, the Condominium Developer guarantees that the monthly common expenses and assessments levied upon each unit will not exceed \$278.30. If it elects, Condominium Developer shall be excused from the payment of the share of the common expenses for a period commencing on January 1st of the second year subsequent to the year in which the Declaration of Condominium is recorded and ending on the earlier of either: (a) December 31st of the second year subsequent to the year in which the Declaration of Condominium is recorded; or (b) the date control of the Condominium Association is turned over to unit owners other than Condominium Developer (such period of time is referred to as the "Third Guaranty Period" and the ending date of the Third Guaranty Period is referred to as the "Third Guaranty Expiration Date"). However, during the Third Guaranty Period, the Condominium Developer guarantees that the monthly common expenses and assessments levied upon each unit will not exceed \$320.04. If it elects, Condominium Developer shall be excused from the payment of the share of the common expenses for a period commencing on January 1st of the third year subsequent to the year in which the Declaration of Condominium is recorded and ending on the earlier of either: (a) December 31st of the third year subsequent to the year in which the Declaration of Condominium is recorded; or (b) the date control of the Condominium Association is turned over to unit owners other than Condominium Developer (such period of time is referred to as the "Fourth Guaranty Period" and the ending date of the Fourth Guaranty Period is referred to as the "Fourth Guaranty Expiration Date"). However, during the Fourth Guaranty Period, the Condominium Developer guarantees that the monthly common expenses and assessments levied upon each unit will not exceed \$368.04. In no event shall any guaranty period extend past the date control of the Condominium Association is turned over to unit owner other than Condominium Developer. During any guaranty period, Condominium Developer and all units owned by Condominium Developer shall not be subject to assessment for common expenses. Instead, the Condominium Developer will fund the difference, if any, between assessments at the guaranteed level and the actual common expenses incurred during such guaranty period. If at any time during any guaranty period funds collected from assessments at the guaranteed level are not sufficient to provide payment, on a timely basis, of all common expenses, the Condominium Developer will fund deficits at the time such payment is due. Section 6.6 of the Bylaws sets forth additional exclusions from Condominium Developer's guaranty obligations. The amount of the guaranty of assessments includes Condominium Association Assessments but does not include Assessments or other charges of the Association or the Master Association. It is possible that the Condominium Association may be required to act as a collection agent on behalf of the Association and the Master Association. The collection of the Association's Assessments and Master Association assessments shall be considered solely an administrative convenience and shall not affect Condominium Developer's

guaranty obligations.

10.12 Capital Improvements. As long as Condominium Developer holds any Unit for sale in the ordinary course of business the Condominium Developer and any Unit owned by Condominium Developer shall be exempt from Condominium Association Assessments for capital improvements unless the Condominium Developer gives its approval in writing. The Condominium Developer shall also be exempt from any action by the Condominium Association which would be detrimental to the sale of Units by the Condominium Developer unless the Condominium Developer approves the action in writing.

11. MAINTENANCE: LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS. Responsibility for the protection, maintenance, repair and replacement of the Condominium property, and restrictions on its alteration and improvement shall be as follows:

11.1 Condominium Association Maintenance. The Condominium Association is responsible for the protection, maintenance, repair and replacement of all Common Elements and Condominium Association Property (other than the Limited Common Elements that are required elsewhere herein to be maintained by the Unit Owner). The cost is a common expense. The Condominium Association's responsibilities include without limitation:

- A. Electrical wiring up to the circuit breaker panel in each Unit.
- B. Rough plumbing.
- C. All installations, fixtures and equipment located within one Unit but serving another Unit, or located outside the Unit, for the furnishing of utilities to more than one Unit or the Common Elements.
- D. The exterior surface of the entrance doors to the Units.
- E. Fire alarm systems and sprinkler systems (if any).
- F. All exterior building walls.
- G. All interior corridor and atrium walls.
- H. Railings on balconies, terraces and porches.
- I. Painting and cleaning of the exterior surface of garage doors and walls and all structural components of the garage.

The Condominium Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a Unit and servicing only that Unit. All incidental damage caused to a Unit or Limited Common Elements by work performed or ordered to be performed by the Condominium Association shall be promptly repaired by and at the expense of the Condominium Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Condominium Association shall not be responsible for the damage to any alteration or addition made by Unit Owners.

11.2 Unit Owner Maintenance. Each Unit Owner is responsible, at his own expense, for all maintenance, repairs, and replacements of his own Unit and certain Limited Common Elements. The owner's responsibilities include, without limitation:

- A. Maintenance, repair and replacement of screens, hurricane shutters, windows and window glass.
- B. The main entrance door to the Unit and its interior surface.
- C. All other doors within or affording access to the Unit.
- D. The electrical, mechanical and plumbing fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the Unit or serving only the Unit.
- E. The circuit breaker panel and all electrical wiring going into the Unit from the panel.
- F. Appliances, water heaters, smoke alarms and vent fans.
- G. All air conditioning, and heating equipment, thermostats, ducts and installations serving the Unit exclusively.
- H. Carpeting and other floor coverings.
- I. Door and window hardware, locks and weatherstripping.
- J. Shower pans.
- K. The main water supply shut-off valve for the Unit.
- L. Other facilities or fixtures which are located or contained entirely within the Unit and serve only the Unit.
- M. All interior, partition walls which do not form part of the boundary of the Unit.
- N. The interior of the Unit Owner's garage, the garage door and all hardware and mechanisms.

The Condominium Association shall retain the right to maintain, repair and replace the Units' windows, doors and related framing and hardware as part of a common plan of improvement to the Condominium.

11.3 Other Unit Owners Responsibilities. The Unit Owner shall have the following responsibilities:

A. Balconies, Terraces and Porches. Where a Limited Common Element consists of a balcony, terrace or porch area, the Unit Owner who has the right to exclusive use of the balcony, terrace or porch area shall be responsible for the day-to-day cleaning and care of the interior surfaces of the walls, floor and ceiling bounding said area. The owner shall also be responsible for any fixed glass and sliding glass doors in portions of the entrance way to said area, if any; and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. The Unit Owner shall be responsible for maintenance and repair of balcony screens. The Condominium Association is responsible for the maintenance, repair and replacement of all exterior walls of the building and the concrete slabs.

B. Interior Decorating. Each Unit Owner is responsible for all decorating within his own Unit,

including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

C. Flooring. The installation of ceramic tile or hardwood floors inside Condominium Units above the ground floor is restricted to floors installed over adequate sound insulating material meeting specifications approved by the Board. The Unit Owner shall secure written permission of the Board as described in Section 11.12 hereof. The Board reserves the right to inspect the installation to assure compliance. If the Unit Owner fails to give the notice and secure written permission as described in Section 11.12, or does not allow the Board to inspect the installation as it is being made, the Board may, in addition to exercising all the other remedies provided in this Declaration, require the Unit Owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending Unit Owner. No indoor-outdoor carpet or river rock may be used on balconies and terraces. Tile and its bedding and grout must be of such materials and so applied as to be waterproof.

D. Window Coverings. The covering and appearance of windows and doors whether by draperies, shades, reflective film or other items, whether installed within or outside of the Unit, visible from the exterior of the Unit, shall be subject to the rules and regulations of the Condominium Association.

E. Modifications and Alterations. If a Unit Owner makes any modifications, installations or additions to his Unit or the Common Elements, the Unit Owner and his successors in title shall be financially responsible for the insurance, maintenance, repair and replacement of the modifications, installations or additions, as well as the cost of repairing any damage to the Common Elements resulting from such modifications or additions.

F. Use of Licensed and Insured Contractors; Construction Lien Law. Whenever a Unit Owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the Unit or Common Elements, whether with or without Condominium Association approval, such owner shall be deemed to have warranted to the Condominium Association and its members that his contractor(s) are properly licensed and fully insured and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance. The Unit Owner also agrees to comply with the requirements of Chapter 713, F.S., and to indemnify the Condominium Association and its members from any construction liens which may attach to Common Elements and which are attributable to work performed by or for the benefit of the Unit Owner.

11.4 Appliance Maintenance Contracts. If there shall become available to the Condominium Association a program of contract maintenance for water heaters within Units and/or air-conditioning compressors and/or air handlers serving individual Units, which the Board of Directors determines is to the benefit of the owners to consider, then the Condominium Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Condominium Association shall be common expenses. All maintenance, repairs and replacements not covered by the contracts shall be the responsibility of the Unit Owner.

11.5 Alteration of Units or Common Elements by Unit Owners. Except for Condominium Developer, no Unit Owner shall make or permit the making of any material alterations or substantial additions to his Unit or the Common Elements, or in any manner change the exterior appearance of any portion of the Condominium, without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Condominium in part or in whole. Any glass, screen, curtain, blind, shutter, awning, or other modifications, additions or installations which may be installed where visible from outside the Unit, are subject to regulation by the Board of Directors. The

installation of hurricane shutters shall be subject to regulation by the Board of Directors. The Board of Directors shall adopt hurricane shutter specifications which shall include required color, style and other factors deemed relevant by the Board of Directors. No owner may alter the landscaping of the Common Elements in any way without prior Board approval.

11.6 Combining Units. The Board of Directors may authorize the removal of the party wall between two Units in order that the Units might be used together as one integral living space, provided that the Unit combination is approved by the membership pursuant to an amendment to this Declaration, which amendment must be approved by a majority of the total voting interests which reflects that all Condominium Association Assessments, voting rights and the share of Common Elements shall be calculated as such Units were originally designated on the exhibits attached to this Declaration, notwithstanding the fact that several Units are used as one, with the intent and purpose that the owner of such "combined" Units shall be treated as the owner of as many Units as have been combined. In addition, the Board of Directors shall secure the approval of the affected Unit owners and the holders of liens against such Units.

11.7 Alterations and Additions to Common Elements and Condominium Association Property. The protection, maintenance, repair, insurance and replacement of the Common Elements and Condominium Association Property is the responsibility of the Condominium Association and the cost is a common expense. Prior to transition of control of the Condominium Association from Condominium Developer appointees to Unit Owner representatives, the Board of Directors shall have the authority to make material alterations or substantial additions to the Common Elements and Condominium Association Property. Subsequent to transition, the Condominium Association shall make no material alteration of, nor substantial additions to, the Common Elements or the real property owned by the Condominium Association costing more than \$10,000 in the aggregate in any fiscal year without prior approval of at least a two-thirds (2/3) of the total voting interests. Alterations or additions costing less than this amount may be made with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the Common Elements or Condominium Association Property or to comply with any local, state or federal law or regulation also constitutes a material alteration or substantial addition to the Common Elements, no prior Unit Owner approval is required. In all cases, as long as Condominium Developer offers Units for sale in the ordinary course of business, Condominium Developer owned Units shall not be subject to Condominium Association Assessment for capital improvements unless Condominium Developer consents in writing. Shrubs, trees, structures or other improvements (other than those originally installed or approved by the Condominium Developer) shall not be installed in any area that is adjacent to a lake.

11.8 Enforcement of Maintenance. If after reasonable notice the owner of a Unit fails to maintain the Unit or its appurtenant Limited Common Elements as required in this Declaration or in the Master Association Declaration, the Condominium Association shall have the right to institute legal proceedings to enforce compliance.

11.9 Negligence: Damage Caused by Condition in Unit. The owner of each Unit shall be liable for the expenses of any maintenance, repair or replacement of Common Elements, 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 tenants. Each Unit Owner has a duty to maintain his Unit, any Limited Common Element appurtenant to the Unit, and personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other Units, the Common Elements 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, the Common Elements, Condominium 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 Condominium Association

may enter the Unit without prior notice to the owner and take reasonable action to mitigate damage or prevent its spread. The Condominium Association may, but is not obligated to, repair the damage with the prior consent of the owner.

11.10 Condominium Association's Access to Units. The Condominium Association has an irrevocable right of access to the Units for the purposes of protecting, maintaining, repairing, and replacing the Common Elements or portions of a Unit to be maintained by the Condominium Association under this Declaration, and as necessary to prevent damage to one or more Units. The exercise of the Condominium Association's rights of access to the Unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable annoyance, as well as with appropriate precautions to protect the personal property within the Unit. The Condominium Association may retain a pass-key to all Units. If it does, no Unit Owner shall alter any lock, nor install a new lock, which prevents access when the Unit is unoccupied, unless the Unit Owner provides the Condominium Association with a key. If the Condominium Association is not provided with a key to the Unit, the Unit Owner shall pay all costs incurred by the Condominium Association in gaining entrance to his Unit, and also shall be responsible for any damage done to his Unit in gaining entrance thereto, and shall also be liable for any damage resulting from delay in gaining entrance to his Unit caused by the unavailability of a key.

11.11 Pest Control. The Condominium Association may supply pest control within Units with the cost thereof being part of the common expenses.

11.12 Board Approval of Alterations or Construction. In all cases in which the Board must approve construction in or alterations to a Unit or the Common Elements requested by a Unit Owner, the Unit Owner shall provide the Board with not less than 45 days written notice of the Unit Owner's intention, together with plans and specifications indicating the proposed construction. The Board shall indicate its approval or disapproval of the proposed construction in writing within such 45 day period. The Board reserves the right to consult with a licensed Florida architect or professional engineer and to pass such costs on to the Unit Owner and to require that any plans and specifications be prepared by a licensed Florida architect or engineer. The Board may extend the time in which it must render its decision by an additional 45 days in the event it determines a licensed Florida architect's or professional engineer's review is necessary.

11.13 [Intentionally Deleted].

11.14 Alteration of Boundaries and Appurtenant Dimensions. Condominium Developer reserves the right to change the arrangement of Units, or to alter the boundaries between Units as long as Condominium Developer owns such Units, provided that the Condominium Association Documents are amended as needed to reflect the changes, which amendments must be approved by a majority of the voting interests. In addition, the Board of Directors shall secure the approval of the affected Unit owners and the holders of liens against such Units.

11.15 Maintenance by Association. The landscaping of the Common Elements and Condominium Association Property shall be maintained by the Association, as more particularly described in the Association Documents.

11.16 Architectural Control by the Association and Master Association. Approval of construction, modification, or alteration of any Unit or Common Element granted by the Board pursuant to this Declaration shall not avoid the need for nor guaranty such approval as may be required by the Master Association Documents or the Association Documents. The architectural criteria of the Association shall take priority over any conflicting provisions adopted by the Condominium Association. The Building and

Planning Standards of the Master Association shall take priority over any conflicting architectural control or review provisions adopted by the Condominium Association or the Association.

12. USE RESTRICTIONS: The use of the Condominium property shall be in accordance with the following provisions:

12.1. Units. Each Unit shall be occupied by only one family at any time, as a residence and for no other purpose. No Unit may be occupied by more than 2 persons per bedroom. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements; (c) the business activity involves only telephone calls and correspondence to and from the Unit and does not involve persons coming into the Condominium who do not reside in the Condominium or door-to-door solicitation of occupants of the Condominium; and (d) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other occupants of Units.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

The foregoing prohibitions shall not apply to Condominium Developer's use of Units as models or sales offices, as elsewhere provided for in this Declaration.

The use of a Unit as a public lodging establishment shall be deemed a business or trade use.

12.2 Minors. All occupants under 18 years of age shall be supervised by an adult to insure that they do not become a source of unreasonable annoyance to other residents.

12.3 Pets. No Unit Owner is permitted to keep a domestic pet (dogs, cats and other usual and non-exotic household pets), whether permanent or temporary, in his home without the prior written permission of the Condominium Association. Pets may be kept in a Unit in reasonable numbers, as determined by the Board of Directors. Such permission in one instance shall not be deemed to institute a blanket permission in any other instance and any such permission may be revoked at any time in the sole discretion of the Board. However, under no circumstances will a pit bull, "wolf hybrids" or other dogs prone to or exhibiting aggressive behavior be permitted on any portion of the Condominium. Any pet must be carried or kept on a leash when outside of a Unit. A Unit Owner shall immediately pick up and remove any solid animal waste deposited by his pet. The Unit Owner shall indemnify the Condominium Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from having any animal in the Condominium. If a dog or any other animal becomes a source of unreasonable annoyance to other Unit Owners by barking or otherwise, the Unit Owner therefore must cause the problem to be corrected; or if it is not corrected, the Unit Owner, upon written notice by the Condominium Association, will be required to remove the animal from the Condominium. Owners may not leave pets unattended in porches or balconies. The Common Elements and Condominium Association Property shall not be used to accommodate pets.

12.4 Parking. All vehicles, except those of the Owner's guests, shall be kept in the garage or in

the driveway adjacent to the Unit while the Unit Owner is in residence. The driveways adjacent to Units are not part of the Common Elements of this Condominium. Those driveways will be part of the Association Property. Each Unit in this Condominium is granted an easement over the driveway adjacent to that Unit's garage for parking purposes and such driveway is assigned to that Unit. Garage doors shall be kept closed, except for purposes of ingress and egress. Parking is prohibited on any roadway owned by or dedicated to the Association, except for parking areas designated for such purpose. Parking shall be subject to reasonable rules and regulations adopted by the Association's Board. Vehicles shall not be parked overnight on Roads (as defined in the Association Declaration) or swales.

A. All commercial vehicles, recreational vehicles, trailers, campers, camper trailers, boats, watercraft, motorcycles and boat trailers must be parked entirely within a garage unless otherwise approved by the Association's Board. No motorcycle, truck, trailer, boat, van in excess of seventeen feet (17') in length, camper, motor home, bus, commercial vehicle of any type (i.e., any vehicle which has any exterior lettering or logo, or has tools or equipment), non-passenger van (i.e., any van which does not have a rear seat and side windows) or similar vehicle shall be parked in any part of Isles of Sarasota, including any driveway or designated parking space, except: (1) within a garage; (2) commercial vehicles, vans or trucks delivering goods or furnishing services temporarily during daylight hours; (3) trucks rated not more than one-half ton capacity (i.e., not larger than a Ford F-150 or GMC 1500) may park overnight in the driveways servicing Units or in the appropriate spaces or designated areas in which parking may be assigned; and (4) upon such portions of Isles of Sarasota as the Association's Board may, in its discretion, allow. Vehicles over eighty (80) inches in height, or those vans or trucks which do not have large windows completely circling the vehicle's exterior (similar to windows around a station wagon), and permanent installed seating for 4 or more passengers, shall be considered to be a prohibited vehicle, car or truck. Notwithstanding anything to the contrary set forth in this Section 12.4, a law enforcement officer may park his law enforcement vehicle on a driveway if he occupies the adjacent Unit as the Owner, Owner's family member, or lessee. A law enforcement officer may also park his law enforcement vehicle in the driveway and other designated parking areas on a temporary basis as a guest of a Unit's occupant.

B. A Unit Owner who owns a Unit that has a 1-car garage may not park more than 2 vehicles on a permanent basis and a Unit Owner with a Unit that has a 2-car garage may not park more than 3 vehicles on a permanent basis. All vehicles of guests exceeding these numerical limits shall be parked in designated "guest" areas. Owners and their families shall not park in areas designated for "guest" parking, as those are reserved for temporary use.

C. None of the foregoing restrictions shall apply to commercial vehicles, pick-up trucks or other vehicles which may be utilized by Condominium Developer or the "Declarant" referenced in the Association Declaration, and their contractors and subcontractors for purposes of completing construction of the Condominium or Isles of Sarasota.

12.5 Nuisances. No owner shall use his Unit, or permit to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another Unit, or which would not be consistent with the maintenance of the highest standards for a first class residential Condominium, nor permit the premises to be used in a disorderly or unlawful way. The use of each Unit shall be consistent with existing laws and the Condominium Association Documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner.

12.6 Signs. No Unit Owner other than the Condominium Developer may post or display any signs anywhere on the Condominium Property including "For Sale", "For Rent", "Open House", and other similar signs. Security monitoring signs are permitted.

12.7 Use of Common Elements. Common hallways, stairways and other Common Elements shall not be obstructed, littered, defaced or misused in any manner. Balconies, terraces, porches, walkways and stairways shall be used only for the purposes intended, and they shall not be used for hanging or drying clothing, for outdoor cooking, for cleaning of rugs or other household items, or for storage of bicycles or other personal property.

12.8 Rules and Regulations. The Rules and Regulations attached hereto as Exhibit "E" may be amended from time to time by the Board of Directors, subject to Condominium Developer's prior written approval with respect to amendments that would be detrimental to Condominium Developer's sale of units as long as Condominium Developer offers Units for sale in the ordinary course of business, which approval may be denied in Condominium Developer's discretion. Copies of the regulations and amendments shall be furnished by the Condominium Association to all Unit Owners.

12.9 Condominium Developer Exemption. The restrictions set forth in this Section 12 shall not apply to Condominium Developer or to Units owned by the Condominium Developer or Units leased to the Condominium Developer for use as models except to the extent required by Florida law as of the date of recording of this Declaration with respect to Condominium Developer observing restrictions on pets and leasing. The Condominium Developer and the Declarant referenced in the Association Declaration, and their contractors and subcontractors may be exempt from the restrictions on permissible vehicles to the extent that impermissible vehicles may be used for purposes of completing construction of the Condominium or Isles of Sarasota.

12.10 Master Association and Association Use Restrictions and Rules and Regulations. The use of all Units, Association Property and Master Association Common Area by the Condominium Association and all Unit Owners is governed and limited by the Association Documents, the use restrictions described in the Master Association Declaration and the Rules and Regulations enacted by the Board of Directors of the Master Association, all as they may be amended from time to time. The use restrictions contained herein and the Rules and Regulations attached as Exhibit "E", as they may be amended from time to time, shall be cumulative with the provisions of the Association Documents and the Master Association Documents. In the event of conflict between the use restrictions and Rules and Regulations of the Condominium Association Documents and the use restrictions and Rules and Regulations of the Association Documents, the Association Documents shall be superior; provided, the foregoing priorities shall not prevent enforcement by the Condominium Association of use restrictions or Rules and Regulations which are more restrictive than those set forth in the Association Documents, nor shall they prevent the Condominium Association or Unit Owners from exercising all of the powers, obligations and rights set forth in the Condominium Act. In the event of conflict between the use restrictions and Rules and Regulations of the Condominium Association Documents and the use restrictions and Rules and Regulations of the Master Association Documents, those of the Master Association Documents shall be superior; provided, the foregoing priorities shall not prevent enforcement by the Condominium Association of use restrictions or Rules and Regulations which are more restrictive than those of the Master Association, nor shall they prevent the Condominium Association or Unit Owners from exercising all of the powers, obligations and rights set forth in the Condominium Act.

13. LEASING OF UNITS: In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of Units by their owners shall be restricted as provided in this section. All leases of Units must be in writing. A Unit Owner may lease only his entire Unit, and then only in accordance with this Section, after receiving the approval of the Condominium Association. The lessee must be a natural person as opposed to an artificial entity such as a corporation, partnership, trust, etc.

13.1 Procedures.

A. Notice by the Unit Owner. An owner intending to lease his Unit shall give to the Board of Directors or its designee written notice of such intention at least 20 days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require. The applicant must sign for having received copies of the Condominium Association Documents, Association Documents and Master Association Documents as provided by the Unit Owner.

B. Board Action. After the required notice and all information have been provided, the Board shall have 10 days in which to approve or disapprove the proposed lease. If the Board neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.

C. Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board so votes, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

(1) the Unit Owner is delinquent in the payment of Condominium Association Assessments at the time the application is considered;

(2) the person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in other social organizations or community associations, or by his conduct as a tenant, Unit Owner or occupant of a Unit;

(3) the person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;

(4) the application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;

(5) the person seeking approval has been convicted of a felony involving violence to persons or property, or a felony demonstrating dishonesty or moral turpitude;

(6) the prospective lessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid.

(7) the owner fails to give proper notice of his intention to lease his Unit to the Board.

D. Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee without securing consent to such eviction from the Unit Owner.

E. Applications: Condominium Association Assessments. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying Condominium Association Assessments may not be delegated to the lessee.

F. Committee Approval. To facilitate approval of leases proposed during times when many of its members are not in residence, the Board of Directors may by resolution delegate its approval powers to an ad hoc committee, which shall consist of at least 3 Unit Owners, one of whom must be a Director, or to the Condominium Association's management company or manager.

13.2 Term of Lease and Frequency of Leasing. The minimum lease term is 4 consecutive months and no Unit may be leased more than 3 times in any 1 calendar year. For purposes of this restriction, the first day of occupancy under the lease shall conclusively determine in which year the lease occurs. No lease may be for a period of more than 1 year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed. The foregoing prohibition on an option for the lessee to extend or renew the lease for any additional period shall not apply to model Units sold and leased back by Condominium Developer.

13.3 Occupancy During Lease Term. No one but the lessee, his family members within the first degree of relationship by blood, adoption, legal custody or marriage, and their spouses and guests may occupy the Unit. A lessee in residence may not have overnight guests for more than 10 days in any calendar month, and such guests must be registered with the manager.

13.4 Occupancy in Absence of Lessee. If a lessee absents himself from the Unit for any period of time during the lease term, his family within the first degree of relationship already in residence may continue to occupy the Unit and may have house guests subject to all the restrictions in Sections 12 and 13.3 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the Unit.

13.5 Use of Common Elements and Condominium Association Property. To prevent overtaxing the facilities, a Unit Owner whose Unit is leased may not use the recreation or parking facilities of the Condominium or Association during the lease term.

13.6 Regulation by Condominium Association. All of the provisions of the Condominium Association Documents and the rules and regulations of the Condominium Association shall be applicable and enforceable against any person occupying a Unit as a lessee or guest to the same extent as against the Unit Owner. A covenant on the part of each occupant to abide by the rules and regulations of the Condominium Association and the provisions of the Condominium Association Documents, designating the Condominium Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

13.7 Fees and Deposits for the Lease of Units. Whenever herein the Board's approval is required to allow the lease of a Unit, the Condominium Association may charge the Unit Owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. No fee may be charged for approval of a renewal or extension of a lease with the same lessee.

13.8 Unapproved Leases. Any lease of a Unit not approved pursuant to this Section 13 shall be void and unenforceable unless subsequently approved by the Board.

14. TRANSFER OF OWNERSHIP OF UNITS. In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the Units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents,

the transfer of ownership of a Unit shall be subject to the following provisions:

14.1 Forms of Ownership:

A. One Owner. A Unit may be owned by one natural person who has qualified and been approved as elsewhere provided herein.

B. Co-Ownership. Co-ownership of Units is permitted. If the co-owners are to be other than husband and wife, or 2 individuals who reside together as a single housekeeping unit, the Board shall condition its approval upon the designation by the proposed new Unit Owners of not more than 2 approved natural persons as "Primary Occupants". The use of the Unit by other persons shall be as if the Primary Occupants were the only actual Unit Owners. The intent of this provision is to prevent multiple individuals or families from using a Unit on a transient basis. Any subsequent change in the Primary Occupants shall be treated as a transfer to ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any 12-month period.

C. Ownership by Corporations, Partnerships or Trusts. A Unit may be owned in trust, or by a corporation, partnership or other entity that is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the Unit may be used as short-term transient accommodations for several individuals or families. The approval of a trust, or corporation, partnership or other entity as a Unit Owner shall be conditioned upon designation by the Unit Owner of not more than 2 natural persons to be the "Primary Occupants". The use of the Unit by other persons shall be as if the Primary Occupants were the only actual Unit Owners. Any subsequent change in the Primary Occupants shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any 12-month period. Condominium Developer shall not be required to designate Primary Occupants for its Units.

D. Designation of Primary Occupants. Each Owner of a Unit which is owned in the forms of ownership stated in preceding subsections 14.1(B) and (C) shall designate not more than two Primary Occupants in writing to the Condominium Association. If any Unit Owner fails to do so, the Board of Directors may make the initial designation for the owner, and shall notify the owner in writing of its action.

E. Life Estate. A Unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under Section 14.2 below. In that event, the life tenant shall be the only Condominium Association member from such Unit, and occupancy of the Unit shall be as if the life tenant were the only Unit Owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy rights unless separately approved by the Condominium Association. The life tenant shall be liable for all Condominium Association Assessments and charges against the Unit. Any consent or approval required of Condominium Association members may be given by the life tenant alone, and the consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as co-Unit Owners for purposes of determining voting and occupancy rights under Section 14.1(B) above.

14.2 Transfers.

A. Sale. No Unit Owner may transfer a Unit or any ownership interest in a Unit by sale (including agreement for deed) without prior written approval of the Board of Directors.

B. Devise, Gift or Inheritance. If any Unit Owner acquires his title by devise, gift or

inheritance, his right to occupy or use the Unit shall be subject to the approval of the Board of Directors under Section 14.3.A(2) below. The approval shall not be denied to any devise or heir who was the prior Owner's lawful spouse at the time of death, or was related to the Unit Owner by blood or adoption within the first degree.

C. Other Transfers. If any person acquires title in any manner not considered in the foregoing subsections, that person shall have no right to occupy or use the Unit before being approved by the Board of Directors under the procedures outlined in Section 14.3 below.

D. To facilitate transfers proposed during times when many of its members are not in residence, the Board of Directors may by resolution delegate its approval powers to an ad hoc committee, which shall consist of at least 3 Unit Owners, at least one of whom shall be a Director. The Chairman of the committee shall be deemed a Vice-President, and as such shall be empowered to execute Certificates of Approval on behalf of the Condominium Association.

14.3 Procedures.

A. Notice to Condominium Association.

(1) Sale. A Unit Owner intending to make a sale of his Unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least 20 days before the intended closing date, together with the name and address of the proposed purchaser or donee, a copy of the executed sales contract, if any, and such other information as the Board may reasonably require. The Board may require a personal interview with any purchaser or donee and his spouse, if any, as a pre-condition to approval.

(2) Devise, Gift, Inheritance or Other Transfers. The transferee must notify the Board of Directors of his ownership and submit a certified copy of the instrument evidencing his ownership and such other information as the Board may reasonably require. The transferee shall have no occupancy or use rights until and unless approved by the Board, but may sell or lease the Unit following the procedures in this Section or Section 13.

(3) Demand. With the notice required in Subsection A.(1) above, the Unit Owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Condominium Association shall furnish an approved alternate purchaser who shall purchase the Unit at the same price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the Unit determined as provided below.

(4) Failure to Give Notice. If no notice is given, the Board of Directors, at its election may approve or disapprove at the time it learns of the transfer. If any owner fails to obtain the Condominium Association's approval prior to selling an interest in a Unit, such failure shall create a rebuttable presumption that the seller and the purchaser intend to violate the covenants of this Declaration, and shall constitute good cause for Condominium Association disapproval.

B. Board Action. Within 20 days after receipt of the required notice and all information or interview requested, or not later than 60 days after the notice required by Section 14.3.A above is received, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed by the President or Vice-President of the Condominium Association in recordable form and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent

of approval and on demand the Board shall issue a Certificate of Approval to the transferee.

C. Disapproval.

(1) With Good Cause. Approval of the Condominium Association shall be withheld for good cause only if a majority of the whole Board so votes. Only the following may be deemed to constitute good cause for disapproval:

(a) The person seeking approval has been convicted of a felony involving violence to persons or property or a felony demonstrating dishonesty or moral turpitude;

(b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;

(c) The application on its face gives the Board reasonable cause to believe that the applicant intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;

(d) The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in other social organizations or community associations, or by his conduct as a tenant, Unit Owner or occupant of a Unit;

(e) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process.

(f) The transaction, if a sale or gift, was concluded by the parties without having sought and obtained the prior approval required herein.

(2) Without Good Cause. The Condominium Association's approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the Unit Owner or transferee has made the demand set forth in Section 14.3.A(3), then within 30 days after the Board meeting at which the disapproval took place, the Board shall deliver in writing to the Unit Owner the name of an approved purchaser (which may be the Condominium Association) who will purchase the Unit at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Condominium Association challenges the contract price as not being a good faith purchase price, then the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two state-certified property appraisers, one selected by the Unit Owner and the other by the Condominium Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the purchaser and selling owner, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and Condominium Association Assessments shall be prorated to the day of closing and the parties shall bear their own attorneys fees, if any. The closing shall take place not longer than 60 days after the date of Board disapproval or 30 days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.

If the Board fails to deliver the name of the approved purchaser within 30 days as required above, then the original proposed purchaser shall be deemed to be approved, despite the Board's former

disapproval, and upon demand a Certificate of Approval shall be issued.

14.4 Exception. The provisions of this Section 14 are not applicable to: sales or transfers of title with respect to any Unit owned by Condominium Developer to any person; the acquisition of title by an Institutional Mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure, nor shall the Condominium Association's approval be required for the subsequent resale or lease of a Unit by such Institutional Mortgagee of the Unit so acquired, but shall apply to the acquisition of title by any other person.

14.5 Unapproved Transfers. Any sale or transfer which is not approved, or which is disapproved pursuant to the terms of this Declaration shall be void unless subsequently approved in writing by the Board.

14.6 Fees and Deposits Related to the Sale of Units. Whenever herein the Board's approval is required to allow the sale or other transfer of an interest in a Unit, the Condominium Association may charge the Unit Owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law.

15. INSURANCE: In order to adequately protect the Condominium Association and its members, insurance shall be carried and kept in force at all times in accordance with the following provisions:

15.1 By the Unit Owner. Each Unit Owner is responsible for insuring those portions of his Unit that he is required to insure pursuant to the Condominium Act, including all alterations, additions and improvements made to the Unit or the Common Elements by the owner or his predecessors in title, and his personal property. The Unit Owner shall be required to insure all floor, wall and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets, and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit, and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries. The Condominium Association may exclude any items which are the Unit Owner's responsibility to insure from the Condominium Association's property and casualty insurance responsibilities. Each Unit Owner is expected to carry homeowner's insurance, with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and loss assessment protection, or recognize that he bears financial responsibility for any damage to his property or liability to others that would otherwise be covered by such insurance. Each insurance policy issued to a Unit Owner for the above-referenced items shall be without rights of subrogation against the Condominium Association.

15.2 Condominium Association Insurance: Duty and Authority to Obtain. The Board of Directors shall use its best efforts to obtain and keep in force the insurance coverage which it is required to carry pursuant to the Condominium Act, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Condominium Association and the Unit Owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Condominium Association may self-insure. The Board may obtain insurance policies containing deductibles.

15.3 Required Coverage. The Condominium Association shall use its best efforts to obtain and maintain adequate insurance covering all of the buildings and the Common Elements as well as all Condominium Association property, in amounts determined annually by the Board of Directors, such

insurance to afford the following protection:

A. Property. Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract.

B. Flood. If the Condominium is located in the category of flood zone such that mortgagees require the Condominium Association and Unit Owners to obtain flood insurance, in amounts deemed adequate by the Board of Directors, and any mortgagees, as available through the National Flood Insurance Program.

C. Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

D. Automobile. Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board of Directors.

E. Condominium Association Funds. The Condominium Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Condominium Association, as required by Section 718.111 of the Condominium Act.

15.4 Optional Coverage. The Condominium Association may purchase and carry other such insurance coverage as the Board of Directors may determine to be in the best interest of the Condominium Association and Unit Owners. Some of the more common options include:

- A. Additional flood insurance.
- B. Boiler and Machinery coverage (includes breakdown on Common Element air conditioning Units).
- C. Broad Form Comprehensive General Liability Endorsement.
- D. Directors and Officers Liability.
- E. Medical Payments.
- F. Leakage, seepage and wind-driven rain.
- G. The Condominium Association may maintain Workers' Compensation insurance on at least a minimum premium basis.

15.5 Description of Coverage. A detailed summary of the coverages included in the master policies, and copies of the master policies, shall be available for inspection by Unit Owners or their authorized representatives upon request.

15.6 Waiver of Subrogation. If available and where applicable, the Board of Directors shall endeavor to obtain insurance policies which provide that the insurer waives its right to subrogation as to any claim against the Condominium Association Unit Owners, or their respective servants, agents or guests,

except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.

15.7 Insurance Proceeds. All insurance policies purchased by the Condominium Association shall be for the benefit of the Condominium Association, the Unit Owners and their mortgagees as their interests may appear, and all proceeds shall be payable to the Condominium Association. The duty of the Condominium Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the Unit Owners and their respective mortgages in the following shares:

A. Common Elements. Proceeds on account of damage to Common Elements shall be held in as many individual shares as there are Units, the shares of each Unit Owner being the same as his share in the Common Elements.

B. Units. Proceeds on account of damage within the Units shall be held in undivided shares based on the prorated amount of damage within each damaged Unit as a percentage of the total damage within all Units.

C. Mortgage. If a mortgagee endorsement has been issued as to a Unit, the shares of the mortgagee and the Unit Owner shall be as their interests appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against Unit or Units, except to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty.

15.8 Distribution of Proceeds. Proceeds of insurance policies received by the Condominium Association shall be distributed to or for the benefit of the Unit Owners in the following manner:

A. Cost of Reconstruction or Repair. If the damage for which the proceeds are paid is to be reconstructed or repaired by the Condominium Association, the remaining proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being paid jointly to them.

B. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them.

15.9 Condominium Association as Agent. The Condominium Association is hereby irrevocably appointed as agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Condominium Association for damage or loss to the Condominium property.

16. RECONSTRUCTION OR REPAIR AFTER CASUALTY: If any part of the Condominium property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as follows:

16.1 Damage to Units. Where loss or damage occurs within one or more Units, any Condominium Association insurance proceeds received on account of the loss or damage shall be distributed to the owner(s) of the damaged Unit(s) in shares as provided in Section 15.7 above. The owner(s) of the damaged Unit(s) shall be responsible for reconstruction and repair, including any costs in

excess of the insurance proceeds from the Condominium Association insurance.

16.2 Damage to Common Elements-Less than Very Substantial. Where loss or damage occurs to the Common Elements, but the loss is less than "very substantial", as hereinafter defined, it shall be mandatory for the Condominium Association to repair, restore and rebuild the damage caused by the loss, and the following procedures shall apply:

A. The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and restoration, and shall negotiate and contract for repair and reconstruction.

B. If the proceeds of insurance and available reserves are insufficient to pay for the cost of repair and reconstruction of the Common Elements, the Condominium Association shall promptly, upon determination of the deficiency, levy a special Condominium Association Assessment against all Unit Owners in proportion to their shares in the Common Elements for the deficiency. Such special Condominium Association Assessments need not be approved by the Unit Owners. The proceeds from the special Condominium Association Assessment shall be added to the funds available for repair and restoration of the property.

16.3 Very Substantial Damage. As used in the Declaration, the term "very substantial" damage shall mean loss or damage whereby 51% or more of the total Units are rendered uninhabitable. Should such "very substantial" damage occur then the Board and its officers are authorized, regardless of any other provision herein, to take such action as is reasonably necessary under the circumstances to evacuate or shore-up structures and salvage property, to engage security, to alter the Condominium property as may be reasonable under the circumstances. The Board shall have the authority to utilize any and all available Condominium Association funds, including reserves, for such purpose. Further, the Board shall observe the following procedures:

A. The Board of Directors shall obtain reliable and detailed estimates of the cost of repair and restoration as soon as is reasonable and practical under the circumstances.

B. A membership meeting shall be called by the Board of Directors to be held not later than 60 days after the Board has obtained the estimates, to determine the opinion of the membership with reference to rebuilding or termination of the Condominium, subject to the following:

(1) If the insurance proceeds, reserves and other Condominium Association funds available for the restoration and repairs that are the Condominium Association's responsibility are sufficient to cover the estimated cost thereof so that a special Condominium Association Assessment exceeding 15% of the total annual budget for the year in which the casualty occurred will not be required, then the Condominium shall be restored or repaired unless at least two-thirds (2/3) of the total voting interests and 51% of the Institutional Mortgagees shall vote for termination, or unless the then applicable zoning or other regulatory laws will not allow reconstruction of the same number and general types of Units, in either of which cases the Condominium shall be terminated.

(2) If the insurance proceeds, reserves and other Condominium Association funds available for restoration and repair are not sufficient to cover the estimated cost thereof so that a special Condominium Association Assessment exceeding 15% of the total annual budget for the year in which the casualty occurred will be required, then unless two-thirds (2/3) of the total voting interests and 51% of the Institutional Mortgagees vote in favor of such special Condominium Association Assessment and against termination of the Condominium, it shall be terminated and the property removed from the provisions of the Condominium Act. If two-thirds (2/3) of the total voting interests and 51% of the Institutional Mortgagees

approve the special Condominium Association Assessment, the Board of Directors shall levy such Condominium Association Assessment and shall proceed to negotiate and contract for necessary repairs and restoration. The proceeds from the special Condominium Association Assessment shall be added to the funds available for repair and restoration of the property.

(3) All "reserves" referenced above shall be utilized for their intended, restricted purpose unless their use for other purposes is approved in advance by the required vote of the membership specified in Section 718.112 of the Condominium Act.

C. If any dispute shall arise as to whether "very substantial" damage has occurred, a determination by the Board of Directors shall be binding upon all Unit Owners.

16.4 Application of Insurance Proceeds. It shall be presumed that the first monies disbursed for repair and restoration are from insurance proceeds; if there is a balance left in the funds held by the Condominium Association after the payment of all costs of repair and restoration, such balance shall be distributed to the Unit Owners, except as otherwise provided in Section 15.7(C) above.

16.5 Equitable Relief. In the event of damage to the Common Elements which renders any Unit uninhabitable, and the damage is not repaired, reconstructed, or rebuilt within a reasonable period of time, the owner of the uninhabitable Unit may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be presumed that repair, reconstruction or rebuilding has occurred within a reasonable period of time if substantial work is commenced within 18 months following the damage or destruction, and is completed within 24 months thereafter.

16.6 Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original building, or according to different plans and specifications approved by the Board or Directors, by the owners of at least three-fourths (3/4) of the Units, and by 51% of the Institutional Mortgagees.

17. CONDEMNATION:

17.1 Deposit of Awards with Condominium Association. The taking of all or any part of the Condominium property by condemnation or eminent domain shall be deemed to be a casualty to the portion taken and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Condominium Association; and if any fail to do so, a special charge shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against any sums payable to that owner.

17.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the same manner provided for determining whether damaged property will be reconstructed and repaired after a casualty.

17.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of all awards and special Condominium Association Assessments will be deemed to be Condominium property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, but the size of the Condominium will be reduced, the owners of condemned Units, if any, will be made whole, and any property damaged by the taking will be made usable in the manner provided

below. Proceeds of awards and special Condominium Association Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursements of funds after a casualty

17.4 Condominium Association as Agent. The Condominium Association is hereby irrevocably appointed as each Unit Owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purposes of realizing just compensation.

17.5 Units Reduced but Habitable. If the condemnation reduces the size of a Unit and the remaining portion of the Unit can be made habitable, the awards for the taking of a portion of that Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

A. Restoration of Unit. The Unit shall be made habitable. If the cost of restoration exceeds the amount of the award, the additional funds required shall be paid by the owner of the Unit.

B. Distribution of Surplus. The balance of the award, if any, shall be distributed to the owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and mortgagees.

17.6 Unit Made Not Habitable. If the condemnation is of an entire Unit or reduces the size of a Unit so that it cannot be made habitable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

A. Payment of Award. The fair market value of the Unit immediately prior to the taking shall be paid to the owner of the Unit and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and mortgagee(s).

B. Addition to Common Elements. If possible and practical, the remaining portion of the Unit shall become a part of the Common Elements and shall be placed in condition for use by some or all Unit Owners in a manner approved by the Board of Directors.

C. Adjustment of Shares in Common Elements. The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements among the reduced number of Units. This shall be done by restating the shares of the continuing Units in the Common Elements as percentages of the total of the numbers representing the shares of these as they existed prior to the adjustment.

D. Condominium Association Assessments. If the amount of the award for the taking is not sufficient to pay the fair market value of the condemned Unit to the Unit Owner and to condition the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for those purposes shall be raised by special Condominium Association Assessment against Units that will continue as Units after the changes in the Condominium affected by the taking. The Condominium Association Assessments shall be made in proportion to the shares of those Units in the Common Elements after the changes affected by the taking.

E. Arbitration. If the fair market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and the Condominium Association within 30 days after notice by either party, the value shall be determined by appraisal in accordance with the following. The Unit Owner, the first mortgagee, if any, and the Condominium Association shall each appoint one certified real property appraiser, who shall appraise the Unit and determine the fair market value by computing the arithmetic

average of their appraisals of the Unit. A judgment of specific performance upon the fair market value calculated in this way may be entered in any court of competent jurisdiction. Each party shall bear the cost of his own appraiser.

17.7 Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in a manner approved by the Board of Directors. The balance of such awards, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation, if any. If a Unit is mortgaged, the remittance shall be paid jointly to the owner and mortgagee(s) of the Unit.

17.8 Amendment of Declaration. Any changes in Units and in the Common Elements, in the ownership of the Common Elements, and in the sharing of common expenses that are necessitated by condemnation shall be accomplished by amending this Declaration. Such amendment must be approved only by a majority of all Directors, and the consent of Unit Owners or mortgagees is not required for any such amendment.

18. TERMINATION: The Condominium may be terminated in the following manner in addition to the manner provided in the Condominium Act:

18.1 Destruction. If it is determined in the manner provided in Section 16.3 that the building shall not be re-constructed because of major damage, the condominium plan of ownership will be terminated without agreement. The Association may also terminate automatically pursuant to the provisions of Section 16.3.

18.2 Agreement. The Condominium may be terminated at any time by a plan of termination approved by at least sixty-seven percent (67%) of the Voting Interests when:

(A) The total estimated cost of repairs necessary to restore the improvements to their former condition or bring them into compliance with applicable laws or regulations exceeds the combined fair market value of all Units in the Condominium after completion of repairs; or

(B) It becomes impossible to operate or reconstruct the Condominium in its prior physical configuration because of land use laws or regulations.

18.3 Other Agreement. Except as provided above in Section 18.2, the Condominium may be terminated pursuant to a plan of termination approved by at least eighty (80%) of the Voting Interests if not more than ten percent (10%) of the Voting Interests have rejected the plan of termination by negative vote or by providing written objections thereto. The approval of a plan of termination by the holder of a recorded mortgage lien is not required unless the plan of termination will result in less than the full satisfaction of the mortgage lien affecting the Condominium parcel. If such mortgagee approval is required and not given, a holder of a recorded mortgage lien who objects to the plan of termination may contest the plan as provided in the Condominium Act. At the time of sale, the lien shall be transferred to the proportionate share of the proceeds assigned to the Condominium Parcel in the plan of termination or as subsequently modified by the court.

18.4 Plan of Termination. The plan of termination must be a written document executed in the same manner as a deed by Unit Owners having the requisite percentage of Voting Interests to approve the plan and by the termination trustee. A copy of the proposed plan of termination shall be given to all Unit Owners, in the same manner as for notice of an annual meeting, at least 14 days prior to the meeting at which the plan of termination is to be voted upon or prior to or simultaneously with the distribution of

the solicitation seeking execution of the plan of termination or written consent to or joinder in the plan. A Unit Owner may document assent to the plan by executing the plan or by consent to or joinder in the plan in the manner of a deed. A plan of termination and the consents or joinders of Unit Owners and, if required, consents or joinders of mortgagees must be recorded in the Public Records of Sarasota County, Florida. The plan is effective only upon recordation or at a later date specified in the plan.

18.5 Plan of Termination; Required Provisions. The plan of termination must specify:

(A) The name, address, and powers of the termination trustee.

(B) A date after which the plan of termination is void if it has not been recorded.

(C) The interests of the respective Unit Owners in the Association Property, common surplus, and other assets of the Association, which shall be the same as the respective interests of the Unit Owners in the Common Elements immediately before the termination.

(D) The interests of the respective Unit Owners in any proceeds from the sale of the Condominium Property. The plan of termination may apportion those proceeds pursuant to any method prescribed in Section 18.7. If, pursuant to the plan of termination, Condominium Property or real property owned by the association is to be sold following termination, the plan must provide for the sale and may establish any minimum sale terms.

(E) Any interests of the respective Unit Owners in insurance proceeds or condemnation proceeds that are not used for repair or reconstruction at the time of termination.

18.6 Plan of Termination; Optional Provisions; Conditional Termination.

(A) The plan of termination may provide that each Unit Owner retains the exclusive right of possession to the portion of the real estate that formerly constituted the Unit, in which case the plan must specify the conditions of possession.

(B) In a conditional termination, the plan must specify the conditions for termination. A conditional plan does not vest title in the termination trustee until the plan and a certificate executed by the Association with the formalities of a deed, confirming that the conditions in the conditional plan have been satisfied or waived by the requisite percentage of the Voting Interests, have been recorded.

18.7 Allocation Of Proceeds Of Sale Of Condominium Property.

(A) The plan of termination must first apportion the proceeds with respect to the Common Elements based upon each Unit's share of ownership of the Common Elements as set forth in Exhibit "F" attached hereto.

(B) The portion of proceeds allocated to the Units shall be further apportioned among the individual Units. The apportionment is deemed fair and reasonable if it is so determined by the Unit Owners, who may approve the plan of termination by any of the following methods:

(1) The respective values of the Units based on the fair-market values of the Units immediately before the termination, as determined by one or more independent appraisers selected by the Association or termination trustee;

(2) The respective values of the Units based on the most recent market value of the Units before the termination, as provided in the Sarasota County Property Appraiser's records; or

(3) The respective interests of the Units in the Common Elements specified in this Declaration immediately before the termination.

(C) The methods of apportionment in (B) above do not prohibit any other method of apportioning the proceeds of sale allocated to the Units agreed upon in the plan of termination. The portion of the proceeds allocated to the Common Elements shall be apportioned among the Units based upon their respective interests in the Common Elements as provided in Exhibit "F" attached hereto.

(D) Liens that encumber a Unit shall be transferred to the proceeds of sale of the Condominium Property and the proceeds of sale or other distribution of Association Property, common surplus, or other Association assets attributable to such Unit in their same priority. The proceeds of any sale of Condominium Property pursuant to a plan of termination may not be deemed to be common surplus or Association Property.

18.8 Termination Trustee. The Association shall serve as termination trustee unless another person is appointed in the plan of termination. If the Association is unable, unwilling, or fails to act as trustee, any Unit Owner may petition the court to appoint a trustee. Upon the date of the recording or at a later date specified in the plan, title to the Condominium Property vests in the trustee. Unless prohibited by the plan, the termination trustee shall be vested with the powers given to the Board pursuant to this Declaration, the Bylaws, and subsection 18.2. If the Association is not the termination trustee, the trustee's powers shall be coextensive with those of the Association to the extent not prohibited in the plan of termination or the order of appointment. If the Association is not the termination trustee, the Association shall transfer any Association Property to the trustee. If the Association is dissolved, the trustee shall also have such other powers necessary to conclude the affairs of the Association.

18.9 Title Vested In Termination Trustee. If termination is pursuant to a plan of termination under Sections 18.2 or 18.3, the Unit Owners' rights and title as tenants in common in undivided interests in the Condominium Property vest in the termination trustee when the plan is recorded or at a later date specified in the plan. The Unit Owners thereafter become the beneficiaries of the proceeds realized from the plan of termination. The termination trustee may deal with the Condominium Property or any interest therein if the plan confers on the trustee the authority to protect, conserve, manage, sell, or dispose of the Condominium Property. The trustee, on behalf of the Unit Owners, may contract for the sale of real property, but the contract is not binding on the Unit Owners until the plan is approved pursuant to Sections 18.2 or 18.3.

19. ENFORCEMENT:

19.1 Duty to Comply; Right to Sue. Each Unit Owner, his tenants and guests, and the Condominium Association shall be governed by and shall comply with the provisions of the Condominium Act and the Overall Governing Documents. Actions for damages or for injunctive relief, or both, for failure to comply with the Condominium Association Documents may be brought by the Condominium Association or by a Unit Owner against:

- A. The Condominium Association;
- B. A Unit Owner;

C. Directors appointed by the Condominium Developer, for actions taken by them prior to the time control of the Condominium Association is assumed by Unit Owners other than the Condominium Developer;

D. Any Director who willfully and knowingly fails to comply;

E. Any occupant of a Unit, including a tenant, invitee or guest.

19.2 Waiver of Rights. The failure of the Condominium Association or any member to enforce a right, provision, covenant or condition which may be granted by the Condominium Association Documents shall not constitute a waiver of the right of the Condominium Association or member to enforce such right, provision, covenant or condition in the future.

19.3 Attorney's Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, Unit Owner or the Condominium Association to comply with the requirements of the Condominium Act, and the Condominium Association Documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorneys fees as may be awarded by the arbitrator/court, including any appellate proceeding. Actions brought under this Section 19 and Section 718.303 (1) of the Condominium Act shall not be deemed actions for specific performance.

19.4 No Election of Remedies. All rights, remedies and privileges granted to the Condominium Association or Unit Owners under the law and the Condominium Association Documents shall be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising any other rights, remedies, or privileges that may be available.

19.5 Alternative Method For Resolving Disputes With The Condominium Developer. Unless otherwise required to be submitted to non-binding arbitration pursuant to Section 718.1255 of the Condominium Act, any dispute ("Claim") between any of the following parties (the Condominium Association, or any Unit Owner, tenant, guest, occupant or invitee) against any of the following parties (the Condominium Developer or its directors, officers, agents and employees, or any directors or officers of the Condominium Association), mediation and then final and binding arbitration shall apply as set forth herein. The procedures set forth in subsections (A) through (E) below shall apply, except in the case of a Claim alleging a construction defect brought against the Condominium Developer by the Condominium Association that is governed by Chapter 558, Florida Statutes, in which case the procedures set forth in subsections (A) through (E) shall be modified as described in subsection (G):

(A) Any party having a Claim ("Claimant") against the other party ("Respondent") shall notify the Respondent in writing ("Notice"), stating plainly and concisely:

(1) the nature of the Claim, including the persons involved and the Respondent's role in the claim;

(2) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(3) Claimant's proposed remedy;

(4) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(B) The parties shall make every reasonable effort to meet in person and confer for the purpose

of resolving the Claim. If the parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed to by the parties), Claimant shall have ten (10) days in which to submit the Claim to mediation under the auspices of a mediator certified by the 12th Judicial Circuit. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the parties. If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time period as determined by the mediator, the mediator shall issue a notice of an impasse and the date the mediation was terminated.

(C) If the mediation results in an impasse, then either party shall have ten (10) additional days in which to submit the Claim to final and binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (“AAA”) in the case of a construction defect claim, or the Arbitration Rules of the AAA for other types of claims, or, in the event that jurisdiction of the Federal Courts is established, the Federal Arbitration Act (Title 9 of the United States Code). If not timely submitted to arbitration or if the Claimant does not appear for the arbitration hearing, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant. This subsection (C) is an agreement to arbitrate and is specifically enforceable under Chapter 682, Florida Statutes. The arbitration award shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Florida.

(D) In any dispute under this Section 19.5, the parties shall share the fees and costs associated with mediation. In the case of arbitration, the prevailing party shall be entitled to judgment for its reasonable attorney’s fees and costs incurred.

(E) If the parties agree to a resolution of any Claim through negotiation, mediation or arbitration under this Section 19.5, and any party thereafter fails to abide by the terms of such agreement, or if any party fails to comply with an arbitrator’s final order, then any other party may file suit in a court of competent jurisdiction to enforce such agreement or final order without the need to again comply with the procedures set forth above. In such event, the party taking action to enforce the agreement or final order shall be entitled to recover from the non-complying party (or if more than one non-complying party, jointly and severally), all costs incurred in enforcing such agreement or final order, including, without limitation, reasonable attorney’s fees and costs.

(F) This Section 19.5 shall not apply to a dispute between a Unit Owner and the Condominium Developer concerning the purchase and sale and construction of a Unit. Those disputes shall be governed by the provisions of any purchase and sale agreement or construction agreement.

(G) In the case of a Claim alleging a construction defect brought against the Condominium Developer by the Condominium Association that is governed by Chapter 558, Florida Statutes, the parties to the dispute shall follow the procedures set forth therein. If the Claimant has followed the procedures set forth in Chapter 558, Florida Statutes and is entitled to proceed with an “action” (as defined therein) the Claimant shall then have ten (10) days in which to submit the Claim to mediation as described in subsection (C) above. The parties shall then be bound by the remaining procedures described in subsections (C) through (E) above.

SECTION 19.5 REQUIRES YOU TO WAIVE YOUR RIGHT TO SUE THE CONDOMINIUM DEVELOPER IN COURT AND, INSTEAD, ARBITRATE OR MEDIATE DISPUTES THAT MAY INCLUDE, BUT NOT LIMITED TO: CONDOMINIUM DEVELOPER REPRESENTATIONS PERTAINING TO COMMONLY USED FACILITIES; ACTIONS TAKEN BY CONDOMINIUM DEVELOPER-ELECTED DIRECTORS WHILE THE CONDOMINIUM DEVELOPER CONTROLS THE CONDOMINIUM ASSOCIATION; DISPUTES REGARDING THE PURCHASER'S CLAIM OF VOIDABILITY BASED UPON CONTRACTUAL PROVISIONS AS REQUIRED IN S. 718.503(1)(A), F.S.; FALSE OR MISLEADING STATEMENTS PUBLISHED BY THE CONDOMINIUM DEVELOPER AND RELIED UPON BY THE PURCHASER; AND WARRANTY RIGHTS ON YOUR UNIT AND IMPROVEMENTS. THE DIVISION OF FLORIDA LAND SALES, CONDOMINIUMS AND MOBILE HOMES HAS CONTESTED THE ENFORCEABILITY OF THESE PROVISIONS. UNTIL THERE IS AN ADMINISTRATIVE RULE, LEGISLATIVE CHANGE, OR OTHER DEFINITIVE RESOLUTION, YOU SHOULD CONSULT AN ATTORNEY ABOUT YOUR RIGHTS UNDER THESE PROVISIONS.

20. RIGHTS OF MORTGAGEES:

20.1 Approvals. Written consent of the Institutional Mortgagee of a Unit shall be required for any amendment to the Declaration which would decrease the Unit's share of ownership of the Common Elements, except as otherwise provided in Sections 17.6(C) and 17.8.

20.2 Notice of Casualty or Condemnation. In the event of condemnation, eminent domain proceeding, or very substantial damage to, or destruction of, any Unit or any part of the Common Elements, the record holder of any first mortgage on an affected Unit shall be entitled to notice.

20.3 Mortgage Foreclosure. If the mortgagee of a first mortgage of record acquires title to a Condominium parcel as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, the mortgagee of title shall be liable for the share of common expenses or Condominium Association Assessments attributable to the Condominium parcel, which came due prior to the mortgagee's acquisition of title, to the fullest extent provided by the Condominium Act, as the same may be amended from time to time. Any unpaid share of common expenses for which such acquired is exempt from liability becomes a common expense collectible from all Unit Owners. No acquirer of title to a Condominium parcel by foreclosure, or by a deed in lieu of foreclosure, may be excused from the payment of any Condominium Association Assessments coming due during the period of such ownership.

20.4 Redemption. If proceedings are instituted to foreclose any mortgage or lien on any Unit, the Condominium Association, on behalf of one or more Unit Owners and with the permission of the mortgagee, may redeem the mortgage or lien for the amount due thereon and be thereby subrogated to all of the mortgagee's or lienor's rights of action, or the Condominium Association may purchase the Unit at the foreclosure sale. Any mortgagee shall have an unrestricted, absolute right to accept title to the Unit in settlement and satisfaction of the mortgage or to foreclose its mortgage in accordance with its terms, and to bid upon the Unit at the foreclosure sale.

20.5 Right to Inspect Books. The Condominium Association shall make available to Institutional Mortgagees requesting same current copies of the Condominium Association Documents and the books, records and financial statements of the Condominium Association. "Available" shall mean ready for inspection, upon written request, during normal business hours, or under other reasonable circumstances. Photocopies shall be provided at the expense of the person requesting them.

20.6 Financial Statement. Any Institutional Mortgagee is entitled, upon written request, to a copy of the financial statement of the Condominium Association for the immediately preceding fiscal year.

20.7 Lender's Notices. Upon written request to the Condominium Association, any Institutional Mortgagee shall be entitled to timely written notice of:

A. Any 60 day or longer delinquency in the payment of Condominium Association Assessments or charges owed by the owner of any Unit on which it holds a mortgage.

B. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Condominium Association.

C. Any proposed action that requires the consent of a specified percentage of mortgage holders.

Whenever the prior written consent of a mortgagee or lienholder is required in the Condominium Association Documents, the prior written consent shall not be unreasonably withheld.

20.8 Valid Lien. No breach of any of the covenants, conditions and restrictions contained in this Declaration, nor the enforcement of any lien provisions herein, shall render invalid the lien of an Institutional Mortgagee on any Unit.

20.9 Institutional Mortgagee Priority Over Insurance Proceeds and Condemnation Awards . Notwithstanding any language contained in this Declaration to the contrary, no Unit Owner and no other party shall have priority over any rights of any Institutional Mortgagee pursuant to its Institutional Mortgage in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or takings of Units and/or any portion of the Common Elements and no amendment to this Section 20.9 shall be made without the prior written consent of all Institutional Mortgagees.

21. AMENDMENT OF DECLARATION: Amendments to this Declaration shall be proposed and adopted in the following manner:

21.1 Proposal. Amendments to this Declaration may be proposed by the Board of Directors, or by written petition to the Board signed by the Owners of at least one-fourth (1/4) of the Units.

21.2 Procedure. Upon any amendment or amendments to this Declaration being proposed as provided above, the proposed amendment or amendments shall be submitted to a vote of the members not later than the next annual meeting for which proper notice can still be given.

21.3 Vote Required. Except as otherwise provided by law, or by specific provision of the Condominium Association Documents, this Declaration may be amended if the proposed amendment is approved by at least two-thirds (2/3) of the voting interests in the Condominium Association.

21.4 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be in the form required by law and shall be executed by the President or Vice President of the Condominium Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Sarasota County, Florida.

21.5 Proviso. Except as set forth in Sections 11.6 and 11.14, no amendment may change the

configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, or change the proportion or percentage by which the Owner of a parcel shares the common expenses and owns the common surplus, unless all record Owners of the Unit, and all record owners of liens against the Unit join in the execution of the amendment, and all the record owners of all other Units approve the amendment. This proviso does not apply to changes caused by condemnation or a taking by eminent domain as provided in Section 17.

21.6 Condominium Developer's and Institutional Mortgagee's Rights as to Amendments. Prior to the transition of control of the Condominium Association by the Condominium Developer from Unit Owners other than the Condominium Developer, the Condominium Developer may amend the Condominium Association Documents, without the need for approval from the Unit Owners or prior notice to Unit Owners, provided that except as specifically permitted elsewhere in this Declaration, the Condominium Developer shall be bound by Section 21.5 above. As long as Condominium Developer offers Units for sale in the ordinary course of business, no amendment to the Condominium Association Documents shall be made which is detrimental to the Condominium Developer's sale of Units, unless the Condominium Developer consents in writing. Amendments materially affecting the rights or interests of Institutional Mortgagees (as provided in Section 718.110(11) of the Condominium Act) must have the approval of the holders of institutional mortgages of record representing 51% of the votes of units subject to such mortgages who have requested the Condominium Association to notify them on any proposed action specified in this Section. A change to any of the following shall be considered material: those matters set forth in Section 21.5 (in which case 100% approval from Unit Owners and lienholders (including Institutional Mortgagees) is required); hazard and fidelity insurance requirements (other than an amendment to this Declaration which conforms the Condominium Association's insurance obligations with amendments to the Condominium Act); restoration or repair of the Condominium following casualty or condemnation in a manner other than that set forth in the original plans and specifications; and any provision of the Condominium Association Documents which expressly benefits Institutional Mortgagees. Whenever the prior consent of an Institutional Mortgagee is required in the Condominium Association Documents, the prior consent of the Institutional Mortgagee shall not be unreasonably withheld.

22. MISCELLANEOUS:

22.1 Severability. The invalidity or unenforceability in whole or in part of any covenant or restriction or any section, subsection, sentence, clause, phrase or word or other provision of this Declaration, or any recorded exhibit to this Declaration, shall not effect the remaining portions.

22.2 Applicable Statutes. The validity, application and construction of this Declaration and its recorded exhibits shall be governed by the Laws of Florida, particularly the Condominium Act, as it exists on the date this Declaration is recorded.

22.3 Conflicts. If there is a conflict between any provision of this Declaration and the Condominium Act in effect as of the date of recording this Declaration, the Condominium Act in effect as of said recording date shall control. If there is a conflict between this Declaration and the Condominium Association's Article of Incorporation or Bylaws, the Declaration shall control. If there is a conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control. The provisions of the Association Documents shall prevail over any conflicting provisions contained herein, and the provisions of the Master Association Documents shall prevail over any conflicting provisions of any of the other Overall Governing Documents. The Condominium Association Documents may contain provisions that are more restrictive than the Association Documents and Master Association Documents. The Association Documents may contain provisions that are more restrictive than the Master Association Documents.

22.4 Intermediate. The Board of Directors is responsible for interpreting the provisions of this Declaration and its exhibits. Such interpretation shall be binding upon all parties unless wholly unreasonable.

22.5 Exhibits. There is hereby incorporated within this Declaration any materials contained in the exhibits hereto which, under the Condominium Act, are required to be part of the Declaration.

22.6 Singular, Plural and Gender. Whenever the context so requires, the use of the plural shall include the singular and the plural, and the use of any gender shall be deemed to include all genders.

22.7 Headings. The heading used in the Condominium Association Documents are for reference purposes only, and do not constitute substantive matter to be considered in construing the terms and provisions of these documents.

22.8 Notices to Condominium Developer. All notices to the Condominium Developer shall be sent by certified mail, return receipt registered to 9240 Estero Park Commons Boulevard, Estero, Florida 33928, ATTN: Mr. Scott Brooks.

22.9 Time-Share Prohibited. No time-share estates may be created in this Condominium.

EXCEPT FOR THOSE WARRANTIES REQUIRED BY FEDERAL LAW OR CHAPTER 718, FLORIDA STATUTES, THE CONDOMINIUM DEVELOPER DOES NOT MAKE ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND THE CONDOMINIUM DEVELOPER HEREBY DISCLAIMS ANY SUCH WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.


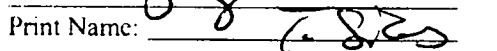
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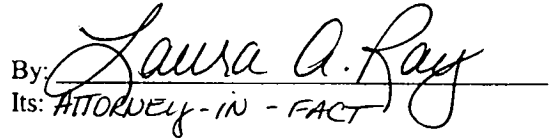
IN WITNESS WHEREOF, the Condominium Developer has caused the execution of this Declaration of Condominium on the day and year set forth below.

Witnesses:

DIVOSTA HOMES, L.P., a Delaware limited partnership

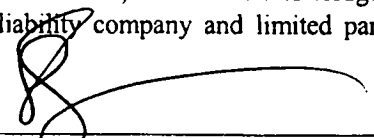
By: DiVosta Homes Holdings, LLC, a Delaware limited liability company, its general partner


Print Name: Jill H. Egan

Print Name: T. Sles

By: 
Its: ATTORNEY-IN-FACT

STATE OF FLORIDA }
COUNTY OF LEE }

I HEREBY CERTIFY that on this 19th day of Sep, 2008, before me, an officer duly authorized in the State and County aforesaid, to take acknowledgements, personally appeared before me LAURA A. RAY, as ATTORNEY-IN-FACT of DiVosta Homes Holdings, LLC, the general partner of DiVosta Homes, L.P. and acknowledged before me that he/she executed the same on behalf of said limited liability company and limited partnership. He/She is personally known to me.


Notary Public T. Sles
Typed/Printed Name of Notary
Serial No.: _____
My Commission Expires: 3/27/2012

(SEAL)

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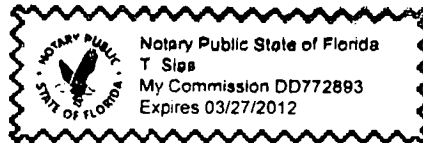


EXHIBIT "A" TO DECLARATION OF CONDOMINIUM

Phase 1, Building 1, Section I, as more particularly described on Sheet 2 of 8 of the Survey of Lakeside at the Iles on Palmer Ranch Section I, a Condominium attached as Exhibit "B" to the Declaration of Condominium.

EXHIBIT "A-1" TO DECLARATION OF CONDOMINIUM

The following phases as more particularly described on Sheet 2 of 8 of the Survey of Lakeside at the Iles on Palmer Ranch Section I, a Condominium attached as Exhibit "B" to the Declaration of Condominium, as follows:

Phase 2, Building 2, Section I

Phase 3, Building 11, Section I

Phase 4, Building 3, Section I

Phase 5, Building 10, Section I

Phase 6, Building 4, Section I

Phase 7, Building 9, Section I

Phase 8, Building 8, Section I

Phase 9, Building 7, Section I

Phase 10, Building 6, Section I

Phase 11, Building 5, Section I

Phase 12, Building 12, Section I

CERTIFICATE OF SURVEYOR

I, the undersigned Professional Surveyor and Mapper, authorized to practice in the State of Florida, and the surveyor who surveyed the property known and identified as Lakeside at the Isles on Palmer Ranch, a Condominium, as per the Declaration of Condominium to which this certificate is attached, and as per the plat thereof, hereby certify that the construction of the improvements for Building 1, Phase 1, of Lakeside at the Isles on Palmer Ranch, a Condominium, is substantially complete so that the Declaration of Condominium, together with Exhibits thereto, including this survey, is an accurate representation of the location and dimensions of the improvements serving Building 1, Phase 1, of Lakeside at the Isles on Palmer Ranch, a Condominium, and so that the identification, location, and dimensions of the common elements and of each unit can be determined therefrom. All planned improvements, including but not limited to landscaping, utility services, and access to the units and common element facilities serving Building 1, Phase 1, of Lakeside at the Isles on Palmer Ranch, a Condominium, are substantially complete.

This certification is made in compliance with Section 718.104(4)(e), Florida Statutes. The survey attached hereto meets the minimum technical standards per Chapter 61G17-6, Florida Administrative Code.



Robert W. Coleman
Professional Surveyor & Mapper
Florida Certification Number 5478
WilsonMiller, Inc. (LB#043)

9/19/08

Date of Signature

(Not valid without the original raised seal of a Florida licensed surveyor and mapper)

Prepared by: WilsonMiller, Inc.
6900 Professional Parkway East
Sarasota, Florida 34240



Exhibit "B" to Declaration

Exhibit 2 to Prospectus

LAKESIDE AT THE ISLES
ON PALMER RANCH SECTION I,
A CONDOMINIUM
IN SECTION 36, TOWNSHIP 37 SOUTH,
RANGE 18 EAST,
SARASOTA COUNTY, FLORIDA

CONDOMINIUM BOOK _____ PAGE _____
SHEET 1 OF 8

EXHIBIT A
REDUCED COPY

NOTICE: There may be additional restrictions that are not recorded on this plat that may be found in the public records of this county.

NOTES:
Elevations shown herein are relative to National Geodetic Vertical Datum (NGVD) of 1929 based on Florida Department of Transportation State Road 83 Primary Survey Control Bench Mark #177 with an MVD 1985 adjusted elevation of 15.944 feet and a corrected MVD 1929 elevation of 18.04 feet and Florida Department of Transportation Benchmark #175 BS 340 with a MVD 1988 published elevation of 19.075 and a corrected MVD 1929 elevation of 20.17.

Boundaries shown herein are relative to the stide plane coordinate system, Florida West Zone, 1983/90 Datum and are based on the north line of the Plat of Lots of Sarasota, Unit 1, as recorded in Pal Book 45, Pages 21-21 L of the Public Records of Sarasota County, Florida having a bearing of S54°21'15"W and do not refer to the true meridian.
Improvements such as, but not limited to, underground utilities, irrigation, irrigation equipment and landscape features, etc. have not been located except as shown. Matters affecting the property shown herein were taken from the search report issued by Commonwealth Land Title Insurance Company, Order No. 15318249CA with a period of search ending April 8, 2007.

This site lies within Flood Zone "C" (Area of minimal flood) as shown on the Federal Emergency Management Agency Flood Insurance Rate Map for Sarasota County, Community Profile No. 125144 0279 D, revised May 1, 1984. The index for this community was revised September 3, 1992.
Certain improvements within the Common Elements, such as but not limited to, water meters, water lines, storm drains, sanitary sewers, sidewalks, trees and landscape features have not been located.

Unit Boundaries, Common Elements and Limited Common Elements are defined in the Description of Condominium.
The exterior boundary of the condominium constitutes a "Boundary Survey" as defined in Section 61017-6.002 (7)(c).

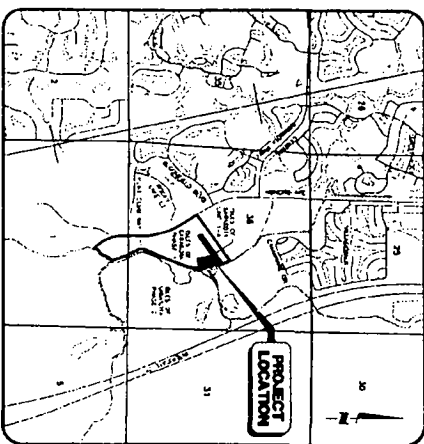
Dimensions shown herein are prepared and taken from the architectural drawings from Alliance Design Group, P.A. dated 10/17/07. The actual dimensions may vary due to construction.

All errors not designated as Units or as Limited Common Elements, are Common Elements.

All improvements shown herein within the Condominium Boundary are proposed, unless noted otherwise.

Unless noted otherwise measured distances and bearings are the same as those stated on the plat.

Dimensions on the site plan and the survey are in feet and decimals thereof. Floor plan dimensions are in feet and inches.



LOCATION MAP
(not to scale)

Description of Units: As defined in the Description of Condominium.

CERTIFICATE OF SURVEY

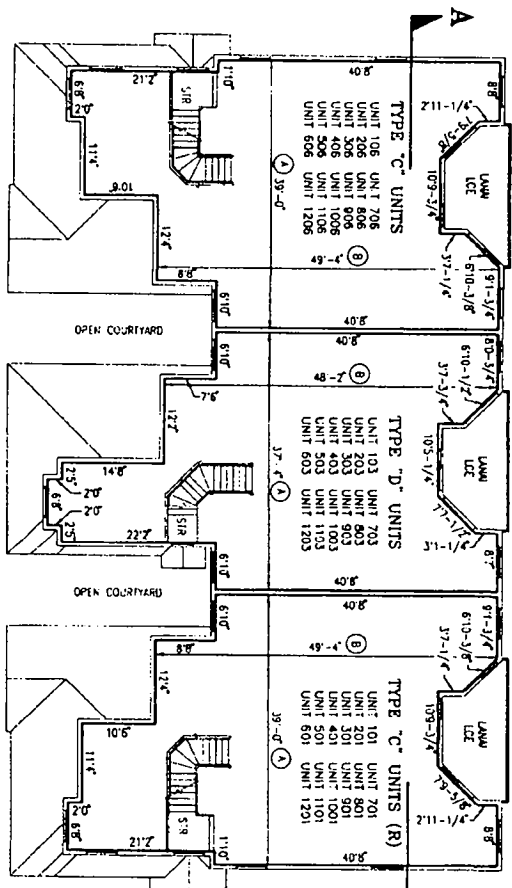
I, the undersigned Professional Surveyor & Mapper, authorized to practice in the State of Florida, hereby certify that this survey was made of the land described herein and that this survey, consisting of 8 sections, is a correct representation of the land described herein and that the same is in compliance with the provisions of the Florida Statutes, Chapter 718, Sections 1-10, and 1-11, and the rules and regulations of the State Board of Professional Surveyors & Mappers. At the date of the certifying surveyors signature below, the construction of the improvements for Section I, of Lakeside At The Isles On Palmer Ranch Section I, a Condominium, is not substantially complete. This certification is made in compliance with Section 718.104(1)(b), Florida Statutes. This survey meets the minimum technical standards per Chapter 61017-6, Florida Administrative Code.

Date: 7/23/08

Robert R. Cunningham, PSW
Florida Certificate No. 3974

Wilschmiller
Professional Surveyors & Mappers, Inc.
14450 US Highway 90, Suite 100, Sarasota, FL 34238
Phone: 941-552-1111
Fax: 941-552-1112
Project Number: 52328-134-102
Date Code: 00028

- CONDOMINIUM BOOK PAGE 7 OF 8
- SHEET 7 OF 8
- LAKESIDE AT THE ISLES
ON PALMER RANCH SECTION 1,
A CONDOMINIUM
- IN SECTION 36, TOWNSHIP 37 SOUTH, RANGE 18 EAST,
SARASOTA COUNTY, FLORIDA
- NOTES:
1. Dimensions are feet and inches.
 2. Refer to the Declaration of Condominium for division and designation of the Unit Boundary.
 3. All areas not designated as Units or Limited Common Elements are Common Elements.
 4. All improvements are proposed unless otherwise noted.
 5. Interior wall configuration may vary from graphic depiction shown.
 6. Subject to all easements set forth in the declaration of condominium and all other easements of record.



LEGEND:

— UNIT BOUNDARY

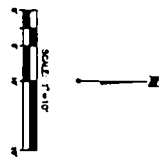
— MAIL LINE

LCE = LIMITED COMMON ELEMENT

(R) = REVERSED

STR = STAIRS

SECOND FLOOR UNITS



Wintersmiller

Architects, Engineers, Planners, Surveyors, and Environmental Scientists

1000 North Shoreline Drive, Suite 100, Sarasota, Florida 34236

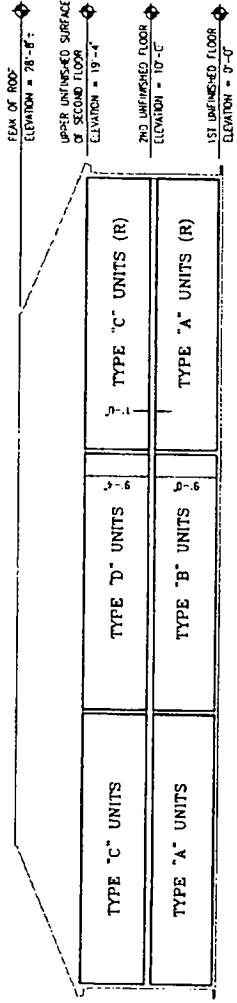
Project Number: 32328-134-137

DATE: 11/18/11

**LAKESIDE AT THE ISLES
ON PALMER RANCH SECTION I,
A CONDOMINIUM**
IN SECTION 36, TOWNSHIP 37 SOUTH, RANGE 18 EAST,
SARASOTA COUNTY, FLORIDA

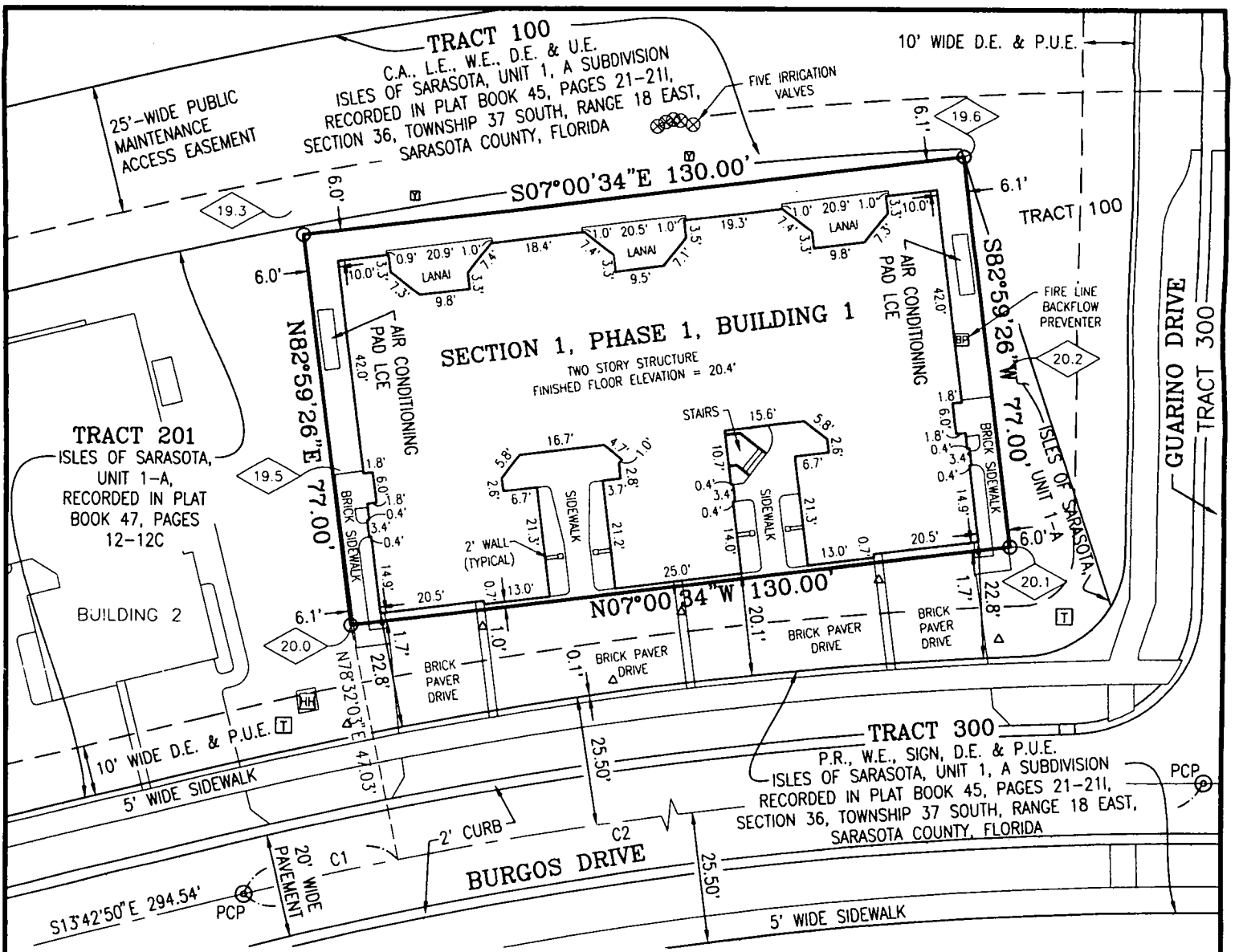
**EXHIBIT A
REDUCED COPY**

- NOTES:**
1. Dimensions are feet and inches.
 2. Refer to the Declaration of Condominium for definition and description of the Unit Boundary.
 3. All areas not designated as Units or Limited Common Elements are Common Elements.
 4. All improvements are proposed unless otherwise noted.
 5. Interior wall configuration may vary from graphic indications shown.
 6. Subject to all easements set forth in the declaration of condominium and all other easements of record.



- LEGEND:**
- UNIT BOUNDARY
 - WALL LINE
 - LCE = LIMITED COMMON ELEMENT
 - (R) = REVERSED
 - STR = STAIRS

SECTION VIEW



NOTES:
 BEARINGS SHOWN HEREON ARE RELATIVE TO THE STATE PLANE COORDINATE SYSTEM, FLORIDA WEST ZONE, 1983/90 DATUM AND ARE BASED ON THE SOUTH LINE OF THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 37 SOUTH, RANGE 18 EAST HAVING A BEARING OF N89°45'18"W AND DO NOT REFER TO THE TRUE MERIDIAN.

IMPROVEMENTS SUCH AS, BUT NOT LIMITED TO, UNDERGROUND UTILITIES AND LANDSCAPE FEATURES, ETC. HAVE NOT BEEN LOCATED EXCEPT AS SHOWN.

THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT OR ABSTRACT AND THEREFORE DOES NOT NECESSARILY INDICATE ALL ENCUMBRANCES ON THE PROPERTY.

THIS SITE LIES WITHIN FLOOD ZONE "C" (AREA OF MINIMAL FLOODING) AS SHOWN ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP FOR SARASOTA COUNTY, COMMUNITY PANEL NO. 125144 0229 D, REVISED MAY 1, 1984. THE INDEX FOR THIS COMMUNITY WAS REVISED SEPTEMBER 3, 1992.

THIS SURVEY IS NOT INTENDED TO DELINEATE THE REGULAR JURISDICTION OF ANY FEDERAL, STATE, REGIONAL OR LOCAL AGENCY, BOARD OR COMMISSION OR OTHER ENTITY.

UNLESS IT BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS DRAWING, SKETCH, PLAT OR MAP IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

THIS SURVEY DOES NOT REFLECT OR DETERMINE OWNERSHIP.

SYMBOLS SHOWN HEREON MAY NOT BE DRAWN TO SCALE.

THE MEASURED AND PLATTED OR DEEDED BEARINGS AND DISTANCES ARE THE SAME, UNLESS SHOWN OTHERWISE.

OWNERSHIP OF FENCES HAS NOT BEEN DETERMINED.

ELEVATIONS SHOWN HEREON ARE RELATIVE TO NATIONAL GEODETIC VERTICAL DATUM (NGVD) OF 1929 BASED ON NATIONAL OCEAN SURVEY (NOS) BENCH MARKS F-253 AND J-253 WITH PUBLISHED ELEVATIONS OF 18.237 AND 22.198 RESPECTIVELY.

Jul 07, 2008 - 10:33:54

REV. "B": ADDED FINAL SURVEY INFORMATION; 7/7/08; JTN
 REV. "A": ADDED FOUNDATION LOCATION; 1/14/07; JTN

JNEWHALLIX:\SUR\02338\134\102\lots\S2338-A38-111.dwg

WE HEREBY CERTIFY TO: DIVOSTA AND COMPANY, INC.

THAT THIS SURVEY WAS COMPLETED UNDER OUR DIRECTION AND THAT THIS SURVEY MEETS THE MINIMUM TECHNICAL STANDARDS SET FORTH BY THE FLORIDA BOARD OF SURVEYORS AND MAPPERS, PURSUANT TO SECTION 472.027, FLORIDA STATUTES, AND CHAPTER 61G17-6 OF THE FLORIDA ADMINISTRATIVE CODE. NO OTHER PERSON OR ENTITY MAY RELY UPON THIS SURVEY.

TYPE OF SURVEY PER 61G17-6:
 BOUNDARY

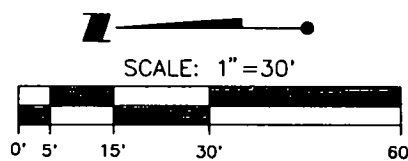
DATE FIELD SURVEY COMPLETED:
 7/2/08

NOT VALID WITHOUT THE EMBOSSED SEAL OF THE SURVEYOR

WILSONMILLER, INC. (LB #043)

BY: *[Signature]* 7/7/08
 Robert W. Coleman, Professional Surveyor & Mapper
 FLORIDA REGISTRATION CERTIFICATE NO. 5478

- LEGEND:
- [] = TRANSFORMER & PAD
 - [] = DRAINAGE GRATE INLET
 - [] = 4" CONCRETE MONUMENT FOUND -
 - [] = 4" CONCRETE MONUMENT SET - LB #043
 - [] = 5/8" CAPPED IRON ROD SET - LB #043
 - [] = 5/8" CAPPED IRON ROD FOUND -
 - [] = CHISEL CROSS
 - [] = P.K. NAIL & DISK
 - [] = BACKFLOW PREVENTER
 - [] = CENTERLINE
 - [] = AIR CONDITIONER
 - [] = WATER METER
 - [] = CABLE TV RISER
 - [] = ELECTRIC HAND HOLE
 - [] = YARD DRAIN
 - PCP = PERMANENT CONTROL POINT
 - R/W = RIGHT OF WAY
 - PRM = PERMANENT REFERENCE MONUMENT
 - C = CENTERLINE
 - SF = SQUARE FEET
 - (R) = RADIAL
 - (P) = PLAT
 - (M) = MEASURED
 - [] = TELEPHONE RISER
 - [] = CLEANOUT
 - [] = LIGHT POLE
 - [] = ELECTRIC RISER
 - [] = FIRE HYDRANT
 - [] = VALVE BOX
 - [] = RECORD GROUND ELEVATIONS



SECTION 1, PHASE 1, BUILDING 1, ISLES OF SARASOTA, UNIT 1-A
 SECTION 36, TOWNSHIP 37 SOUTH, RANGE 18 EAST
 AS RECORDED IN PLAT BOOK 47 AT PAGE 12-12C
 OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA.

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ARTICLES OF INCORPORATION
FOR
LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I
CONDOMINIUM ASSOCIATION, INC.

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OF
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ARTICLES OF INCORPORATION

LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I
CONDOMINIUM ASSOCIATION, INC.

Pursuant to Chapter 617, Florida Statutes, the undersigned, as Incorporator creates these Articles of Incorporation for the purposes set forth below.

ARTICLE I

NAME: The name of the corporation, herein called the "Condominium Association", is Lakeside at the Isles on Palmer Ranch Section I Condominium Association, Inc., and its address is c/o DiVosta Homes, L.P., 9240 Estero Park Commons Boulevard, Estero, FL 33928.

ARTICLE II

PURPOSE AND POWERS: The purpose for which the Condominium Association is organized is to provide an entity pursuant to the Condominium Act for the operation of Lakeside at the Isles on Palmer Ranch Section I, a Condominium, located in Sarasota County, Florida. The Condominium Association is organized and shall exist on a non-stock basis as a corporation not for profit under the laws of the State of Florida, and no portion of any earnings of the Condominium Association shall be distributed or inure to the private benefit of any member, Director or officer. For the accomplishment of its purposes, the Condominium Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida and of a condominium association under the Condominium Act, except as expressly limited or modified by the Overall Governing Documents; and it shall have all of the powers and duties reasonable necessary to operate the Condominium pursuant to the Overall Governing Documents as they may hereafter by amended, including but not limited to the following:

- A. To make and collect Condominium Association Assessments against members of the Condominium Association to defray the costs, expenses and losses of the Condominium Association, and to use the funds in the exercise of its powers and duties.
- B. To protect, maintain, repair, replace and operate the Condominium Property and Condominium Association Property.
- C. To purchase insurance for the protection of the Condominium Association and its members.
- D. To repair and reconstruct improvements after casualty, and to make further improvements of the Condominium Property.
- E. To make, amend and enforce reasonable rules and regulations in the manner set forth in the Bylaws and subject to any limitations in the Declaration of Condominium.
- F. To approve or disapprove the transfer, leasing and occupancy of Units, as provided in the Declaration of Condominium.

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G. To enforce the provisions of the Condominium Act and the Condominium Association Documents.

H. To contract for the management and maintenance of the Condominium and the Condominium Property, and to delegate any powers and duties of the Condominium Association in connection therewith except such as are specifically required by law or by the Declaration of Condominium to be exercised by the Board of Directors or the membership of the Condominium Association.

I. To employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the Condominium.

J. To borrow money as necessary to perform its other functions hereunder.

K. To grant, modify or move any easement in the manner provided in the Declaration of Condominium.

L. To acquire, own, lease and dispose of any real and personal property.

M. To sue and be sued.

All funds and the title to all property acquired by the Condominium Association shall be held for the benefit of the members in accordance with the provisions of the Condominium Association Documents. In the event of termination, dissolution or final liquidation of the Condominium Association, the responsibility for the operation and maintenance of the Condominium Property and Condominium Association Property, including any property or easements and related improvements that are dedicated to the Condominium Association by plat, shall be transferred to and accepted by an entity that is acceptable to any applicable governmental authorities, prior to such termination, dissolution or liquidation. Annexation of additional properties, mergers and consolidations, mortgaging of Condominium Association Property and dissolution of the Condominium Association requires prior written approval of the Department of Housing and Urban Development and the Veterans Administration ("HUD/VA") prior to transition of control of the Board of Directors from the Condominium Developer to Owners other than the Condominium Developer.

ARTICLE III

MEMBERSHIP:

A. The members of the Condominium Association shall be the record owners of a fee simple interest in one or more Units in the Condominium, as further provided in the Bylaws.

B. The share of a member in the funds and assets of the Condominium Association cannot be assigned or transferred in any manner except as an appurtenance to his Unit.

C. The owners of each Unit, collectively, shall be entitled to one vote in Condominium Association matters. The manner of exercising voting rights shall be as set forth in the Bylaws.

ARTICLE IV

TERM: The term of the Condominium Association shall be perpetual.

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ARTICLE V

BYLAWS: The Bylaws of the Condominium Association may be altered, amended, or rescinded in the manner provided therein.

ARTICLE VI

DIRECTORS AND OFFICERS:

A. The affairs of the Condominium Association shall be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors.

B. Directors shall initially be appointed by and shall serve at the pleasure of the Condominium Developer (as defined in the Declaration of Condominium), and at transition of control of the Condominium Association and thereafter 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.

C. The business of the Condominium Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected each year by the Board of Directors at its first meeting after the annual meeting and they shall serve at the pleasure of the Board.

ARTICLE VII

INITIAL DIRECTORS: The initial Directors of the Condominium Association shall be:

| <u>Name</u> | <u>Address</u> |
|-------------------|--|
| Scott Brooks | c/o DiVosta Homes, L.P. 9240 Estero Park Commons Boulevard Estero, Florida 33928 |
| Richard McCormick | c/o DiVosta Homes, L.P. 9240 Estero Park Commons Boulevard Estero, Florida 33928 |
| Margaret Schunko | c/o DiVosta Homes, L.P. 9240 Estero Park Commons Boulevard Estero, Florida 33928 |

The initial Officers are as follows:

Scott Brooks - President
Richard McCormick - Vice President
Margaret Schunko - Secretary/Treasurer

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ARTICLE VIII

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 by a written petition to the Board, signed by at least one-fourth (1/4) of the voting interests of the Condominium Association.

B. Vote Required. Prior to the transition of control of the Condominium Association by the Condominium Developer to Unit Owners other than the Condominium Developer, these Articles may be amended by the Condominium Developer. Subsequent to turnover, a proposed amendment shall be adopted if it is approved by at least two-thirds (2/3) of the voting interests in the Condominium Association. As long as Condominium Developer offers Units for sale in the ordinary course of business, no amendment to these Articles shall be made which is detrimental to the Condominium Developer's sale of Units, without the Condominium Developer's prior written consent, which consent may be denied in Condominium Developer's discretion. Amendment of these Articles requires prior written approval of HUD/VA prior to the transition of control of the Condominium Association by the Condominium Developer to Unit Owners other than the Condominium Developer.

C. Certificate; Recording. An amendment shall become effective upon filing with the Florida Department of State and recording a Certificate of Amendment in the Public Records of Sarasota County, Florida, with the formalities required by the Condominium Act.

ARTICLE IX

INDEMNIFICATION: To the fullest extent permitted by Florida law, the Condominium Association shall indemnify and hold harmless every Director and every officer of the Condominium Association against all expenses and liabilities, including attorney fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Condominium 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 Condominium 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, but such rights shall not be available if a judgment or other final adjudication establishes that his actions or omissions to act were material to the cause adjudicated and involved:

A. Willful misconduct or a conscious disregard for the best interests of the Condominium Association, in a proceeding by or in the right of the Condominium 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 action was unlawful or had reasonable cause to believe his action was lawful.

C. A transaction from which the Director or officer derived an improper personal benefit.

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ARTICLE X

INCORPORATOR: The name and address of the Incorporator is:

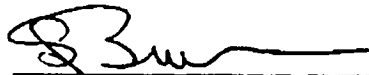
Scott Brooks
c/o DiVosta Homes, L.P.
9240 Estero Park Commons Boulevard
Estero, Florida 33928

ARTICLE XI

INITIAL REGISTERED AGENT AND REGISTERED OFFICE: The initial Registered Office of the Condominium Association and the name and address of its Registered Agent shall be:

Scott Brooks
c/o DiVosta Homes, L.P.
9240 Estero Park Commons Boulevard
Estero, Florida 33928

WHEREFORE, the Incorporator has caused these presents to be executed this 28th day of July, 2008.



Scott Brooks, Incorporator

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CERTIFICATE OF DESIGNATION
REGISTERED AGENT/REGISTERED OFFICE

Pursuant to the provisions of Section 617.0501, Florida Statutes, the undersigned corporation, organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agent, in the State of Florida.

1. The name of the corporation is:

LAKESIDE AT THE ISLES ON PALMER RANCH SECTION
CONDOMINIUM ASSOCIATION, INC.

2. The name and address of the registered agent and office is:

Scott Brooks
c/o DiVosta Homes, L.P.
9240 Estero Park Commons Boulevard
Estero, Florida 33928



Scott Brooks, President

DATE 7-28-08

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED CORPORATION AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.

SIGNATURE 

Scott Brooks

DATE 7-28-08

524401-2

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BYLAWS

FOR

LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I CONDOMINIUM ASSOCIATION, INC.

EXHIBIT "D"

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OF
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BYLAWS

LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I CONDOMINIUM ASSOCIATION, INC.

1. GENERAL: These are the Bylaws of Lakeside at the Isles on Palmer Ranch Section I Condominium Association, Inc., hereinafter the "Condominium Association", a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium pursuant to the Condominium Act.

1.1 Principal Office. The principal office of the Condominium Association is c/o DiVosta Homes, L.P., 9240 Estero Park Commons Boulevard, Estero, FL 33928.

1.2 Seal. The seal of the Condominium Association shall be inscribed with the name of the Condominium Association, the year of its organization, and the words "Florida" and "not-for-profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3 Definitions. The definitions set forth in the Declaration of Condominium shall apply to terms used in these Bylaws.

2. MEMBERS:

2.1 Qualifications. The members of the Condominium Association shall be the record owners of legal title to the Units in Lakeside at the Isles on Palmer Ranch Section I a Condominium. In the case of a Unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the Unit for purposes of determining voting and use rights. Membership 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 Unit.

B. Approval by the Board of Directors as provided for in the Declaration of Condominium.

C. Delivery to the Condominium Association of a copy of the recorded deed or other instrument evidencing title.

D. Delivery to the Condominium Association, if required, of a written designation of a Primary Occupant.

2.2 Voting Interest. The members of the Condominium Association are entitled to one vote for each Unit owned by them. The total number of possible votes (the "voting interests") is equal to the total number of Units. The vote of a Unit is not divisible. The right to vote may not be denied because of delinquent Condominium Association Assessments. If a Unit is owned by one natural person, his right to vote shall be established by the record title to the Unit. If a Unit is owned jointly by two or more natural persons, that Unit's vote may be cast by any one of the record owners. If two or more owners of a Unit do not agree among themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the owner of a Unit is a corporation, partnership, trust or other entity other than a natural person, the vote of that Unit shall be cast by any officer, director, partner or trustee, as the case may be.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of a Unit owner is required upon any matter, whether or not the subject of a Condominium Association meeting, such decision may be expressed by any person authorized to cast the vote of such Unit at a Condominium Association meeting as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.4 Change of Membership. Following written approval of the Association, as elsewhere required herein, a change of membership in the Condominium Association shall be established by the new member's membership becoming effective as provided in 2.1 above. At that time the membership of the prior owner shall be terminated automatically.

2.5 Termination of Membership. The termination of membership in the Condominium Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies which the Condominium Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS: VOTING:

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in Sarasota County, Florida, each year at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. During the annual meeting the ballots cast in the annual election of Directors shall be counted and results announced.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and may also be called by members having at least 25% of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings; Waiver of Notice. Notice of all members' meetings must state the time, date, and place of the meeting, and include an agenda for the meeting. The notice of meeting must be mailed to each member at the address which appears on the books of the Condominium Association, or may be furnished by hand-delivery or electronically transmitted in the manner set forth in Section 617.0141, Florida Statutes, to the extent that a member has consented to receive notices by electronic transmission and has not revoked such consent. Any such consent shall be deemed revoked if: the Condominium Association is unable to deliver by electronic transmission two consecutive notices given by the Condominium Association in accordance with such consent; and such inability becomes known to the Secretary, Assistant Secretary or other authorized person responsible for the giving of notice. However, the inadvertent failure to treat such inability as a revocation does not invalidate any meeting or other action. Notice of a meeting called to recall a member or members of the Board of Directors pursuant to Section 718.112(2)(j), of the Condominium Act, shall in no event be given by electronic transmission. The member is responsible for providing the Condominium Association with notice of any change of mailing address, facsimile number or electronic mail address. To the extent that a member has provided the Condominium Association with a facsimile number or electronic mail address and consented to receive notices by electronic transmission, such information shall be considered an "official record" until the member has revoked his consent. However, the Condominium Association is not liable for an erroneous disclosure of electronic mail address or facsimile number. The notice of meeting must be mailed, electronically transmitted or hand-delivered at least 14 days before the meeting. An affidavit of the officer or other person making such mailing shall be retained in the Condominium Association records as proof of mailing. If ownership of a Unit is transferred

after notice has been mailed, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes waiver of notice by that member unless the member objects to the lack of notice at the beginning of the meeting. A member may waive notice of any meeting at any time, but only by written waiver.

3.4 Notice of Annual Meeting; Special Requirements. Notice of the annual meeting shall be posted in a conspicuous place on the condominium property for at least 14 continuous days prior to the annual meeting. In lieu of or in addition to the physical posting of notices of any meeting of the members on the Condominium Property, the Condominium Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Condominium Association. However, if broadcast notice is used in lieu of a notice posted physically on the Condominium Property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under these Bylaws and the Condominium Act. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda.

3.5 Quorum. A quorum at meetings of the members shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least one-third (1/3) of the votes of the entire membership.

3.6 Vote Required. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all Unit owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the Condominium Association Documents.

3.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the Unit, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present in person or by proxy, regardless of whether a quorum has been attained. When a meeting is adjourned it shall be necessary to give notice to all members of the time and place of its continuance. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance, provided a quorum is then present, in person or by proxy.

3.9 Order of Business. The order of business at members' meetings shall be substantially as follows:

- A. Collection of ballots not yet cast (for the annual meeting, if an election of directors occurs).
- B. Call of the roll or determination of quorum.
- C. Reading or disposal of minutes of last members meeting
- D. Reports of Officers

- E. Reports of Committees
- F. Unfinished Business
- G. New Business
- H. Adjournment

3.10 Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members at reasonable times and for a period of seven (7) years after the meeting. Minutes must be reduced to written form within 30 days after the meeting at which they were taken.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Condominium Association meeting when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

4. BOARD OF DIRECTORS: The administration of the affairs of the Condominium Association shall be by a Board of Directors. All powers and duties granted to the Condominium Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the Unit owners only when such is specifically required.

4.1 Number and Terms of Service. The Board of Directors shall initially consist of 3 Directors. In order to provide for a continuity of experience by establishing a system of staggered terms, at the transition date, as reference in Section 10 of these Bylaws, the number of Directors to be elected shall be 3. The 2 candidates receiving the highest number of votes shall be elected for 2-year terms. The candidate receiving the next highest number of votes shall be elected for a 1-year term. In the event the Condominium Developer has the right to elect a Director following transition pursuant to Florida law, the Director elected by the Condominium Developer shall serve a 1-year term. In the case of tie votes, or in the event the number of candidates does not exceed the number of available seats, the Directors who are elected shall decide among themselves who shall serve the longer terms. Thereafter, all directors will be elected to 2-year terms. A Director's term will end at the annual election at which his successor is to be duly elected, unless he sooner resigns, or is recalled as provided in 4.5 below. Except for Directors appointed by the Condominium Developer, Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy, as provided in Section 4.4 below.

4.2 Qualifications. Except for Directors appointed by the Condominium Developer each Director must be a member or the spouse of a member. If a Unit is owned by a corporation, partnership, limited liability company or trust, any officer, director, partner, manager, managing member or trustee, or any spouse of such person, shall be eligible to be a Director.

4.3 Nomination and Elections. Following transition, on the day of each annual meeting the members shall elect by written ballot as many Directors as there are regular terms of Directors expiring. Notice of each annual election shall be given to all owners at least 60 days in advance. Any person eligible to serve as a Director who wishes to qualify as a candidate must notify the Condominium Association in writing of his desire to be a candidate at least 40 days prior to the annual election. The Condominium Association shall mail or deliver a second notice of the election, together with a ballot which shall list all candidates in alphabetical order by surname. Upon request of a candidate, the Condominium Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery to be borne by the Association. Directors shall be elected by a plurality of the

votes cast. In the election of Directors, there shall be appurtenant to each Unit as many votes for Directors as there are Directors to be elected, but no Unit may cast more than one vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. Notices, candidate information sheets and ballots may be given by electronic transmission (to those members who have so consented), pursuant to rules adopted or to be adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

4.4 Vacancies on the Board. If the office of any Director becomes vacant for any reason, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the members shall elect successors by written ballot in the same manner as provided generally for regular annual elections, except that the election need not take place on the date of the annual meeting.

4.5 Removal of Directors. Except for Directors appointed by the Condominium Developer, any or all Directors may be removed with or without cause by a majority vote of the entire membership, either by a written petition, or at any meeting called for that purpose, in the manner required by Florida law.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within 10 days after the election. The organizational meeting may occur immediately following the election, in which case notice of the organizational meeting may be provided by the existing Board.

4.7 Other Meetings. Meetings of the Board may be held at such time and place in Sarasota County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least 2 days prior to the day named for such meeting.

4.8 Notice to Owners. All meetings of the Board of Directors shall be open to members and notices of all Board meetings (including an agenda) shall be posted conspicuously on the condominium property for at least 48 continuous hours in advance of each Board meeting, except in an emergency. Any item not included on the agenda may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Notice of any Board meeting at which a non-emergency special Condominium Association Assessment or amendment to rules regarding Unit use will be considered shall conform to the requirements set forth in Section 6.6 below. Notice of any Board meeting at which a budget will be adopted or amended shall conform to the requirements of Section 6.2 below. The rights of Unit Owners to attend Board meetings includes the right to speak on designated agenda items, subject to the rules of the Condominium Association as to the manner of doing so. Notices of Board meetings may be given by electronic transmission (to those members who have so consented) in lieu of mail or hand-delivery, when the latter two methods are otherwise required pursuant to the Condominium Act. In lieu of or in addition to the physical posting of notices of any meeting of the Board on the Condominium Property, the Condominium Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Condominium Association. However, if broadcast notice is used in lieu of a notice posted physically on the Condominium Property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under these Bylaws and the Condominium Act. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting shall exist when at least a majority of all Directors are present at a duly called meeting. Directors may participate in any meeting of the Board, by a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting. Directors may not vote or participate by proxy at Board meetings.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Condominium Association Documents or by applicable statutes. A director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.

4.12 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting as originally called.

4.13 The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of the Directors present.

4.14 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Meetings of a committee which takes final action on behalf of the Board or makes recommendations to the Board regarding the Condominium Association budget shall be open to attendance by any Unit owner, and notice of such committee meetings shall be posted in the same manner as required in Section 4.8 above for Board meetings. Section 4.8 shall not apply to any other committee except as stated in the preceding sentence.

5. OFFICERS:

5.1 Officers and Elections. The executive officers of the Condominium Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person may hold two or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Condominium Association. If the Board so determines, there may be more than one Vice-President.

5.2 President. The President shall be the chief executive officer of the Condominium Association; he shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Condominium Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring seal of the Condominium Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Condominium Association.

5.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Condominium Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Condominium Association Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated, or the Condominium Association's property manager.

5.5 Treasurer. The Treasurer shall be responsible for Condominium Association funds and securities, the keeping of full and accurate amounts of receipts and disbursements in books belonging to the Condominium Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Condominium Association in such depositories as may be designated by the Board of Directors. He shall oversee the disbursement of the funds of the Condominium Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Condominium Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated, or the Condominium Association's property manager.

6. FISCAL MATTERS: The provisions for fiscal management of the Condominium Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1 Depository. The Condominium Association shall maintain its funds in such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses for each fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted shall be mailed, hand-delivered or electronically transmitted (to those Unit Owners who have so consented) to the Owner of each Unit not less than 14 days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income and expense classifications.

6.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and

deferred maintenance as required by law. The amount to be reserved shall be computed by a formula based upon estimated remaining useful life and the estimated replacement cost of each item. Prior to turnover of control of the Condominium Association by the Condominium Developer to Unit Owners other than the Condominium Developer, the Condominium Developer may vote to waive the reserves for the first 2 fiscal years of the Condominium Association's operation, beginning with the fiscal year in which the initial Declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all non-Condominium Developer voting interests voting in person or by limited proxy at a duly called meeting of the Condominium Association. After turnover, the reserves shall be funded unless the members subsequently determine by majority vote of the voting interests present in person or by proxy at a duly called meeting to fund no reserves or less than adequate reserves for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the Unit Owners as required in 6.2 above, but prior to the commencement of the fiscal year. Reserves funded under this paragraph, and all interest earned on such reserves, shall not be commingled with operating funds unless combined for investment purposes, and, prior to turnover of control of the Condominium Association shall be used only for the purposes for which they were reserved, unless their use for other purposes is permitted by law or is approved in advance by a majority of all non-Condominium Developer voting interests voting in person or by proxy and voting at a members' meeting called for the purpose. Subsequent to turnover, reserves funded under this paragraph and all interest earned on such reserves, shall be used only for the purposes for which they were reserved, unless their use for other purposes is permitted by law or is approved in advance by a majority vote at a members' meeting called for the purpose.

6.4 Contingency Funds. In addition to the statutory reserves provided in Section 6.3 above, the Board may establish one or more contingency funds which shall be unrestricted as to use. The purpose of these contingency funds is to provide financial stability and to avoid the need for special Condominium Association Assessments on a frequent basis. The contingency funds proposed to be so funded shall be shown in the proposed annual budget as a line item in the operating portion of the budget. These funds may be spent for any purpose approved by the Board.

6.5 Condominium Association Assessments. Regular annual Condominium Association Assessments based on the adopted budget shall be paid either monthly, or quarterly, as determined by the Board. Failure to send or receive notice of Condominium Association Assessments shall not excuse the obligation to pay. If an annual budget has not been adopted at the time the first installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last installment and shall be continued at such rate until a budget is adopted and pro rata Condominium Association Assessments are calculated, at which time any overage or shortage shall be added or subtracted from each Unit's next due installment.

6.6 Special Condominium Association Assessments. Special Condominium Association Assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special Condominium Association Assessments are due on the day specified in the resolution of the Board approving such Condominium Association Assessments. However, a special Condominium Association Assessment may not be levied during the Condominium Developer's guaranty of Condominium Association Assessments period except in the following instance: if the Condominium Developer-controlled Condominium Association has maintained all insurance coverage required by Section 718.111(11)(a) of the Condominium Act, common expenses incurred during the stated period resulting from a natural disaster or an act of God occurring during the stated period, which are not covered by proceeds from insurance maintained by the Condominium Association, may be assessed against all Unit Owners owning Units as of the date of such natural disaster or act of God, and their respective successors and assigns, including the Condominium Developer with respect to Units owned by the Condominium Developer. Written notice of any Board meeting at which a non-emergency special

Condominium Association Assessment will be considered, must be mailed, hand-delivered or electronically transmitted (in the latter case, to those Unit Owners who have so consented) to all Unit Owners at least 14 days in advance, which notice shall state that Condominium Association Assessments will be considered and the nature of any such Condominium Association Assessments. The notice to Unit Owners that any special Condominium Association Assessment has been levied must contain a statement of the purpose(s) of the Condominium Association Assessment, and the funds collected must be spent for the stated purpose(s). If any funds remain upon completion of the purpose(s) such excess funds may, at the discretion of the Board, either be returned to the Unit Owners or applied as a credit towards future Condominium Association Assessments.

6.7 Fidelity Bonds. The Treasurer, and all other officers who are authorized to sign checks, and all other persons having access to or control of Condominium Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds shall be a common expense.

6.8 Financial. If required by law, not later than 90 days after the close of each fiscal year, the Board shall prepare and complete, or cause to be prepared and completed by a third party a financial report meeting the minimum standards of Section 718.111(13) of the Condominium Act, showing in reasonable detail the financial condition of the Condominium Association as of the close of its fiscal year. Within 21 days after the financial report is completed or received from the third party, the Condominium Association shall mail or hand deliver to each Unit Owner a copy of the financial report, or a notice that a copy of the financial report will be mailed or hand delivered without charge, upon receipt of a written request from the Unit Owner. Notwithstanding the foregoing, the Condominium Association may prepare or cause to be prepared a financial report or elect to prepare or cause to be prepared a less intensive financial statement than otherwise required through approval of a majority of the voting interests present (in person or by proxy) at a properly called membership meeting. Such meeting and approval must occur prior to the end of the fiscal year and is effective only for the fiscal year in which the vote is taken. All Unit Owners, including the Condominium Developer, may vote on issues related to the preparation of financial reports or statements for the first 2 fiscal years of the Condominium Association's operations, beginning with the fiscal year in which the original Declaration is recorded. Thereafter, all Unit Owners other than the Condominium Developer may vote on such issues until the turnover of control of the Condominium Association by the Condominium Developer to Unit owners other than the Condominium Developer. Subsequent to such turnover of control of the Condominium Association, all Unit Owners may vote on issues related to the preparation of financial reports or statements.

6.9 Fiscal Year. The fiscal year shall be the calendar year, unless modified by the Board of Directors.

7. RULES AND REGULATIONS: USE RESTRICTIONS: The Board of Directors may, from time to time, adopt new rules and regulations and amend the Rules and Regulations set forth as Exhibit "E" to the Declaration of Condominium. No new or amended Rule may conflict with the rights which are contained in the Declaration of Condominium or inferable therefrom. Copies of such Rules and Regulations shall be furnished to each Unit Owner. Any Rule or Regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the Unit Owners and uniformly applied and enforced. Rules regarding Unit use shall be adopted by the Board of Directors as set forth in Section 4.8 hereof. None of the Rules and Regulations set forth as an Exhibit to the Declaration of Condominium, as the same may be amended, shall be applicable to the Condominium Developer or Units owned by the Condominium Developer, unless specifically required by Florida law. Subsequent to turnover, and as long as Condominium Developer holds Units for sale in the ordinary course of business, the Board

may not amend the Rules and Regulations in a manner which is detrimental to the Condominium Developer's sale of Units, unless the Condominium Developer consents in writing.

8. COMPLIANCE AND DEFAULT: REMEDIES: In addition to the remedies provided elsewhere in the Condominium Association Documents, the following provisions shall apply:

8.1 Fines. The Board of Directors may levy reasonable fines against Units whose owners commit violations of the provisions of the Condominium Association Documents, or condone such violations by their family members, guests, invitees, lessees or other occupants of the Unit. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amounts allowed by law. Pursuant to Section 718.303(3) of the Condominium Act, no fine may exceed \$100.00 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine will become a lien against a Unit. These provisions do not apply to unoccupied Units. The procedure for imposing such fines shall be as follows:

A. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of other Unit owners after reasonable notice of not less than 14 days, and the notice shall include:

- (1) A statement of the date, time and place of the hearing;
- (2) A statement of the provisions of the Declaration, Bylaws or Rules which have allegedly been violated; and,
- (3) A short and plain statement of the matters asserted by the Condominium Association; and,

B. The party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Condominium Association. The Unit owner shall be the party ultimately responsible for payment of a fine, regardless of whether the fine relates to conduct by a tenant, family member, invitee or guest.

8.2 Mandatory Non-Binding Arbitration. In the event of any "dispute" in Section 718.1255 Florida Statutes, between a Unit owner and the Condominium Association, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales, Condominiums, and Mobile Homes prior to filing suit over the disputed matters.

8.3 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Condominium Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Condominium Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the condominium property free from unreasonable restraint and annoyance.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1 Proposal. Amendments to these Bylaws may be proposed by the Board of Directors or by written petition to the Board signed by the Owners of at least one-fourth (1/4) of the Units.

9.2 Vote Required. Prior to the turnover of control of the Condominium Association by the Condominium Developer to Unit Owners other than the Condominium Developer, the Condominium Developer may amend these Bylaws. Subsequent to turnover a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3) of the voting interests of the Condominium Association, provided that notice of the proposed amendment has been given to the members in accordance with law. As long as the Condominium Developer holds Units for sale in the ordinary course of business, no amendment to these Bylaws which is detrimental to the Condominium Developer's sale of Units shall be made unless the Condominium Developer consents in writing.

9.3 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Bylaws, which certificate shall be in the form required by law and shall be executed by the President or Vice-President with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Sarasota County, Florida.

10. TRANSFER OF CONDOMINIUM ASSOCIATION CONTROL:

10.1 Members' Rights to Elect Board of Directors. When Unit Owners other than the Condominium Developer own 15% or more of the Units ultimately to be operated by the Condominium Association, the owners other than the Condominium Developer shall be entitled to elect one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Condominium Developer are entitled to elect a majority of the members of the Board of Directors upon the first of the following events to occur:

A. Three years after 50% of the Units that will be operated ultimately by the Condominium Association have been conveyed to purchasers;

B. Three months after 90% of the Units that will be operated ultimately by the Condominium Association have been conveyed to purchasers;

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

D. When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Condominium Developer in the ordinary course of business.

E. Seven years after recordation of the Declaration of Condominium; or if the Condominium Association may ultimately operate more than one condominium, 7 years after recordation of the Declaration for the first condominium the Condominium Association operates; or if the Condominium Association operates a phase condominium created pursuant to Sec. 718.403 of the Condominium Act, 7 years after recordation of the Declaration creating the initial phase;

F. One Hundred and Twenty Days after 75% of the Units that will be operated ultimately by the Condominium Association have been conveyed to purchasers.

10.2 Condominium Developer's Right to Designate Members of Board of Directors. The Condominium Developer shall be entitled to designate at least one member of the Board of Directors as

long as the Condominium Developer holds for sale in the ordinary course of business at least 5% of the Units. Following the date when the Condominium Developer relinquishes control of the Association, the Condominium Developer may exercise the right to vote any Condominium Developer-owned Units in the same manner as any other Unit owner except for purposes of reacquiring control of the Condominium Association or selecting the majority members of the Board.

10.3 Transfer of Condominium Association Control. At the time of transfer of control of the Condominium Association, the Condominium Developer shall deliver to the Condominium Association all property of the Unit owners and of the Condominium Association held or controlled by the Condominium Developer and all items and documents that the Condominium Developer is required to deliver or turn over to the Condominium Association under Florida law. The meeting at which transfer of control of the Condominium Association and the election of a majority of directors by Unit Owners other than the Condominium Developer occurs shall be noticed in accordance with Section 4.3

11. ISLES OF SARASOTA HOMEOWNERS ASSOCIATION, INC. ("ASSOCIATION")/PALMER RANCH MASTER PROPERTY OWNERS ASSOCIATION, INC. ("MASTER ASSOCIATION"): Members of the Condominium Association shall have votes cast on their behalf at meetings of the Association and the Master Association by a "Voting Member" and "Community Representative" respectively, as more particularly described in the Association Documents and Master Association Documents.

12. MISCELLANEOUS:

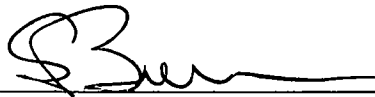
12.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

12.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

12.3 Conflict. Notwithstanding anything to the contrary set forth above, the interpretation of the Condominium Association Documents and/or remedial action with respect to same shall be controlled by the Board of Directors. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Condominium or Articles of Incorporation, the provisions of the Declaration of Condominium and Articles of Incorporation shall prevail over the provisions of these Bylaws in that order of priority.

12.4 Unit Owner Inquiries. When a Unit Owner files a written inquiry by certified mail with the Board, the Board shall respond in writing to the Unit Owner within 30 days of receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the Division of Florida Land Sales. If the Board requests advice from the Division, the Board shall, within 10 days of receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board shall, within 60 days after receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The Condominium Association may through its Board, adopt reasonable rules and regulations regarding the frequency and manner of responding to unit owner inquiries, one of which may be that the Condominium Association is only obligated to respond to one written inquiry per Unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

The foregoing were adopted as the first Bylaws of LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I CONDOMINIUM ASSOCIATION, INC. on this 18th day of SEPTEMBER, 2008.



Scott Brooks, President

524398.115879.0012 v2

RULES AND REGULATIONS FOR
LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I, A CONDOMINIUM

The definitions contained in the Declaration of Condominium ("Declaration") are incorporated herein as part of these Rules and Regulations.

1. The walkways shall not be obstructed nor used for any purpose other than for ingress and egress to and from the Condominium.
2. The exterior of a Unit, and all other areas appurtenant to a Unit, shall not be painted, decorated or modified by any Unit Owner in any manner without the prior written consent of the Board.
3. No article shall be hung or shaken from the doors, windows or screened porches of a Unit, or placed upon the outside window sills of a Unit, without the prior written consent of the Board. However, a Unit Owner may display one portable, removable American flag or official flag of the State of Florida in a respectful way, and on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard.
4. No articles shall be allowed to stand on any portion of the common elements.
5. No Unit Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort, enjoyment or convenience of other Unit Owners.
6. Each Unit Owner shall keep such Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown from the doors or windows any dirt or substance.
7. Each Unit Owner who plans to be absent from his Unit during the hurricane season must prepare his Unit prior to his departure by:
 - (A) Removing all furniture, potted plants and other movable objects from his porch or patio, if any; and
 - (B) Designating a responsible individual satisfactory to the Condominium Association and Association to care for his Unit should the Unit suffer hurricane damage.
8. Each Unit Owner shall regularly pick up all garbage, trash, refuse or rubbish outside his Unit, and no Unit Owner or resident shall place or dump any garbage, trash, refuse or other materials on any portion of the Condominium. All garbage, trash refuse or rubbish must be placed in appropriate trash facilities or bags. All containers or garbage facilities shall be stored inside a Unit. No noxious or offensive odors shall be permitted. This Condominium will have curbside garbage pickup provided by Sarasota County, Florida. Unit Owners may leave garbage containers outside for pickup no sooner than 5:00 p.m. the evening before the day of garbage pickup, and shall retrieve garbage containers no later than midnight the evening of the day of garbage pickup.

9. Water closets and other water apparatus in the Units or upon the common elements shall not be used for any purpose other than those for which they were constructed. Any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Unit Owner responsible.

10. A Unit Owner shall not be allowed to have any employee or agent of the Condominium Association perform any private business of a Unit Owner, except as shall have been approved in writing by the Condominium Association.

11. The agents and employees of the Condominium Association and any contractor or workman authorized by the Condominium Association may enter any Unit at any reasonable hour of the day for the purpose permitted under the Declaration. Entry must be prearranged with the Unit Owner, except when such prearrangement cannot be achieved or is impractical, or under circumstances deemed an emergency by the Condominium Association, or its management agent, if any, in which case, access is deemed permitted without agreement on set time.

12. No vehicle, or other possessions belonging to a Unit Owner, or to a member of his family or guests, invitees or lessees of a Unit Owner, shall be positioned in such a manner as to impede or prevent ready access to another Unit Owner's driveway or garage. Each Unit Owner, their family members, guests, invitees and lessees, will obey the parking regulations posted by the Condominium Association for the safety comfort and convenience of the Unit Owners.

13. Except in an emergency, a Unit Owner shall not cause or permit the excessive blowing of any horn from any vehicle of which he, his family members, guests, invitees or lessees shall be occupants.

14. No Unit Owner shall use or permit to be brought into the Unit any flammable oils or fluids, such as gasoline, kerosene, naphtha or benzine, or other explosives or articles deemed extra hazardous to life, limb or property.

15. No Unit Owner shall be allowed to put his mail receptacle, name or street address on any portion of this Unit, except in such a place and in the manner approved by the Condominium Association for such purposes.

16. The Condominium Association may retain a passkey to each Unit. If a Unit Owner alters any lock or installs a new lock on any door leading into his Unit, such Unit Owner shall provide the Condominium Association with a key for the use of the Condominium Association.

17. There shall be a lock-out charge if the Condominium Association is requested to furnish keys for access to a Unit Owner who has locked himself out of his Unit.

18. Any damage to the Condominium Association property or equipment caused by any Unit Owner, family member, guest, invitee or lessee shall be repaired or replaced at the expense of such Unit Owner.

19. Each Unit Owner shall be held responsible for the actions of his family members, guests, invitees and lessees.

20. Food and beverage may not be prepared or consumed, except in the Unit or in such other

areas as may from time to time be designated by the Condominium Association.

21. Complaints regarding the management of the Condominium, or regarding actions of other Unit Owners, shall be made in writing to the Condominium Association.

22. No clothesline or other similar device shall be allowed to be displayed outside.

23. No garage shall be erected which is separate from the Unit. No garage shall be permanently enclosed, and no portion of a garage originally intended for parking of an automobile shall be converted into a living space or storage area. No individual air conditioning units which are visible from outside the Unit shall be permitted in a garage. All garage doors shall remain closed when not in use.

24. No modifications shall be made to the landscaping, including the entry court area without prior approval of the Condominium Association.

25. Any violations of this Rules and Regulations or other Covenants relating to the Condominium shall be reduced to writing and presented to the Board of Directors.

26. These Rules and Regulations may be amended at any time by a majority vote of the Board of Directors.

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LAKESIDE AT THE ISLES ON PALMER RANCH SECTION I, A CONDOMINIUM

The Condominium is planned to be a 72 unit phased condominium with each unit having an equal ownership of the common elements, thus if all phases are added each unit will own an undivided 1/72 of the whole. There are 12 proposed residential phases, as follows:

| <u>PHASE NO.</u> | <u>NO. OF UNITS</u> | <u>UNIT PROPORTION</u> |
|------------------|---------------------|------------------------|
| 1 | 6 | 1/6 |
| 2 | 6 | 1/12 |
| 3 | 6 | 1/18 |
| 4 | 6 | 1/24 |
| 5 | 6 | 1/30 |
| 6 | 6 | 1/36 |
| 7 | 6 | 1/42 |
| 8 | 6 | 1/48 |
| 9 | 6 | 1/54 |
| 10 | 6 | 1/60 |
| 11 | 6 | 1/66 |
| 12 | 6 | 1/72 |

As each phase is added, the number of units having an equal share in the common elements will increase by the number of units added; and the formula for determining the percentage of ownership of each unit will be a fraction, the numerator of which is one and the denominator of which is the total number of units which have been submitted to the condominium form of ownership by the Declaration and amendments thereto.

EXHIBIT "F"