

The Villas at ChampionsGate

BUILDING I
A CONDOMINIUM

CONDOMINIUM DOCUMENTS



ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.



ChampionsGate • Orlando, Florida

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CG VILLAS BUILDING I A CONDOMINIUM

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REQUIRED DISCLOSURES

THIS PROSPECTUS CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

THE CONDOMINIUM INTERESTS BEING SOLD ARE FEE SIMPLE INTERESTS.

THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE BOARD OF DIRECTORS AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

THE SALE, LEASE OR TRANSFER OF THE UNITS IS RESTRICTED OR CONTROLLED. SEE SECTION 18 OF THE DECLARATION.

THERE IS NO CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY AT THIS TIME.

THERE ARE NO RESTRICTIONS ON CHILDREN FOR THE UNITS.

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Prospectus

I. **Definitions.** Capitalized words and terms used in this Prospectus shall have the definitions set forth in the Declaration of Condominium of CG Villas Building I, a hotel condominium attached hereto as **Exhibit "A"** (the "Declaration"), and by this reference incorporated herein (the Declaration, together with the Articles of Incorporation of CG Villas Building I Condominium Association, Inc. attached to the Declaration as Exhibit "C," and by this reference incorporated herein, and the By-Laws of CG Villas Building I Condominium Association, Inc. attached to the Declaration as Exhibit "D," and by this reference incorporated herein, are hereinafter collectively referred to at times as the "Condominium Documents").

II. **Developer.** Developer, Championsgate Condo I, LP, a Delaware limited partnership, has been formed expressly for the purpose of developing the Condominium, as hereinafter defined. The principals of Developer are Ira Mitzner and John Jacobson. The Developer has no previous experience in the field of condominium development.

III. **Name of Condominium.** The name of the Condominium is CG Villas Building I, a hotel condominium (the "Condominium").

IV. **Location of Condominium.** The Condominium is located in Champions Gate, Osceola County, Florida on that real property more particularly described on **Exhibit "B"** attached hereto and by this reference incorporated herein.

V. **Description of Condominium Property.**

A. **Buildings.** The Condominium will be comprised of one five-story building. The building will contain fifty-nine (59) residential Units, and approximately THIRTEEN THOUSAND FOUR HUNDRED AND FIFTY (13,450) gross square feet of common areas.

B. **Configuration of Units.** The Units in the Condominium have the number of bedrooms and bathrooms disclosed in **Exhibit "C"** attached hereto and by this reference incorporated herein.

C. **Total Units.** The Condominium is comprised of 58 total Units.

D. **Plot Plans.** A plot plan more particularly describing the Condominium and depicting the floor plans of the Units is attached to the Declaration as Exhibit "B" and by this reference incorporated herein.

E. **Completion of Construction.** The estimated latest date of completion of constructing, finishing, and equipping the Condominium is December 31, 2005.

F. **Area.** The Condominium is comprised of approximately ONE HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED NINETY-ONE (118,891) total gross square feet.

VI. **Use of Common Elements by Third Parties.** The common elements are not subject to use by third parties.

VII. **Interest Conveyed.**

THE CONDOMINIUM INTERESTS BEING SOLD ARE FEE SIMPLE INTERESTS.

VIII. **Amenities.**

A. Recreational Facilities. .

B. The Recreational Facilities will be available for use by Unit Owners of the Residential Units no later than December 31, 2005.

C. Personal Property. The amenities created in connection with the development of the Common Area include approximately ONE HUNDRED THOUSAND and 00/100 dollars (\$100,000.00) worth of personal property attributable to a small work out room.

D. Use of Facilities. The facilities described in this Section VIII shall be subject only to use by the Unit Owners of the Residential Units of the Condominium together with their tenants, guests and invitees.

IX. **Title to Condominium Property.** Fee simple title to the land comprising the Condominium Property is owned by Championsgate Condo I, LP, a Delaware limited partnership. The Developer has a contract interest in the land comprising the Condominium Property, as evidenced by the Contracts for Sale and Purchase attached hereto as **Exhibit "D"**.

X. **Unit Leasing by Developer.** The Developer may elect to lease any Units which it owns on such terms as may be allowed under applicable law, and may transfer any Units subject to a lease.

THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

XI. **Control of the Board of Directors.** The Developer will control the Association through the appointment of a majority of the Board of Directors of the Association until such time as the transfer of control of the Association is required by Florida law. When Unit Owners other than the Developer own 15 percent or more of the Units, the Unit Owners other than the Developer shall be entitled to elect no less than one-third of the members of the Board of Directors of the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors of the Association: (a) three years after 50 percent of the Units have been conveyed to purchasers; (b) three months after 90 percent of the Units have been conveyed to purchasers; (c) when all the Units have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; (d) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (e) seven years after recordation of the Declaration. The Developer is entitled to elect at least one member of the Board of Directors of the Association as long as Developer holds for sale in the ordinary course of business at least 5 percent of the Units. Following the time Developer relinquishes control of the Association, Developer may exercise the right to vote any Developer-owned Units in the same manner as any

other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors. The right of the Developer to so control the Board of Directors is more fully described in Section 5.2 of the By-Laws of the Association.

XII. **Management.** The Association shall be managed in accordance with the terms of the Articles of Incorporation and the By-Laws.

THERE IS NOT A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY AT THIS TIME.

XIII. **Restrictions on Use of Condominium Property.** There are restrictions on changing the exterior and structural elements of a Unit. Pets that do not exceed 20 pounds are permitted. There are no limitations on children. The Rules and Regulations further describing these restrictions are attached hereto as **Exhibit "F"** and by this reference incorporated herein.

THE SALE, LEASE OR TRANSFER OF THE UNITS IS RESTRICTED OR CONTROLLED. SEE SECTION 18 OF THE DECLARATION.

XIV. **Utilities.** Utilities and other services for the Condominium Property shall be provided as follows (to the extent that the costs therefore are associated with service to the Common Elements, these costs shall be considered a Common Expense):

A. **Electricity.** Electrical utility services to the Condominium Property will be provided by Orlando Utilities Commission.

B. **Chilled Water.** Chilled water for cooling purposes will be provided to the Condominium Property by Progress Energy.

C. **Telephone.** Telephone services to the Condominium Property will be provided by Sprint.

D. **Water/Sewer.** Water and sewer utility services to the Condominium Property will be provided by Toho Water Authority (common expense).

E. **Waste Disposal.** Waste disposal services to the Condominium Property will be provided by the Waste Management Co. (common expense).

F. **Cable Television.** Cable television services to the Condominium Property will be provided by Adelphia (common expense).

G. **Storm Drainage.** Storm drainage services to the Condominium Property will be provided by a retention system (common expense).

XV. **Apportionment of Common Expenses and Ownership of Common Elements and Limited Common Elements.** Common Expenses and ownership of the Common Elements and Limited Common Elements shall be apportioned based on the square footage of each unit as more particularly described in Article 6 of the Declaration.

XVI. **Budget.**

The Estimated Budget for the Condominium Property is set forth in **Exhibit “G”** attached hereto and by this reference incorporated herein.

XVII. **Title Insurance.** Title insurance with respect to any Unit may be obtained by Unit Owners at Unit Owner’s sole cost and expense.

XVIII. **Warranties.** There are no express warranties with respect to the sale of any Unit unless they are stated in writing by Developer.

XIX. **Closing Expenses.** Seller’s estimate of the closing costs associated with the purchase of a Condominium Parcel are set forth on **Exhibit “H”** attached hereto and by this reference incorporated herein.

XX. **Purchase Agreement.** The form of the Purchase Agreement is set forth in **Exhibit “I”** attached hereto and by this reference incorporated herein.

XXI. **Escrow Agreement.** The Escrow Agreement between the Developer and Fidelity National Title Insurance Company is set forth in **Exhibit “J”** attached hereto and by this reference incorporated herein.

XXII. **Frequently Asked Questions.** Pursuant to Section 718.504, Florida Statutes, answers to frequently asked questions are set forth in **Exhibit “K”** attached hereto and by this reference incorporated herein.

XXIII. **Receipt for Condominium Documents.** All prospective purchasers or lessees are required to execute the Receipt for Condominium Documents set forth in **Exhibit “L”** attached hereto and by this reference incorporated herein, acknowledging receipt of this Prospectus and all of the documents required under Florida law to be delivered to prospective purchasers or lessees.

Exhibit "A"

Declaration of Condominium

Exhibit "B"

Legal Description of the Condominium Property

Exhibit "C"

Unit Configuration (By Floor)

Exhibit "D"

Contract for Sale and Purchase of the Condominium Property

Exhibit "E"

Management Contract

NONE AT THIS TIME

Exhibit “F”

Rules and Regulations of CG Villas Building I

Exhibit "G"
Estimated Operating Budget

Exhibit "H"

Schedule of Estimated Closing Expenses

Documentary Stamp Taxes on Deed (Based on \$425,000.00 Purchase Price)	\$ 2,975.00
Recording Costs for Deed	\$27.00
Title Insurance (Owner's Policy)	\$2,200.00

Exhibit “I”

Form Purchase and Sale Contract

Exhibit “J”
Escrow Agreement

Exhibit “K”
Frequently Asked Questions

Exhibit "L"

Receipt for Condominium Documents

CG VILLAS BUILDING I A CONDOMINIUM

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July 26, 2004

THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

William S. Vanos, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Post Office Box 2809
Orlando, FL 32802-2809
(407) 843-4600

FOR RECORDING DEPARTMENT USE ONLY

**DECLARATION OF CONDOMINIUM
OF
CG VILLAS BUILDING I, A HOTEL CONDOMINIUM**

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DECLARATION OF CONDOMINIUM
OF
CG VILLAS BUILDING I, A HOTEL CONDOMINIUM

ChampionsGate Condo I, LP, a Delaware limited partnership, hereby declares:

1. Introduction and Submission.

1.1 The Land. The Developer owns the fee simple title to certain land located in Osceola County, Florida, as more particularly described in Exhibit “B” attached hereto and by this reference incorporated herein (the “Land”).

1.2 Submission Statement. The Developer hereby submits the Land and all improvements erected or to be erected thereon [but excluding all public or private utility installations (e.g., cable and satellite television and other “Community Systems”) therein or thereon] to the condominium form of ownership and use in the manner provided for in the Act, as hereafter defined.

1.3 Name. The name by which this condominium is to be identified is CG VILLAS BUILDING I, A HOTEL CONDOMINIUM (hereinafter called the “Condominium”).

2. Definitions. The following terms when used in this Declaration and in its exhibits, and as it and they may hereafter be amended, shall have the respective meanings ascribed to them in this Section, except where the context clearly indicates a different meaning.

2.1 “Act” means the Florida Condominium Act (Chapter 718 of the Florida Statutes) as it exists on the date hereof and as it may be hereafter amended.

2.2 “Articles” or “Articles of Incorporation” mean the Articles of Incorporation of the Association, as amended from time to time.

2.3 “Assessment” means a share of the funds required for the payment of Common Expenses which from time to time are assessed against a Unit Owner.

2.4 “Association” or “Condominium Association” means CG VILLAS BUILDING I CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, the entity responsible for the operation of the Condominium.

2.5 “Association Property” means that property, real and personal, which is owned or leased by, or is dedicated by a recorded plat to, the Association for the use and benefit of its members.

2.6 “Board” or “Board of Directors” means the board of directors and the members of the board of directors, from time to time, of the Association.

2.7 “Building” means the structure in which the Units are located.

- 2.8 “By-Laws” means the By-Laws of the Association, as amended from time to time.
- 2.9 “Charge” means the funds required for the payment of expenses, other than Common Expenses, which from time to time are charged against a Unit Owner (but not necessarily against all Unit Owners).
- 2.10 “Commercial Unit” means and refers to Unit C, as identified on Exhibits “A” and “B” attached hereto, which may be used for any purpose permitted by applicable zoning ordinances, including for providing any such services as the owner thereof and its designees may, from time to time, elect to offer or provide to the Units, including without limitation, concierge, security and similar services. References herein to “Units” or “Parcels” shall include the Commercial Units unless the context would prohibit or it is otherwise expressly provided.
- 2.11 “Common Elements” means and includes:
- (a) The portions of the Condominium Property which are not a part of or included within the Units,
 - (b) Easements through the Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to the Units and to the Common Elements,
 - (c) An easement of support in every portion of a Unit which contributes to the support of the Building,
 - (d) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements,
 - (e) The Surface Water or Stormwater Management System, and
 - (f) Any other parts of the Condominium Property designated as Common Elements in this Declaration.
- 2.12 “Common Expenses” means all expenses incurred by the Association for the operation, maintenance, repair, replacement or protection of the Condominium Property, the costs of carrying out the powers and duties of the Association, and any other expense, whether or not included in the foregoing, designated as a Common Expense by the Act, the Declaration, the Articles or the Bylaws. For all purposes of this Declaration, “Common Expenses” shall also include (i) all expenses incurred by the Association for the maintenance, repair or replacement of those portions of the Units for which it is responsible pursuant to Section 8.1 of this Declaration, (ii) all reserves required by the Act or otherwise established by the Association, regardless of when reserve funds are expended, (iii) if applicable, the cost of a master antenna television system or duly franchised cable or satellite television service obtained pursuant to a bulk contract; (iv) if applicable, costs relating to reasonable transportation services, insurance for directors and officers, road maintenance and operation expenses, in-house communications and

surveillance and restricted access systems which are reasonably related to the general benefit of the Unit Owners, and (v) any unpaid Assessments extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof. Common Expenses shall not include any other separate obligations of individual Unit Owners.

- 2.13 “Common Surplus” means the excess of all receipts of the Association collected on behalf of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, but excluding funds collected for reserves, over the amount of Common Expenses.
- 2.14 “Community Systems” shall have the meaning ascribed to such term in Section 26 hereof.
- 2.15 “Condominium Parcel” means a Unit together with the Limited Common Elements appurtenant to said Unit and the undivided share in the Common Elements which is appurtenant to said Unit, and when the context permits, the term includes all other appurtenances to the Unit.
- 2.16 “Condominium Property” means the Land, Improvements and other property described in Section 1.2 hereof, subject to the limitations thereof and exclusions therefrom.
- 2.17 “County” means the County of Osceola, State of Florida.
- 2.18 “Declaration” or “Declaration of Condominium” means this instrument and all exhibits attached hereto, as the same may be amended from time to time.
- 2.19 “Developer” means ChampionsGate Condo I, LP, a Delaware limited partnership, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign all or any portion of its rights hereunder, or all or any portion of such rights in connection with specific portions of the Condominium. In the event of any partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of the Developer as are specifically assigned to it. Any such assignment may be made on a nonexclusive basis. In the event the holder of any mortgage executed by the Developer, or any subsidiary or affiliate of the holder, obtains title to all or any portion of the Condominium Property by foreclosure, or deed in lieu thereof, or other conveyance, such holder, or subsidiary or affiliate of the holder, shall become the Developer only if it so elects by written notice to the Board, except as otherwise provided by the Act or the rules promulgated thereunder, but regardless of such election the holder, or subsidiary or affiliate of the holder, shall have the right to assign any of the rights of the Developer as provided herein to any third party who acquires title to all or a portion of the Condominium Property from the holder, or subsidiary or affiliate of the holder. In any event, any subsequent Developer shall not be liable for any defaults or obligations incurred by any prior Developer, except as same are expressly assumed by the subsequent Developer.

- 2.20 “Dispute”, for purposes of Section 20.1, means any disagreement between two or more parties that involves, (a) the authority of the Board under any law, rule or regulation or under this Declaration, the Articles or the By-Laws to: (i) require any Owner to take any action, or not to take any action, involving that Owner’s Unit, or (ii) alter or add to a common area or Common Element; or (b) the failure of the Association, when required by law, rule or regulation or this Declaration, the Articles or By-Laws to (i) properly conduct elections, (ii) give adequate notice of meetings or other actions, (iii) properly conduct meetings, or (iv) allow inspection of books and records. “Dispute” shall not include any disagreement that primarily involves title to any Unit, Limited Common Elements or Common Elements, the interpretation or enforcement of any warranty; the levy of a fee or Assessment, or the collection of an Assessment levied against a party; the eviction or other removal of a tenant from a Unit, alleged breaches of fiduciary duty by one or more directors of the Association, or claims for damages to a Unit based upon an alleged failure of the Association to maintain the Common Elements or Condominium Property.
- 2.21 “Division” means the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation, State of Florida.
- 2.22 “Institutional First Mortgagee” means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, the Federal National Mortgage Association (“FNMA”), the Federal Home Loan Mortgage Corporation (“FHLMC”) or any other lender generally recognized as an institutional lender, or the Developer, holding a first mortgage on a Unit or Units. A “Majority of Institutional First Mortgagees” shall mean and refer to Institutional First Mortgagees of Units to which at least fifty-one percent (51%) of the voting interests of Units subject to mortgages held by Institutional First Mortgagees are appurtenant.
- 2.23 “Limited Common Elements” means those Common Elements, the exclusive use and enjoyment of which is reserved to the Owners and occupants of a certain Unit or Units to the exclusion of the Owners and occupants of other Units, as specified in this Declaration. References herein to Common Elements also shall include all Limited Common Elements unless the context would prohibits or unless otherwise expressly provided.
- 2.24 “Primary Institutional First Mortgagee” means the institutional First Mortgagee which owns, at the relevant time, first mortgages on Units securing a greater aggregate indebtedness than is owed to any other Institutional First Mortgagee.
- 2.25 “Residential Unit” means and refers to a Unit which is designed and used or initially intended to be used for residential purposes. All Units other than the Commercial Unit shall be deemed Residential Units. References herein to

“Units” or “Parcels” shall include Residential Units unless the context prohibits or it is otherwise expressly provided.

- 2.26 “Surface Water or Stormwater Management System” means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.
- 2.27 “Turnover” means the date the Developer no longer has the right to elect or appoint a majority of the Board of Directors at which time the Unit Owners shall assume control of the Association.
- 2.28 “Unit” or “Units” means those portions of the Condominium Property which are subject to exclusive ownership.
- 2.29 “Unit Owner” or “Owner of a Unit” or “Owner” means a record owner of legal title to a Condominium Parcel.

3. Description of Condominium.

- 3.1 Identification of Units. Each Unit is identified by a separate numerical or alpha-numerical designation. The designation of each of such Units is set forth on Exhibit “B” attached hereto. Exhibit “B” consists of a survey of the Land, a graphic description of the Improvements located thereon, including, but not limited to, the Building, and a plot plan thereof. Said Exhibit “B”, together with this Declaration, is sufficient in detail to identify the Common Elements, Limited Common Elements and each of the Units and their relative locations and dimensions. There shall pass with the Units as appurtenances thereto (a) an undivided share in the Common Elements and Common Surplus as set forth herein, (b) the exclusive right to use such portion of the Common Elements and Limited Common Elements as may be provided in this Declaration; (c) 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, provided that an easement in airspace which is vacated shall be terminated automatically; (d) membership in the Association with the full voting rights appurtenant thereto, and (e) any other appurtenances as may be provided by this Declaration.
- 3.2 Unit Boundaries. Each Unit shall include that part of the Building that lies within the following boundaries.
- (a) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries.

- (i) Upper Boundaries. The horizontal plane of the unfinished lower surface of the ceiling (which will be deemed to be the ceiling of the top story of the Unit if the Unit contains more than one story), provided that in multi-story Units, if any, where the lower boundary extends beyond the upper boundary, the upper boundary shall include that portion of the ceiling of the lower floor for which there is no corresponding ceiling on the upper floor directly above such bottom floor ceiling.
 - (ii) Lower Boundaries. The horizontal plane of the unfinished upper surface of the floor of the Unit (which will be deemed to be the floor of the first story of the Unit if the Unit is a multi-story Unit), provided that in multi-story Units, if any, where the upper boundary extends beyond the lower boundary, the lower boundary shall include that portion of the floor of the upper floor for which there is no corresponding floor on the bottom floor directly below the floor of such top floor.
 - (iii) Interior Divisions. Except as provided in subsections (i) and (ii) above, no part of the floor of the top floor, ceiling of the bottom floor, stairwell adjoining the floors of a multi-floor Unit, or nonstructural interior walls shall be considered a boundary of the Unit.
 - (iv) Boundaries Further Defined. The boundaries of the Unit shall not include all of those spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and those surfaces above the undecorated and/or inner surfaces of the ceilings of each Unit and, further, shall not include those spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions and, further, shall exclude all pipes, ducts, wires, conduit and other facilities running through any interior wall or partition for utility services to other Units and/or for Common Elements. No part of the interior non-boundary walls within a Unit shall be considered a boundary of the Unit.
- (b) Perimetrical Boundaries. The perimetrical boundaries of the Units shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries.
 - (c) Apertures. Where there are apertures in any boundary, including, but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such apertures including all frameworks, window casings and weather stripping thereof, together with exterior surfaces made of glass or other

transparent materials, provided however, that the door frames and exteriors of doors facing interior Common Element hallways shall not be included in the boundaries of the Unit and shall be Common Elements.

- (d) Exceptions and Conflicts. In the case of any conflict between the boundaries of the Unit as above described and the dimensions of the Unit shown on Exhibit "B," the above provisions describing the boundary of a Unit shall control, it being the intention of this Declaration that the actual as-built boundaries of the Unit as above described shall control over any erroneous dimensions contained in Exhibit "B" attached hereto, and in the event it shall appear that any dimension shown on Exhibit "B" attached hereto is erroneous the Developer or the President of the Association shall have the right to unilaterally amend the Declaration to correct such survey, and any such amendment shall not require the joinder of any Unit Owner or mortgagee so long as the purpose of the amendment is merely to correct an error and correctly describe the boundaries of a Unit. In the case of Unit boundaries not adequately described as provided above, the survey of the Units contained in Exhibit "B" shall control in determining the boundaries of a Unit. In the case of any conflict between the language of this Declaration describing the boundaries of any Unit, and in the language contained on Exhibit "B" describing the boundaries of a Unit, the language of this Declaration shall control.

3.3 Limited Common Elements. Each Unit may have, to the extent applicable and subject to the provisions of this Declaration, as Limited Common Elements appurtenant thereto:

- (a) Patios, Balconies and Terraces. Any patio, balcony or terrace (and all improvements thereto and walls facing same) as to which direct and exclusive access shall be afforded to any particular Unit or Units to the exclusion of others shall be a Limited Common Element of such Unit(s).
- (b) Miscellaneous Areas, Equipment. Any fixtures or equipment (e.g., an air conditioning compressor or hot water heater) serving a Unit or Units exclusively, and any area (e.g., a closet or ground slab) upon/within which such fixtures or equipment are located, which are outside the Unit(s), shall be Limited Common Elements of such Unit(s).

4. Easements. The following easements are hereby created (in addition to any easements created under the Act):

- 4.1 Support. Each Unit, the Building and the Improvements shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units, the Common Elements, and any other structure or improvement which abuts any Unit, Building or Improvements.

- 4.2 Utility and Other Services, Drainage. Non-exclusive easements are reserved under, through and over the Condominium Property as may be required from time to time for utility, cable television, communications and security systems, and other services and drainage in order to serve the Condominium. A Unit Owner shall do nothing within or outside his Unit that interferes with or impairs, or may interfere with or impair the provision of such utility cable television communications and security systems or other service or drainage facilities or the use of these easements. The Association shall have an irrevocable right of access to each Unit and to the Limited Common Elements to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, cable television, communications and similar systems, hot water heaters, service and drainage facilities and Common Elements, contained in the Unit or elsewhere in the Condominium Property, and to remove any improvements interfering with or impairing such facilities or easements herein reserved, provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Unit Owner's permitted use of the Unit and Limited Common Elements, and except in the event of an emergency, entry shall be made on not less than one (1) days' notice (which notice shall not, however, be required if the Unit Owner is absent when the giving of notice is attempted).
- 4.3 Surface Water or Stormwater Management System. The Association shall have a perpetual non-exclusive easement over all areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the Surface Water or Stormwater Management System as required by the Southwest Florida Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the Southwest Florida Water Management District.
- 4.4 Encroachments. If (a) any portion of the Common Elements encroaches upon any Unit (or Limited Common Element appurtenant thereto), (b) any Unit (or Limited Common Element appurtenant thereto) encroaches upon any other Unit or upon any portion of the Common Elements, (c) any encroachment shall hereafter occur as a result of: (i) construction of the improvements, (ii) settling or shifting of the Improvements, (iii) any alteration or repair to the Common Elements made by or with the consent of the Association or the Developer, as appropriate, (iv) any repair or restoration of the Improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, or (v) any non-purposeful or non-negligent act of a Unit Owner, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of same so long as any such improvements shall stand.

- 4.5 Ingress and Egress. A non-exclusive easement in favor of each Unit Owner and occupant, their guests and invitees, shall exist (i) for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of the Common Elements as from time to time may be intended and designated for such purpose and use, and (ii) for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this subparagraph shall be encumbered by any leasehold or lien other than those on the Condominium Parcels. Any such lien encumbering such easements (other than those on Condominium Parcels) automatically shall be subordinate to the rights of Unit Owners and the Association with respect to such easements.
- 4.6 Construction Maintenance. The Developer (including its designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the Condominium Property and take all action necessary or convenient for the purpose of construction of any Improvements or Units located or to be located thereon, and for repair, replacement and maintenance purposes where the Association fails to do so or where the Developer, in its sole discretion, determines that it is necessary or desirable to do so.
- 4.7 Sales and Development Activities. For as long as Developer owns any portion of the Condominium Property, Developer, its designees, successors and assigns, shall have (i) the right to use any Units owned or leased by Developer, and any other part of the Common Elements or Association Property, for guest accommodations, models and sales and construction offices, to show model Units and the Common Elements to prospective purchasers and lessees of Units in the Condominium, to host parties and offer Units for marketing, sales or charitable activities and to erect on the Condominium Property and Association Property signs and other promotional materials to advertise Units for sale or lease, (ii) such easements over, upon, across and under the Condominium Property as may be reasonably required in connection with the development, construction, marketing, sale or leasing of any Unit within the Condominium Property.
- 4.8 Community Systems. The Developer hereby reserves and retains to itself, its successors, assigns contractors, designees and nominees, (a) a perpetual easement over, under, through and across the Condominium Property for the placement, installation, servicing, maintenance, repair, replacement and removal of any and all "Community Systems", as defined in Section 26 of this Declaration, (b) the right to connect the Community Systems, or any parts thereof, to whatever receiving source the owner of the Community Systems deems appropriate, including, without limitation, companies licensed to provide CATV service in the County, for which service the Developer shall have the right to charge any users a reasonable fee (which shall not exceed any maximum allowable charge provided for in the Ordinances of the County) and to utilize such receiving or intermediary transmission source(s) as Developer or designees may in its sole discretion deem appropriate, (c) the right to enter the Units upon reasonable notice to the Unit Owner, for the purpose of maintaining, inspecting, repairing removing or

replacing any portion of any of the Community Systems of which it (or one of its successors, assigns, designees or nominees) has retained ownership, and (d) the exclusive right to provide (or cause to be provided), to the fullest extent permitted under applicable law, as amended from time to time, mandatory or non-mandatory services to Units through the Community Systems, or any parts thereof (and related, ancillary services to Units, including, but not limited to, access, control and safety services) at charges not to exceed those normally paid for like services to residents of single-family homes or condominium units within the general vicinity of the Condominium Property, and to retain or assign all such charges. The cost of any master systems, or duly franchised service provided in connection therewith, which is obtained pursuant to a bulk contract, or any costs designated as “Common Expenses” in a written contract between the provider of such services and the Board of Directors, shall be deemed Common Expenses.

- 4.9 Easements in Favor of Unit Used to Provide Community Services. To the extent necessary, an easement is hereby established in favor of the Developer or Association, as applicable, for providing such Community Services as it may now or hereafter provide to any or all of the Units in the Condominium. The Developer or Association, as applicable, is hereby granted an easement in and to the air space arising above the level of the roof of the Condominium Property and in and to the surface of the roof of the structure constructed upon the Condominium Property having the exterior dimensions of the perimeter walls of the building and extending vertically into infinity.
- 4.10 Easements in Favor of Commercial Unit. The Owner of the Commercial Unit, its designees, successors and assigns, shall have such easements over, upon, across and under the Common Elements as may be reasonably required by such Owner in connection with the provision of concierge, security, housekeeping and other services to Units.
- 4.11 Support of Adjacent Structures. In the event that any structure(s) is constructed so as to be connected in any manner to the Building, then there shall be (and there is hereby declared) an easement of support for such structure(s) as well as for the installation, maintenance, repair and replacement of all utility lines, pipes, and equipment serving the adjacent structure which are necessarily or conveniently located within the Condominium Property (provided that the use of this easement shall not unreasonably interfere with the structure, operation or use of the Condominium Property, or the Building),
- 4.12 Additional Easements. The Developer, so long as it owns any Units in the Condominium, and the Association, through the Board, acting on the Association’s behalf and on behalf of all Unit Owners (each of whom hereby appoints the Developer and/or the Association, as applicable, as its attorney-in-fact for this purpose), shall have the right to grant such additional general (“blanket”) and specific electric, gas or other utility, cable television, security systems, communications, service or drainage easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining

thereto), or to relocate any such existing easements or drainage facilities, in any portion of the Condominium Property, and to grant access easements or relocate any existing access easements in any portion of the Condominium Property, as the Board shall deem necessary or desirable for the proper operation and maintenance of the Units, or any portions thereof, or for the general health or welfare of the Unit Owners, or for the purpose of carrying out any provisions of this Declaration, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Units for dwelling purposes.

5. Restraint Upon Separation and Partition of Common Elements. The undivided share in the Common Elements and Common Surplus which is appurtenant to a Unit, and the exclusive right to use all appurtenant Limited Common Elements, shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described. The appurtenant share in the Common Elements and Common Surplus, and the exclusive right to use all Limited Common Elements appurtenant to a Unit, except as elsewhere herein provided to the contrary, cannot be conveyed or encumbered except together with the Unit. The respective shares in the Common Elements appurtenant to the Units shall remain undivided, and no action may be brought for partition of the Common Elements, the Condominium Property, or any part thereof, except as provided herein with respect to termination of the Condominium.
6. Ownership of Common Elements and Common Surplus and Share of Common Expenses, Voting Rights.
 - 6.1 Fractional Ownership and Shares. The undivided share in the Common Elements and Common Surplus, and the share of the Common Expenses, appurtenant to each Unit, which is based upon the total square footage of each Unit in uniform relationship to the total square footage of each other Unit in the Condominium, is as set forth on Exhibit "A" attached hereto.
 - 6.2 Voting. Each Unit shall be entitled to one (1) vote to be cast by its Owner in accordance with the provisions of the By-Laws and the Articles of Incorporation. Each Unit Owner shall be a member of the Association.
7. Amendments. Except as elsewhere provided herein, amendments may be effected as follows.
 - 7.1 By the Association. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Except as may be elsewhere provided, approvals must be by an affirmative vote representing at least 80% of the voting interests of Unit Owners. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing,

provided that such approval is delivered to the Secretary of the Association at or prior to the meeting.

- 7.2 By the Board. Except as elsewhere provided herein or by the Act, the Board of Directors, upon the unanimous vote of all the directors, shall have the right, without the consent of the Unit Owners, to make the following amendments to this Declaration: (i) amendments made to conform to the requirements of any institutional First Mortgagee so that such mortgagee will make, insure, or guarantee first mortgage loans on the Units, (ii) amendments required by any governmental authority, or (iii) amendments made to conform with the provisions of this Declaration to any provisions of the Act or any rule promulgated thereunder, or any other applicable statute or regulation now or hereafter adopted or amended, provided however that no such amendment shall be effective to impose any additional liability or obligation on the Developer.
- 7.3 Material Amendments. No amendment shall change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to any Unit, or change the proportion or percentage by which the Owner of a Unit shares the Common Expenses and owns the Common Elements and Common Surplus (any such change or alteration being a “Material Amendment”), unless the record Owner(s) thereof, and all record owners of mortgages or other liens thereof, join in the execution of the amendment, and unless the record owners of all other Units approve the Amendment.
- 7.4 Material Alterations or Substantial Additions. The Association shall not make any material alterations or substantial additions to the Common Elements or to real property which is Association Property, without the approval of a majority of the voting interests of the Unit Owners.
- 7.5 Mortgagee’s Consent. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to mortgagees of Units without the consent of 66.67% of such mortgagees in each instance. Except as specifically provided herein or if required by FNMA or FHLMC, the consent and/or joinder of any lien or mortgage holder on a Unit shall not be required for the adoption of an amendment to this Declaration and, whenever the consent or joinder of a lien or mortgage holder is required, such consent or joinder shall not be unreasonably withheld.
- 7.6 Southwest Florida Water Management District Consent. Any amendment which alters any provision relating to the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Elements, must have the prior written approval of the Southwest Florida Water management District.

The Southwest Florida Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration

which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

7.7 By the Developer. Notwithstanding anything herein contained to the contrary, as long as the Developer owns any portion of the Condominium Property, this Declaration, the Articles of Incorporation or the By-Laws may be amended by the Developer alone, without requiring the consent of any other party, to effect any change whatsoever, except for an amendment, (i) to permit time-share estates (which must be approved, if at all by all Unit Owners and mortgagees on Units), or (ii) to effect a “Material Amendment” (as defined in Section 7.3 above) or (iii) to effect changes or amendments prohibited to be made by the Developer or by the Association pursuant to the Act. No amendment to this Declaration, the Articles or the By-Laws may be adopted which would eliminate, modify, alter, prejudice abridge or otherwise adversely affect, in any manner, any rights, benefits, privileges or priorities granted or reserved to the Developer, without the prior written consent of the Developer in each instance.

7.8 Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to the Act or this Declaration, shall be evidenced by a certificate of the Association, executed either by the President of the Association or a majority of the members of the Board of Directors, which shall include recording information identifying this Declaration and shall be executed with the same formalities required for the execution of a deed. An amendment of this Declaration is effective when the applicable certificate is properly recorded in the public records of Osceola County. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended, new words inserted in the text shall be underlined, and deleted words shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language. “Substantial rewording of Declaration. See provision for present text.” Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise property adopted amendment.

8. Maintenance and Repairs.

8.1 Units and Limited Common Elements. The following shall be performed by the Unit Owner at the Unit Owner’s sole cost and expense, except as otherwise expressly provided to the contrary herein, all maintenance, repairs and replacements of, in or to any Unit and Limited Common Elements appurtenant thereto, whether structural or nonstructural, ordinary or extraordinary, including, without limitation, maintenance, repair and replacement of windows, the entrance door and all other doors within or affording access to a Unit (except for the exterior portions of doors facing interior Common Element hallways) and the

electrical (including wiring), plumbing (including fixtures and connections), heating and air-conditioning equipment, fixtures and outlets, appliances, carpets and other floor coverings, all interior surfaces and the entire interior of the Unit lying within the boundaries of the Unit or the Limited Common Elements or other property belonging to the Unit Owner.

- 8.2 Common Elements. Except to the extent (i) expressly provided to the contrary herein, (i.e., as to Limited Common Elements) or (ii) proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements (other than Limited Common elements as provided above) shall be performed by the Association and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense, except to the extent arising from or necessitated by the negligence, misuse or neglect of specific Unit Owners, in which case such cost and expense shall be paid solely by such Unit Owners.
- 8.3 Specific Unit Owner Responsibility. The obligation to maintain and repair the following specific items shall be the responsibility of the Unit Owners individually, and not the Association, without regard to whether such items are included within the boundaries of the Units or are Limited Common Elements where a Limited Common Element consists of a balcony or terrace the Unit Owner who has the right to the exclusive use of said balcony or terrace and shall be responsible for the maintenance, care and preservation of the surfaces of the walls, floors and ceilings within said areas, if any, and the fixed and/or sliding glass door(s) in the entrance way(s) or other portions of said area, if any, and the wiring, electrical outlet(s) and fixture(s) thereon, if any and the replacement of light bulbs, if any.
- 8.4 No Unit Owner shall operate, maintain, repair or replace any portion of the Condominium Property to be operated, maintained, repaired and/or replaced by the Association, or the Association Property, without first obtaining written approval from the Association. Each Unit Owner shall promptly report to the Association or any applicable management company any defects or need for repairs, maintenance, or replacements, the responsibility for which is that of the Association.
- 8.5 Whenever it is necessary to enter any Unit for the purpose of performing any maintenance, repair or replacement of any Common Elements or any other Unit, or for making emergency repairs necessary to prevent damage to any Common Elements or to any other Unit, the owner of the Unit shall permit the Association entry, provided that such entry may be made only at reasonable times and with reasonable advance notice, except that in the case of an emergency no advance notice will be required. Any damage resulting from any such entry shall be a Common Expense, except where such entry is required in order to repair a Unit, in which event the Unit Owner will be responsible for such damage. To facilitate entry in the event of any emergency, the owner of each Unit shall be required to deposit a key to such Unit with the Association.

- 8.6 Each Unit Owner and resident shall be liable for any damage to the Common Elements, or any Limited Common Elements, or any other Unit, caused by the Unit Owner or by any resident of his Unit, or by any guest or invitee thereof, or caused by fire, leaking water, or other cause emanating from the Unit Owner's Unit, to the extent the cost of repairing any such damage is not paid by insurance obtained by the Association. Any maintenance, repair or replacement which was necessitated by the failure of a Unit Owner or by any of its family, tenants, guests or invitees, to abide by their obligations hereunder, or was caused by the willful or negligent act of a Unit Owner, its family, tenants, guests or invitees, shall be effected by the Association at said Unit Owner's sole expense and a Special Charge therefor shall be made against its Unit, and (b) if the Association determines the Unit Owner has failed to abide by its obligations hereunder and to the extent necessary to prevent damage to the Common Elements or to any Unit, the Association may, but shall not be obligated to, perform any maintenance, repair or replacement to any portions of a Unit or the Improvements thereon for which the Unit Owner is responsible, at said Unit Owner's sole expense, and a Special Charge therefor shall be made against such Unit.
- 8.7 Common Elements and Association Property. Except to the extent (i) expressly provided to the contrary herein, or (ii) where proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements (other than those Limited Common Elements to be maintained by the Unit Owners as provided above) and Association Property shall be performed by the Association and the cost and expense thereof shall be assessed to all Unit Owners as a Common Expense, except to the extent arising from or necessitated by the negligence, misuse or neglect of specific Unit Owners, in which case such cost and expense shall be a special charge against such units pursuant to Section 14.2(a). No Unit Owner shall operate, maintain, repair or replace any portion of the Condominium Property to be operated, maintained, repaired and/or replaced by the Association, or the Association Property, without first obtaining written approval from the Association. Each Unit Owner shall promptly report to the Association, or to any applicable management company, any defects or need for repair, maintenance, or replacements, the responsibility for which is that of the Association.
- 8.8 Exception for Casualty Damage. Notwithstanding anything in this Section 8 to the contrary, in the event any portion of a Unit, Limited Common Element or Common Element required to be maintained by the Association is damaged or destroyed by fire, hurricane or other casualty covered by property insurance which the applicable Unit Owner maintains and which actually covers such damage or destruction, the Association may require the Unit Owner to be responsible for payment of the costs incurred by the Association in repairing and restoring any such damage.
9. Additions, Improvements or Alterations by the Association. Whenever in the judgment of the Board of Directors the Common Elements, the Association Property, or any part of either, shall require capital additions, alterations or improvements (as distinguished from

repairs and replacements) costing in excess of \$100,000 in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements to such Common Elements or Association Property shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners as Common Expenses. For purposes of this section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to perform the above-stated purposes, regardless of whether the repayment of any part of that debt is required to be made beyond that year.

The Association may condition any such proposed improvement upon, among other things, (i) a reasonable damage deposit being posted with the Association, by the party authorizing work to be done, for protection against damage which may result to the Common Elements or other Units, and/or (ii) a certificate of liability and worker's compensation insurance being provided to the Association, naming the Association as an insured thereunder, as to each party to perform such work.

10. Additions, Alterations or Improvements by Unit Owners.

10.1 Consent of the Board of Directors. No Unit Owner shall make any addition alteration or improvement in or to his Unit or to any Limited Common Element, the Common Elements or the Association Property, which alters the exterior appearance thereof, which could in any way affect the structural, electrical, plumbing or mechanical systems of the Building, or which otherwise requires the approval of the Association pursuant to Section 18 of this Declaration, without the prior written consent of the Board of Directors. The Board shall have the obligation to answer any written request by a Unit Owner for approval of any such addition, alteration or improvement within thirty (30) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The proposed additions, alterations and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. Once approved by the Board of Directors, such approval may not be revoked. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, the Board of Directors, or any officer, agent or Committee thereof, the Developer and all other Unit Owners, harmless from and to indemnify them for, any liability or damage to the Condominium Property and expenses arising therefrom.

Without limiting the generality of the foregoing, any Unit Owner proposing to install a similar improvement within his Unit or the Limited Common Elements shall, if required by the Board of Directors, submit to it a summary of the liability

insurance coverage to be obtained for such improvement. From and after the time the installation of the improvement is commenced, and if required by the Board of Directors, the Unit Owner and his heirs, successors and assigns shall at all times maintain such insurance coverage under the same terms and in the same amounts as those originally approved by the Board of Directors. Without limiting the generality of Section 12.2 hereof, neither the Association, the Board of Directors, any Committee, member, director, officer, agent or employee thereof, the Developer or manager nor any of their respective directors, officers Committees, employees, contractors, agents or affiliates, shall be liable for any injury or damage caused by any defects, unsafe conditions or other matters arising from the use (be it authorized or unauthorized) of the aforesaid improvements, notwithstanding any approvals given by any of the aforesaid parties as to the installation of such improvements. In the event that the foregoing sentence is ultimately held to be unenforceable or otherwise not effective, the Unit Owner, his lessees and/or successors in title shall indemnify and hold harmless the Association, its Board of Directors, and the Developer, and all of their respective directors, committee members, officers employees, contractors, agents and affiliates, for and from all manners of action, claims, judgments, and other liabilities in any way whatsoever connected with any such improvements contemplated herein. The foregoing insurance and indemnity provisions shall also apply to each Owner and occupant of the applicable Unit other than the Developer even if any such improvement is installed by the Developer.

- 10.2 Improvements, Additions or Alterations by Developer. The foregoing restrictions of this Section 10 shall not apply to Developer-owned Units. The Developer shall have the additional right, without the consent or approval of the Board of Directors or other Unit Owners, to make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon any Unit owned by it and Limited Common Elements appurtenant thereto (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the improvements). Any amendment to this Declaration required by a change made by the Developer pursuant to this Section 10.2 shall be adopted in accordance with Section 17.7 and Section 11 of this Declaration.
11. Changes in Developer-Owned Units. Without limiting the generality of the provisions of Section 10.2 above, the Developer shall have the absolute and unfettered right, without the vote or consent of the Association or Unit Owners, to (i) change the configuration or size of Developer-owned Units, including combining separate Developer-owned Units into a single Unit (although being kept as separate legal Units), or otherwise, (ii) reapportion among the Developer-owned Units affected by such change in size pursuant to the preceding clause their appurtenant interests in the Common Elements and share of the Common Surplus and Common Expenses provided, however that the percentage interest in the Common Elements and share of the Common Surplus and Common Expenses of any Units (other than the affected Developer-owned Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided further, that Developer shall comply with all laws, ordinances and regulations of

all governmental authorities having jurisdiction in so doing. In making the above alterations, additions and improvements, the Developer may relocate and alter Common Elements adjacent to or near such Units, incorporate portions of the Common Elements into adjacent Units and incorporate Units into adjacent Common Elements provided that such relocation and alteration does not materially adversely affect the market value or ordinary use of Units owned by Unit Owners other than the Developer, and (iii) relocate, alter or modify the appurtenances to the Unit, Common Elements adjacent to such Units, incorporate portions of the Common Elements into adjacent Units and incorporate Units into adjacent Common Elements, provided that any such change, relocation, alteration or modification does not materially alter, modify or change the size or configuration of the Unit or materially alter or modify the appurtenances to the Unit. If Developer combines any separate Developer-owned Units into a single Unit, the Association shall assess such Unit as a single Unit and the Unit Owner of such Unit shall have only one vote in the Association with respect to such Unit, notwithstanding the fact that such Unit may legally comprise more than one Unit. Any amendments to this Declaration required by changes of the Developer made pursuant to this Section 11, shall be effected by the Developer alone pursuant to Section 7.6. Without limiting the generality of Section 7.6 hereof, the provisions of this Section may not be added to, amended or deleted without the prior written consent of the Developer.

Without limiting the generality of the foregoing, the Developer shall have the power to combine two or more Units into one Unit, provided that no change in the Common Elements or change in the percentage ownership of the Common Elements as set forth in Exhibit "A" results therefrom. Following such a combination by the Developer, the combined Unit shall be designated by both/all of the Unit designation numbers which existed prior to the combination and shall be assessed as a single Unit for purposes of regular and special assessments, the amount of such assessments being equal to the sum of assessments as would previously have been attributable to the separate Units. The undivided percentage ownership of the Common Elements and percentage of the Common Expenses and Common Surplus attributable to such combined Unit shall be exactly equal to the sum of the undivided percentage ownership interests and percentage of the Common Expenses and Common Surplus of the previously separate Units. Such combination of multiple Units shall be subject to the express prior written approval of any parties holding liens or mortgages encumbering any involved Unit, whether or not such mortgage holder is an Institutional Mortgagee. The Developer shall record, at the Developer's expense, an amendment to this Declaration, which shall contain: (i) the legal description of the Units being combined; (ii) the name(s) of the Owner(s) owning each Unit; (iii) the new undivided percentage interests attributable to the combined Unit; and (v) the joinder of any mortgagee(s) holding mortgages encumbering any involved Building Units.

12. Operation of the Condominium by the Association.

12.1 Powers and Duties. The Association shall be the entity responsible for the operation of the Condominium and the Association Property. The powers and duties of the Association shall include those set forth in the Articles of Incorporation and the By-Laws, respectively (Exhibits "C" and "D" attached

hereto and by this reference incorporated herein), as amended from time to time. In addition, the Association shall have all the powers and duties set forth in the Act, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

- (a) The irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements, Limited Common Elements or any portions of a Unit to be maintained by the Association, or at any time and by force, if necessary, to prevent damage or to make emergency repairs to the Common Elements, the Association Property or to a Unit or Units.
- (b) The power to make and collect Assessments, Charges and other levies against Unit Owners and to require, administer, lease, maintain, repair and replace the Common Elements and Association Property. Assessments shall also be used for the maintenance and repair of the Surface Water or Stormwater Management System, including but not limited to work within retention areas, drainage structures and drainage easements.
- (c) The duty to maintain accounting records pursuant to accepted accounting practices, which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times upon prior request.
- (d) The duty to maintain, operate and repair the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the Southwest Florida Water Management District. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or, if modified, as approved in writing by the Southwest Florida Water Management District.
- (e) The power to contract for the management and maintenance of the Condominium Property and to authorize a management agent (who may or may not be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments and Charges, preparation of records, enforcement of rules and maintenance, repair and replacement of Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in this Declaration, the Articles, By-laws, rules and regulations and the Act, including, but not limited to, the making of Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

- (f) Subject to the provisions of Section 9, the power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, if any, provided that such actions are approved by a majority of the entire membership of the Board of Directors and a majority of the Units represented at a meeting at which a quorum has been attained, or by such greater percentage of the Board or Unit Owners as may be specified in the By-Laws with respect to certain borrowing, provided that no such action shall be permitted while the Developer owns any Unit without the prior written consent of the Developer.
- (g) The power to adopt and amend rules and regulations concerning the details of the operation and use of the Condominium Property.
- (h) The power to acquire, convey, lease and encumber real and personal property. Personal property shall be acquired, conveyed, leased or encumbered upon a majority vote of the Board of Directors, subject to Section 9 hereof. Real property shall be acquired upon a majority vote of the Board of Directors provided that the requirements of Section 9 pertaining to the Unit Owners' approval of costs in excess of the threshold amount stated therein (including the proviso regarding the debt incurred) shall also apply to the acquisition of real property; provided, further, however, that the acquisition of a Unit as a result of a foreclosure of the lien for Assessments or Charges (or by deed in lieu of foreclosure) shall be made upon the majority vote of the Board, regardless of the price for same and the Association, through its Board, has the power to hold, lease, mortgage or convey the acquired Unit without requiring the consent of Unit Owners.
- (i) All of the powers which a corporation not for profit in the State of Florida may exercise pursuant to this Declaration, the Articles of Incorporation, the By-Laws, Chapters 607 and 617, Florida Statutes and the Act, in all cases except as may be expressly limited or restricted therein.

In the event of conflict among the powers and duties of the Association or the terms and provisions of this Declaration, this Declaration shall take precedence over the Articles of Incorporation, By-Laws and applicable rules and regulations, all as amended from time to time. Notwithstanding anything in this Declaration to the contrary, the Association shall at all times be the entity having ultimate control over the Condominium, consistent with the Act.

12.2 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair required hereunder, caused by any latent condition of the Condominium Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship

or any other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Unit Owners regardless of whether or not same shall have been approved by the Association pursuant to Section 10.1 hereof. The Association's rights of review and approval of plans and other submissions under this Declaration are intended solely for the benefit of the Association. Neither the Association nor any of its officers, directors, committees, employees, agents, contractors, consultants or attorneys shall be liable to any Owner or any other person by reason of mistake in judgment, failure to point out or correct deficiencies in any plans or other submissions, negligence or any other misfeasance, malfeasance or non-feasance arising out of or in connection with the approval or disapproval of any plans or submissions. Anyone submitting plans hereunder, by the submission of same, and any Owner, by acquiring title to his Unit, agrees not to seek damages from the Association arising out of the Association's review of any plans hereunder. Without limiting the generality of the foregoing, the Association shall not be responsible for reviewing (nor shall its review of any plans be deemed approval of) any plans from the standpoint of structural safety, soundness, workmanship, materials, usefulness, conformity with building or other codes or industry standards or compliance with governmental requirements. Further, each Owner (including the successors and assigns) agrees to indemnify and hold the Association harmless from and against any and all costs, claims (whether rightfully or wrongfully asserted), damages, expenses and liabilities whatsoever (including, without limitation, reasonable attorneys' fees and court costs at all trial and appellate levels), arising out of any review of plans by the Association hereunder. The Association also shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where (i) such insurance is not required hereby; or (ii) the Association could not obtain such insurance at reasonable costs or upon reasonable terms.

- 12.3 Restraint Upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit.
- 12.4 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required as to any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of all record Owners of the Unit is specifically required by this Declaration, the Articles, the By-Laws or under applicable law.
- 12.5 Acts of the Association. Unless the approval or action of Unit Owners, and/or a certain specific percentage of the Board of Directors, is specifically required in this Declaration, the Articles or By-Laws, applicable rules and regulations or applicable law, all approvals or actions permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent

of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

12.6 Effect on Developer. Notwithstanding anything herein to the contrary, if the Developer holds one or more Units for sale in the ordinary course of business, none of the following actions may be taken without the prior written approval of Developer.

- (a) Assessment of the Developer as a Unit Owner for capital improvements, or for transitional engineers or attorneys or for legal expenses incurred in any action brought by the Association against the Developer or any affiliate of the Developer.
- (b) Any action by the Association that would, in the Developer's sole and exclusive opinion, be detrimental to the construction, marketing, decorating or sale of Units by the Developer, provided, however, that an increase in Assessments for Common Expenses without discrimination against the Developer shall not be deemed to be detrimental to the sale of Units.

13. Determination of Common Expenses and Fixing of Assessments Therefor. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Assessments payable by the Unit Owners to meet the Common Expenses and allocate and assess such expenses among the Unit Owners in accordance with the provisions of this Declaration and the By-laws. The Board of Directors shall advise all Unit Owners promptly in writing of the amount of the Assessments payable by each of them as determined by the Board of Directors as aforesaid and shall furnish copies of the budget, adopted from time to time on which such Assessments are based, to all Unit Owners and (if requested in writing) to their respective mortgagees. The Common Expenses shall include the expenses of and reserves for (if and to the extent required by, and not waived in accordance with, applicable law or established by the Association), the operation, maintenance, repair and replacement of the Condominium Property and/or Association Property, costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Act, this Declaration, the Articles or By-Laws, applicable rules and regulations or by the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall designate, subject to change, to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of this Declaration and the By-Laws.

14. Collection of Assessments.

14.1 Liability for Assessments and Charges. A Unit Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the Unit Owner. The grantee shall be jointly and severally liable with the grantor for all unpaid Assessments and Charges against the grantor for his share of the Common Expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor any amounts paid by the grantee. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

14.2 Special and Capital Improvement Assessments and Charges. In addition to Assessments levied by the Association to meet the Common Expenses of the Condominium and the Association, the Board of Directors may levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

(a) "Special Assessments" shall mean and refer to a charge against each Owner and his Unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements or representing funds otherwise required by the Association and not produced by the regular Assessments received by the Owners. "Special Charges" shall be charges for expenses charged against one or more Owners.

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

14.3 Default in Payment of Assessments for Common Expenses and Charges. Assessments and Charges, and installments thereof, not paid within ten (10) days from the first day of the period in which they become due shall bear interest at the rate of eighteen percent (18%) per annum, or the highest rate permitted by law, whichever is less. The Association may also charge an administrative late fee, in addition to such interest, in an amount of twenty-five dollars (\$25.00) or the highest amount provided for in the Act (as it may be amended from time to time), whichever is greater. The Association has a lien on each Condominium Parcel to secure the payment of Assessments and Charges thereon, together with interest and reasonable attorney’s fees and costs incurred by the Association incident to the collection of the Assessments or Charges or enforcement of the lien. Except as otherwise provided in the Act, and as set forth below, the lien for Assessments is effective from, and shall relate back to the recording of this Declaration. However, as to first mortgages of record, the lien for Assessments is effective from and after recording of a claim of lien in the Public Records of Osceola County, Florida. The lien for Charges does not arise pursuant to the Act and is effective only from and after recording of a claim of lien. The lien shall be evidenced by the recording of a claim of lien in the Public Records of the County, stating the description of the Condominium Parcel, the name of the record Unit Owner, the name and address of the Association, the amount due and the due dates, and shall be executed and acknowledged by an officer or authorized agent of the Association. The claim of lien shall not be released until all sums secured by it (or such other amounts as to which the Association shall agree by way of settlement) have been fully paid or until it is barred by law. No such lien shall be effective longer than one (1) year after the claim of lien was recorded unless within that time an action to enforce the lien is commenced. The one year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the Unit Owner or any other person claiming an interest in the Unit. The claim of lien shall secure (whether or not slated therein) all unpaid Assessments, Charges, interest thereon, if permitted under applicable law, and costs and attorneys’ fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorneys’ fees incurred by the Association incident to the collection process. A claim of lien shall be signed and acknowledged by an officer or agent of the Association. Upon payment, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association may bring an action in its name to foreclose a lien for unpaid Assessments or Charges in the manner a mortgage on real property

is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments and Charges without waiving any claim of lien.

Additionally, each Owner of any Unit by acceptance of a deed therefor or any other conveyance thereof, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to have assigned all rents, issues and profits (the "Collateral Assignment of Rents") on each such Unit to the Association, which Collateral Assignment of Rents shall become absolute upon any default of such Unit Owner hereunder.

As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after thirty (30) days' prior written notice to the applicable Unit Owner and the recording of a claim of lien, the Association may declare the remaining Assessment installments for the remainder of the budget year in which the claim of lien was filed to be accelerated and immediately due and payable. In the event that the amount of such installments changes during the remainder of the budget year, the Unit Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within ten (10) days of same taking effect.

- 14.4 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments or Charges. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments or Charges, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorneys' fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorneys' fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act.
- 14.5 Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit after a foreclosure judgment has been entered, the court in its discretion may require the Unit Owner to pay a reasonable rental for the Unit. If the Unit is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent. The expense of such receiver shall be paid by the party which does not prevail in the foreclosure action.
- 14.6 First Mortgagees. Any first mortgagee or its successors or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure is liable for the

unpaid Assessments and Charges that become due prior to the mortgagee's acquisition of title. Notwithstanding the foregoing or anything else herein to the contrary, in no event shall the first mortgagee be liable for more than the Unit's unpaid Assessments which accrued or come due during the six (6) months immediately preceding the acquisition of title to the Unit by the first mortgagee, and for which payment in full has not been received by the Association, or by one percent (1%) of the original mortgage debt, whichever amount is less. The provisions of this paragraph shall not apply unless the first mortgagee joins the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee. The person acquiring title shall pay the amount owed to the Association within thirty (30) days after the transfer of title. Failure to pay the amount owed to the Association when due shall entitle the Association to record a claim of lien against the Unit and proceed in the same manner as provided in this Section for unpaid assessments. The foregoing limitation of liability shall apply to any purchase at a foreclosure sale of a first mortgage regardless of whether the purchaser is the holder of the foreclosed mortgage. A first mortgagee acquiring title to a Unit as a result of foreclosure or deed in lieu thereof may not, during the period of ownership of such Unit, whether or not such Unit is unoccupied, be excused from the payment of some or all of the Assessments coming due during the period of such ownership.

- 14.7 Certificate of Unpaid Assessments. Within fifteen (15) days after request by a Unit Owner or mortgagee of a Unit, the Association shall provide a certificate stating whether all Assessments, Charges and other monies owed to the Association by the Unit Owner with respect to his Unit have been paid. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby.
- 14.8 Installments. Regular Assessments shall be collected monthly or quarterly, in advance, at the option of the Association. Initially, Assessments will be collected monthly.
- 14.9 Application of Payments. Any payments received by the Association from a delinquent Unit Owner shall be applied first to any interest accrued on the delinquent installment(s), as aforesaid, then to any administrative late fee(s), then to any costs and reasonable attorneys' fees incurred in collection, then to the delinquent Charges and then to delinquent Assessments and to any accelerated Assessments. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment.
15. Insurance. Insurance covering the Condominium Property shall be governed by the following provisions.
 - 15.1 Purchase Custody and Payment.

- (a) Purchase. All insurance policies described herein covering portions of the Condominium Property shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida.
- (b) Approval. Each insurance policy, the agency and company issuing the policy and the Insurance Trustee (if appointed) hereinafter described shall be subject to the approval of the Primary Institutional First Mortgagee in the first instance, if requested thereby.
- (c) Named Insured. The named insured shall be the Association, individually, and as agent for the Unit Owners covered by the policy, without naming them, and as agent for their mortgagees, without naming them. In addition, to the extent economically reasonable, the Association may seek to have any management company engaged to operate the Condominium Property named as an additional insured under such insurance policies obtained by the Association as the Association may reasonably deem appropriate. The Unit Owners and their mortgagees shall be deemed additional insureds.
- (d) Custody of Policies and Payment of Proceeds. All policies shall provide that payments for losses made by the insurer shall be paid to the Insurance Trustee (if appointed), and all policies and endorsements thereto shall be deposited with the Insurance Trustee (if appointed).
- (e) Copies to Mortgagees. One copy of each insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Institutional First Mortgagee who holds a mortgage upon a Unit covered by the policy. Copies or certificates shall be furnished not less than ten (10) days prior to the beginning of the term of the policy, or not less than ten (10) days prior to the expiration of each preceding policy that is being renewed or replaced, as appropriate.
- (f) Personal Property and Liability. Except as specifically provided herein or by the Act, the Association shall not be responsible to Unit Owners to obtain insurance coverage upon the property lying within the boundaries of their Unit, including, but not limited to, their personal property, or for their personal liability and living expenses and for any other risks not otherwise insured in accordance herewith.

15.2 Coverage. The Association shall use its best efforts to maintain insurance covering the following:

- (a) Casualty. The Condominium Property and all Association Property shall be insured in an amount not less than 100% of the full insurable replacement value thereof, excluding foundation and excavation costs. Such policy shall cover, among other things, all Common Elements and all of the Units within the Condominium including, but not limited to,

partition walls, doors, windows, and stairways. Such policy shall not include hurricane shutters, unit floor coverings, wall coverings, ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, built-in cabinets or personal property. Such policy may also exclude any other property permitted to be excluded from the Condominium's insurance policy pursuant to the Act, as amended from time to time and may contain reasonable deductible provisions as determined by the Board of Directors. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Condominium in construction, location and use, including, but not limited to, vandalism and malicious mischief.

- (b) Liability. Comprehensive general public liability and automobile liability insurance, if applicable covering loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters or things related to the Insured Property, with such coverage as shall be required by the Board of Directors of the Association, but with combined single limit liability of not less than \$1,000,000 for each accident or occurrence, \$100,000 per person and \$50,000 property damage, and with a cross liability endorsement to cover liabilities of the Unit Owners as a group to any Unit Owner, and vice versa. The Association may also obtain and maintain liability insurance for its directors and officers and for the benefit of the Association's employees.
- (c) Workers' Compensation and other mandatory insurance, when applicable.
- (d) Flood Insurance covering the Common Elements, Association Property and Units if required by the Primary Institutional First Mortgagee or FNMA/FHLMC, or if the Association so elects.
- (e) Fidelity Insurance or fidelity bonding, covering all persons who control or disburse Association funds, and the president, secretary and treasurer of the Association, such insurance or bonding to be paid for by the Association and to be in an amount not less than the greater of (i) the maximum funds that will be in the custody of the Association or its management agent at any onetime or (ii) such amounts as may be required, from time to time, under the Act.
- (f) Association Property. Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available.

- (g) Such Other Insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

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

Every casualty insurance policy obtained by the Association, if required by FNMA/FHLMC, shall have the following endorsements: (i) agreed amount and inflation guard, and (ii) steam boiler coverage (providing at least \$50,000 coverage for each accident at each location), if applicable.

- 15.3 Additional Provisions. All policies of insurance shall provide that such policies may not be canceled or substantially modified without endeavoring to provide at least thirty (30) days' prior written notice to all of the named insureds, including all mortgagees of Units. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Insured Property (exclusive of foundations), without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section.
- 15.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the costs of fidelity bonding for any management company employee may be paid by such company pursuant to its contract with the Association. Premiums may be financed in such a manner as the Board of Directors deems appropriate.
- 15.5 Insurance Trustee, Share of Proceeds. All insurance policies obtained by or on behalf of the Association shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee which may, but need not, be designated by the Board of Directors and which, if so appointed, shall be a bank or trust company in Florida with trust powers, with its principal place of business in the State of Florida. References herein to the Insurance Trustee shall be deemed to apply to the Board of Directors if it fails, or determines not to appoint an Insurance Trustee as provided in Section 15.10 below. The Insurance Trustee shall not be liable for payment of premiums,

nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees in the following shares, but shares need not be set forth on the records of the Insurance Trustee.

- (a) Insured Property. Proceeds on account of damage to the Insured Property shall be held in undivided shares for each Unit Owner, such shares being the same as the undivided shares in the Common Elements appurtenant to each Unit, provided that if the Insured Property so damaged includes property lying within the boundaries of specific Units, that portion of the proceeds allocable to such property shall be held as if that portion of the Insured Property were Optional Property as described in paragraph (b) below.
- (b) Optional Property. Proceeds on account of damage solely to Units and/or certain portions or all of the contents thereof not included in the Insured Property (all as determined by the Association in its sole discretion) (collectively the “Optional Property”), if any, is collected by reason of optional insurance which the Association elects to carry thereon (as contemplated herein), shall be held for the benefit of Owners of Units or other portions of the Optional Property damaged in proportion to the cost of repairing the damage suffered by each such affected Owner, which cost and allocation shall be determined in the sole discretion of the Association.
- (c) Mortgagees. No mortgagee shall have any right to determine or to participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Unit Owner and mortgagee pursuant to the provisions of this Declaration.

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

- (a) Expenses of the Trust. All expenses of the Insurance Trustee shall be first paid or provision shall be made therefor.
- (b) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to Unit Owners and their mortgagees being payable jointly to them.

- (c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated among the beneficial owners as provided in Section 15.5 above, and distributed first, to all Institutional First Mortgagees in an amount sufficient to pay off their mortgages, second, to the Association for any due and unpaid Assessments or Charges, and third, the balance, if any, to the beneficial owners.
 - (d) Certificate. In making distributions to Unit Owners and their mortgagees, the Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their mortgagees and their respective shares of the distribution.
- 15.7 Association as Agent. The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.
- 15.8 Unit Owners' Personal Coverage. Unless the Association elects otherwise, the insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within his Unit, or casualty or theft loss to the contents of an Owner's Unit. It shall be the obligation of the individual Unit Owner, if such Owner so desires, to purchase and pay for all insurance as to all such risks and as to any other risks not covered by insurance carried by the Association, including insurance for personal belongings located on Limited Common Elements.
- 15.9 Benefit of Mortgagees. Certain provisions in this Section 15 entitled "Insurance" are for the benefit of mortgagees of Units and may be enforced by such mortgagees.
- 15.10 Appointment of Insurance Trustee. The Board of Directors shall have the option in its discretion of appointing an Insurance Trustee hereunder. If the Association fails or elects not to appoint an Insurance Trustee, the Association will perform directly all obligations imposed upon the Insurance Trustee by this Declaration Fees and expenses of any Insurance Trustee are Common Expenses.
- 15.11 Presumption as to Damaged Property. In the event of a dispute or lack of certainty as to whether damaged property constitutes a Unit(s), Limited Common Elements or Common Elements, such property shall be presumed to be Common Elements.

16. Reconstruction or Repair After Fire or Other Casualty.

16.1 Determination to Reconstruct or Repair. Subject to the immediately following paragraph, in the event of damage to or destruction of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the Insured Property (and the Optional Property, if insurance has been obtained by the Association with respect thereto) and the Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If 75% or more of the Insured Property (and the Optional Property if insurance has been obtained by the Association with respect thereto) is substantially damaged and if Unit Owners owning 80% of the applicable interests in the Common Elements duly and promptly resolve not to proceed with the repair or restoration thereof, and a Majority of Institutional First Mortgagees approve such resolution the Condominium Property will not be repaired and shall be subject to an action for partition instituted by the Association, any Unit Owner, mortgagee or lienor, as if the Condominium Property were owned in common, in which event the net proceeds of insurance resulting from such damage or destruction shall be first applied to demolish any remaining improvements, and shall thereafter be divided among all the Unit Owners in proportion to their respective interests in the Common Elements (with respect to proceeds held for damage to the Insured Property other than that portion of the Insured Property lying within the boundaries of the Unit), and among affected Unit Owners in proportion to the damage suffered by each such affected Unit Owner as determined in the sole discretion of the Association (with respect to proceeds held for damage to the Optional Property, if any, and/or that portion of the Insured Property lying within the boundaries of the Unit), provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such fund all mortgages, liens and Assessments and Charges on his Unit in the order of priority of such mortgages, liens, Assessments and Charges.

Whenever in this Section the words “promptly repair” are used, it shall mean that repairs are to begin not more than sixty (60) days from the date the Insurance Trustee (if appointed) or the Association notifies the Board of Directors and Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the Insurance Trustee (if appointed) or the Association notifies the Board of Directors and the Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work, provided however, that the Board may, in its sole discretion, grant written extensions for such periods as the Board determines. The Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

- 16.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original improvements and then applicable building and other codes, or if not, then in accordance with the plans and specifications approved by the Board of Directors or the Association and then applicable building and other codes, and, if the damaged property which is to be altered is the Optional Property, by the Owners of not less than 80% of the applicable interests in the Common Elements, as well as the Owners of all Units and other portions of the Optional Property (and their respective mortgagees) the plans for which are to be altered.
- 16.3 Special Responsibility. If the damage is only to those parts of the Optional Property for which the responsibility of maintenance and repair is that of the respective Unit Owners then the Unit Owners shall be responsible for all necessary reconstruction and repair, which shall be effected promptly and in accordance with guidelines established by the Board of Directors (unless insurance proceeds are held by the Association with respect thereto by reason of the purchase of optional insurance thereon, in which case the Association shall have the responsibility to reconstruct and repair the damaged Optional Property, provided the respective Unit Owners shall be individually responsible for any amount by which the cost of such repair or reconstruction exceeds the insurance proceeds held for such repair or reconstruction on a Unit by Unit basis, as determined in the sole discretion of the Association) in all other instances, the responsibility for all necessary reconstruction and repair shall be that of the Association.
- (a) Disbursement. The proceeds of insurance collected on account of a casualty, and the sums collected from Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order.
- (i) Association - Lesser Damage. If the amount of the estimated cost of reconstruction and repair which are the responsibility of the Association is less than \$100,000, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors, provided, however, that upon request to the insurance Trustee (if appointed) by an institutional First Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided below for the reconstruction and repair of major damage.
- (ii) Association - Major Damage. If the amount of the estimated cost of reconstruction and repair which are the responsibility of the Association is more than \$100,000, then the construction fund shall be disbursed in payment of such costs in the manner contemplated by subparagraph (i) above, but then only upon the

further approval of an architect or engineer qualified to practice in Florida and employed by the Association to supervise the work.

- (iii) Unit Owners. If there is a balance of insurance proceeds after payment of all costs of reconstruction and repair that are the responsibility of the Association this balance may be used by the Association to effect repairs to the Optional Property (if not insured or if under-insured), or may be distributed to Owners of the Optional Property who have the responsibility for reconstruction and repair thereof. The distribution shall be in the proportion that the estimated cost of reconstruction and repair of such damage to each affected Unit bears to the total of such estimated costs to all affected Unit Owners, as determined by the Board, provided, however, that no Unit Owner shall be paid an amount in excess of the estimated costs of repair for his portion of the Optional Property. All proceeds must be used to effect repairs to the Optional Property and if insufficient to complete such repairs, the Unit Owners shall pay the deficit with respect to their portion of the Optional Property and promptly effect the repairs. Any balance remaining after such repairs have been effected shall be distributed to the affected Unit Owners and their mortgagees jointly as elsewhere herein contemplated.
- (iv) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated, except, however, that part of the distribution to an Owner which is not in excess of Assessments and Charges paid by such Owner into the construction fund shall not be made payable jointly to any mortgagee.
- (v) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon Assessments and Charges shall be deposited by the Association with the Insurance Trustee, or to determine whether the disbursements from the construction fund are to be made upon the order of the Association alone or upon the additional approval of an architect, engineer or otherwise, or whether a disbursement is to be made from the construction fund, or to determine whether surplus funds to be distributed are less than the Assessments and Charges paid by Owners, or to determine the payees or the amounts to be paid. The Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums

to be paid are due and properly payable, and stating the names of the payees and the amounts to be paid.

- 16.4 Assessments and Charges. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessments or Charges shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments on account of damage to the insured Property shall be in proportion to all of the Owners' respective shares in the Common Elements and Charges on account of damage to the Optional Property, shall be in proportion to the cost of repairing the damage suffered by each Owner thereof, as determined by the Association.
- 16.5 Benefit of Mortgagees. Certain provisions in this Section 16 are for the benefit of mortgagees of Units and may be enforced by any of them.

17. Condemnation.

- 17.1 Deposit of Awards with Insurance Trustee. The taking of portions of the Condominium Property or Association Property by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Insurance Trustee. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Insurance Trustee, and in the event of a failure to do so, in the discretion of the Board of Directors, a Special Charge shall be made against a defaulting Unit Owner in the amount of his award, or the amount of such award shall be set off against any sums hereafter made payable to that Owner.
- 17.2 Determination Whether to Continue Condominium. Whether the Condominium will be continued after condemnation will be determined in the manner provided for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, a taking by eminent domain also shall be a casualty.
- 17.3 Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the awards and Special Assessments will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds, if the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of the awards and Special Assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursement of

funds by the Insurance Trustee (if appointed) after a casualty, or as elsewhere in this Section 17 specifically provided.

17.4 Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable (in the sole opinion of the Association), the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be made to the Condominium.

- (a) Restoration of Unit. The Unit shall be made habitable if the cost of the restoration exceeds the amount of the award, the additional funds required shall be charged against the Owner of the Unit.
- (b) Distribution of Surplus. The balance of the award with respect to the Unit, 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 Unit Owner and such mortgagees.
- (c) Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements and of the Common Expenses and Common Surplus appurtenant to the Unit shall be reduced by multiplying the percentage of the applicable Unit prior to reduction by a fraction, the numerator of which shall be the area in square feet of the Unit after the taking and the denominator of which shall be the area in square feet of the Unit before the taking. The shares of all Unit Owners in the Common Elements, Common Expenses and Common Surplus shall then be restated as follows:
 - (i) add the total of all percentages of all Units after reduction as aforesaid (the "Remaining Percentage Balance"), and
 - (ii) divide each percentage for each Unit after reduction as aforesaid by the Remaining Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

17.5 Unit Made Uninhabitable. If the taking is of the entire Unit or reduces the size of a Unit so that it cannot be made habitable (in the sole opinion of the Association), 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 made to the Condominium:

- (a) Payment of Award. The awards shall be paid first to the applicable Institutional First Mortgagees in amounts sufficient to pay off their mortgages in connection with each Unit which is not so habitable second, to the Association for any due and unpaid Charges and Assessments, third, jointly to the affected Unit Owners and other mortgagees of their Units. In no event shall the total of such distributions with respect to a specific Unit

exceed the market value of such Unit immediately prior to the taking. The balance, if any, shall be applied to repairing and replacing the Common Elements. Any awards attributable to more than one Unit shall be divided among the affected Unit Owners in proportion to the damage or impairment suffered by each such Unit Owner, as determined by the Association in its sole discretion.

- (b) Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the Unit Owners in the manner approved by the Board of Directors, provided that if the cost of the work therefor shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner elsewhere required for capital improvements to the Common Elements.
- (c) Adjustment of Shares. The shares in the Common Elements Common Expenses and Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, Common Expenses and Common Surplus among the reduced number of Unit Owners (and among reduced Units). This shall be effected by restating the shares of continuing Unit Owners as follows:
 - (i) add the total of all percentages of all Units of continuing Unit Owners prior to this adjustment, but after any adjustments made necessary by subsection 17.4(c) hereof (the "Percentage Balance"), and
 - (ii) divide the percentage of each Unit of a continuing Unit Owner prior to this adjustment, but after any adjustments made necessary by subsection 17.4(c) hereof, by the Percentage Balance.

The result of such division for each Unit shall be the adjusted percentage for such Unit.

- (d) Assessments. If the balance of the award (after payments to the Unit Owners and such Owner's mortgagees as above provided) for the taking is not sufficient to alter the remaining portion of the Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by Assessments against all of the Unit Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. The Assessments shall be made in proportion to the applicable percentage shares of those Unit Owners after all adjustments to such shares effected pursuant hereto by reason of the taking.
- (e) Arbitration. If the market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and mortgagees of the

Unit and the Association within 30 days after notice of a dispute by any affected party, such value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit. A judgment upon the decision rendered by the arbitrators may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code. The cost of arbitration proceedings shall be assessed against all Units Owners, including Owners who will not continue after the taking, in proportion to the applicable percentage shares of such Owners as they exist prior to the adjustments to such shares effected pursuant hereto by reason of taking.

- 17.6 Taking of Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors, provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Unit, the distribution shall be paid jointly to the Unit Owner and the mortgagees of the Unit.
- 17.7 Amendment of Declaration. The changes in Units, in the Common Elements and in the ownership of the Common Elements and shares in the Common Expenses and Common Surplus that are effected by the taking shall be evidenced by an amendment to this Declaration of Condominium that is only required to be approved by, and executed upon the direction of, a majority of the Board of Directors.
18. Occupancy and Use Restrictions. In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the Units, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions.
- 18.1 Leases/Rental. Leasing or rental of the Units shall not be subject to the prior written approval of the Association. The Units may be used for hotel condominium purposes. Regardless of whether expressed in the applicable lease or rental agreement, if any, a Unit Owner shall be jointly and severally liable to the Association for the acts and omissions of its tenant(s) and occupant(s) which constitute a violation of, or non-compliance with, the provisions of this Declaration and of any and all rules and regulations of the Association. All leases in excess of seven (7) months shall be in writing, in a standard form adopted by the Board, and shall provide that the Condominium Association shall have the right (i) to terminate the lease upon default by the tenant in observing any of the

provisions of the Declaration of Condominium, the Articles of Incorporation or By-Laws, the rules and regulations of the Association, or any other applicable provisions of any agreement, document or instrument governing the Condominium or administered by the Condominium Association, and (ii) to collect all rental payments due to the Owner and to apply same against unpaid Assessments if, and to the extent that, the Unit Owner is in default in the payment of Assessments.

When a Unit is leased or rented, the tenant or occupant shall have all of the Unit Owner's use rights to all Association Property, Common Elements, and the Owner of the leased or rented Unit shall not have such rights, except as a guest. Nothing herein shall interfere with the access rights of the Unit Owner as a landlord pursuant to Chapter 83, Florida Statutes.

18.2 Children. Children shall be permitted to reside in the Units.

18.3 Pets. Except as hereafter provided, no animals of any kind shall be raised, bred, or kept on any portion of the Condominium Property; provided however, that such restrictions shall not apply to animals kept on the Condominium Property pursuant to the Americans With Disabilities Act. There may not be more than ____ () household pets maintained within any Unit and the Limited Common Elements appurtenant thereto, to be limited to a dog or a cat, which shall not be kept, bred or maintained for any commercial purpose and shall not become a nuisance or annoyance to neighbors. Those pets which, in the sole discretion of the Association, endanger health, have the propensity for dangerous or vicious behavior (such as pit bulldogs or other similar breeds or mixed breeds), make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or to the owner of any other portion of the Condominium Property shall be removed upon request of the Board. In no event shall any pet, which when fully grown would exceed twenty (20) pounds, be kept on any portion of the Condominium Property. Unit Owners must pick up all solid wastes of their pets and dispose of such wastes appropriately. All pets (including cats) must be kept on a leash of a length that affords reasonable control over the pet at all times or must be carried, when outside the Unit. Pets shall be allowed in the service elevator only and shall under no circumstances be allowed in the main elevators. No pet may be kept on a balcony or terrace when its owner is not in the Unit. Without limiting the generality of Section 20 hereof, any violation of the provisions of this Section 18.3 shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners (as provided in any applicable rules and regulations) and/or to require any pet to be permanently removed from the Condominium Property.

18.4 Use of Common Elements and Association Property.

The Common Elements and Association Property shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the Units. The Common Elements

shall not be obstructed, littered, defaced, or misused in any manner. In no event shall any Unit Owner or occupant place, or permit the placement of any item which obstructs, or otherwise impedes access to, any portion of the Condominium Property which are either designated or used as delivery and receiving areas.

- 18.5 Nuisances. No portion of the Units, Limited Common Elements or Common Elements shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious or unsightly to the eye, nor shall any substance, thing, or material be kept on any portion of the Units or the Limited Common Elements appurtenant thereto that will emit foul or obnoxious odors or cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding properties. No noxious or offensive activity shall be carried on in any Units, Limited Common Elements, Common Elements or other portions of the Condominium Property, nor shall anything be done therein which may be or become an unreasonable annoyance or nuisance to any Owner. The Board of Directors shall have the right to determine if any equipment fixture, improvement materials or activity producing such noise or odor constitutes a nuisance. In particular, during the hours from 11:00 p.m. through 8:00 a.m. no Unit Owner shall play (or permit to be played in its Unit, or in the Limited Common Elements or Common Elements) any musical instrument, phonograph, television, radio or the like in a way that unreasonably disturbs or annoys other Unit Owners or occupants. Additionally, there shall not be maintained therein any plants, animals, devices or things of any sort whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature that may diminish or destroy the enjoyment of the Units, or any other portions of the Condominium Property. No outside burning of wood, leaves, trash, garbage, or household refuse shall be permitted within the Condominium Property. No activity specifically permitted by this Declaration shall be deemed a nuisance.
- 18.6 Outside Items. No rubbish, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Condominium Property, except within designated trash receptacles. No linens, clothing, household fabrics, curtains, rugs, or laundry of any kind shall be hung, shaken, dried or aired from any windows, doors, balconies, terraces or other portions of the Condominium Property. No articles shall be placed on balconies, patios or similar areas. The foregoing shall not prevent placing and using patio-type furniture, planters and other items in such areas if the same are normally and customarily used for a residential balcony, patio or terrace area. In the event of any doubt or dispute as to whether a particular item is permitted hereunder, the decision of the Board of Directors shall be final and dispositive.
- 18.7 Firearms. The discharge of firearms within the Condominium is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

- 18.8 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction there over shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Condominium Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles of Incorporation or the By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Section 18.8. No activity specifically permitted by this Declaration shall be deemed to be a violation of this Section.
- 18.9 Alterations. Without limiting the generality of Section 10.1 hereof, but subject to the provisions of Section 12 hereof, no Unit Owner shall cause or allow improvements or changes to his Unit, or to any Limited Common Elements, Common Elements, or Association Property, which alters the exterior appearance thereof, or which could in any way affect the structural, electrical, plumbing or mechanical systems of the Building without obtaining the prior written consent of the Association (in the manner specified in Section 10.1 hereof). No spas, hot tubs, whirlpools or similar improvements shall be permitted on any patio or balcony.
- 18.10 Floor Coverings. Hard and/or heavy surface floor coverings in any area of a Unit, including, without limitation, tile, marble or wood may not be installed in any part of a Unit, without the prior written consent of the Association (in the manner specified in Section 10.1 hereof) except for in kitchen and bathroom areas which have not been relocated or expanded to areas above the living rooms or bedrooms in the Units below, based upon the locations shown in the Developer's as-built plans for the Units on file with the applicable governmental authority. The Association shall not approve the installation of hard and/or heavy surface floor coverings (for which approval is required) unless the aggregate sound isolation and acoustical treatment carries a minimum Sound Transmission Classification (STC) of 50 and a minimum Impact Isolation Classification (IIC) of 48. The installation of the foregoing materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials for any ridged part of the building structure, whether of the concrete sub-floor (vertical transmission) or adjacent walls and fittings (horizontal transmission). Notwithstanding the foregoing, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Section 18.10.
- 18.11 Exterior Improvements. Without limiting the generality of Section 10.1 or 18.9 hereof, but subject to the provisions of this Declaration specifically permitting same, no Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of the Units or the Limited Common Elements appurtenant thereto (including, but not limited to awnings, canopies, shutters, window coverings, signs, screens, window

tinging, fixtures and equipment), without the prior written consent of the Association. No painting or changes in the exterior colors of any Units or the Limited Common Elements appurtenant thereto shall be permitted.

- 18.12 Signs. No sign, poster, display, billboard or other advertising device of any kind including, without limitation, "FOR SALE", "FOR RENT", security service or construction signs shall be displayed to the public view on any portion of the Units, Limited Common Elements or Common Elements, without the prior written consent of the Association, except (a) signs, regardless of size, used by the Developer, its successors or assigns or a party developing or marketing any portion of the Condominium Property, including signs used for construction or repairs, advertising, marketing, promotion, sales or leasing activities, (b) signs installed as part of the initial construction of the Units or other improvements and replacements of such signs (similar or otherwise) and (c) bulletin boards, entrance, directional, informational and similar signs used by the Association.
- 18.13 Lighting. Except for seasonal decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights and exterior electrical outlets must be approved in accordance with Section 10 of this Declaration.
- 18.14 Exterior Sculpture and Similar Items. Exterior sculpture, flags, and similar items must be approved in accordance with Section 10 of this Declaration, provided, however, that nothing herein shall prohibit the appropriate display of the American flag.
- 18.15 Air Conditioning Units. No window or wall mounted air conditioning units may be installed in any Unit.
- 18.16 Outside Installations. No radio station or shortwave operations of any kind shall operate from any Units, Limited Common Elements or Common Elements. To the extent permitted by law, no exterior satellite dish, radio antenna, television antenna or other antenna of any type shall be erected or maintained on the Limited Common Elements, Common Elements or in the Units, except that a master antenna or antennae and other equipment, or cable television antenna or antennae or satellite dish or dishes, may be provided for the use of Owners as part of the Community Systems, and the Developer and the Association may grant and hereby reserve easements for such purposes.
- 18.17 Window and Door Treatments. No screen doors, reflective film, tinting or window coverings shall be installed on any windows or glass doors unless approved by the Association in accordance with Section 10.1 of this Declaration. Curtains, drapes and other window coverings (including their linings) which are visible from the exterior of the Building, shall be white or off-white in color, unless otherwise specifically approved by the Board of Directors. No aluminum foil may be placed in any window or glass door of a Unit, and no reflective substance may be placed on any glass in a Unit, except for any substance previously approved by the Board of Directors for energy conservation or

hurricane protection purposes. No unsightly materials may be placed on any window or glass door or shall be visible through such window or glass door. Any screen door must be of a uniform type approved by the Association.

- 18.18 Hazardous Substances. No flammable, combustible or explosive fluids, chemicals or other substances may be kept in any Unit, Limited Common Elements or Common Elements, except such as are generally used for normal household purposes. No electric, gas, charcoal or other cooking devices, or outside cooking, is permitted on any patio or balcony.
- 18.19 Play Equipment, Strollers, Etc. Bicycles, tricycles, scooters, skateboards, and other play equipment, baby strollers and similar items shall not at any time be left in the hallways or other Common Elements or in the Limited Common Elements (including balconies, terraces and patios), except for those areas specifically designated by the Association as a storage area for such items.
- 18.20 Parking and Prohibited Vehicles. No person shall park any vehicle so as to obstruct or otherwise impede ingress or egress to any parking spaces. Parking in the Condominium, or within any easement areas benefiting the Condominium Property through which parking may be made available, shall be restricted to private automobiles and passenger-type vans, jeeps and pick-up trucks not exceeding half ton, motorcycles and motor scooters (all of which are collectively referred to herein as "vehicles"). The Board shall have the authority to prohibit any vehicle, including any motorcycle or motor scooter, which it determines constitutes a nuisance due to its noise level, particularly where such vehicle is operated in the early morning or late evening hours. No vehicle is permitted on the Condominium Property, or within any easement areas benefiting the Condominium Property through which parking may be made available, which leaks oil, brake fluid transmission fluid or other fluids. No Owner, occupant or other person shall conduct repairs or restorations on any motor vehicle, or other vehicle, or race the engine of any vehicle, upon any portions of the Condominium Property, or within any easement areas benefiting the Condominium Property through which parking may be made available. Up to two (2) motorcycles or motor scooters may be parked in a single space, provided, however, that in no event shall a motorcycle or a motor scooter be parked in the same parking space as another vehicle or between any parking spaces.

The prohibitions on parking contained in this section shall not apply to temporary parking of (a) commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, (b) any vehicles of the Declarant, or its affiliates or designees, used for construction, maintenance, sales or marketing purposes, (c) service vehicles operated in connection with the Association, or its management company.

Subject to applicable laws and ordinances, any vehicle, boat, motorcycle or trailer parked in violation of these or other restrictions contained herein or in the rules and regulations may be towed by the Association at the sole expense of the owner

of such vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor shall it be guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

- 18.21 Insurance Rates. Nothing shall be done or kept in the Common Elements or within the Units or the Limited Common Elements which will increase the rate of insurance on any property insured by the Association without the approval of the Board, nor shall anything be done or kept in the Units, or on the Limited Common Elements or Common Elements, which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law. Notwithstanding the foregoing, the use of the Condominium Property, or portions thereof, for hotel condominium purposes shall not be prohibited pursuant to this paragraph.
- 18.22 Association Access to Units. In order to facilitate access to the Units by the Association for the purposes enumerated in Section 12.1 hereof, it shall be the responsibility of all Unit Owners to deliver a set of keys to their Unit to the Association to use in the performance of its functions. No Owner shall change the locks to its Unit without so notifying the Association and delivering to the Association a new set of keys to such Unit.
- 18.23 Rules and Regulations. As provided in the By-Laws, the Board of Directors may adopt rules and regulations applicable to all portions of the Condominium Property other than the property owned by the Declarant. In the event that such rules or regulations are adopted, they may be enforced in the same manner as the restrictions set forth in this Section and may be modified, added to or revoked, in whole or in part, by the Board of Directors and as provided in the By-Laws.
- 18.24 Effect on Developer. The restrictions and limitations set forth in this Section 18 shall not apply to the Developer or to Units owned by the Developer except that the Developer shall be subject to the lease approval requirements and pet restrictions set forth in Sections 18.1 and 18.3 respectively, and the restrictions on types of vehicles allowed to park on the Condominium Property or on any Association Property, set forth in Section 18.20, however the Developer and its designees shall be exempt from any such restrictions if the vehicle is engaged in any activity relating to construction, decorating, maintenance, sale, rental or marketing of Units.
19. Selling and Mortgaging of Units. No Unit Owner other than the Developer may sell their Unit except by complying with the following provisions.
- 19.1 No Severance of Ownership. No part of the Limited Common Elements or Common Elements may be sold, conveyed or otherwise disposed of, except as an appurtenance to the Unit in connection with a sale, conveyance or other

disposition of the Unit to which such interest is appurtenant, and any sale, conveyance or other disposition of a Unit shall be deemed to include that Unit's appurtenant interest in the Limited Common Elements and Common Elements whether or not explicitly stated.

19.2 Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction.

20. Compliance and Default. The Association, each Unit Owner, occupant of a Unit, tenant, guest and other invitee of a Unit Owner, shall be governed by and shall comply with the terms of this Declaration and all exhibits attached hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time, and the provisions of all of such documents shall be deemed incorporated into any lease of a Unit whether or not expressly stated in such lease. The Association (and Unit Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided by the Act.

20.1 Mandatory Nonbinding Arbitration and Mediation of Disputes. Prior to the institution of court litigation, a party to a Dispute shall petition the Division for nonbinding arbitration. The petition must be accompanied by a filing fee in the amount of \$50. Filing fees collected under this section must be used to defray the expenses of the alternative dispute resolution program. The petition must recite, and have attached thereto, supporting proof that the petitioner gave the respondents:

- (a) Advance written notice of the specific nature of the Dispute,
- (b) A demand for relief and a reasonable opportunity to comply or to provide the relief, and
- (c) Notice of the intention to file an arbitration petition or other legal action in the absence of a resolution of the Dispute.

Failure to include the allegations or proof of compliance with these prerequisites requires dismissal of the petition without prejudice. Upon receipt, the petition shall be promptly reviewed by the Division to determine the existence of a dispute and compliance with the requirements of paragraphs (1) and (2). If emergency relief is required and is not available through arbitration, a motion to stay the arbitration may be filed. The motion must be accompanied by a verified petition alleging facts that, if proven, would support entry of a temporary injunction, and if an appropriate motion and supporting papers are filed, the Division may abate the arbitration pending a court hearing and disposition of a motion for temporary injunction. Upon determination from the Division that a Dispute exists and that the petition substantially meets the requirements of paragraphs (1) and (2) and any other applicable rules, a copy of the petition shall forthwith be served by the Division upon all respondents. Either before or after the filing of the respondents' answer to the petition, any party may request that the arbitrator refer the case to

mediation under this section and any rules adopted by the Division. Upon receipt of a request for mediation, the Division shall promptly contact the parties to determine if there is agreement that mediation would be appropriate if all parties agree, the Dispute must be referred to mediation. Notwithstanding a lack of an agreement by all parties, the arbitrator may refer a Dispute to mediation at any time.

Upon referral of a case to mediation, the parties must select a mutually acceptable mediator. To assist in the selection, the arbitrator shall provide the parties with a list of both volunteer and paid mediators that have been certified by the Division under section 718.501. If the parties are unable to agree on a mediator within the time allowed by the arbitrator, the arbitrator shall appoint a mediator from a list of certified mediators. If a case is referred to mediation the parties shall attend a mediation conference as scheduled by the parties and the mediator, if any party fails to attend a duly noted mediation conference, without permission or approval of the arbitrator or mediator, the arbitrator must impose sanctions against the party including the striking of any pleading filed, the entry of an order of dismissal or default if appropriate, and the award of costs and attorney's fees incurred by the other parties. Unless otherwise agreed to by the parties or as provided by order of the arbitrator, a party is deemed to have appeared at a mediation conference by the physical presence of the party or its representative having full authority to settle without further consultation, provided that the Association may comply by having one or more representatives present with full authority to negotiate a settlement and recommend that the board ratify and approve such a settlement within five (5) days from the date of the mediation conference. The parties shall share equally the expense of mediation, unless otherwise agreed.

The purpose of mediation as provided for by this section is to present the parties with an opportunity to resolve the underlying dispute in good faith, and with a minimum expenditure of time and resources.

Mediation proceedings must generally be conducted in accordance with Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Persons who are not parties to the dispute are not allowed to attend the mediation conference without the consent of all parties, with the exception of counsel for the parties and corporate representatives designated to appear for a party. If the mediator declares an impasse after a mediation conference has been held, the arbitration proceeding terminates unless all parties agree in writing to continue the arbitration proceeding, in which case the arbitrator's decision shall be either binding or nonbinding, as agreed upon by the parties, in the arbitration proceeding, the arbitrator shall not consider any evidence relating to the unsuccessful mediation except in a proceeding to impose sanctions for failure to appear at a mediation conference. If the parties do not agree to continue arbitration, the arbitrator shall enter an order of dismissal, and either party may institute a suit in a court of

competent jurisdiction. The parties may seek to recover any costs and attorney's fees that may be recovered by the prevailing party in any subsequent litigation.

The arbitration shall be conducted according to rules promulgated by the Division. The filing of a petition for arbitration shall toll the applicable statute of limitations. At the request of any party to the arbitration, such arbitrator shall issue subpoenas for the attendance of witnesses and the production of books, records, documents, and other evidence and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by the Florida Rules of Civil Procedure. Discovery may, in the discretion of the arbitrator, be permitted in the manner provided by the Florida Rules of Civil Procedure Rules adopted by the Division may authorize any reasonable sanctions except contempt for a violation of the arbitration procedural rules of the Division or for failure of a party to comply with a reasonable non-final order issued by an arbitrator which is not under judicial review.

The arbitration decision shall be presented to the parties in writing. An arbitration decision is final in those Disputes in which the parties have agreed to be bound. An arbitration decision is also final if a complaint for trial de novo is not filed in a court of competent jurisdiction in the County within thirty (30) days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of dispute. The prevailing party in the arbitration proceeding shall be awarded the costs of the arbitration and reasonable attorneys' fees in an amount determined by the arbitrator. Such an award shall include the costs and reasonable attorneys fees incurred in the arbitration proceeding as well as the costs and reasonable attorneys fees incurred in preparing for and attending any scheduled mediation. The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs and other reasonable costs, including, attorney's fees, investigation expenses and expenses for expert or other testimony or evidence incurred after the arbitration decision if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorney's fees.

Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in the County. A petition may not be granted unless the time for appeal by the filing of a complaint for a trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition for enforcement is granted, the petitioner shall recover reasonable attorney's fees and costs incurred in enforcing the arbitration award. A mediation settlement may also be enforced through the county or circuit court, as applicable, and any costs and fees incurred in the enforcement of a settlement agreement reached at mediation must be awarded to the prevailing party in any enforcement action.

- 20.2 Negligence and Compliance. A Unit Owner and/or lessee of a Unit shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or Lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected by the Association with respect to such negligence. In the event a Unit Owner, tenant or occupant fails to maintain a Unit or fails to cause such Unit to be maintained, or fails to observe and perform all of the provisions of the Declaration, the By-Laws, the Articles of Incorporation, applicable rules and regulations, or any other agreement, document or instrument affecting the Condominium Property or administered by the Association, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines, to sue in a court of law for damages and to impose a Charge on the Unit Owner for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance. In any proceeding arising because of an alleged failure of a Unit Owner, a tenant or the Association to comply with the requirements of the Act, this Declaration, the exhibits attached hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, to the extent permitted by law, each party shall bear its own costs and attorneys' fees (including appellate attorneys' fees).
21. Termination of Condominium. The Condominium shall continue until (i) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in this Declaration, or (ii) such time as withdrawal of the Condominium Property from the provisions of the Act is authorized by a vote of Owners owning at least 80% of the applicable interests in the Common Elements and by the Primary Institutional First Mortgagee. In the event such withdrawal is authorized as aforesaid, the Condominium Property shall be subject to an action for partition by any Unit Owner, mortgagee or lienor, as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective interests in the Common Elements, or, if authorized by a vote of a majority of the Unit Owners, in proportion to the appraised value of each Unit as determined by an appraisal to be obtained by the Board. No payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all mortgages and liens on his Unit in the order of their priority. The termination of the Condominium, as aforesaid, shall be evidenced by a certificate of the Association executed by its President and Secretary, certifying as to the basis of the termination and said certificate shall be recorded among the public records of the County. Upon recordation of said certificate, the Association, within thirty (30) business days, shall notify the Division of the termination and the date the document was recorded, and the official records book and page number of the public records where the document was recorded, and shall provide the Division a copy of the recorded termination notice certified by the clerk.

This Section may only be amended with the prior written consent of the Primary Institutional First Mortgagee and the Developer as long as it owns any Unit.

22. Additional Rights of Mortgagees and Others.

22.1 Availability of Association Documents. The Association shall have current and updated copies of the following available for inspection by Institutional First Mortgagees during normal business hours or under other reasonable circumstances as determined by the Board (a) this Declaration, (b) the Articles, (c) the By-Laws, (d) the rules and regulations of the Association, and (e) the books, records and financial statements of the Association.

22.2 Amendments. No amendment may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to the Unit, change the proportion or percentages by which the Unit Owner shares the common expenses and owns the common surplus, or permit timeshare estates to be created in any Unit, unless such amendment is also approved by a Majority of Institutional First Mortgagees, which approval shall not be unreasonably withheld. The approval of a Majority of Institutional First Mortgagees, which shall not be unreasonably withheld, shall also be required if such an approval is required under the rules, regulations or requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

22.3 Notices. Any holder, insurer or guarantor of a mortgage on a Unit shall have, if first requested in writing, the right to timely written notice of:

- (a) any condemnation or casualty loss affecting a material portion of the Condominium Property or the affected mortgaged Unit;
- (b) a sixty (60) day delinquency in the payment of the Assessments or any Charges on a mortgaged Unit;
- (c) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action which requires the consent of a specified number of mortgage holders.

22.4 Additional Rights. Institutional First Mortgagees shall have the right, upon written request to the Association, to, (a) receive a copy of the financial statements of the Association for the immediately preceding fiscal year, and (b) receive notices of and attend Association meetings.

23. Covenant Running With the Land. All provisions of this Declaration, the Articles, By-Laws and applicable rules and regulations of the Association, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and shall inure to the benefit of the Developer and subsequent owner(s) of the Land or any part thereof, or interest therein, and their respective heirs personal representatives, successors and assigns, but the same are not intended to create nor shall they be construed

as creating any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and such Articles, By-Laws and applicable rules and regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an adoption and ratification of the provisions of this Declaration, and the Articles By-Laws and applicable rules and regulations of the Association, as they may be amended from time to time, including, but not limited to, a ratification of any appointments of attorneys-in-fact contained herein.

24. Notices. All notices to the Association required or desired hereunder or under the Articles or By-Laws, shall be sent by certified mail (return receipt requested) to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Unit Owners. Except as provided specifically in the Act, all notices to any Unit Owner shall be sent by first class mail to the address of such Owner's Unit, or such other address as may have been designated by him from time to time, in writing, to the Association. All notices to mortgagees of Units shall be sent by first class mail to their respective addresses, or to such other address as may be designated by them from time to time, in writing to the Association. All notices shall be deemed to have been given when mailed in a postage prepaid sealed envelope, except notices of a change of address, which shall be deemed to have been given when received, or five (5) business days after proper mailing, whichever shall first occur.

25. Additional Provisions.

25.1 Interpretation. The Board of Directors shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretations shall be binding upon all parties unless wholly unreasonable and an opinion of legal counsel engaged by the Association for such purpose that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

25.2 Mortgagees. Anything herein to the contrary notwithstanding, the Association shall not be responsible to any mortgagee or lienor of any Unit, and may assume the Unit is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.

25.3 Exhibits. There is hereby incorporated in this Declaration all materials contained in the Exhibits attached hereto, except that as to such Exhibits, any conflicting provisions set forth therein as to their amendment, modification, enforcement and other matters shall control over the provisions hereof.

25.4 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a vice-president may be substituted therefor, and wherever the signature of the Secretary of the Association is required hereunder, the signature of an assistant secretary may be

substituted therefor provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.

- 25.5 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration, the Articles, the By-Laws or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.
- 25.6 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Articles and By-Laws, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.
- 25.7 Waiver; Modifications. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.

Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed (i) that all of the provisions of this Declaration, and the Articles and By-Laws, and applicable rules and regulations, are fair and reasonable in all material respects, and (ii) to automatically consent to any rezoning, replatting, covenant in lieu of unity of title, revised site plan, change, addition or deletion made in, on or to the Condominium Property by the Developer or Declarant and in such regard, each Owner, or occupant of a Unit, hereby designates the Association to act on behalf of the Unit Owner, as agent and attorney-in-fact to consent to any such rezoning, replatting, covenant, revision, change, addition or deletion. If requested by the Developer or the Declarant, each Owner shall evidence their consent to a rezoning, replatting, covenant, revision, change, addition or deletion in writing (provided, however that the refusal to give such written consent shall not obviate the automatic effect of this provision). The foregoing Power of Attorney is irrevocable and is coupled with an interest.

- 25.8 Execution of Documents, Attorney-in-Fact. Without limiting the generality of other Sections of this Declaration and without such other Sections limiting the generality hereof, each Owner, by reason of the acceptance of a deed to such Owner's Unit, hereby agrees to execute, at the request of the Developer, all documents or consents which may be required by all governmental agencies to allow the Developer and its affiliates to complete the plan of development as such plan may be hereafter amended, and each such Owner further appoints hereby and thereby the Developer as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of such Owners, any and all of such documents or consents. This Power of Attorney is irrevocable and coupled with an interest.

The provisions of this Section may not be amended without the consent of the Developer.

- 25.9 Litigation/Waiver of Jury Trial. As to any claim arising from or connected with the Developer's construction, development, repair, replacement or maintenance of the Condominium Property or the Developer's operation of the Association (the "Development Matters"), it shall be a material condition precedent to the institution of any proceeding regarding Development Matters that (i) the party or parties bringing same shall have first given notice to the Developer or other party against whom/which relief or recovery is sought (the "Defendant") of the specific Development Matters complained of and what actions are necessary to cure or correct same, and (ii) the Defendant shall have been given at least forty-five (45) days (subject to extension by reason of matters beyond the control of the Defendant or because of the nature of the applicable Development Matter(s) and the time necessary to cure or correct same) in which to cure or correct the applicable Development Matter(s) and shall have materially failed to do so THE DEVELOPER, THE ASSOCIATION, AND ALL OWNERS AND OTHER PERSONS ACQUIRING ANY RIGHT, TITLE OR INTEREST IN OR TO ANY UNIT, EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM PERTAINING TO ANY DEVELOPMENT MATTERS. Without limiting the general binding effect of this Declaration, each Owner and other person acquiring any right, title or interest in or to any Unit shall be deemed, by virtue of the acceptance of the conveyance, grant, transfer or assignment thereof, to be fully bound by the provisions of this Section 25.9, as shall the Developer and the Association.
- 25.10 Gender; Plurality. Wherever the context so permits the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all or no genders.
- 25.11 Captions. The captions herein and in the Exhibits attached hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.
- 25.12 Liability. Notwithstanding anything contained herein or in the Articles of Incorporation, Bylaws, any rules or regulations of the Association or any other document governing or binding the association (collectively, the "Association Documents"), the Association, except to the extent specifically provided to the contrary herein, shall not be liable or responsible for or in any manner as a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Condominium Property and/or Association Property including, without limitation, Owners and their guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing,
- (a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which

govern or regulate the uses of the properties have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the properties and the value thereof,

- (b) the Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Florida, County and/or any other jurisdiction or the prevention of tortuous activities, and
- (c) the provisions of the Association Documents setting forth the uses of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Association to protect or further the health safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Unit Owner (by virtue of his acceptance of title to his Unit) and each other person having an interest in or lien upon, or making use of, any portion of the properties (by virtue of accepting such interest or lien or making such use) shall be bound by this provision and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the Liability of the Association has been disclaimed hereby. As used herein, "Association" shall include within its meaning all of the Association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns, and any persons designated, from time to time, by the Association or by the Unit Owners to act on their behalf as directors, voting members or otherwise. The provisions hereof shall also inure to the benefit of the Developer, which shall be fully protected hereby.

26. Community Systems.

- 26.1 Ownership of Community Systems. The Developer reserves unto itself, its successors, assigns, contractors, designees and nominees, ownership of the following systems (including any and all related equipment such as, for example, conduits, wires, amplifiers, antennas, satellite receivers and transmitters, towers and other apparatus, installations and fixtures, including those based on, containing or serving future technological advances not now known): (i) video communications and distribution systems, including, but not limited to, cable television systems (private or franchised, wired or wireless), closed circuit systems, pay TV systems, master antenna TV (MATV) systems, satellite master antenna television (SMATV) systems, satellite receiving or transmitting systems, and all other multi-channel video distribution systems, and the like which it (or one of its successors, assigns, designees or nominees) installs or causes to be installed in part or whole on the Condominium Property (any such system or

device and its related equipment being hereinafter referred to as “Video Communications System”), (ii) communication systems, digital satellite systems and/or other devices which are used, in part or in whole to provide internet access or related services, internet website communication or the future equivalent which it (or one of its successors, assigns, designees or nominees) installs or causes to be installed in part or in whole on the Condominium Property (any such system or device and its related equipment being hereinafter referred to as the “Internet System”), (iii) telecommunications systems or devices including, but not limited to, telephone, voice, data, information, and the like which it (or one of its successors, assigns, designees or nominees) installs or causes to be installed in part or in whole on the Condominium Property (any such system or device and its related equipment being hereinafter referred to as the “Telecommunications System”), (iv) monitoring/alarm systems or devices including, but not limited to, access control devices, and the like which it (or one of its successors, assigns, designees or nominees) installs or causes to be installed in part or in whole on the Condominium Property (any such system or device and its related equipment being hereinafter referred to as the “Monitoring System”). The Video Communications System, Internet System, Telecommunications System and Monitoring System, and any and all parts thereof, are referred to collectively, the “Community Systems”.

- 26.2 Right to Transfer Community Systems. Developer shall have the right, but not the obligation, to convey, transfer, sell, lease or assign all or any portion of the Community Systems located within the Property, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in his Unit). Without limiting the generality of Section 26.1, if and when any of the aforesaid entities receives such a conveyance, sale transfer or assignment, such entity shall automatically be deemed vested with such rights of Developer with regard thereto as are assigned by Developer in connection therewith, provided however, that if the Association is the applicable entity then any Community Systems or portions thereof shall be deemed Common Areas hereunder and the Association’s rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Areas unless otherwise provided by Developer. Any conveyance, transfer, sale or assignment made by Developer pursuant to this Section 26.2: (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights duties obligations and liabilities with respect thereto being deemed to have been automatically assumed) in recognition of the intended increased effectiveness and potentially decreased installation and maintenance costs and user fees arising from the connection of all Units to the applicable Community Systems, each Owner and occupant of a Unit shall by virtue of the acceptance of the deed or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all Units be so connected. The foregoing shall not,

however, prohibit the Association or Community Systems provider from making exceptions to any such 100% use requirement in its reasonable discretion. WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO SECTION 26.3 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

- 26.3 NOTICES AND DISCLAIMERS AS TO COMMUNITY SYSTEMS. THE DEVELOPER, THE ASSOCIATION, OR THEIR SUCCESSORS, ASSIGNS OR FRANCHISEES AND ANY APPLICABLE CABLE, TELECOMMUNICATIONS OR OTHER OPERATOR (AN "OPERATOR"), MAY ENTER INTO CONTRACTS FOR THE PROVISION OF COMMUNITY SERVICES THROUGH ANY COMMUNITY SYSTEMS. DEVELOPER, THE ASSOCIATION, OPERATORS AND THEIR FRANCHISEES, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIED, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH ACCESS CONTROL SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME, AND EVERY OWNER OR OCCUPANT OF PROPERTY SERVICED BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DEVELOPER, THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DEVELOPER OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER OR OCCUPANTS PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE THE ACTUAL DAMAGES, IF ANY WHICH MAY PROXIMATELY RESULT FROM A FAILURE ON THE PART OF AN ACCESS CONTROL SERVICE PROVIDER TO PERFORM ANY OF ITS OBLIGATIONS WITH RESPECT TO COMMUNITY SERVICES AND THEREFORE, EVERY OWNER OR OCCUPANT OF PROPERTY RECEIVING COMMUNITY SERVICES THROUGH THE COMMUNITY SYSTEMS AGREES THAT DEVELOPER, THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE THEREOF AND ANY OPERATOR ASSUMES NO LIABILITY FOR LOSS OR DAMAGE TO PROPERTY OR FOR PERSONAL INJURY OR DEATH TO PERSONS DUE TO ANY REASON, INCLUDING, WITHOUT LIMITATION, FAILURE IN TRANSMISSION OF AN ALARM, INTERRUPTION OF ANY COMMUNITY SERVICE OR FAILURE TO RESPOND TO AN ALARM BECAUSE OF (A) ANY FAILURE OF THE OWNER'S COMMUNITY SYSTEM, (B) ANY DEFECTIVE OR DAMAGED EQUIPMENT, DEVICE, LINE OR CIRCUIT, (C) NEGLIGENCE, ACTIVE OR OTHERWISE, OF THE ACCESS CONTROL SERVICE PROVIDER OR ITS OFFICERS, AGENTS OR EMPLOYEES, OR (D) FIRE, FLOOD, RIOT, WAR, ACT OF GOD OR OTHER SIMILAR CAUSES WHICH ARE BEYOND THE CONTROL OF THE

ACCESS CONTROL SERVICE PROVIDER. EVERY OWNER OR OCCUPANT OF PROPERTY OBTAINING ACCESS CONTROL SERVICES THROUGH THE COMMUNITY SYSTEMS FURTHER AGREES FOR HIMSELF, HIS GRANTEEES, TENANTS, GUESTS, INVITEES, LICENSEES, AND FAMILY MEMBERS THAT IF ANY LOSS OR DAMAGE SHOULD RESULT FROM A FAILURE OF PERFORMANCE OR OPERATION, OR FROM DEFECTIVE PERFORMANCE OR OPERATION, OR FROM IMPROPER INSTALLATION, MONITORING OR SERVICING OF THE SYSTEM, OR FROM NEGLIGENCE, ACTIVE OR OTHERWISE OF THE ACCESS CONTROL SERVICE PROVIDER OR ITS OFFICERS, AGENTS, OR EMPLOYEES, THE LIABILITY, IF ANY, OF DEVELOPER, THE ASSOCIATION, ANY FRANCHISEE OF THE FOREGOING AND THE OPERATOR OR THEIR SUCCESSORS OR ASSIGNS, FOR LOSS, DAMAGE, INJURY OR DEATH SUSTAINED SHALL BE LIMITED TO A SUM NOT EXCEEDING TWO HUNDRED FIFTY AND NO/100 (\$250.00) U.S. DOLLARS, WHICH LIMITATION SHALL APPLY IRRESPECTIVE OF THE CAUSE OR ORIGIN OF THE LOSS OR DAMAGE AND NOTWITHSTANDING THAT THE LOSS OR DAMAGE RESULTS DIRECTLY OR INDIRECTLY FROM NEGLIGENT PERFORMANCE, ACTIVE OR OTHERWISE OR NON-PERFORMANCE BY AN OFFICER, AGENT OR EMPLOYEE OF DEVELOPER, THE ASSOCIATION OR ANY FRANCHISEE, SUCCESSOR OR DESIGNEE OF ANY OF SAME OR ANY OPERATOR. FURTHER, IN NO EVENT WILL DEVELOPER, THE ASSOCIATION, ANY OPERATOR OR ANY OF THEIR FRANCHISEES, SUCCESSORS OR ASSIGNS, BE LIABLE FOR CONSEQUENTIAL DAMAGES, WRONGFUL DEATH, PERSONAL INJURY OR COMMERCIAL LOSS IN RECOGNITION OF THE FACT THAT INTERRUPTIONS IN CABLE TELEVISION AND OTHER COMMUNITY SYSTEMS SERVICES WILL OCCUR FROM TIME TO TIME. NO PERSON OR ENTITY DESCRIBED ABOVE SHALL IN ANY MANNER BE LIABLE, AND NO USER OF ANY COMMUNITY SYSTEM SHALL BE ENTITLED TO ANY REFUND, REBATE, DISCOUNT OR OFFSET IN APPLICABLE FEES, FOR ANY INTERRUPTION IN COMMUNITY SYSTEMS SERVICES, REGARDLESS OF WHETHER OR NOT SAME IS CAUSED BY REASONS WITHIN THE CONTROL OF THE THEN-PROVIDER(S) OF SUCH SERVICES.

27. **DISCLAIMER OF WARRANTIES.** DEVELOPER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES AS TO DESIGN, CONSTRUCTION, FURNISHING AND EQUIPPING OF THE CONDOMINIUM PROPERTY, EXCEPT AS MAY BE REQUIRED IN SECTION 718.203 OF THE ACT, TO THE EXTENT APPLICABLE. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND AS TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED. ALL UNIT OWNERS, BY VIRTUE OF ACCEPTANCE OF TITLE TO THEIR RESPECTIVE UNITS (WHETHER FROM THE DEVELOPER OR ANOTHER PARTY), SHALL BE

DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID
DISCLAIMED WARRANTIES AND CLAIMS FOR INCIDENTAL AND
CONSEQUENTIAL DAMAGES.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly
executed and its corporate seal to be hereunto affixed this ____ day of _____, 2004.

Signed, sealed and delivered in the
presence of the following witnesses:

CHAMPIONSGATE CONDO 1, LP, a Delaware
limited partnership

By: ChampionsGate Condo I GP, LLC, a
Delaware limited liability company

Its: Sole General Partner

By: _____
Ira Mitzner, Manager

Date: _____

Signature of Witness

Printed Name of Witness

Signature of Witness

Printed Name of Witness

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing Declaration was acknowledged before me, this ____ day of
_____, 2004, by Ira Mitzner, as Manager of ChampionsGate Condo I GP, LLC, a
Delaware limited liability company, on behalf of CHAMPIONSGATE CONDO 1, LP, a
Delaware limited partnership, on behalf of the partnership. He is personally known to me or
produced a driver's license as identification.

(NOTARY SEAL)

(Notary Public Signature)

(Print Name)

Notary Public, State of _____

Commission No.: _____

My Commission Expires: _____

Exhibit “A”

Common Element Ownership Interests

Exhibit “B”

Graphic Description of Improvements

Exhibit “C”

Articles of Incorporation of the Association

Exhibit “D”

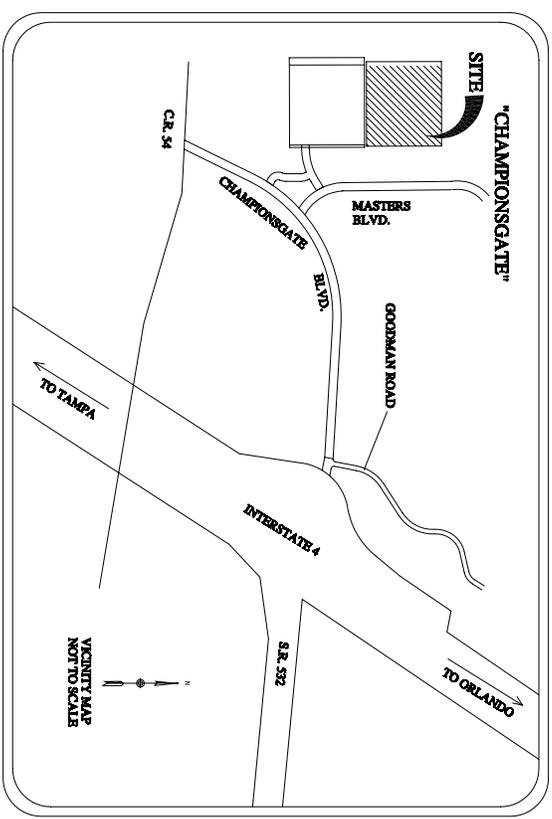
By-Laws of the Association

Exhibit “E”

Schedule of Estimated Assessments

**EXHIBIT TO THE DECLARATION OF CONDOMINIUM OF
CHAMPIONSGATE VILLAS, A HOTEL CONDOMINIUM**
PLOT PLAN AND GRAPHIC DEPICTION OF PROPOSED IMPROVEMENTS

VICINITY MAP



LEGEND & ABBREVIATIONS

- ac = AIR CONDITION UNIT ON CONCRETE PAD
- = FENCING
- L.C.E. = LIMITED COMMON ELEMENTS
- C.E. = COMMON ELEMENTS

NOTES:

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TABLE OF CONTENTS

- SHEET 1 COVER
- SHEET 2 SKETCH & DESCRIPTION
- SHEETS 3,4,5,6 & 7 PLOT PLAN
- SHEET 8 UNIT DETAIL
- SHEET 9 UNIT DETAIL



Vanasse Hangen Brustlin, Inc.
135 West Central Boulevard
Suite 800
Orlando, Florida 32801
407 839-4006 • FAX 407 839-4008
L.B. 7153
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SURVEYOR'S CERTIFICATE:

THE UNDERSIGNED HEREBY CERTIFIES THAT THE CONSTRUCTION OF THE IMPROVEMENTS TO COMPRISE CHAMPIONSGATE VILLAS, A HOTEL CONDOMINIUM, IS PROPOSED SO THAT THE MATERIAL WHICH COMPRISES THIS EXHIBIT TO THE DECLARATION OF CONDOMINIUM OF CHAMPIONSGATE VILLAS, A HOTEL CONDOMINIUM, TOGETHER WITH THE PROVISIONS OF SAID DECLARATION OF CONDOMINIUM DESCRIBING THE CONDOMINIUM PROPERTY, ARE AN ACCURATE REPRESENTATION OF THE LOCATION AND DIMENSIONS OF SAID IMPROVEMENTS, AND THE IDENTIFICATION, LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT WITHIN THE CONDOMINIUM CAN BE DETERMINED FROM SAID MATERIALS.

For the firm by: _____
DATE: 08/22/2005
Brian K. Hefner, P.S.M.
Professional Surveyor and Mapper
Florida License No. 5370

EXHIBIT TO THE DECLARATION OF CONDOMINIUM OF CHAMPIONSGATE VILLAS, A HOTEL CONDOMINIUM

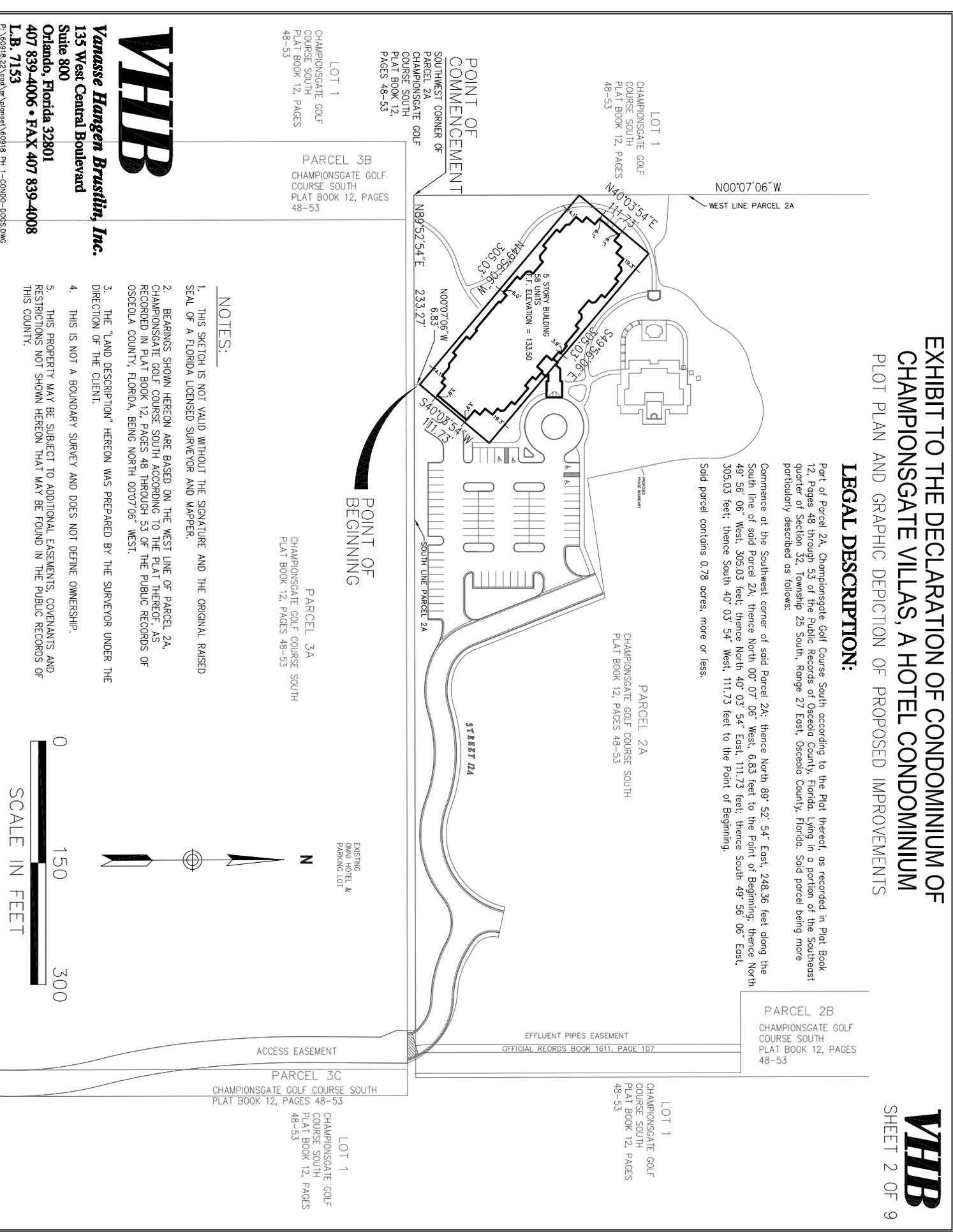
PLOT PLAN AND GRAPHIC DEPICTION OF PROPOSED IMPROVEMENTS

LEGAL DESCRIPTION:

Part of Parcel 2A, Championsgate Golf Course South according to the Plat thereof, as recorded in Plat Book 12, Pages 48 through 53 of the Public Records of Osceola County, Florida, Lying in a portion of the Southeast quarter of Section 32, Township 25 South, Range 27 East, Osceola County, Florida. Said parcel being more particularly described as follows:

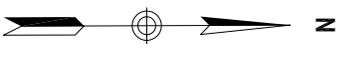
Commence at the Southwest corner of said Parcel 2A; thence North 89° 52' 54" East, 248.36 feet along the South line of said Parcel 2A; thence North 00° 07' 06" West, 6.83 feet to the Point of Beginning; thence North 49° 56' 06" West, 305.03 feet; thence North 40° 03' 54" East, 111.73 feet; thence South 49° 56' 06" East, 305.03 feet; thence South 40° 03' 54" West, 111.73 feet to the Point of Beginning.

Said parcel contains 0.78 acres, more or less.



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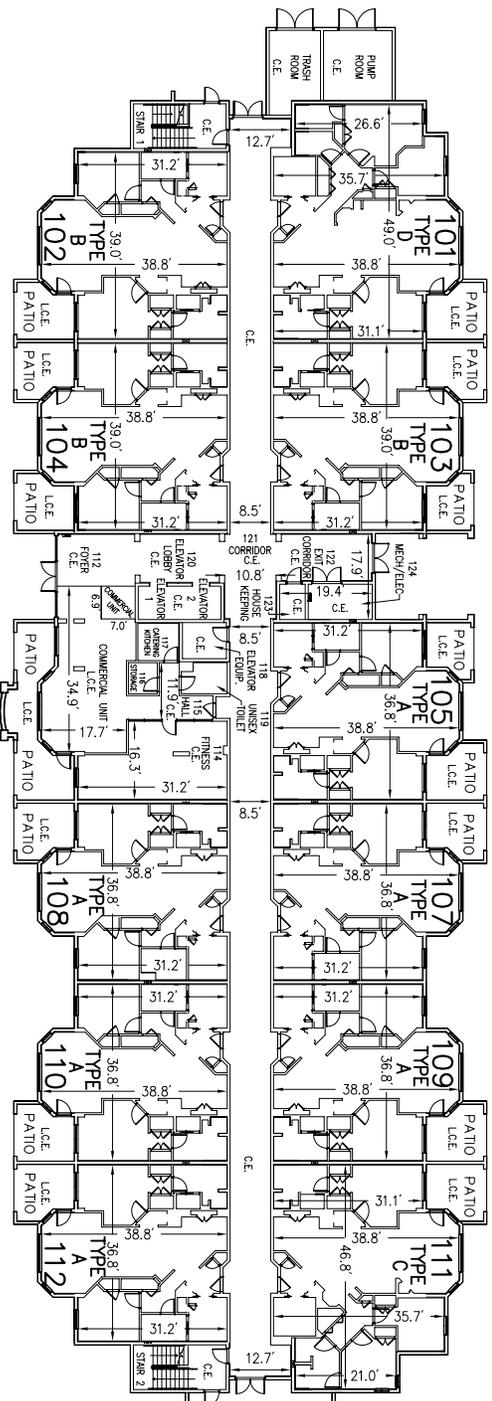
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EXHIBIT TO THE DECLARATION OF CONDOMINIUM OF CHAMPIONSGATE VILLAS, A HOTEL CONDOMINIUM

PLOT PLAN AND GRAPHIC DEPICTION OF PROPOSED IMPROVEMENTS

SEE DETAIL SHEET FOR TYPICAL UNIT DIMENSIONS AND UNIT BOUNDARIES



FIRST FLOOR

NOTES:

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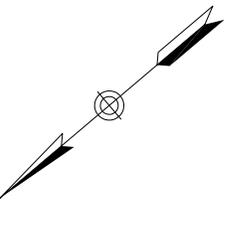
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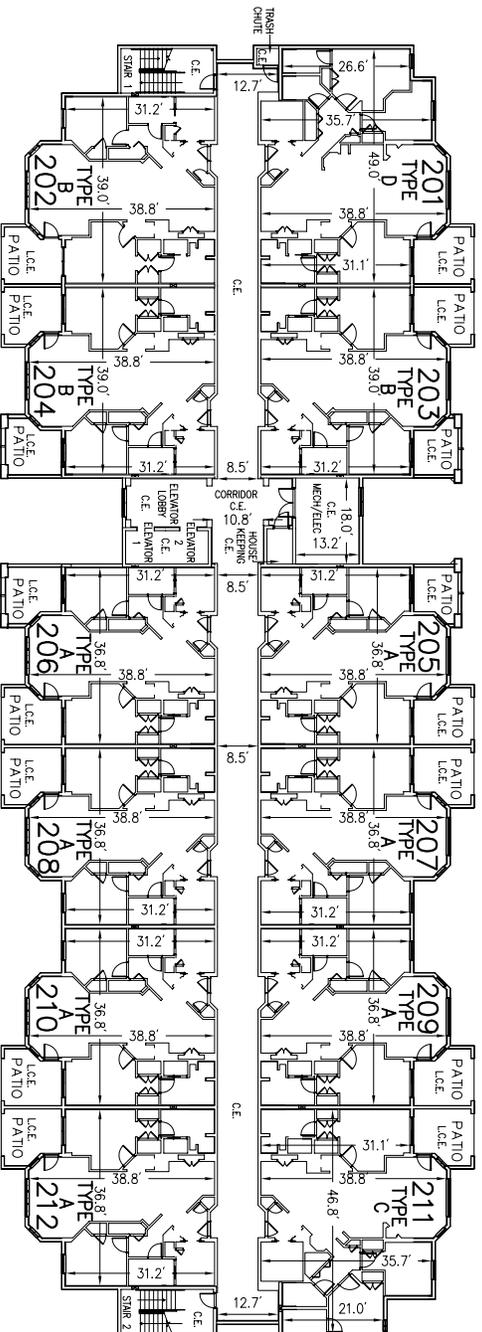


SCALE IN FEET

EXHIBIT TO THE DECLARATION OF CONDOMINIUM OF
 CHAMPIONSGATE VILLAS, A HOTEL CONDOMINIUM

PLOT PLAN AND GRAPHIC DEPICTION OF PROPOSED IMPROVEMENTS

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SECOND FLOOR

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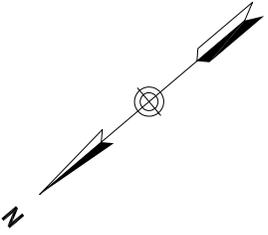
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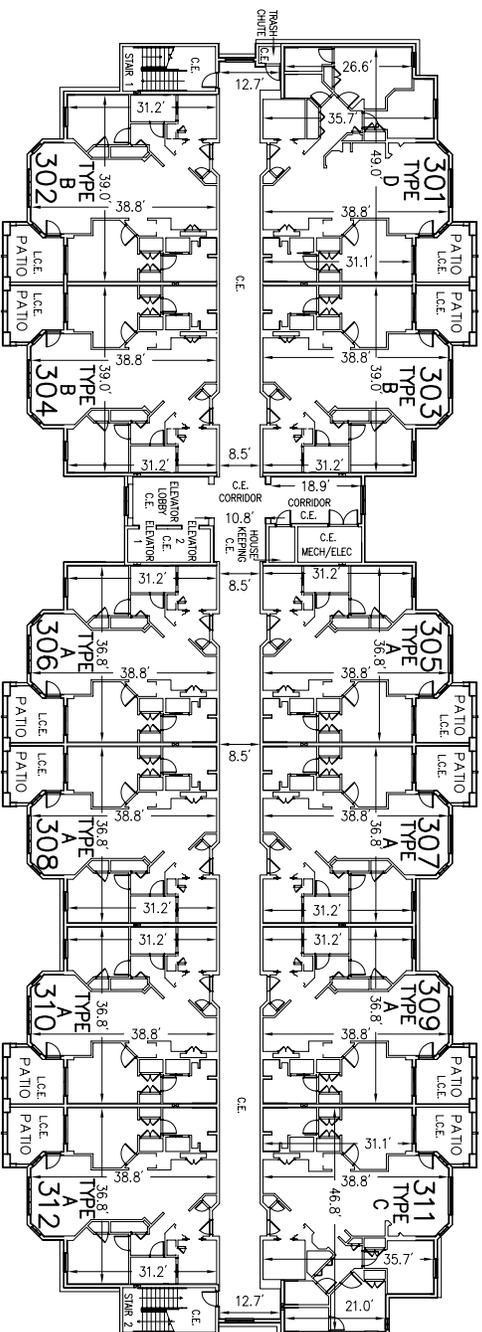


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THIRD FLOOR

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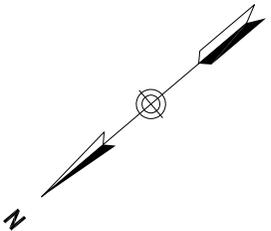
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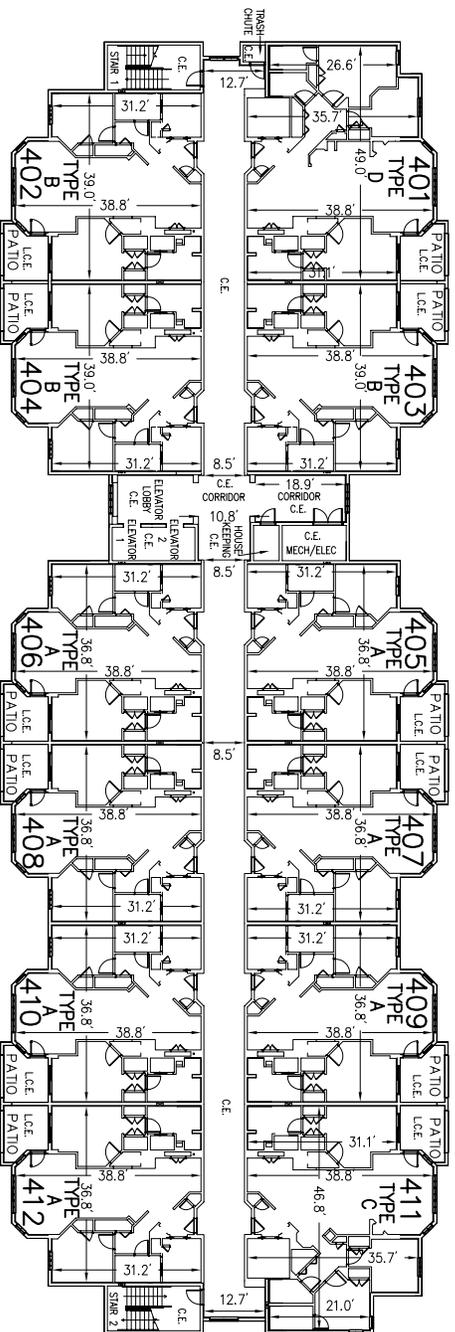
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SCALE IN FEET

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PLOT PLAN AND GRAPHIC DEPICTION OF PROPOSED IMPROVEMENTS
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FOURTH FLOOR

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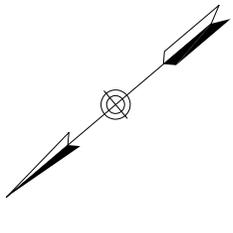
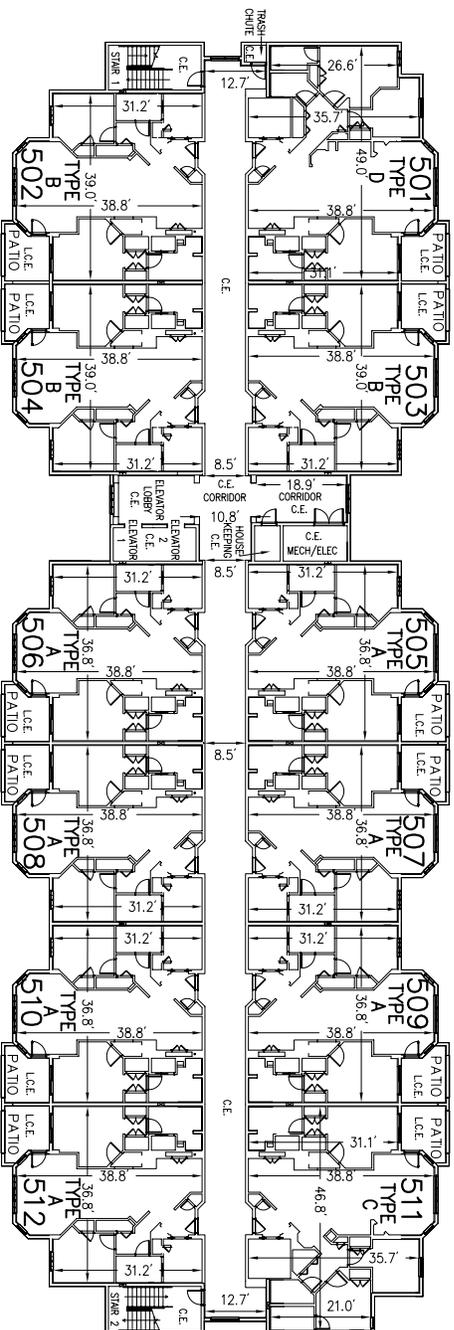


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FIFTH FLOOR

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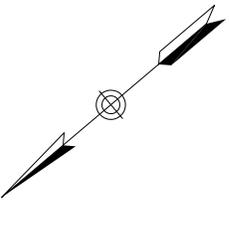
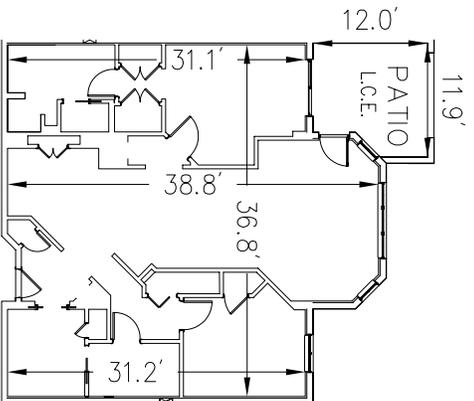


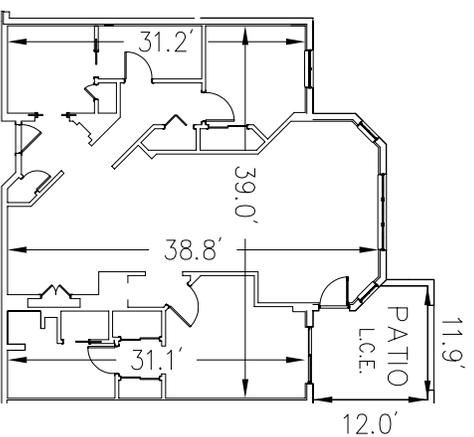
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UNIT DETAIL SHEET



TYPE "A" UNIT -
 2 BEDROOM STANDARD



TYPE "B" UNIT -
 2 BEDROOM DELUXE

DIMENSIONS SHOWN HEREON MAY VARY FROM UNIT TO UNIT.
 SEE FINAL CONDOMINIUM AS-BUILTS FOR FIELD DIMENSIONS.



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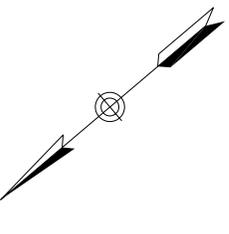
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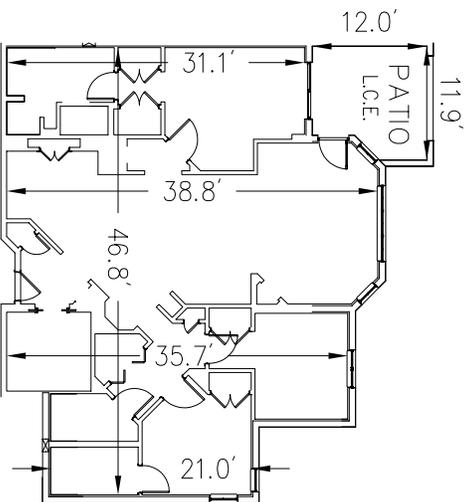
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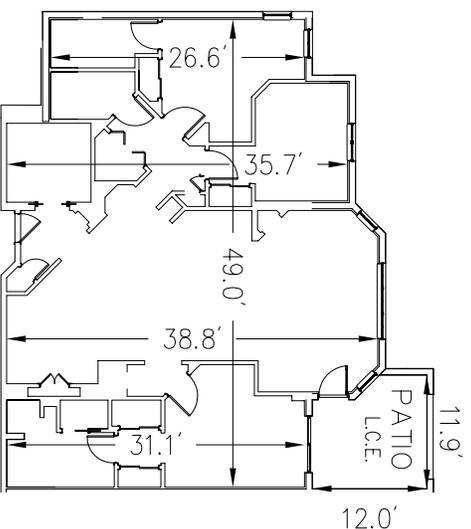
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UNIT DETAIL SHEET



TYPE "C" UNIT -
 3 BEDROOM STANDARD

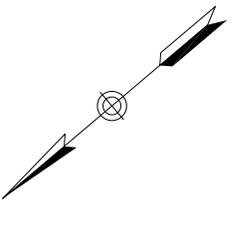


TYPE "D" UNIT -
 3 BEDROOM DELUXE

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**ARTICLES OF INCORPORATION
FOR
CG VILLAS BUILDING I
CONDOMINIUM ASSOCIATION, INC.**

The undersigned incorporator for the purpose of forming a corporation not-for-profit pursuant to the laws of the State of Florida hereby accepts the following Articles of Incorporation.

ARTICLE 1

NAME

The name of the corporation shall be **CG VILLAS BUILDING I CONDOMINIUM ASSOCIATION, INC.** For convenience, the corporation shall be referred to in this instrument as the “Association”, these Articles of Incorporation as the “Articles”, and the By-Laws of the Association as the “By-Laws”.

ARTICLE 2

OFFICE

The principal office and mailing address of the Association shall be at 8390 Champions Gate Blvd., Champions Gate, FL 33896 or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office or at such other place as may be permitted by the Florida Condominium Act (Chapter 718, Florida Statutes) as it exists on the date hereof (the “Act”).

ARTICLE 3

PURPOSE

The purpose for which the Association is organized is to provide an entity pursuant to the Act for the operation of that certain condominium located in Osceola County, Florida and known as **CG VILLAS BUILDING I, A HOTEL CONDOMINIUM** (the “Condominium”)

ARTICLE 4

DEFINITIONS

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of Condominium to be recorded in the Public Records of Osceola County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE 5

POWERS

The powers of the Association shall include and be governed by the following:

- 5.1 General. The Association shall have all of the common law and statutory powers of a corporation not-for-profit under the laws of Florida, except as expressly limited or restricted by the terms of these Articles, the Declaration, the By-Laws or the Act.
- 5.2 Enumeration. The Association shall have all of the powers and duties set forth in the Act, except as limited by these Articles, the By-Laws and the Declaration (to the extent that they are not in conflict with the Act), and all of the powers and duties reasonably necessary to operate the Condominium pursuant to the Declaration and as more particularly described in the By-Laws, as they may be amended from time to time, including, but not limited to, the following:
- (a) To make and collect Assessments and other charges against members as Unit Owners (whether or not such sums are due and payable to the Association), and to use the proceeds thereof in the exercise of its powers and duties, including the collection of adequate Assessments to pay for the costs of maintenance and operation of the Surface Water or Stormwater Management System.
 - (b) To buy, accept, own, operate lease, sell trade and mortgage both real and personal property in accordance with the provisions of the Declaration.
 - (c) To maintain, repair, replace, reconstruct, add to and operate the Condominium Property and/or Association Property and other property acquired or leased by the Association.
 - (d) To purchase insurance upon the Condominium Property and Association Property and insurance for the protection of the Association, its officers, directors and Unit Owners.
 - (e) To make, amend and enforce reasonable rules and regulations for the maintenance, conservation and use of the Condominium Property and Association Property and for the health, comfort, safety and welfare of the Unit Owners.
 - (f) To approve or disapprove the transfer, ownership and possession of Units as may be provided by the Declaration.
 - (g) To enforce by legal means the provisions of the Act, the Declaration, these Articles, the By-Laws, and the rules and regulations for the use of the Condominium Property and Association Property, subject, however, to the limitation regarding assessing Units owned by the Developer for fees and

expenses relating in any way to claims or potential claims against the Developer as set forth in the Declaration and/or By-Laws.

- (h) To contract for the management and maintenance of the Condominium Property and/or Association Property and to authorize a management agent (which may or may not be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements and Association Property with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (i) To employ personnel to perform the services required for the proper operation of the Condominium and the Association Property.
- (j) To execute all documents or consents, on behalf of the Unit Owners (and their mortgagees), required by all governmental and/or quasi-governmental agencies in connection with land use and development matters (including, without limitation, plats, waivers of plat, unities of title, covenants in lieu thereof, etc.), and in that regard, each Owner by acceptance of the deed to such Owner's Unit, appoints and designates the Board of Directors of the Association as such Owner's agent and attorney-in-fact to execute, any and all such documents or consents.
- (k) To operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the Southwest Florida Water Management District permit no. _____ requirement and applicable District rules, and to assist in the enforcement of the Declaration as it relates to the Surface Water or Stormwater Management System.

5.3 Association Property. All funds and the title to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.

5.4 Distribution of Income; Dissolution. The Association shall not pay a dividend to its members and shall make no distribution of income to its members, directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency or as otherwise authorized by the Florida Not For Profit Corporation Act (Chapter 617, Florida Statutes). In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface

Water or Stormwater Management System shall be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved in writing by the Southwest Florida Water Management District prior to such termination, dissolution or liquidation.

- 5.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the By-Laws and the Act, provided that in the event of conflict, the provisions of the Act shall control over those of the Declaration and By-Laws.

ARTICLE 6

MEMBERS

- 6.1 Membership. The members of the Association shall consist of all of the record title owners of Units in the Condominium from time to time, and after termination of the Condominium, shall also consist of those who were members at the time of such termination, and their successors and assigns.
- 6.2 Assignment. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit for which that share is held.
- 6.3 Voting. On all matters upon which the membership shall be entitled to Vote, there shall be only one vote for each Unit. All votes shall be exercised or cast in the manner provided by the Declaration and By-Laws. Any person or entity owning more than one Unit shall be entitled to cast the aggregate number of votes attributable to all Units owned.
- 6.4 Meetings. The By-Laws shall provide for an annual meeting of members and may make provision for regular and special meetings of members other than the annual meeting.

ARTICLE 7

TERM OF EXISTENCE

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State of the State of Florida. The Association shall have perpetual existence.

ARTICLE 8

INCORPORATOR

The name and address of the Incorporator of this Corporation is:

NAME

ADDRESS

Nicholas A. Pope

Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 N. Eola Drive
Orlando, FL 32801

ARTICLE 9

DIRECTORS

- 9.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a board consisting of the number of directors determined in the manner provided by the By-Laws, but which shall consist of not less than three (3) directors. Directors need not be members of the Association.
- 9.2 Duties and Powers. All of the duties and Powers of the Association existing under the Act, the Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Unit Owners when such approval is specifically required.
- 9.3 Election; Removal. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by and subject to the qualifications set forth in the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.
- 9.4 Term of Developer’s Directors. The Developer of the Condominium shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the By-Laws.
- 9.5 First Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the By-Laws, are as follows:

NAME

ADDRESS

Ira Mitzner

4669 Southwest Freeway, Suite 700
Houston, TX 77027

John Fischer

4669 Southwest Freeway, Suite 700
Houston, TX 77027

Yvonne Shouey

8390 Champions Gate Blvd.
Champions Gate, FL 33896

Marc Reicher

1598 S. Goodman Road
Davenport, FL 33837

William S. Vanos

215 N. Eola Dr.
Orlando, FL 32801

9.6 Standards. A director shall discharge his duties as a director, including any duties as a member of a Committee, in good faith; with the care an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner reasonably believed to be in the best interests of the Association. Unless a director has knowledge concerning a matter in question that makes reliance unwarranted, a director in discharging his duties, may rely on information, opinions, reports or statements, including financial statements and other data, if prepared or presented by one or more officers or employees of the Association whom the director reasonably believes to be reasonable and competent in the manners presented; legal counsel, public accountants or other persons as to matters the director reasonably believes are within such person's professional or expert competence; or a Committee of which the director is not a member if the director reasonably believes the Committee merits confidence. A director is not liable for any action taken as a director, or any failure to take action, if he performed the duties of his office in compliance with the foregoing standards.

ARTICLE 10

OFFICERS

The affairs of the Association shall be administered by the officers holding the offices designated in the By-Laws. The officers shall be elected by the Board of Directors of the Association at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The By-Laws may provide for the removal from office of officers, for filling vacancies and for the duties and qualifications of the officers. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President: _____

Vice President: _____

Secretary; Treasurer: _____

ARTICLE 11

INDEMNIFICATION

- 11.1 Indemnitees. The Association shall indemnify any person who was or is a party to any proceeding (other than an action by, or on behalf of, the Association) by reason of the fact that he is or was a director, officer committee member, employee or agent (each, an “Indemnitee”) of the Association, against liability incurred in connection with such proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
- 11.2 Indemnification. The Association shall indemnify any person who was or is a party to any proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, committee member, employee, or agent of the Association against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association.
- 11.3 Indemnification for Expenses. To the extent that a director, officer, committee member, employee, or agent of the Association has been successful on the merits or otherwise in defense of any proceeding referred to in subsection 11.1 or 11.2, or in defense of any claim, issue, or matter thereon, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.
- 11.4 Determination of Applicability. Any indemnification under subsection 11.1 or subsection 11.2, unless pursuant to a determination by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, committee member, employee, or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in subsection 11.1 or subsection 11.2. Such determination shall be made:
- (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such proceeding;

- (b) if such a quorum is not obtainable or, even if obtainable, by majority vote of a Committee duly designated by the Board of Directors (in which directors who are parties may participate) consisting solely of two or more directors not at the time parties to the proceeding;
- (c) by independent legal counsel:
 - 1. selected by the Board of Directors prescribed in paragraph (a) or the committee prescribed in paragraph (b), or
 - 2. if a quorum of the directors cannot be obtained for paragraph (a) and the Committee cannot be designated under paragraph (b), selected by majority vote of the full Board of Directors (in which directors who are parties may participate); or
- (d) By a majority of the voting interests of the members of the Association who were not parties to such proceeding.

11.5 Determination Regarding Expenses. Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified by paragraph 11.4(c) shall evaluate the reasonableness of expenses and may authorize indemnification.

11.6 Advancing Expenses. Expenses incurred by an officer or director in defending a civil or criminal proceeding may be paid by the Association in advance of that final disposition of such proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount that is ultimately found not to be entitled to indemnification by the Association pursuant to this section. Expenses incurred by other employees and agents may be paid in advance upon such terms or conditions that the Board of Directors deems appropriate.

11.7 Exclusivity Exclusions. The indemnification and advancement of expenses provided pursuant to this section are not exclusive, and the Association may make any other or further indemnification or advancement of expenses to any of its directors, officers, committee members, employees, or agents, under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. However indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his actions, or omissions to act were material to the cause of action so adjudicated and constitute:

- (a) a violation of criminal law, unless the director, officer, employee or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful,

- (b) a transaction from which the director, officer, committee member, employee, or agent derived an improper personal benefit, or
 - (c) willful misconduct or a conscious disregard for the best interests of the Association in a proceeding by or in the right of the Association to procure a judgment in its favor or in a proceeding by or in the right of the members of the Association.
- 11.8 Continuing Effect. Indemnification and advancement of expenses as provided in this section shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a director, officer, committee member, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person, unless otherwise provided when authorized or ratified.
- 11.9 Application to Court. Notwithstanding the failure of the Association to provide indemnification, and despite any contrary determination of the Board or of the members in the specific case, a director, officer, committee member, employee, or agent of the Association who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or both, to the court conducting the proceeding, to the circuit court, or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice that it considers necessary, may order indemnification and advancement of expenses, including expenses incurred in seeking court-ordered indemnification or advancement of expenses, if it determines that:
- (a) the director, officer, committee member, employee, or agent is entitled to mandatory indemnification under subsection 11.3, in which case the court shall also order the Association to pay the director reasonable expenses incurred in obtaining court-ordered indemnification or advancement of expenses;
 - (b) the director, officer, committee member, employee or agent is entitled to indemnification or advancement of expenses or both, by virtue of the exercise by the Association of its power pursuant to subsection 11.7; or
 - (c) the director, officer, committee member, employee or agent is fairly and reasonably entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances regardless of whether such person met the standard of conduct set forth in subsection 11.1, subsection 11.2, or subsection 11.7 unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or acted in a manner he reasonably believed to be not in, or opposed to, the best interest of the Association and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be

denied. The termination of any proceeding by judgment order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

11.10 Definitions. For purposes of this Article 11, the term “expenses” shall be deemed to include attorneys’ fees, including those for any appeals; the term “liability” shall be deemed to include obligations to pay a judgment, settlement, penalty, fine, and expenses actually and reasonably incurred with respect to a proceeding; the term “proceeding” shall be deemed to include any threatened, pending, or completed action, suit, or other type of proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal; the term “agent” shall be deemed to include a volunteer; the term “serving at the request of the Association” shall be deemed to include any service as a director, officer, committee member, employee or agent of the Association that imposes duties on such persons.

11.11 Amendment. Anything to the contrary herein notwithstanding, no amendment to the provisions of this Article 11 shall be applicable as to any party eligible for indemnification hereunder who has not given his prior written consent to such amendment.

ARTICLE 12

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered amended or rescinded in the manner provided in the By-Laws and the Declaration.

ARTICLE 13

AMENDMENTS

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

13.1 Notice. Notice of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered and shall be otherwise given in the time and manner provided in Chapter 617, Florida Statutes. Such notice shall contain the proposed amendment or a summary of the changes to be affected thereby.

13.2 Adoption. Amendments shall be proposed and adopted in the manner provided in Chapter 617, Florida Statutes and in the Act (the latter to control over the former to the extent provided for in the Act).

- 13.3 Developer Amendments. To the extent lawful, the Developer may amend these Articles in accordance with the provisions of the Declaration allowing certain amendments to be effected by the Developer alone.
- 13.4 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer and/or Institutional First Mortgagees, unless the Developer and/or the Institutional First Mortgagees, as applicable, join in any such amendment. No amendment shall be made that is in conflict with the By-laws or the Declaration. No amendment to this Section 13.4 shall be valid.
- 13.5 Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Osceola County, Florida with an identification on the first page thereof of the book and page of said public records where the Declaration was recorded which contains, as an exhibit, the initial recording of these Articles.

ARTICLE 14

INITIAL REGISTERED OFFICE: ADDRESS AND NAME OF REGISTERED AGENT

The initial registered office of this corporation shall be at 215 N. Eola Drive, Orlando, FL 32801, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Nicholas A. Pope.

IN WITNESS WHEREOF, the Incorporator has executed these Articles on _____
_____, 2004.

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

In compliance with the laws of Florida, the following is submitted

CG VILLAS BUILDING I CONDOMINIUM ASSOCIATION, INC., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing articles of incorporation in the County of Osceola, State of Florida, the Association named in the said articles has named Nicholas A. Pope, located at Lowndes, Drosdick, Doster, Kantor & Reed, P.A., 215 N. Eola Drive, Orlando, FL 32801, as its statutory registered agent.

Having been named the statutory agent of said Association at the place designated in this certificate, I am familiar with the obligations of that position, and hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.

Nicholas A. Pope
Registered Agent

Dated: _____

**BY-LAWS
OF
CG VILLAS BUILDING I
CONDOMINIUM ASSOCIATION, INC.**

A corporation not for profit organized
under the laws of the State of Florida

1. Identity. These are the By-Laws of CG VILLAS BUILDING I CONDOMINIUM ASSOCIATION, INC. (the “Association”), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purposes set forth in its Articles of Incorporation.
 - 1.1. Fiscal Year. The fiscal year of the Association shall be the twelve month period commencing January 1st and terminating December 31st of each year.
 - 1.2. Seal. The seal of the Association shall bear the name of the corporation, the word “Florida”, the words “Corporation Not for Profit”, and the year of incorporation.
2. Definitions. For convenience, these By-Laws shall be referred to as the “By-Laws” and the Articles of Incorporation of the Association as the “Articles”. The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration of CG Villas Building I, unless herein provided to the contrary, or unless the context otherwise requires.
3. Members.
 - 3.1. Annual Meeting. The annual members’ meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors, and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of November following the year in which the Declaration is filed.
 - 3.2. Special Meetings. Special members’ meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written petition from a majority of the members of the Association. Such petition shall state the purpose(s) of the meeting. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Unit Owners in the manner provided for in the Act. Notwithstanding the foregoing: (i) as to special meetings regarding the adoption of the Condominium’s estimated operating budget, reference should be made to Section 10.1 of these By-Laws,

and (ii) as to special meetings regarding recall of Board members, reference should be made to Section 4.3 of these By-Laws.

3.3. Participation by Unit Owners. Subject to the following and such further reasonable restrictions as may be adopted from time to time by the Board, Unit Owners shall have the right to speak at the annual and special meetings of the Unit Owners, committee meetings and Board meetings with reference to all designated agenda items. A Unit Owner does not have the right to speak with respect to items not specifically designated on the agenda, provided, however, that the Board may permit an Owner to speak on such items in its discretion. Every Unit Owner who desires to speak at a meeting, may do so, provided that the Unit Owner has filed a written request with the Secretary of the Association not less than 24 hours prior to the scheduled time for commencement of the meeting unless waived by the chairman of the meeting (which may be done in the chairman's sole and absolute discretion and without being deemed to constitute a waiver as to any other subsequent speakers), all Unit Owners speaking at a meeting shall be limited to a maximum of three (3) minutes per speaker. The Association may also adopt other reasonable rules governing the frequency, duration and manner of Unit Owner statements. Any Unit Owner may tape record or videotape a meeting, subject to the following and such further reasonable restrictions as may be adopted from time to time by the Board:

- (a) the only audio and video equipment and devices which Unit Owners are authorized to utilize at any such meeting is equipment which does not produce distracting sound or light emissions;
- (b) audio and video equipment shall be assembled and placed in position in advance of the commencement of the meeting;
- (c) anyone videotaping or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the recording, and
- (d) at least 48 hours prior written notice shall be given to the Secretary of the Association by any Unit Owner desiring to make an audio or video taping of the meeting.

3.4. Notice of Meeting, Waiver of Notice. Notice of a meeting of members (annual or special), stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) continuous days prior to the annual meeting. No such posting is required in connection with special meetings of the membership, unless required by applicable law. The Board shall adopt by rule, and give notice to Unit Owners of, a specific location on the Condominium Property upon which all notices of members' meetings shall be posted. The notice of the annual meeting shall also be hand delivered or sent by regular mail to each Unit Owner, unless the Unit Owner waives in writing the right to receive notice of the annual meeting by mail.

The delivery or mailing shall be to the address of the member as it appears on the roster of members. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address initially identified for that purpose by the Developer and thereafter as one or more of the Owners of the Unit shall so advise the Association in writing, or if no address is given or if the Owners disagree, notice shall be sent to the address for the Owner as set forth on the deed of the Unit. The posting and mailing of the notice for either special or annual meetings, which notice must include an agenda, shall be mailed or delivered to each Unit Owner not less than fourteen (14) days prior to the date of the meeting and shall be posted in a conspicuous place in the Condominium Property or Association Property at least fourteen (14) continuous days preceding the meeting.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member), either in person or by proxy, shall constitute such member's waiver of notice of such meeting, and waiver of any and all objections to the place of the meeting, the time of the meeting or the manner in which it has been called or convened, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

An officer of the Association, or the manager or other person providing notice of the meeting shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association, affirming that notices of meetings were posted and mailed or hand delivered in accordance with this Section and Section 718.112(2)(d) of the Act, to each Unit Owner at the appropriate address for such Unit Owner. No other proof of notice of a meeting shall be required.

3.5. Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy (limited or general), of persons entitled to cast in excess of 33 1/3% of the votes of members entitled to vote at the subject meeting.

3.6. Voting.

(a) Number of Votes. Except as provided in Section 3.11 hereof, in any meeting of members, the Owners shall be entitled to cast one vote for each Unit owned. The vote of a Unit shall not be divisible.

(b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Unit Owners for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the terms "majority of the Unit Owners" and "majority of the members" shall mean a majority of the votes entitled to be cast by the members and not a

majority of the members themselves and shall further mean more than fifty percent (50%) of the then total authorized votes present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum shall have been attained. Similarly, if some greater percentage of members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves. Notwithstanding the above, in connection with any action brought by the Unit Owners or the Association with respect to Leasing of Units, a vote of eighty percent (80%) of all Unit Owners is required, which vote must occur at a duly called meeting of the members. Notwithstanding the above, in connection with any action or litigation brought by the Unit Owners or the Association against the Developer, a ninety percent (90%) vote of all Unit Owners is required, which vote must occur at a duly called meeting of the members.

- (c) Voting Member. If a Unit is owned by one person, that person's right to vote shall be established by the roster of members. If a Unit is owned by more than one person (including husbands and wives), the vote may be cast by any Owner of the Unit; provided, however, that in the event a dispute arises between the Owners as to how the vote for Unit shall be cast, or in the event the Owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the Unit on the matter being voted upon at that meeting, but their presence shall be counted for purposes of determining the existence of a quorum. For purposes of this paragraph, the principals or partners of any entity (other than a corporation) owning a Unit shall be deemed Owners of the Unit, and the directors and officers of a corporation owning a Unit shall be deemed Owners of the Unit. If any Owner of a Unit appears at any meeting by proxy, and another co-owner appears in person, the vote for the Unit shall be cast by the Owner appearing in person, and the proxy shall be deemed revoked.

- 3.7. Proxies. Votes to be cast at meetings of the Association membership may be cast in person or by proxy. Except as specifically provided herein, Unit Owners may not vote by general proxy, but may vote by limited proxies substantially conforming to the limited proxy form approved by the Division. Limited proxies shall be permitted for votes taken to waive or reduce reserves, waive financial statements, amend the Declaration, Articles or these By-Laws, or for any other matter requiring or permitting a vote of Unit Owners. No proxy, limited or general, shall be used in the election of Board members. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawfully adjointed meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the

person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Unit (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s) and shall be filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Each proxy shall contain the date, time and place of the meeting for which it is given and, if a limited proxy, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. The proxy form must conform to any requirements of the Condominium Act and applicable administrative rules as amended from time to time. There shall be no limitation on the number of proxies which may be held by any person (including a designee of the Developer). If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in its place. If such provision is not made, substitution is not permitted.

- 3.8. Adjourned Meeting. If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as provided in Section 3.7 hereof, any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. However, in no event shall any proxy be valid for more than ninety (90) days from the date of the original meeting for which it was given.
- 3.9. Order of Business. If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:
- (a) Call to order by the President or by the Vice President or by the chairman of the meeting;
 - (b) Appointment by the President of a chairman of the meeting (who need not be a member or a director), unless appointed by the President or Vice President prior to the meeting;
 - (c) Proof of notice of the meeting or waiver of notice;
 - (d) Reading of minutes;
 - (e) Reports of officers;
 - (f) Reports of committees;
 - (g) Appointment of inspectors of election;
 - (h) Determination of number of directors to be elected;
 - (i) Election of directors;

- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

- 3.10. Minutes of Meeting. The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 3.11. Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required or which may be taken at any annual or special meeting of members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which all members (or authorized persons) entitled to vote thereon were present and voted in order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving members having the requisite number of votes and entitled to vote on such action, and delivered to the Secretary of the Association, or other authorized agent of the Association. Written consent shall not be effective to take the corporate action referred to in the consent unless signed by members having the requisite number of votes necessary to authorize the action within sixty (60) days of the date of the earliest dated consent and delivered to the Association as aforesaid. Any written consent may be revoked prior to the date the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Secretary of the Association, or other authorized agent of the Association. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. A consent signed in accordance with the foregoing has the effect of a meeting vote and may be described as such in any document.

4. Directors

- 4.1. Membership. The affairs of the Association shall be governed by a Board of Directors of not less than three (3) nor more than nine (9) directors, the exact number to be determined in the first instance in the Articles, and, thereafter, except as provided herein, from time to time upon majority vote of the membership. Directors must be natural persons who are eighteen (18) years of

age or older. Directors may not vote at Board meetings by proxy or by secret ballot.

- 4.2. Election of Directors. Election of directors shall be held at the annual members' meeting, except as herein provided to the contrary. Not less than sixty (60) days prior to a scheduled election, the Association shall mail or deliver to each Unit Owner entitled to vote, a first notice of the date of election. Any Unit Owner or other eligible person desiring to be a candidate for the Board must give written notice to the Secretary of the Association not less than forty (40) days prior to the scheduled election. Any eligible candidate may furnish the Association with an information sheet which shall be no larger than 8½ inches by 11 inches. The candidate's information sheet, if any, must be received by the Secretary by no later than thirty-five (35) days prior to the election. The Association shall have no liability for the contents of this information sheet prepared by the candidate. Not less than fourteen (14) days prior to the scheduled election, the Association shall then mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with an agenda and a ballot which shall list all eligible candidates. Upon request of a candidate, the Association shall include the information sheet, with the mailing of the agenda and ballot, with the costs of mailing or delivery and copying to be borne by the Association.

The election of directors shall be by written ballot or voting machine. No Unit Owner shall permit any other person to cast his ballot, and any such ballots improperly cast shall be deemed invalid. The Association shall follow any administrative rules applicable to safeguarding the secrecy of ballots. Proxies shall in no event be used in electing the Board, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise, unless otherwise provided in the Act. Elections shall be decided by a plurality of those ballots and votes cast. There shall be no quorum requirement; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of members of the Board. There shall be no cumulative voting. Notwithstanding the provisions of this Section, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

- 4.3. Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of directors by members (as addressed in subsection (b) below), vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors at any Board meeting, provided that all vacancies in directorships to which directors were appointed by the Developer pursuant to the provisions of paragraph 4.15 hereof shall be filled by the Developer without the necessity of any meeting.
- (b) Any director elected by the members (other than the Developer) may be removed by concurrence of a majority of the voting interests of the

members at a special meeting of members called for that purpose or by written agreement signed by a majority of all voting interests. The vacancy in the Board of Directors so created shall be filled by the members at a special meeting of the members called for such purpose, or by the Board of Directors, in the case of removal by a written agreement unless said agreement also designates a new director to take the place of the one removed. The conveyance of all Units owned by a director in the Condominium (other than appointees of the Developer or directors who were not Unit Owners) shall constitute the resignation of such director.

- (c) Anything to the contrary herein notwithstanding, until a majority of the directors are elected by members other than the Developer of the Condominium, neither the first directors of the Association, nor any directors replacing them, nor any directors named by the Developer, shall be subject to removal by members other than the Developer. The first directors and directors replacing them may be removed and replaced by the Developer without the necessity of any meeting.
- (d) If a vacancy on the Board of Directors results in the inability to obtain a quorum of directors in accordance with these By-Laws, any Owner may apply to the Circuit Court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the Unit Owner shall mail to the Association and post in a conspicuous place on the Condominium Property a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Association fails to fill the vacancy(ies), the Unit Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws. Anything herein to the contrary notwithstanding, if a vacancy occurs on the Board of Directors as a result of the removal of any directors and a majority or more of the Board of Directors are removed, the vacancies shall be filled in accordance with any procedural rules adopted pursuant to the Act.

4.4. Term. Except as provided herein to the contrary, the term of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided. Notwithstanding the foregoing, any director designated by the Developer shall serve at the pleasure of the Developer and may be removed and replaced by the Developer at any time.

4.5. Organizational Meeting. The organizational meeting of newly elected or appointed directors shall be held within ten (10) days of their election or

appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary; provided, however, in the event the organizational meeting shall follow the annual meeting in which Directors were newly elected or appointed, the notice of the annual meeting shall serve as notice of the organizational meeting if said notice properly provided for the organizational meeting to be held at that time.

- 4.6. Meetings. Meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of meetings shall be given to each director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Meetings of the Board of Directors and any Committee thereof at which a quorum of the members of that Committee are present shall be open to all Unit Owners. Any Unit Owner may tape record or videotape meetings of the Board, in accordance with the rules of the Division, subject to the restrictions in the Articles, Section 3.3 of these By-Laws and any modifications thereof adopted from time to time by the Board. The right to attend such meetings includes the right to speak at such meetings with respect to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration and manner of Unit Owner statements. Adequate notice of such meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours preceding the meeting, except in the event of an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board of Directors. Such emergency action shall be noticed and ratified at the next regular meeting of the Board of Directors. Notwithstanding the foregoing, written notice of any meeting of the Board at which non-emergency special assessments, or at which amendment to rules regarding Unit use will be considered, shall be mailed or delivered to all Unit Owners and posted conspicuously on the Condominium Property or Association Property upon which notices of Board meetings can be posted. If there is no Condominium Property or Association Property upon which notices can be posted, notices of Board meetings shall be mailed or delivered at least fourteen (14) days before the meeting to the Owner of each Unit. Evidence of compliance with this fourteen (14) day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. The Board may adopt by rule, and give notice to Unit Owners of, a specific location on the Condominium Property upon which all notices of Board and/or Committee meetings shall be posted. Special meetings of the directors may be called by the President, and must be called by the President or Secretary at the written request of one-third (1/3) of the directors or where required by the Act.
- 4.7. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said director of notice. Attendance by any director at a meeting shall constitute a

waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a director states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.

- 4.8. Quorum. A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is specifically required by applicable law, the Declaration, the Articles or these By-Laws. After a quorum has been established at a meeting, the subsequent withdrawal of members, so as to reduce the number of voting interests entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment.
- 4.9. Adjourned Meeting. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted as long as notice of such business to be conducted at the rescheduled meeting is given, if required (e.g., with respect to budget adoption).
- 4.10. Joinder in Meeting by Approval of Minutes. The Joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that director of the business conducted at the meeting, but such joinder shall not allow the applicable director to be counted as being present for purposes of quorum.
- 4.11. Presiding Officer. The presiding officer at Board meetings shall be the chairman of the Board if such an officer is elected, and if none, the President shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.
- 4.12. Order of Business. If a quorum has been attained, the order of business at Board meetings shall be:
 - (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;

- (f) New business;
- (g) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.

- 4.13. Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 4.14. Committees. The Board may by resolution also create Committees and appoint persons to such Committees and vest in such Committees such powers and responsibilities as the Board shall deem advisable.
- 4.15. Proviso. Notwithstanding anything to the contrary contained in this Section 4 or otherwise, the Board shall consist of three directors during the period that the Developer is entitled to appoint a majority of the directors, as hereinafter provided. The Developer shall have the right to appoint all of the members of the Board of Directors until Unit Owners other than the Developer own fifteen (15%) percent or more of the Units in the Condominium. When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Upon the election of such director(s), the Developer shall forward to the Division of Florida Land Sales, Condominiums and Mobile Homes the name and mailing address of the director(s) elected. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors' (a) three years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers, (b) three months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers, (c) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; (d) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven (7) years after recordation of the Declaration, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business five percent (5%) of the Units that will be operated ultimately by the Association.

The Developer may transfer control of the Association to Unit Owners other than the Developer prior to such dates in its sole discretion by causing enough of its

appointed Directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect Directors and assume control of the Association. Provided at least thirty (30) days' notice of Developer's decision to cause its appointees to resign is given to Unit Owners, neither the Developer, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Developer refuse or fail to assume control.

Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, or sooner if the Developer has elected to accelerate such event as aforesaid, the Association shall call, and give not less than sixty (60) days' notice of an election for the Unit Owners to elect such member or members of the Board of Directors. The election shall proceed as provided in Section 716.112(2)(d) of the Act. The notice may be given by any Unit Owner if the Association fails to do so.

At the time the Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association, the Developer shall relinquish control of the Association and such Unit Owners shall accept control. At that time (except as to subparagraph (g), which may be ninety (90) days thereafter) Developer shall deliver to the Association, at Developer's expense, all property of the Unit Owners and of the Association held or controlled by the Developer, including, but not limited to, the following items, if applicable to the Condominium:

- (a) the original or a photocopy of the recorded Declaration of Condominium, and all amendments thereto. If a photocopy is provided, the Developer must certify by affidavit that it is a complete copy of the actual recorded Declaration;
- (b) a certified copy of the Articles of Incorporation of the Association;
- (c) a copy of the By-Laws of the Association;
- (d) the minute book, including all minutes, and other books and records of the Association;
- (e) any rules and regulations which have been adopted;
- (f) resignations of resigning officers and Board members who were appointed by the Developer;
- (g) the financial records, including financial statements of the association, and source documents from the incorporation of the Association through the date of the turnover. The records shall be audited for the period from the incorporation of the Association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation, by an independent certified public accountant. All financial

statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards as prescribed by the Florida Board of Accountancy. The accountant performing the audit shall examine, to the extent necessary, supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for Association purposes, and billings, cash receipts and related records to determine that the Developer was charged and paid the proper amounts of Assessments;

- (h) association funds or the control thereof;
- (i) all tangible personal property that is the property of the Association or is or was represented by the Developer to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property;
- (j) a copy of the plans and specifications utilized in the construction or remodeling of Improvements and the supplying of equipment and for the construction and installation of all mechanical components serving the Improvements and the Condominium Property, with a certificate, in affidavit form, of an officer of the Developer or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium Property and the construction and installation of the mechanical components serving the Improvements and the Condominium Property;
- (k) a list of the names and addresses of all contractors, subcontractors and suppliers, of which Developer had knowledge at any time in the development of the Condominium, utilized in the construction or remodeling of the Improvements and the landscaping of the Condominium and/or Association Property;
- (l) insurance policies;
- (m) copies of any Certificates of Occupancy or Certificates of Completion which may have been issued for the Condominium Property;
- (n) any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one (1) year prior to the date the Unit Owners take control of the Association;
- (o) all written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective;

- (p) a roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Developer's records;
- (q) leases of the Common Elements and other leases to which the Association is a party, if applicable;
- (r) employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service; and
- (s) all other contracts to which the Association is a party.

5. Authority of the Board.

5.1. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) operating and maintaining all Common Elements and the Association Property;
- (b) determining the expenses required for the operation of the Association and the Condominium;
- (c) employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements and the Association Property;
- (d) adopting and amending rules and regulations concerning the details of the operation and use of the Condominium and Association Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 15 hereof;
- (e) maintaining bank accounts in a federally insured institution on behalf of the Association and designating the signatories required therefor;
- (f) purchasing, leasing or otherwise acquiring title to, or an interest in, property in the name of the Association, or its designee, for the use and benefit of its members. The power to acquire personal property shall be exercised by the Board and the power to acquire real property shall be exercised as described herein and in the Declaration;

- (g) purchasing, leasing or otherwise acquiring Units or other property, including, without limitation, Units at foreclosure or other judicial sales, all in the name of the Association, or its designee;
- (h) selling, leasing, mortgaging or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee;
- (i) organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property;
- (j) obtaining and reviewing insurance for the Condominium and Association Property;
- (k) making repairs, additions and improvements to, or alterations of, Condominium Property and Association Property, and repairs to and restoration of Condominium and Association Property, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise;
- (l) enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium;
- (m) purchasing or leasing Units for use by resident superintendents and other similar persons;
- (n) borrowing money on behalf of the Association or the Condominium when required in connection with the operation, care, upkeep and maintenance of Common Elements or the acquisition of real property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the Owners of at least two-thirds (2/3) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum which would cause the total outstanding indebtedness of the Association to exceed \$10,000.00. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subparagraph (n) is not repaid by the Association, a Unit Owner who pays to the creditor such portion thereof as his interest in his Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Owner's Unit;
- (o) subject to the provisions of Section 5.2 below, contracting for the management and maintenance of the Condominium and Association Property and authorizing a management agent (who may be an affiliate of

the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments and Charges, preparation of financial statements and keeping of records, enforcement of rules and regulations, maintenance, repair, and replacement of the Common Elements and Association Property with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, the Articles, these By-Laws and the Act, including, but not limited to, the making of Assessments and Charges, promulgation of rules and execution of contracts on behalf of the Association;

- (p) at its discretion, but within the parameters of the Act, authorizing Unit Owners or other persons to use portions of the Common Elements or Association Property for private parties and gatherings and imposing reasonable charges for such private use;
- (q) exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit; and
- (r) contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.

5.2. Contracts. Any contract which is not to be fully performed within one (1) year after the making thereof, for the purchase, lease or renting of materials or equipment to be used by the Association in accomplishing its purposes, and all contracts for the provision of services, shall be in writing. If a contract for purchase, lease or renting materials or equipment, or for the provision of services, requires payment by the Association on behalf of the Condominium in the aggregate that exceeds five percent (5%) of the total annual budget of the Association, including reserves, the Association shall obtain competitive bids for the materials, equipment or services. Nothing contained herein shall be construed to require the Association to accept the lowest bid. Notwithstanding the foregoing, contracts with employees of the Association and contracts for attorneys, accountants, architects, engineers and landscape architects services shall not be subject to the provisions hereof. Further, nothing contained herein is intended to limit the ability of the Association to obtain needed products and services in an emergency; nor shall the provisions hereof apply if the business entity with which the Association desires to contract is the only source of supply within the County. The Association may, if permitted under the Act, opt out of the requirements of this Section.

6. Officers.

6.1. Executive Officers. The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary (none of whom need be Directors),

all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers, other than designees of the Developer, must be Unit Owners (or authorized representatives of corporate/partnership/trust Unit Owners).

- 6.2. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3. Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.
- 6.4. Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. The Secretary shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.
- 6.5. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep or shall cause to be kept books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. The Treasurer shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Board or the President. The Treasurer shall prepare or shall cause to be prepared the financial reports required by Sections 718.111(13) and 718.301(4) of the Act, Rule 61B-22.006 of the Florida Administrative Code, and Section 10.7 of these By-Laws. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
- 6.6. Developer Appointees. No officer appointed by the Developer may be removed except as provided in Section 4.15 hereof and by law.

7. Fiduciary Duty. The officers and directors of the Association, as well as any manager employed by the Association, have a fiduciary relationship to the Unit Owners. No officer, director or manager shall solicit, offer to accept, or accept any thing or service of value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association. Any such officer, director or manager who knowingly so solicits, offers to accept or accepts any thing or service of a value exceeding \$100.00 shall, in addition to all other rights and remedies of the Association and Unit Owners, be subject to a civil penalty in accordance with the Act. Notwithstanding the foregoing, this paragraph shall not prohibit an officer, director or manager from accepting services or items received in connection with trade fairs or education programs.
8. Compensation. Neither directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a director or officer as an employee of the Association, nor preclude contracting with a director or officer for the management of the Condominium or for any other service to be supplied by such director or officer. Directors and officers shall be reimbursed for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
9. Resignations. Any director or owner may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any director or officer (other than appointees of the Developer or officers who were not Unit Owners) shall constitute a written resignation of such director or officer.
10. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
 - 10.1. Budget.
 - (a) Adoption by Board; Items. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium governed and operated by the Association (which shall detail all accounts and items of expense and contain at least all items set forth in Section 718.504(20) of the Act, if applicable), determine the amount of Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration. In addition, if the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget or a schedule attached thereto shall show amounts budgeted therefor. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law or desired by the Board). The

amount of reserves shall be computed by means of a formula which is based upon the estimated life and the estimated replacement cost of each reserve item. The Association may adjust replacement and reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. Prior to transfer of control of the Association to Unit Owners other than the Developer, and if provided in the initial budget of the Association, the Developer may vote to waive reserves for each of the first two (2) years of operation of the Association, after which time, reserves may only be waived or reduced upon the vote of a majority of non-Developer voting interests present at a duly called meeting of the Association. If a meeting of Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for any other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association.

The adoption of a budget for the Condominium shall comply with the requirements hereinafter set forth:

- i. Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Unit Owner not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting.
- ii. Special Membership Meeting. If a budget is adopted by the Board of Directors which requires Assessments against such Unit Owners in any year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, as hereinafter defined, upon written application of ten percent (10%) of the Unit Owners, a special meeting of the Unit Owners shall be held within sixty (60) days of after adoption of the budget. Each Unit Owner shall be given at least fourteen (14) days' notice of said meeting. At the special meeting, Unit Owners shall consider and adopt a budget. The adoption of said budget shall require a vote of Owners of not less than fifty percent (50%) of all the Units (including Units owned by the Developer). If a meeting of the Unit Owners has been called as aforesaid and a quorum is not obtained or a

substitute budget has not been adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

- iii. Determination of Budget Amount. In determining whether a budget requires Assessments against Unit Owners in any year exceeding one hundred fifteen percent (115%) of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors with respect to repair or replacement of the Condominium Property or with respect to anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation Assessments for Improvements to the Condominium Property.
- iv. Proviso. As long as the Developer is in control of the Board of Directors of the Association, the Board shall not impose Assessments for a year greater than one hundred fifteen percent (115%) of the prior year's Assessments, as herein defined, without the approval of a majority of Unit Owners including the Developer.

- (b) Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 10.1(a) above, the Board of Directors may call a special meeting of Unit Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

- 10.2. Assessments and Charges. Assessments against Unit Owners for their share of the items of the budget shall be established for the applicable fiscal year annually at least twenty (20) days preceding the year for which the Assessments become effective. Such Assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the Assessments become effective. If annual Assessments are not established as required, Assessments shall be presumed to have been established in the amount of the last prior Assessments, and monthly (or quarterly) installments on such Assessments shall be due upon each installment payment date until changed by amended Assessments. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 10.1 hereof, if applicable. Unpaid Assessments for the remaining portion

of the fiscal year for which amended Assessments are established shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended Assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

- 10.3. Special Assessments, Special Charges and Assessments for Capital Improvements, Special Assessments. Special Charges and Capital Improvement Assessments (as defined in the Declaration) shall be levied as provided in the Declaration and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments or Charges. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in the notice of adoption of same. However, upon completion of such specific purpose or purposes, any excess funds will be considered Common Surplus, and may, at the discretion of the Board, either be returned to the Unit Owners or applied as a credit towards future assessments.
- 10.4. Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited separately in the Association's name. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the directors. All sums collected by the Association from Assessments, Charges or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors. Reserve and operating funds of the Association may be commingled for purposes of investment, but separate ledgers must be maintained for each account.
- 10.5. Acceleration of Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon his Assessments, the Board of Directors or its agent may accelerate the remaining annual or fiscal year's Assessments upon thirty (30) days' prior written notice to the Unit Owner and the filing of a claim of lien, and the then unpaid balance of the Assessments for the balance of the year shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by certified mail, whichever shall first occur.
- 10.6. Fidelity Insurance. Fidelity insurance shall be obtained and maintained by the Association for all persons who control or disburse Association funds. The insurance policy or fidelity bond shall be in an amount equal to the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the

Association. The Association shall bear the cost of bonding, to be in an amount not less than the greater of (i) three (3) times the total monthly Assessments or (ii) such amounts as may be required, from time to time, under the Act.

- 10.7. Accounting Records and Reports. The Association shall maintain accounting records in the state, according to accounting practices normally used by similar associations. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of Assessments and Charges, the dates and amounts in which the Assessments and Charges come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Unit Owner annually.

On or before April 1 of each year, the Board shall mail, or furnish by personal delivery, to each Unit Owner, and to the Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business Regulation a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) costs for security;
- (b) professional and management fees and expenses;
- (c) taxes;
- (d) costs for recreation facilities;
- (e) expenses for refuse collection and utility services;
- (f) expenses for lawn care;
- (g) costs for building maintenance and repair;
- (h) insurance costs;
- (i) administrative and salary expenses; and
- (j) general reserves, maintenance reserves and depreciation reserves.

- 10.8. Application of Payment. All payments made by a Unit Owner shall be applied as provided in these By-Laws and in the Declaration or as otherwise determined by the Board.

- 10.9. Notice of Meetings. Notice of any meeting where Assessments or Charges against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.
11. Roster of Unit Owners. Each Unit Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit Owners of record, on the date notice of any meeting requiring their vote is given, shall be entitled to notice of and to vote at such meeting. However, any other Owner who, prior to such meeting, produces adequate evidence, as provided above, of their interest, and waives in writing notice thereof, shall also be entitled to vote at such meeting.
12. Parliamentary Rules. Except when specifically or impliedly waived by the chairman of a meeting (either of members or directors), Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Act, the Declaration, the Articles or these By-Laws, provided, however, that a strict or technical reading of said Robert's Rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.
13. Fining Procedure.
- 13.1. Every Unit Owner and his family, guests, invitees, lessees and employees shall comply with the provisions of the Declaration, By-Laws and Articles of Incorporation of the Association, and the Rules and Regulations of the Association, as amended from time to time. Failure of a Unit Owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. In addition to all other remedies, in the sole discretion of the Board of Directors, a fine or fines may be imposed upon a Unit Owner for failure of a Unit Owner, his family, guests, invitees, lessees or employees, to comply with any covenant, restriction, rule or regulation in the Declaration, Articles of Incorporation, By-Laws, or Rules and Regulations.
- 13.2. Prior to imposing any fine against a Unit Owner or tenant, the Unit Owner or tenant shall be afforded an opportunity for a hearing after reasonable notice to the Unit Owner or tenant of not less than 14 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, By-Laws or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Unit Owner or tenant shall have an 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 Association. The hearing must be held before a committee of other Unit Owners, which may consist of the directors of the Association. At the hearing, the Committee shall conduct a reasonable

inquiry to determine whether the alleged violation in fact occurred, and if the Committee so determines, it may impose such fine as it deems appropriate by written notice to the Unit Owner or tenant. If the Committee does not agree with the fine, the fine may not be levied. The amount of any fine shall be determined by the Association and shall not 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. If the Unit Owner or tenant fails to attend the hearing as set by the Board, the Unit Owner or tenant shall be deemed to have admitted the allegations contained in the notice to the Unit Owner or tenant. Any fine imposed by the Board shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Board's decision at the hearing. If not paid when due, all of the provisions of this Declaration relating to the late payment of monies owed to the Association shall be applicable except as otherwise provided by the Act. If any fine is levied against a tenant and is not paid by the tenant or Unit Owner within ten (10) days after same is due, the Association shall have the right to evict the tenant as hereinafter provided.

14. Amendments. Except as may be provided in the Declaration to the contrary, these By-Laws may be amended in the following manner:

14.1. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

14.2. Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:

(a) prior to turning over control of the Association to Unit Owners other than the Developer, by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained and by not less than eighty percent (80%) of the entire Board of Directors; or

(b) after control of the Association has been turned over to Unit Owners other than the Developer, by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained. Notwithstanding the above, in connection with any approval with respect to Leasing of Units, approval of eighty percent (80%) of all Unit Owners is required, which approval must occur at a duly called meeting of the members.

- 14.3. Except as elsewhere provided herein or by the Act, the Board of Directors, upon the unanimous vote of all the directors, shall have the right, without the consent of the Unit Owners, to make the following amendments to these By-Laws (i) amendments made to conform to the requirements of any Institutional First Mortgagee so that such mortgagee will make, insure, or guarantee first mortgage loans on the Units, (ii) amendments required by any governmental authority, or (iii) amendments made to conform the provisions of these By-Laws to any provisions of the Act or any rule promulgated thereunder, or any other applicable statute or regulation now or hereafter adopted or amended, provided however that no such amendment shall be effective to impose any additional liability or obligation on the Developer.
- 14.4. Proviso. Notwithstanding anything herein or in the Articles or the Declaration to the contrary, no amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer, unless the Developer joins in any such amendment. No amendment shall be made that is in conflict with the Articles or the Declaration. No amendment to this Section shall be valid.
- 14.5. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of these By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County with an identification on the first page of the amendment of the Official Records Book and Page of said Public Records where the Declaration is recorded.
- 14.6. Form of Amendments. None of these bylaws shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation shall be inserted immediately preceding the proposed amendment in substantially the following language, "Substantial rewording of Bylaws. See Bylaw _____ for present text".
15. Rules and Regulations. Attached hereto as Schedule A and made a part hereof are initial rules and regulations concerning the use of portions of the Condominium and Association Property. The Board of Directors may, from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date control of the Board is turned-over by the Developer to Unit Owners other than the Developer, Owners of a majority of the Units may overrule the Board with respect to any such modifications, amendments or

additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Unit Owner not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.

16. Official Records. From the inception of the Association, the Association shall maintain for the Condominium, a copy of each of the following, where applicable, which shall constitute the official records of the Association:
- (a) the plans, permits, warranties, and other items provided by the Developer pursuant to Section 718.301(4) of the Act;
 - (b) a photocopy of the recorded Declaration of Condominium and all amendments thereto;
 - (c) a photocopy of the recorded By-Laws of the Association and all amendments thereto;
 - (d) a certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto;
 - (e) a copy of the current rules and regulations of the Association;
 - (f) a book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven (7) years;
 - (g) a current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and if known, telephone numbers;
 - (h) all current insurance policies of the Association and of all condominiums operated by the Association;
 - (i) a current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility;
 - (j) bills of sale or transfer for all property owned by the Association;
 - (k) accounting records for the Association and the accounting records for the Condominium, according to good accounting practices. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but not be limited to:
 - i. accurate, itemized, and detailed records for all receipts and expenditures;

- ii. a current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each Assessment, the amount paid upon the account, and the balance due;
 - iii. all audits, reviews, accounting statements, and financial reports of the Association or Condominium; and
 - iv. all contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.
- (l) ballots, sign-in sheets, voting proxies and all other papers relating to voting by Unit Owners which shall be maintained for a period of one (1) year from the date of the election, vote or meeting to which the document relates;
 - (m) all rental records where the Association is acting as agent for the rental of Units;
 - (n) a copy of the current Question and Answer Sheet, in the form promulgated by the Division, which shall be updated annually; and
 - (o) all other records of the Association not specifically listed above which are related to the operation of the Association.

The official records of the Association shall be maintained within the State. The records of the Association shall be made available to a Unit Owner within five (5) working days after receipt of written request by the Board of Directors or its designee. This paragraph may be complied with by having a copy of the official records of the Association available for inspection or copying on the Condominium Property or Association Property.

The official records of the Association shall be open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at a reasonable expense, if any, which shall be paid by the Association member. The Association may adopt reasonable rules regarding the time, location, notice and manner of record inspections and copying. The failure of an Association to provide official records to a Unit Owner or his authorized representative within ten (10) working days after receipt of a written request therefor shall create a rebuttable presumption that the Association willfully failed to comply with this paragraph. A Unit Owner who is denied access to official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this paragraph. The minimum damages shall be \$50 per calendar day up to 10 days, the calculation to begin on the 11th working day after the Association's receipt of the written request.

Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The Association shall maintain on the Condominium Property an adequate number of copies of the Declaration, Articles, By-Laws and rules, and all amendments to the foregoing, as well as the Question and Answer Sheet, to ensure their availability to Unit Owners and prospective purchasers. The Association may charge the actual costs incurred in preparing and furnishing these documents to those persons requesting same. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to Unit Owners:

- (a) a record which was prepared by an Association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings;
- (b) information obtained by the Association in connection with the approval of the lease, sale or other transfer of a Unit; and
- (c) medical records of Unit Owners.

17. Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Units with the applicable condominium fire and life safety code.
18. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
19. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.
20. Conflict. Notwithstanding anything in the Declaration to the contrary, in the event any of the provisions of these By-Laws conflict with the provisions of the Condominium Act as it may be amended from time to time, the provisions of the Act shall control.
21. Nonbinding Arbitration. Prior to any party instituting any legal action in connection with or arising out of any dispute, as such term is defined by Section 718.1255 of the Florida Statutes (2001), the party must submit to non-binding arbitration as provided for in said Section 718.1255 or any successor provision.

SCHEDULE "A"
TO
BY-LAWS

RULES AND REGULATIONS

CG VILLAS BUILDING I, A HOTEL CONDOMINIUM

1. Occupancy and Use Restrictions. Units may be used only as residences and for no other purpose. No business, profession or trade of any type shall be conducted on any portion of the Condominium Property. This prohibition shall not be applicable to the Developer with respect to its development of the Condominium Property, its construction, repair, administration and sale or lease of Units, or its use of Units as models. Nothing herein shall be construed to prohibit ownership of a Unit by a corporation, domestic or foreign.

A Unit owned or leased by an individual(s), corporation, partnership, trust or other fiduciary may only be occupied by the following persons, and such persons' families: (i) the individual Unit Owner(s), (ii) an officer, director, stockholder, employee or designee of such corporation, (iii) a partner, employee or designee of such partnership, (iv) the fiduciary or beneficiary of such fiduciary, or (v) the permitted occupants under an approved lease or sublease of the Unit (as described below), as the case may be. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom and one (1) person per den (as defined by the Association for the purpose of excluding from such definition living rooms, dining rooms, family rooms, country kitchens and the like). The Board of Directors shall have the power to authorize occupancy of a Unit by persons in addition to those set forth above. The provisions of this Rule shall not be applicable to Units used by the Developer for model units, sales offices or management services.

As used herein, "family" or words of similar import shall be deemed to include a spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting the Unit as or together with the Owner or permitted occupant thereof. As used herein, "guest" or words of similar import shall include only those persons who have a principal residence other than the Unit. Unless otherwise determined by the Board of Directors, and except as otherwise provided in Rule 2, a person(s) occupying a Unit for more than one (1) month without the Unit Owner or a member of his family being present shall not be deemed a guest but, rather, shall be deemed a lessee for purposes of these Rules and Regulations (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of these Rules and Regulations which apply to lessees. The purpose of this paragraph is to prohibit the circumvention of the provisions and intent of these Rules and Regulations and the Board of Directors shall enforce, and the Unit Owners comply with, the same with due regard for such purpose.

Leases. Leasing of the Units shall not be subject to the prior written approval of the Association; provided, however, that each Unit Owner must conduct a reasonable investigation into the criminal history of any prospective lessee of its Unit and shall not lease its Unit to any individual who, in the opinion of a prudent person, would, because of their criminal history, present a potential danger to other residents of the Building. Every lease of a Unit shall specifically require a deposit in an amount equivalent to one (1) month's rent (the "Deposit") to

be held by the Association, provided, however, that the Deposit shall not be required for any Unit which is rented or leased directly by the Developer. Such lease may require additional deposits which may be held by the Unit Owner. No lease shall be for a term of less than one (1) month. Regardless of whether expressed in the applicable lease, if any, a Unit Owner shall be jointly and severally liable to the Association for the acts and omissions of its tenant(s) and occupant(s) which constitute a violation of, or non-compliance with, the provisions of this Declaration and of any and all rules and regulations of the Association. All leases shall be in writing, in a standard form adopted by the Board, and shall provide that the Condominium Association shall have the right (i) to terminate the lease upon default by the tenant in observing any of the provisions of the Declaration of Condominium, the Articles of Incorporation or By-Laws, the rules and regulations of the Association, or any other applicable provisions of any agreement, document or instrument governing the Condominium or administered by the Condominium Association, and (ii) to collect all rental payments due to the Owner and to apply same against unpaid Assessments if, and to the extent that, the Unit Owner is in default in the payment of Assessments. This Rule shall also apply to subleases, assignments and renewals of leases, and to any "roommate lease" by an Owner of a two or three bedroom Unit to a tenant who will occupy the Unit contemporaneously with the Unit Owner.

All leases shall also be in writing and shall provide that the Association shall have the right (i) to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Articles of Incorporation, the By-Laws, the rules and regulations of the Association or any other applicable provisions of any other agreement, document or instrument governing the Condominium or administered by the Condominium Association or any other applicable governmental law, rule or regulation and (ii) to collect all rental payments due to the Owner and to apply same against unpaid Assessments if, and to the extent that, the Unit Owner is in default in the payment of Assessments.

When a Unit is leased, the tenant shall have all of the Unit Owner's use rights to all Association Property, Common Elements, and the Owner of the leased Unit shall not have such rights, except as a guest. Nothing herein shall interfere with the access rights of the Unit Owner as a landlord pursuant to Chapter 83, Florida Statutes.

2. Children. Children shall be permitted to reside in the Units. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Condominium Property and including full compliance by them with these Rules and Regulations and any other rules and regulations of the Association. Playing shall not be permitted in any of the hallways, stairways, elevators, lobby areas, or parking areas. All children under thirteen (13) years of age must be accompanied by a responsible adult when entering and/or utilizing the recreational facilities.

3. Pets. No animals of any kind shall be raised, bred, or kept on any portion of the Condominium Property. Any violation of the provisions of this Rule shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Condominium Property.

Use of Common Elements and Association Property. The Common Elements and Association Property shall be used only for furnishing of the services and facilities for which

they are reasonably suited and which are incident to the use and occupancy of the Units. The Common Elements shall not be obstructed, littered, defaced, or misused in any manner. In no event shall any Unit Owner or occupant place, or permit the placement of any item which obstructs, or otherwise impedes access to, any portion of the Condominium Property which are either designated or used as delivery and receiving areas.

4. Nuisances. No portion of the Units, Limited Common Elements or Common Elements shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious or unsightly to the eye, nor shall any substance, thing, or material be kept on any portion of the Units or the Limited Common Elements appurtenant thereto that will emit foul or obnoxious odors or cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding properties. No noxious or offensive activity shall be carried on in any Units, Limited Common Elements, Common Elements or other portions of the Condominium Property, nor shall anything be done therein which may be or become an unreasonable annoyance or nuisance to any Owner. The Board of Directors shall have the right to determine if any equipment fixture, improvement materials or activity producing such noise or odor constitutes a nuisance. In particular, during the hours from 11:00 p.m. through 8:00 a.m. no Unit Owner shall play (or permit to be played in its Unit, or in the Limited Common Elements or Common Elements) any musical instrument, phonograph, television, radio or the like in a way that unreasonably disturbs or annoys other Unit Owners or occupants. Additionally, there shall not be maintained therein any plants, animals, devices or things of any sort whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature that may diminish or destroy the enjoyment of the Units, or any other portions of the Condominium Property. No outside burning of wood, leaves, trash, garbage, or household refuse shall be permitted within the Condominium Property. No activity specifically permitted by this Declaration shall be deemed a nuisance.

5. Outside Items. No rubbish, garbage, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Condominium Property, except within designated trash receptacles. No linens, clothing, household fabrics, curtains, rugs, or laundry of any kind shall be hung, shaken, dried or aired from any windows, doors, balconies, terraces or other portions of the Condominium Property. No articles shall be placed on balconies, patios or similar areas. The foregoing shall not prevent placing and using patio-type furniture, planters and other items in such areas if the same are normally and customarily used for a residential balcony, patio or terrace area. In the event of any doubt or dispute as to whether a particular item is permitted hereunder, the decision of the Board of Directors shall be final and dispositive.

6. Firearms. The discharge of firearms within the Condominium is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

7. No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction there over shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Condominium Property, shall be corrected

by, and at the sole expense of, the party obligated to maintain or repair such portion of the Condominium Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles of Incorporation or the By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Rule. No activity specifically permitted by this Declaration shall be deemed to be a violation of this Rule.

8. Alterations. No Unit Owner shall cause or allow improvements or changes to his Unit, or to any Limited Common Elements, Common Elements, or Association Property, which alters the exterior appearance thereof, or which could in any way affect the structural, electrical, plumbing or mechanical systems of the Building without obtaining the prior written consent of the Association (in the manner specified in Section 10.1 of the Declaration). No spas, hot tubs, whirlpools or similar improvements shall be permitted on any patio or balcony.

9. Floor Coverings. Hard and/or heavy surface floor coverings in any area of a Unit, including, without limitation, tile, marble or wood may not be installed in any part of a Unit, without the prior written consent of the Association (in the manner specified in Section 10.1 of the Declaration) except for in kitchen and bathroom areas which have not been relocated or expanded to areas above the living rooms or bedrooms in the Units below, based upon the locations shown in the Developer's as-built plans for the Units on file with the applicable governmental authority. The Association shall not approve the installation of hard and/or heavy surface floor coverings (for which approval is required) unless the aggregate sound isolation and acoustical treatment carries a minimum Sound Transmission Classification (STC) of 50 and a minimum Impact Isolation Classification (IIC) of 48. The installation of the foregoing materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials for any ridged part of the building structure, whether of the concrete sub-floor (vertical transmission) or adjacent walls and fittings (horizontal transmission). Notwithstanding the foregoing, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Rule.

10. Exterior Improvements and Landscaping. No Unit Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of the Units or the Limited Common Elements appurtenant thereto (including, but not limited to, awnings, canopies, shutters, window coverings, signs, screens, window tinting, fixtures and equipment), without the prior written consent of the Association. No painting or changes in the exterior colors of any Units or Limited Common Elements appurtenant thereto shall be permitted.

11. Signs. No sign, poster, display, billboard or other advertising device of any kind including, without limitation, "FOR SALE", "FOR RENT", security service or construction signs shall be displayed to the public view on any portion of the Units, Limited Common Elements or Common Elements, without the prior written consent of the Association, except (a) signs, regardless of size, used by the Developer, its successors or assigns or a party developing or marketing any portion of the Condominium Property, including signs used for construction or repairs, advertising, marketing, promotion, sales or leasing activities, (b) signs installed as part of the initial construction of the Units or other improvements and replacements of such signs (similar or otherwise) and (c) bulletin boards, entrance, directional, informational and similar signs used by the Association.

12. Lighting. Except for seasonal decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights and exterior electrical outlets must be approved in accordance with Section 10 of the Declaration.

13. Exterior Sculpture and Similar Items. Exterior sculpture, flags, and similar items must be approved in accordance with Section 10 of the Declaration, provided, however, that nothing herein shall prohibit the appropriate display of the American flag.

14. Air Conditioning Units. No window or wall mounted air conditioning units may be installed in any Unit.

15. Outside Installations. No radio station or shortwave operations of any kind shall operate from any Units, Limited Common Elements or Common Elements. To the extent permitted by law, no exterior satellite dish, radio antenna, television antenna or other antenna of any type shall be erected or maintained on the Limited Common Elements, Common Elements or in the Units, except that a master antenna or antennae and other equipment, or cable television antenna or antennae or satellite dish or dishes, may be provided for the use of Owners as part of the Community Systems, and the Developer and the Association may grant and hereby reserve easements for such purposes.

16. Window and Door Treatments. No screen doors, reflective film tinting or window coverings shall be installed on any windows or glass doors unless approved by the Association in accordance with Section 10.1 of the Declaration. Curtains, drapes and other window coverings (including their linings) which are visible from the exterior of the Building, shall be white or off-white in color, unless otherwise specifically approved by the Board of Directors. No aluminum foil may be placed in any window or glass door of a Unit, and no reflective substance may be placed on any glass in a Unit, except for any substance previously approved by the Board of Directors for energy conservation or hurricane protection purposes. No unsightly materials may be placed on any window or glass door or shall be visible through such window or glass door. Any screen door must be of a uniform type approved by the Association.

17. Unit Maintenance. Each Unit Owner must undertake or must designate a responsible firm or individual to undertake his general maintenance responsibilities, which shall include, at a minimum, maintaining the exterior appearance of the Unit and the Limited Common Elements, safeguarding the Unit and the Limited Common Elements, to prepare for hurricane or tropical storm watches and warnings by, among other things, removing any unfixed items on balconies and lanais, and repairing the Unit in the event of any damage therefrom. An Owner may designate a firm or individual to perform such functions for the Owner, but such designation shall not relieve the Owner of any responsibility hereunder. The name(s) and addresses of such firm or individual must be furnished to the Association on a standard form adopted by the Board. The designation of such firm or individual shall be subject to the approval of the Association.

18. Hazardous Substances. No flammable, combustible or explosive fluids, chemicals or other substances may be kept in any Unit, Limited Common Elements or Common Elements, except such as are generally used for normal household purposes. No electric, gas, charcoal or other cooking devices, or outside cooking, is permitted on any patio or balcony.

19. Play Equipment, Strollers, Etc. Bicycles, tricycles, scooters, skateboards, and other play equipment, baby strollers and similar items shall not at any time be left in the hallways or other Common Elements or in the Limited Common Elements (including balconies, terraces and patios), except for those areas specifically designated by the Association as a storage area for such items.

Parking and Prohibited Vehicles. No person shall park any vehicle so as to obstruct or otherwise impede ingress or egress to any parking spaces. Parking in the Condominium shall be restricted to private automobiles and passenger-type vans, jeeps and pick-up trucks not exceeding half ton, motorcycles and motor scooters (all of which are collectively referred to herein as "vehicles"). The Board shall have the authority to prohibit any vehicle, including any motorcycle or motor scooter, which it determines constitutes a nuisance due to its noise level, particularly where such vehicle is operated in the early morning or late evening hours. No vehicle is permitted on the Condominium Property which leaks oil, brake fluid transmission fluid or other fluids. No Owner, occupant or other person shall conduct repairs or restorations on any motor vehicle, or other vehicle, or race the engine of any vehicle, upon any portions of the Condominium Property. Up to two (2) motorcycles or motor scooters may be parked in a single space, provided, however, that in no event shall a motorcycle or a motor scooter be parked in the same parking space as another vehicle or between any parking spaces.

The prohibitions on parking contained in this Rule shall not apply to temporary parking of (a) commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, (b) any vehicles of the Declarant, or its affiliates or designees, used for construction, maintenance, sales or marketing purposes, (c) service vehicles operated in connection with the Association, or its management company.

Subject to applicable laws and ordinances, any vehicle, boat, motorcycle or trailer parked in violation of these or other restrictions contained herein or in the rules and regulations may be towed by the Association at the sole expense of the owner of such vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor shall it be guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

20. Insurance Rates. Nothing shall be done or kept in the Common Elements or within the Units or the Limited Common Elements which will increase the rate of insurance on any property insured by the Association without the approval of the Board, nor shall anything be done or kept in the Units, or on the Limited Common Elements or Common Elements, which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law.

21. Association Access to Units. In order to facilitate access to the Units by the Association, it shall be the responsibility of all Unit Owners to deliver a set of keys to their Unit to the Association to use in the performance of its functions. No Owner shall change the locks to its Unit without so notifying the Association and delivering to the Association a new set of keys to such Unit.

22. Use of Employees. Employees of the Association or management company are not to be engaged by Unit Owners during such employees' normal working hours, for personal errands which are not within the scope of the applicable employee's duties. The Board of Directors, through a management company engaged by the Association, if any, shall be solely responsible for directing and supervising the Association's employees.

23. Documents. All Owners shall be obligated to deliver the documents received from the Developer, or from any prior Owner, containing the Declaration of Condominium and any other documents, and any amendments thereto, to any purchaser or grantee of their Unit.

24. Liability for Damage. Unit owners are liable for any damage caused by them, their family members, tenants or guests to the Common Elements.

25. Liability for Repairs. A Unit Owner shall be jointly and severally liable with his tenant for any amount which is required to affect repairs or replacements to the Common Elements caused by the tenant. All leases of Units shall be automatically deemed to include a covenant on the part of the tenant to comply with, and be fully bound by, the provisions of the Declaration and these Rules and Regulations. This Rule shall also apply to subleases of Units and assignments of leases.

26. Rules and Regulations. Every Owner and occupant shall comply with these Rules and Regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration and the By-Laws of the Association, as amended from time to time. Failure of an Owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or times may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, lessees or employees, in an amount not to exceed that allowed by the Act as same may be amended from time to time, to comply with any covenant, restriction, rule or regulation herein or in the Declaration or the By-Laws, provided the following procedures are adhered to:

(a) Notice. The Association shall notify the Owner or occupant of the infraction or infractions. Included in the notice shall be a date and time of the next Board of Directors meeting at which time the Owner or occupant shall present reasons why a fine should not be imposed.

(b) Hearing. The non-compliance shall be presented to a Committee of other Unit Owners ("Unit Owner Committee") appointed by the Board of Directors for such purpose, after which Unit Owner Committee shall hear reasons why penalties should not be imposed. A written decision of the Unit Owner Committee shall be submitted to the Owner or occupant by no later than twenty-one (21) days after the Unit Owner Committee's meeting. If the Unit Owner Committee does not agree with the fine, the fine may not be levied.

(c) Fines. The Board of Directors may impose fines against the applicable Unit up to the maximum amount permitted by the By-Laws or the Act (whichever is less). No fine shall become a lien upon a Unit.

(d) Violation. Each separate incident which is grounds for a fine shall be the basis of one separate fine. In the case of continuing violations, each continuance of same after a notice thereof is given shall be deemed a separate incident.

(e) Payment of Fines. Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment thereof.

(f) Application of Fines. All monies received from fines shall be allocated as directed by the Board of Directors.

(g) Non-exclusive Remedy. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled, however, any penalty paid by the offending Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant.

27. Effect on Developer. These rules and regulations shall not apply to the Developer, nor its agents or employees and contractors, nor to the Units owned by the Developer, except that the Developer shall be subject to the lease approval requirements and pet restrictions set forth in Rules 2 and 4, respectively. The Developer shall also be subject to any restrictions on the types of vehicles allowed to park on the Condominium Property or on any Association Property set forth in Rule 22; however, the Developer and its designees shall be exempt from any such restrictions if the vehicle is engaged in any activity relating to construction, maintenance or marketing of Units. All of these rules and regulations shall apply, however, to all other Owners and occupants even if not specifically so stated in portions hereof. In enforcing its rights hereunder, the Developer shall also be entitled to bring an action and recover sums due for damages, injunctive relief, or any combination thereof, and the Developer shall be entitled to recover all legal fees and expenses incurred in connection with any such action.

RESERVATION ESCROW AGREEMENT

THIS RESERVATION ESCROW AGREEMENT, made as of the _____ day of _____, 2005, by and between **CHAMPIONSGATE CONDO I, LP, a Delaware limited partnership** (the “Developer”), and **LOWNDES, DROSDICK, DOSTER, KANTOR & REED, P.A.** (the “Escrow Agent”);

W I T N E S S E T H

WHEREAS, Developer is contemplating developing a condominium project in Championsgate, Osceola County, Florida known as ChampionsGate Resort Condominium Building A, a hotel condominium (the “Project”); and

WHEREAS, Developer is desirous of having Escrow Agent act as an escrow holder and escrowee for reservation deposits made by prospective purchasers of condominium units in the Project pursuant to the requirements of Section 718.202(6) and 718.502, Florida Statutes; and

WHEREAS, Escrow Agent is willing to act as an escrow agent for said reservation deposits.

NOW, THEREFORE, Escrow Agent and the Developer agree as follows:

1. Escrow Agent will hold all reservation deposits made by prospective purchasers for the Project.
2. Escrow Agent will grant a prospective purchaser an immediate, unqualified refund of the reservation deposit monies upon the prospective purchaser's written request, either directly to Escrow Agent or forwarded to Escrow Agent by Developer. Developer shall immediately notify Escrow Agent in writing of the receipt of any such request from any prospective purchaser.
3. Escrow Agent shall not release monies directly to the Developer except as a down payment on the purchase price at the time a contract is signed by the prospective purchaser, if so provided in the purchase contract consistent with the reservation agreement.
4. Escrow Agent may place said funds in an interest-bearing account or may invest said funds in securities of the United States or any agency thereof, with interest to accrue to the purchaser.
5. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine; may assume the validity and accuracy of any statements or assertions contained in any such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the

provisions hereof has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any written instruction delivered to it, nor as to the identity, authority or rights of any person executing the same. The duties of Escrow Agent shall be limited to the safekeeping of the reservation deposits and disbursing same in accordance herewith. Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations shall be read into this Escrow Agreement. Upon Escrow Agent disbursing the reservation deposit(s) of a contract purchaser in accordance with the provisions hereof, the escrow arrangement set forth in this Escrow Agreement shall terminate in regard to said contract purchaser's reservation deposit(s), and Escrow Agent shall thereafter be released and discharged of all liability hereunder in connection therewith.

6. Escrow Agent may consult with counsel of its own choice and shall have full and complete authority, and shall be protected, with respect to any action taken or suffered by it hereunder in good faith and in accordance with the opinion of its counsel. Escrow Agent shall not otherwise be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence, and Developer agrees to indemnify and hold Escrow Agent harmless from any claims, demands, causes or action, liabilities, damages and judgments, including the cost of defending any action against either of them or bringing an action in interpleader hereunder, together with any reasonable attorney's fees incurred in connection therewith, with respect to Escrow Agent's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the misconduct or gross negligence of Escrow Agent.

7. In the event of a dispute with respect to entitlement to any monies held in escrow by Escrow Agent, Escrow Agent may deposit said disputed funds into the registry of the Circuit Court of Osceola County by action of interpleader naming Developer and the involved purchaser and shall be absolved from all further liability with respect thereto, and Escrow Agent shall be entitled to deduct from such funds all reasonable attorney's fees and costs incurred by Escrow Agent in connection with such action.

8. This Agreement may be executed in counterparts, each of which shall be deemed an original. Signature pages may be detached from one counterpart and attached to another counterpart to form complete originals documents.

IN WITNESS WHEREOF, the parties have executed this Reservation Escrow Agreement on the day and year first above written.

Signed, sealed and delivered in the presence of Developer:
the following witnesses:

CHAMPIONSGATE CONDO I, LP, a
Delaware limited partnership

By: CHAMPIONSGATE CONDO I GP,
LLC, a Delaware limited partnership, its sole
general partner

Printed Name: _____

By: _____
Name: _____
Title: _____

Printed Name: _____

Date: _____

Signed, sealed and delivered in the presence of the following witnesses:

Printed Name: _____

Printed Name: _____

Escrow Agent

**LOWNDES, DROSDICK, DOSTER,
KANTOR & REED, P.A.**

By: _____

Name: _____

Title: _____

Date: _____

**CG VILLAS BUILDING I, A HOTEL CONDOMINIUM
PURCHASE AGREEMENT**

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

In this Agreement, the term "Purchaser" or "Buyer" means or refers to the Purchaser or Purchasers listed below who have signed this Agreement. The word "Seller" means or refers to ChampionsGate Condo I, LP, a Delaware limited partnership.

If the first letter of a word is capitalized in this Agreement, that word will have the meaning given to it in this Agreement or in the Declaration (as defined in paragraph 1 of this Agreement).

Buyer(s): _____

Address: _____

City: _____ State: _____

Country: _____ Zip Code: _____

Home Phone: _____ Office Phone: _____

Tax I.D. No.: _____ Fax No. _____

E-mail: _____ Cellular No. _____

1. Purchase and Sale. Purchaser agrees to buy, and Seller agrees to sell (on the terms and conditions contained in this Agreement), Unit _____ (the "Unit") in the proposed **CG VILLAS BUILDING I, A HOTEL CONDOMINIUM** (the "Condominium"). The Unit is being sold furnished. The furnishings being sold with the Unit are set forth on **Schedule "A"** attached hereto and by this reference incorporated herein. The Unit and the Condominium are described in greater detail in the proposed Declaration of Condominium (the "Declaration"), the Prospectus and attached exhibits (the "Condominium Documents"). Buyer acknowledges receipt of the Condominium Documents and all documents required by Section 718.503, Florida Statutes, to be furnished by a developer to a buyer, on or before the date of this Agreement. The foregoing statement shall not, however, be in lieu of the execution of a Receipt for Condominium Documents.

2. Payment of the Purchase Price. The total purchase price (“Purchase Price”) for the Unit is \$_____. Purchaser agrees to make payments towards the Purchase Price as follows:

<u>Payment</u>	<u>Due Date</u>	<u>Amount</u>
Initial Deposit	Upon execution of Agreement	\$ _____
Additional Deposit	Within 15 days - ____% of Purchase Price less Initial Deposit	\$ _____
Balance	At Closing	\$ _____
Total Purchase Price		\$ _____

Deposits and the balance due at closing must be paid by bank cashier’s check or by wire transfer of federal funds. All payments must be made in United States funds and all checks must be payable on a bank located in the continental United States. If Purchaser fails to pay any deposit on time, and Seller agrees to accept it on a later date (which Seller is not obligated to do), Purchaser will pay a late funding charge equal to interest on such deposit at the then applicable highest lawful rate from the date due until the date received and cleared by Seller.

Purchaser also agrees to pay all closing costs and other sums required to be paid by Purchaser in this Agreement. These charges are subject to change as provided in paragraph 11 of this Agreement and are explained in more detail in that paragraph, as are other closing costs which cannot be computed at this time.

3. How Purchaser Pays. Purchaser understands and agrees that Purchaser will be obligated to pay “all cash” at closing. This Agreement and Purchaser’s obligations under this Agreement to purchase the Unit will not depend on whether or not Purchaser qualifies for or obtains a mortgage from any lender. Purchaser will be solely responsible for making Purchaser’s own financial arrangements. Seller agrees, however, to cooperate with any lender Purchaser chooses and to coordinate closing with such lender, if, but only if, such lender meets the Seller’s closing schedule and pays Seller the proceeds of its mortgage at closing. Notwithstanding any cooperation provided by Seller, nothing herein shall be deemed to qualify or otherwise condition Purchaser’s obligation to close “all Cash” on the purchase of the Unit.

Although Seller does not have to do so, if Seller agrees to delay closing until Purchaser’s lender is ready, or to wait for funding from Purchaser’s lender until after closing, or to accept a portion of the sums due at closing in the form of a personal check, Purchaser agrees to pay Seller a late funding charge equal to interest, at the then highest applicable lawful rate on all funds due Seller which have not then been paid to Seller (and, with regard to personal checks which have not then cleared) from the date Seller originally scheduled closing to the date of actual payment (and, with regard to personal checks, to the date of final clearance). This late funding charge may be estimated and charged by Seller at closing. Seller’s estimate will be adjusted after closing based on actual funding and clearance dates upon either Seller’s or Purchaser’s written request. In the event that lender does not pay Seller all proceeds at closing, Purchaser will not be

allowed to take possession of the Unit until Seller actually receives the funds and they have cleared. The foregoing paragraph will survive (continue to be effective) after closing.

4. Deposits. Except as permitted below, all of Purchaser's deposits will be held in escrow by Lowndes, Drosdick, Doster, Kantor & Reed, PA in interest bearing accounts, with offices at 215 N. Eola Drive, Orlando, Florida 32801, in accordance with the escrow agreement contained in the Condominium Documents. The escrow agreement is incorporated into this Agreement as if repeated at length here, and Purchaser agrees that the deposits may be held in any depository institution which meets the requirements of the Act, including, without limitation, a financial institution chartered and located out of the State of Florida.

If Purchaser so requests, Purchaser may obtain a receipt for Purchaser's deposits from the escrow agent. Seller may change escrow agents (as long as the new escrow agent is authorized to be an escrow agent under applicable Florida law), in which case Purchaser's deposits (and any interest actually earned on them) may be transferred to the new escrow agent at Seller's direction. At closing, all deposits not previously disbursed to Seller will be released to Seller. Except where expressly provided herein to the contrary or otherwise required by law, all interest earned on Purchaser's deposits shall accrue solely to the benefit of Purchaser, and shall be credited against the purchase price of the Unit. No interest will be assumed to be earned, unless in fact said sums are invested in an interest bearing account and do in fact earn interest.

5. Seller's Financing. Seller may borrow money from lenders for the acquisition, development and/or construction of the Condominium. Purchaser agrees that any lender advancing funds for Seller's use in connection with the Condominium will have a prior mortgage on the Unit and the Condominium until closing. At that time, Seller shall cause the then applicable mortgages to be released as an encumbrance against the Unit and may use Purchaser's closing proceeds for such purpose. Neither this Agreement, nor Purchaser's payment of deposits, will give Purchaser any lien or claim against the Unit or the Condominium. Without limiting the generality of the foregoing, Purchaser's rights under this Agreement will be subordinate to all mortgages (and all modifications made to those mortgages) affecting the Unit or the Condominium even if those mortgages (or modifications) are made or recorded after the date of this Agreement.

6. Insulation; Energy Efficiency. Seller has advised Purchaser, as required by the rules of the Federal Trade Commission, that it intends, currently, to install in connection with the Unit, the following insulation: (a) Acoustical Sound Attenuation Blankets with an R-value of ___ in the party walls; (b) insulation with an R-value of _____ in the roof; and (c) insulation with an R-value of _____ over the non-conditioned areas of the floor slabs. This R-value information is based solely on the information given by the appropriate manufacturers and Purchaser agrees that Seller is not responsible for the manufacturer's errors.

To the extent required by applicable law, each purchaser may have the Condominium building's energy efficiency rating determined. Purchaser also acknowledges receipt of the information brochure prepared by the Department of Community Affairs regarding energy efficiency ratings.

All insulation and energy efficiency rating information is subject to Seller's rights, under this Agreement, to make changes in Seller's Plans and Specifications, and to limit Seller's liability to Purchaser.

7. Completion Date. Seller estimates that the construction of the Unit in the manner specified in this Agreement will be substantially complete by December 31, 2005, subject, however, only to delays caused by matters which are legally recognized as defenses to contract actions in the jurisdiction where the building is being erected.

8. Inspection Prior to Closing. Purchaser will be given an opportunity prior to closing, on the date and at the time scheduled by Seller, to inspect the Unit with Seller's representative. At that time, Purchaser will sign an inspection statement listing any defects in workmanship or materials (only within the boundaries of the Unit, itself) which Purchaser discovers. If any item listed is actually defective in workmanship or materials in Seller's opinion (keeping in mind the construction standards applicable in Osceola County, Florida for similar property), Seller will be obligated to correct those defects at its cost within sixty (60) days after closing, but Seller's obligation to correct will not be grounds for deferring the closing, nor for imposing any condition on closing. **No escrows or holdbacks of closing funds will be permitted.** If Purchaser fails to take advantage of the right to pre-closing inspection on the date and time scheduled, Seller will not be obligated to reschedule an inspection prior to closing.

Purchaser acknowledges that all matters pertaining to the initial construction of the Unit will be handled by Seller and Seller's representatives. Purchaser agrees not to interfere with or interrupt any workmen at the site of the Unit. No personal inspections (other than the one pre-closing inspection) will be permitted.

Purchaser can examine Seller's Plans and Specifications at Seller's business office, located on site during regular business hours by making an appointment to do so in advance.

9. Closing Date. Purchaser understands that Seller has the right to schedule the date, time and place for closing. Closing does not have to be scheduled on or about December 31, 2005.

Before Seller can require Purchaser to close, however, two things must be done:

- (a) Seller must record the Declaration and related documents in the Osceola County public records; and
- (b) Seller must obtain a temporary (or permanent) certificate of occupancy for or covering the Unit from the proper governmental agency (a certificate of occupancy is the official approval needed before a unit may be lived in), but, subject and subordinate to the provisions of paragraphs 8 and 27 of this Agreement (without limiting the generality of those provisions by this specific reference), the Common Elements and other portions of the Condominium Property need not then have certificates of occupancy, nor be completed.

Purchaser will be given at least thirty (30) days' notice of the date, time and place of closing. Seller is authorized to postpone the closing for any reason and Purchaser will close on

the new date, time and place specified in a notice of postponement (as long as at least 3 days notice of the new date, time and place is given). A change of time or place of closing only (one not involving a change of date) will not require any additional notice period. Any formal notice of closing, postponement or rescheduling may be given orally, by telephone, telegraph, telex, telecopy, mail or other reasonable means of communication at Seller's option. All of these notices will be sent or directed to the address, or given by use of the information specified on Page 1 of this Agreement unless Seller has received written notice from Purchaser of any change prior to the date the notice is given. These notices will be effective on the date given or mailed (as applicable). An affidavit of one of Seller's employees or agents stating that this notice was given or mailed will be conclusive.

If Purchaser fails to receive any of these notices because Purchaser failed to advise Seller of any change of address or phone, telecopy or telex number, because Purchaser has failed to pick up a letter when he has been advised of an attempted delivery or because of any other reason, Purchaser will not be relieved of his obligation to close on the scheduled date unless Seller agrees in writing to postpone the scheduled date.

If Seller agrees in writing to reschedule closing at Purchaser's request, or if Purchaser is a corporation and Purchaser fails to produce the necessary corporate papers Seller requests and as a result, closing is delayed, or if closing is delayed for any other reason (except for a delay desired, requested or caused by Seller), Purchaser agrees to pay at closing a late funding charge equal to interest, at the then highest applicable lawful rate, on that portion of the purchase price not then paid to Seller (and cleared), from the date Seller originally scheduled closing to the date of actual closing. All prorations will be made as of the originally scheduled date. Purchaser understands that Seller is not required to reschedule or to permit a delay in closing.

10. Closing. The term "closing" refers to the time when Seller delivers the deed to the Unit to Buyer and ownership changes hands. Buyer's ownership is referred to as "title". Seller promises that the title Buyer will receive at closing will be good, marketable and insurable (subject to the permitted exceptions listed or referred to below). Notwithstanding that Buyer is obligated to pay "all-cash" hereunder, in the event that Buyer obtains a loan for any portion of the Purchase Price, Buyer shall have the right to obtain a title insurance commitment and policy for the Unit from its own sources rather than to receive same from Seller, or Buyer may elect to have Seller's closing agent issue the title insurance commitment and policy, in accordance with terms set forth in Section 11 below.

In the event that Buyer elects to obtain a title insurance commitment and policy for the Unit from its own sources rather than to receive same from Seller, (i) Buyer shall provide Seller with written notice of same five (5) business days prior to the originally scheduled closing date, (ii) Seller shall have no obligation to provide a title insurance commitment or policy, or any other evidence of title to Buyer and (iii) Buyer shall, no later than five (5) business days prior to closing (the "Objection Deadline"), notify Seller in writing if title is not in the condition required by this Agreement and specify in detail any defect (i.e., any matters which make title other than in the condition pursuant to which same is required to be conveyed to Buyer), provided that if Buyer fails to give Seller written notice of defect(s) before the expiration of the Objection Deadline, the defects shall, anything in this Agreement notwithstanding, be deemed to be waived as title objections to closing this transaction and Seller shall be under no obligation whatsoever

to take any corrective action with respect to same, and title to the Unit shall be conveyed subject to same.

Purchaser will receive two (2) documents at closing which Purchaser agrees to accept as proof that Purchaser's title is as represented above:

(a) A written commitment from a title insurance company licensed in Florida agreeing to issue a policy insuring title or the policy itself. This commitment (or policy) will list any exceptions to title. Permitted exceptions (exceptions which Purchaser agrees to take title subject to) are:

- () Liability for all taxes or assessments affecting the Unit starting the year Purchaser receives title and continuing thereafter;
- () All laws, and all restrictions, covenants, conditions, limitations, agreements, reservations and easements recorded in the public records. For example, zoning restrictions, property use limitations and obligations, easements (rights-of-way) and agreements relating to telephone lines, water and sewer lines and other utilities;
- () The restrictions, covenants, conditions, easements, terms and other provisions imposed by the documents contained or referred to in the Condominium Documents (and any other documents which Seller, in its sole discretion, believes to be necessary or appropriate) which are recorded, now or at any time after the date of this Agreement, in the public records;
- () Pending governmental liens for public improvements as of closing (Seller will be responsible, however, for certified governmental liens for public improvements as of closing; provided, however, that to the extent that any such certified liens are payable in installments, Seller shall only be responsible for those installments due prior to closing, and Purchaser hereby assumes all installments coming due after closing);
- () All standard printed exceptions contained in an ALTA owner's title insurance policy issued in Osceola County, Florida; and
- () Any matters not listed above as long as affirmative title insurance is given for these matters.

Purchaser understands, however, that no limitation on Purchaser's title prohibits construction of the Unit, nor the use of it as a residence, subject to the Condominium Documents.

(b) A Special Warranty Deed. At closing, Seller promises to give Purchaser a special warranty deed to the Unit. The special warranty deed will be subject to (that is, contain exceptions for) all of the matters described above and taxes as described below.

Purchaser will also receive at closing Seller's form of owner's ("no lien") affidavit and FIRPTA (non-foreign) affidavit. When Purchaser receives the special warranty deed at closing, Purchaser will sign a closing agreement and all papers that Seller deems necessary or appropriate.

If Seller cannot provide the quality of title described above, Seller will have a reasonable period of time (at least sixty (60) days) to correct any defects in title, but Seller is not obligated to do so. If Seller cannot or elects not to correct the title defects, Purchaser will have two options:

- () Purchaser can accept title in the condition Seller offers it (with defects) and pay the full purchase price for the Unit with exceptions for such title matters to be contained in the special warranty deed for the Unit. Purchaser will not make any claims against Seller because of the defects; or
- () Purchaser can cancel this Agreement and receive a full refund of Purchaser's deposits. Seller will be relieved of all obligations under this Agreement (and otherwise) when Seller refunds the deposits to Purchaser.

At the same time Purchaser receives the special warranty deed, Purchaser agrees to pay the balance of the purchase price and any additional amounts owed under this Agreement. Until all sums have been received and cleared, Seller will be entitled to a vendor's lien on the Unit (which Purchaser will grant to Seller in writing at closing at Seller's request or thereafter).

11. Closing Costs. Purchaser understands that, in addition to the purchase price for the Unit, Purchaser shall pay, when title is delivered to Purchaser at closing, all of those other fees or "closing costs" typically associated with the closing of a residential real estate transaction in Osceola County, Florida. These include:

() The costs of officially recording the deed, of documentary stamp taxes, of the premium for the owner's title insurance policy that Seller will cause to be issued for Purchaser, at the minimum promulgated risk rates promulgated by the Florida Insurance Commissioner, and of a closing fee charged by the agent conducting the closing.

() Loan fees, closing costs, lenders attorney's fees, closing agent charges, escrows, appraisals, credit fees, lender's title insurance premiums, prepayments and all other expenses charged by any lender giving Purchaser a mortgage, if applicable. The amount of these charges is now unknown.

() A working capital contribution in an amount equal to twice the monthly maintenance charge owed to the Condominium Association which charge is payable directly to the Association to provide it with initial capital and which is not a prepayment of assessments and will not be credited against regular assessments. These charges may change, however, if the applicable monthly assessments change prior to closing (see paragraph 17).

() A reimbursement to Seller for any utility, cable or interactive communication deposits or hook-up fees which Seller may have advanced prior to closing for the Unit. The amount of this charge is now unknown.

() Any charge for any options or upgrading of standard items included, or to be included, in the Unit as agreed to in writing by both Purchaser and Seller.

() Reimbursement to Seller, and/or Seller's closing agents, for charges incurred in connection with coordinating closing with Purchaser and/or Purchaser's lender, including, without limitation, charges for messenger expenses, long distance telephone calls, photocopying expenses, telecopying charges and others. The amount of these charges is now unknown.

() The late funding charges provided for elsewhere in this Agreement. The amount of any such charges is now unknown.

Current expenses of the Unit (for example, taxes and governmental assessments and current monthly assessments payable to the Association) will be prorated between Purchaser and Seller as of the date of closing. Additionally, at closing, Purchaser shall be obligated to prepay the next month's maintenance assessment to the Association. If taxes for the year of closing are assessed on the Condominium as a whole, Purchaser shall pay Seller, at closing, the Unit's allocable share of those taxes (as estimated by Seller and subject to re-proration when the actual tax bill is available) for the Unit from the date of closing through the end of the applicable calendar year of closing. If taxes for the year of closing are assessed on a unit-by-unit basis, Purchaser and Seller shall prorate taxes as of the closing date based upon the actual tax bill, if available, or an estimate by Seller, if not available, with Purchaser responsible for paying the full amount of the tax bill and Seller reimbursing Purchaser for Seller's prorated share of those taxes. Purchaser agrees that Seller's prorated share of the taxes due as of closing need not be paid to Purchaser, however, until the actual tax bill is presented to Seller, and any proration based on an estimate of the current year's taxes shall be subject to re-proration upon request of either party. This subparagraph shall survive (continue to be effective) after closing.

12. Adjustments with the Association. Purchaser understands that Seller may advance money to the Association to permit it to pay for certain of its expenses (for example, but without limitation, insurance premiums, common element, utility and/or cable or other interactive communication charges and deposits, permit and license fee, charges for service contracts, salaries of employees of the Association and other similar expenses). Seller is entitled to be reimbursed by the Association for all of these sums advanced by Seller. The Association will reimburse Seller out of regular assessments paid by Purchaser and other owners as those contributions and assessments are collected, or as otherwise requested by Seller. Seller also, at its election, may receive reimbursement for these payments by way of a credit against any sums it may become obligated to pay to the Association. No initial contributions of purchasers to the Condominium Association may be used for such purposes, however, as long as any guaranty by Seller of such Association's assessments is in effect.

13. Default. If Purchaser fails to perform any of Purchaser's obligations under this Agreement (including making scheduled deposits and other payments) Purchaser will be in "default". If Purchaser is still in default ten (10) days after Seller sends Purchaser notice thereof, Seller shall be entitled to the remedies provided herein. **If, however, Purchaser's default is in failing to close on the scheduled date, then Seller can cancel this Agreement without giving Purchaser any prior (or subsequent) notification or opportunity to close at a later date.**

Upon Purchaser's default (and the expiration of any notice period, if applicable), all Purchaser's rights under this Agreement will end and Seller can resell the Unit without any accounting to Purchaser. Purchaser understands that because Seller has taken the Unit off the market for Purchaser, has spent money on sales, advertising, promotion and construction and has incurred other costs incident to this sale, Purchaser's default will damage Seller. As compensation for this damage, in the event Seller cancels this Agreement because of Purchaser's default, Purchaser authorizes Seller to keep (or if not then paid by Purchaser, Purchaser will pay to Seller) all deposits and other pre-closing advance payments (including, without limitation, those on options, extras, upgrades and the like) Purchaser has then made (and which would have been required to have been made had Purchaser not defaulted) and all interest which was, or would have been, earned on them, all as liquidated damages (and not as a penalty). Purchaser and Seller agree to this because there is no other precise method of determining Seller's damages. Alternatively, Seller will have the right to specifically enforce this Agreement, but will not sue Purchaser for any other damages. If Purchaser defaults, Purchaser promises not to sue for the return of any part of his deposits or other payments. Any damage or loss that occurs to the Property while Purchaser is in default will not affect Seller's right to liquidated damages. The remedies afforded Seller in this paragraph as a result of a default by Purchaser constitute Seller's sole and exclusive remedies.

If Seller fails to perform any of Seller's obligations under this Agreement, Seller will be in "default". If Seller is still in default ten (10) days after Purchaser sends Seller notice thereof (or such longer time as may reasonably be necessary to cure the default if same cannot be reasonably cured within ten (10) days), Purchaser will have such rights as may be available in equity and/or under applicable law. Notwithstanding the foregoing, if the default alleged by Purchaser is with respect to Seller's substantial completion obligation set forth in paragraph 7 above, Seller shall not be entitled to the curative period described above to the extent that same would be deemed to extend Seller's completion obligation in a manner which would not be permitted if the exemption of this sale from the Interstate Land Sales Full Disclosure Act pursuant to 15 U.S.C. § 1702(a)(2) is to apply.

14. Construction Specifications. The Unit and the Condominium will be constructed in substantial accordance (in Seller's opinion) with the plans and specifications therefor kept in Seller's construction office, as such plans and specifications are amended from time to time. Seller may make such changes in the plans and specifications that it deems appropriate at any time, to accommodate its "in the field" construction needs (as more fully discussed in this paragraph 14) and in response to recommendations or requirements of local, state or federal governmental or quasi-governmental agencies or applicable utility and/or insurance providers, and Purchaser agrees that any changes made in accordance with the foregoing shall not be deemed material in a manner which is adverse to the offering of the Unit. Such plans and specifications, as they are so amended, are referred to in this Agreement as "Seller's Plans and Specifications". Without limiting Seller's general right to make changes, Purchaser specifically agrees that the changes described above and changes in the dimensions of rooms, patios and balconies, in the location of windows, doors, walls, partitions, utility (including, but not limited to, television and telephone) lead-ins and outlets, air-conditioning equipment, ducts and components, lighting fixtures and electric panel boxes, and in the general layout of the Unit and Condominium, may be made by Seller in its discretion and that such changes shall not be deemed material or adverse to Purchaser. **In furtherance of the understanding and agreement stated above, Purchaser**

acknowledges and agrees that it is widely observed construction industry practice for preconstruction plans and specifications for any Unit or building to be changed and adjusted from time to time in order to accommodate ongoing, “in the field” construction needs. These changes and adjustments are essential in order to permit all components of the Unit and the building to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Because of the foregoing, Purchaser acknowledges and agrees that it is to Purchaser’s benefit to allow Seller the flexibility to make such changes in the Unit and the Condominium. Purchaser further acknowledges and agrees that (i) the plans and specifications for the Unit and the Condominium on file with the applicable governmental authorities may not, initially, be identical in detail to Seller’s Plans and Specifications, and (ii) because of the day-to-day nature of the changes described in this paragraph 14, the plans and specifications on file with the applicable governmental authorities may not include some or any of these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Purchaser and Seller both acknowledge and agree: **The Unit and the Condominium may not be constructed in accordance with the plans and specifications on file with applicable governmental authorities. Seller disclaims and Purchaser waives any and all express or implied warranties that construction will be accomplished in compliance with such plans and specifications. Seller has not given and Purchaser has not relied on or bargained for any such warranties.**

Without limiting the generality of the foregoing, because of Seller’s need to coordinate the appearance and design of the overall development of the Condominium, both in connection with the nature and layout of the land on which construction is to take place and of the street, common areas and other features of the development, Purchaser understands and agrees: **The Unit may be constructed as a reverse (“mirror image”) of that illustrated in the floor and building plan of the applicable model and building (as shown in the condominium documents or in any illustrations of the model and building) and may be “sited” in a position different from that of the applicable model and floor and building plan (of any such illustrations). Purchaser agrees to accept the Unit and the said building as “sited” by Seller and as constructed according to a reverse floor and/or building plan.** This paragraph does not limit the generality of Seller’s rights, set out elsewhere in this Agreement, to make other changes in the Unit, the Condominium and the Condominium Documents.

Purchaser understands and agrees that in designing the Condominium, the stairwells of the Building were intended solely for ingress and egress in the event of emergency and, as such are constructed and left unfinished solely as to be functional for said purpose, without regard to the aesthetic appearance of said stairwells. **Seller does not make any representation or warranty as to the level of sound transmission between and among Units and the other portions of the Condominium Property, and Purchaser hereby waives and expressly releases any such warranty and claim for loss or damages resulting from sound transmission.**

Purchaser further agrees and understands that trees and landscaping which are located on portions of the Condominium Property may be removed to accommodate construction. Seller does not guaranty the survival of any trees and landscaping which are left or planted on any portion of the Condominium Property.

Purchaser further agrees and understands: (i) that certain non-structural, cosmetic variations may occur in Units as a result of normal construction procedures, of settling of the building in which the Unit is located, and as a result of tendency of high rise buildings to move or sway; and (ii) that such variations shall not constitute construction defects or matters which Seller shall be obligated to correct. Examples of such variations include, without limitation, cracks in grout, cracks in walls and similar matters.

The agreements and waivers of Purchaser contained in this paragraph will survive (continue to be effective after) closing.

15. Certain Items and Materials. Purchaser understands and agrees that certain items, such as the following, which may be seen in models (if any) or in illustrations, are not included with the sale of the Unit: wall coverings (including paint other than base primer), accent light fixtures, wall ornaments, drapes, blinds, furniture, knickknacks and other decorator accessories, lamps, mirrors, graphics, pictures, plants, wall-hung shelves, wet bars, intercoms, kitchen accessories, linens, window shades, security systems, certain built-in fixtures, carpets or other floor coverings and colors, wood trim, other upgraded items, balcony treatments (e.g., tile, brick, chattahoochee, scored concrete or wood trim), barbecues, planters, window screens, landscaping and any other items of this nature which may be added or deleted by Seller from time to time. This list of items (which is not all-inclusive) is provided as an illustration of the type of items built-in or placed upon the models (if any) or shown in illustrations strictly for the purpose of decoration and example only. Items such as these will not be included in the Unit unless specifically provided for in a Rider or Schedule to this Agreement signed by both Purchaser and Seller. Certain of these items may not even be available. In the event that Seller does provide any of these or other items, however, Purchaser agrees to accept them, although not requested by Purchaser, as long as Purchaser is not required to pay for such items. There is no obligation for Seller to provide models, but if so provided, the foregoing disclaimers will apply.

Purchaser further understands and agrees that certain items, if included with the Unit, such as granite, tile, cabinets, wood, stain, grout, wall and ceiling textures, cultured marble, mica and carpeting, are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturer from those shown in the models or in illustrations or included in Seller's Plans and Specifications or in the published list of standard items (if any). If circumstances arise which, in Seller's opinion, warrant changes of suppliers, manufacturers, brand names or items, Seller may substitute equipment, material, appliances, etc., with items which in Seller's opinion are of equal or better quality (regardless of cost). Purchaser also understands and acknowledges that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor (if any). Purchaser recognizes that certain colors as shown in displays or in the models, including, but not limited to, carpeting and wood stain, will weather and fade and may not be duplicated precisely.

If Seller allows Purchaser to select certain colors and/or materials in the Unit (which Seller is not obligated to do), Purchaser understands and agrees that Purchaser must submit his selections to Seller in writing within fourteen (14) days after the date the list of selections (if any) is made available to Purchaser. If these selections (if any) are not delivered to Seller in writing within the time period stated above, then it is agreed and understood that the choices will be made by Seller in Seller's sole discretion.

The agreements and waivers of Purchaser contained in this paragraph will survive (continue to be effective after) closing.

16. Litigation. In the event of any litigation between the parties under this Agreement, each party shall bear its own attorneys' fees and costs. This paragraph will survive (continue to be effective after) any termination of this Agreement.

17. Maintenance Fee. Purchaser understands and agrees that the Estimated Operating Budget for the Condominium Association (the "Budget") contained in the Condominium Documents provide only an estimate of what it will cost to run the Association and operate and maintain the facilities during the period of time stated in the Budgets. These assessments and costs are not guaranteed in any manner. There may be changes in the Budget at any time to cover increases or decreases in actual expenses or in estimates. It is intended that the Seller, as the sole Owner upon the formation of the Condominium, will vote not to provide any reserves for the initial year of the Condominium. Thereafter, on an annual basis, a majority of the Condominium Association's members may vote to continue not to provide any reserves for the Condominium. If an election is in fact made to waive reserves, the assessments per unit payable to the Condominium Association will be as set forth in the Estimated Operating Budget as "Assessments per Unit - Without Reserves". If no such election is made, the assessments per Unit payable to the Condominium Association will be as set forth in the Estimated Operating Budget as "Assessments per Unit - With Reserves".

18. Condominium Association. At closing, Purchaser agrees to accept the liabilities and obligations of membership in the Association.

19. Seller's Use of the Condominium Property. As long as Seller owns a Unit or Units, it and its agents can keep offices and model apartments within the Condominium Property. Seller's salespeople can show these units, erect advertising signs and do whatever else is necessary in Seller's opinion to help sell or lease Units or develop and manage the Condominium Property but Seller's use of the Condominium Property must be reasonable, in Seller's opinion, and cannot unreasonably interfere, in Seller's opinion, with Purchaser's use and enjoyment of the Unit. This paragraph will survive (continue to be effective after) closing.

20. Sales Commissions. Seller will pay, after closing, all sales commissions, if any, due any in-house sales personnel Seller has employed, and the cooperating broker named on the last page of this Agreement (if no name is filled in on the last page, then same shall be deemed a representation by Purchaser that there is no cooperating broker involved in this transaction), in accordance with the terms of separate written agreements. Seller has no responsibility to pay any sales commissions to any other broker or sales agent with whom Purchaser has dealt (unless Seller has agreed otherwise in writing). Purchaser will be solely responsible to pay any such other brokers. Purchaser represents and warrants to Seller that Purchaser has not dealt with, nor the sale been procured by, any real estate broker, salesman or finder, other than those salesperson retained by Seller and the cooperating broker described on the last page of this Agreement Seller's in-house staff. Purchaser will indemnify Seller against all claims made against Seller by any other brokers or sales agents (and agrees also to pay all costs and attorneys' fees actually incurred by Seller because of these claims).

This paragraph will survive (continue to be effective after) closing.

21. Notices. Whenever Purchaser is required or desires to give notice to Seller, the notice must be in writing and it must be sent certified mail, postage prepaid, with a return receipt requested to Seller at the sales office at 8390 Champions Gate Blvd., Champions Gate, FL 33896. Notwithstanding the foregoing, Purchaser's notice to cancel pursuant to Paragraph 28 below, may be made in any manner permitted by under the Interstate Land Sales Full Disclosure Act and the regulations promulgated thereunder.

Unless this Agreement states other methods of giving notices, whenever Seller is required or desires to give notice to Purchaser, the notice must be given either in person, by telephone or in writing and, if in writing, it must be sent either by: (i) certified mail, postage prepaid, with a return receipt requested (unless sent outside of the United States, in which event written notices to Purchaser may be sent by regular air mail); (ii) facsimile transmission if Purchaser has indicated a telecopy number on Page 1 of this Agreement; (iii) electronic transmission if Purchase has indicated an email address on Page 1 of this Agreement, or (iv) a recognized overnight courier service (i.e., FedEx, Express Mail, Airborne, Emory, Purolator, United Parcel Service, etc.), to the address for Purchaser set forth on Page 1 of the Agreement.

A change of address notice is effective when it is received. All other written notices are effective on the day they are properly given or mailed, whether or not received (and all permitted non-written notices to Purchaser are effective on the date given by Seller) unless receipt is required specifically in portions of this Agreement.

22. Transfer or Assignment. Purchaser shall not be entitled to assign this Agreement or its rights hereunder without the prior written consent of Seller, which may be withheld by Seller with or without cause (and even if Seller's refusal to grant consent is unreasonable). To the extent that Seller consents to any such assignment, said consent may be conditioned in any manner whatsoever, including, without limitation, charging an assignment or transfer fee. Any such assignee must fully assume all of the obligations of Purchaser hereunder by written agreement for Seller's benefit, a counterpart original executed copy of which shall be delivered to Seller. For purposes of this Section 22, the sale, transfer or pledge of any beneficial interest in Purchaser shall be deemed an assignment hereunder requiring prior consent of Seller. Without limiting the generality of the foregoing, Purchaser shall not, prior to closing on title to the Unit, list the Unit for resale with a broker or allow the Unit to be listed on the Multiple Listing Service for resale (but may list the Unit for rent).

Notwithstanding the foregoing, without requiring the consent of Seller, Purchaser shall be permitted to assign its rights and obligations under this Agreement and its interest in the Unit to any immediate family member, any trust for the benefit of Purchaser and/or its immediate family members and/or any corporation, partnership or other entity which is wholly beneficially owned by Purchaser (or its immediate family members), provided only that the assignee assumes in writing, for the benefit of Seller, all of Purchaser's duties and obligations under the Agreement and said assumption is delivered to Seller promptly following said assignment and in no event less than fifteen (15) days prior to closing. Notwithstanding the foregoing, said assignment shall not release Purchaser from any of its obligations under the Agreement.

23. Others Bound by this Agreement If Purchaser dies or in any way loses legal control of his affairs, this Agreement will bind his heirs and personal representatives. If Purchaser has received permission to assign or transfer his interest in this Agreement, this Agreement will bind anyone receiving such interest. If Purchaser is a corporation or other business entity, this Agreement will bind any successor corporation or entity. If more than one person signs this Agreement as Purchaser, each will be equally liable, on a joint and several basis, for full performance of all Purchaser's duties and obligations under it and Seller can enforce it against either as individuals or together.

24. Public Records. Purchaser authorizes Seller to record the documents needed to establish and operate the Condominium, as well as all other documents which Seller deems necessary or appropriate, in the Public Records of Osceola County, Florida. Neither this Agreement, nor any notice or memorandum hereof (nor any Lis Pendens), may be recorded.

25. Purchaser's Right to Cancel. **THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.**

26. Florida Law; Severability; Interstate Land Sales Exemption. Any disputes that develop under this Agreement, and any issues that arise regarding the entering into, validity and/or execution of this Agreement, will be settled according to Florida law. If any part of this Agreement violates a provision of applicable law, the applicable law will control. In such case, however, the rest of the Agreement (not in violation) will remain in force.

Without limiting the generality of the foregoing, it is Purchaser's and Seller's mutual desire and intention that all provisions of this Agreement be given full effect and be enforceable strictly in accordance with their terms. If, however, any part of this Agreement is not enforceable in accordance with its terms or would render other parts of this Agreement or this Agreement, in its entirety, unenforceable, the unenforceable part or parts are to be judicially modified, if at all possible, to come as close as possible to the expressed intent of such part or parts (and still be enforceable without jeopardy to other parts of this Agreement, or this Agreement in its entirety), and then are to be enforced as so modified. If the unenforceable part or parts cannot be so modified, such part or parts will be unenforceable and considered null and void in order that the mutual paramount goal (that this Agreement is to be enforced to the maximum extent possible strictly in accordance with its terms) can be achieved.

Without limiting the generality of the foregoing, if the mere inclusion in this Agreement of language granting to Seller certain rights and powers, or waiving or limiting any of Purchaser's rights or powers or Seller's obligations (which otherwise would be applicable in the absence of such language), results in a final conclusion (after giving effect to the above judicial modification, if possible) that Purchaser has the right to cancel this Agreement and receive a refund of his deposits, such offending rights, powers, limitations and/or waivers shall be struck, canceled, rendered unenforceable, ineffective and null and void. Under no circumstances shall either Purchaser or Seller have the right to cancel this Agreement solely by reason of the inclusion of certain language in this Agreement (other than language which is intended specifically to create such a cancellation right).

The following sentence will supersede and take precedence over anything else in this agreement which is in conflict with it: If any provisions serve to limit or qualify Seller's substantial completion obligation as stated in paragraph 7, or Purchaser's remedies in the event that such obligation is breached, or grant Seller an impermissible grace period, and such limitations or qualifications are not permitted if the exemption of this sale from the Interstate Land Sales Full Disclosure Act pursuant to 15 U.S.C. § 1702(a)(2) is to apply or this Agreement is to otherwise be fully enforceable, then all those provisions are hereby stricken and made null and void as if never a part of this Agreement. For purposes of this paragraph only, the words "this Agreement" include in their meaning the condominium documents.

27. Changes. Seller may make changes in the Condominium Documents in its sole discretion. Purchaser will have fifteen (15) days from the date of receipt of such changes from Seller which materially alter or modify the offering of the Condominium in a manner adverse to Purchaser in which to cancel this Agreement (by delivering written notice to Seller of such cancellation) and receive a refund of any deposits with applicable interest. Seller will be relieved of all obligations under this Agreement when Seller refunds the deposits and interest. Purchaser will not be permitted to prevent Seller from making any change it wishes in its sole discretion, nor to pursue any remedy other than the fifteen (15) day cancellation remedy described above (and then only for the kind of changes that materially alter or modify the offering in a manner that is adverse to Purchaser).

If Purchaser has the right to cancel this Agreement by reason of a change which materially alters or modifies the offering of the Condominium in a manner adverse to Purchaser, Purchaser's failure to request cancellation in writing within the fifteen (15) day period will mean that Purchaser accepts the change and waives irrevocably his right so to cancel. All rights of cancellation will terminate, if not sooner, then absolutely at closing. After closing, Purchaser will have no remedy for any changes Seller may make or have made.

Without limiting the generality of the foregoing and other provisions of this Agreement, Seller is specifically authorized to: (i) substitute the final legal descriptions and as-built surveys for the proposed legal descriptions and plot plans contained in the Condominium Documents even though changes occur in the permitting stage and during construction, and/or (ii) combine and/or subdivide units prior to the recordation of the Declaration (and incorporate divider wall common elements in any such combination units or odd common element divider walls in any such subdivision), provided that the percentage share of ownership of common elements of any

unit not affected in the combination or subdivision is not affected. Such substitution, combination and/or subdivision shall not be deemed to be either material or adverse.

This paragraph will survive (continue to be effective after) closing.

28. Time of Essence. The performance of all obligations by Purchaser on the precise times stated in this Agreement is of absolute importance and failure to so perform on time is a default, time being of the essence.

29. Disclaimer of Implied Warranties. All manufacturers' warranties will be passed through to Buyer at closing. At closing, Buyer will receive the statutory warranties imposed by the Florida Condominium Act.

To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by the Florida Condominium Act to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Without limiting the generality of the foregoing, Seller hereby disclaims any and all express or implied warranties as to design, construction, view, sound and/or odor transmission, furnishing and equipping of the Condominium Property, the existence of molds, mildew, spores, fungi and/or other toxins within the Condominium Property, except only those set forth in Section 718.203, Florida Statutes, to the extent applicable and to the extent that same have not expired by their terms. Seller has not given and Buyer has not relied on or bargained for any such warranties.

As to any implied warranty which cannot be disclaimed entirely, all secondary, incidental and consequential damages are specifically excluded and disclaimed (claims for such secondary, incidental and consequential damages being clearly unavailable in the case of implied warranties which are disclaimed entirely above).

Buyer acknowledges and agrees that Seller does not guarantee, warrant or otherwise assure, and expressly disclaims, any right to view and/or natural light.

Further, given the climate and humid conditions in Florida, molds, mildew, spores, fungi and/or other toxins may exist and/or develop within the Condominium Property. Buyer is hereby advised that certain molds, mildew, spores, fungi and/or other toxins may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By closing, Buyer shall be deemed to have assumed the risks associated with mold, mildew, spores, fungi and/or other toxins and to have released the Seller from any and all liability resulting from same.

This paragraph will survive (continue to be effective after) closing.

30. Return of Condominium Documents. If this Agreement is canceled for any reason, Purchaser will return to Seller all of the Condominium Documents delivered to him in the same condition received, reasonable wear and tear excepted. If Purchaser fails to return the

Condominium Documents, Purchaser agrees to pay Seller \$50.00 to defray the costs of preparation, printing and delivery of same.

31. Waiver. Seller's waiver of any of its rights or remedies (which can only occur if Seller waives any right or remedy in writing) will not waive any other of Seller's rights or remedies or prevent Seller from later enforcing all of Seller's rights and remedies under other circumstances.

32. Survival. Only those provisions and disclaimers in this Agreement which specifically state that they shall have effect after closing will survive (continue to be effective after) closing and delivery of the deed. All other provisions shall be deemed merged into the deed.

33. Substantial Completion. Whenever this Agreement requires Seller to complete or substantially complete an item of construction, that item will be understood to be complete or substantially complete when so completed or substantially completed in Seller's opinion. Notwithstanding the foregoing, however, neither the Unit nor the building of which the Unit is a part will be considered complete or substantially complete for purposes of this Agreement unless the Unit (and such portion of the building intended to be used exclusively by Purchaser) is physically habitable and useable for the purpose for which the Unit was purchased. The Unit (and such portion of the building) will be considered so useable if the Unit is ready for occupancy and has all necessary and customary utilities extended to it. Other units (and other portions of the building) may not necessarily be so complete and useable.

34. Nearby Construction. Purchaser understands and agrees that for some time in the future Purchaser may be disturbed by the noise, commotion and other unpleasant effects of nearby construction activity and impeded in using portions of Condominium Property by that activity. As a result of the foregoing, there is no guarantee of view, security, privacy, location, design, density or any other matter, except as is set forth herein or in the Prospectus.

35. Disclosure. Under the laws of the State of Florida, Buyer is hereby advised as follows:

- (a) **RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department. The foregoing notice is provided in order to comply with state law and is for informational purposes only. Seller does not conduct radon testing with respect to the Units or the Condominium, and specifically disclaims any and all representations or warranties as to the absence of radon gas or radon producing conditions in connection with the Condominium.
- (b) **FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST A CONTRACTOR, SUBCONTRACTOR,**

SUPPLIER OR DESIGN PROFESSIONAL FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR UNIT OR CONDOMINIUM. SIXTY DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE CONTRACTOR, SUBCONTRACTOR, SUPPLIER OR DESIGN PROFESSIONAL A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS, SUPPLIERS OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY SUBCONTRACTORS, SUPPLIERS OR DESIGN PROFESSIONALS. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW.

36. Representations. Buyer acknowledges, warrants, represents and agrees that this Agreement is being entered into by Buyer without reliance upon any representations concerning any potential for future profit, any future appreciation in value, any rental income potential, tax advantages, depreciation or investment potential and without reliance upon any monetary or financial advantage. Buyer acknowledges and agrees that no such representations, including representations as to the ability or willingness of Seller or its affiliates to assist Buyer in renting or selling the Unit, have been made by Seller, or any of its agents, employees or representatives. Buyer further represents and warrants to Seller that Buyer is entering into this Agreement with the full intention of complying with each and every of the obligations hereunder, including, without limitation, the obligation to close on the purchase of the Unit. Neither Seller, nor anyone working by, through or under Seller, has made any statement or suggestion that Buyer would not be obligated to fully comply with the terms of this Agreement and to close on the purchase of the Unit. Further, Buyer understands and agrees that neither Seller, nor any brokerage company, on site sales personnel and/or other persons working by, through or under Seller, are under any obligation whatsoever to assist Buyer with any resale of the Unit.

Subject to the provisions of Section 718.506 of the Florida Statutes, the parties agree as follows:

This Agreement contains the entire understanding between Buyer and Seller, and Buyer hereby acknowledges that the displays, architectural models, artist renderings and other promotional materials contained in the sales office and model suite are for promotional purposes only and may not be relied upon. **Buyer warrants that Buyer has not relied upon any verbal representations, advertising, portrayals or promises other than as expressly contained herein and in the Condominium Documents, including, specifically, but without limitation, any representations as to: (a) potential appreciation in or resale value of the Unit, (b) the existence of any “view” from the Unit or that any existing “view” will not be obstructed in the future, (c) traffic conditions in, near or around the Condominium, (d) disturbance from nearby properties, or (e) disturbance from air or vehicular traffic, (f) any future use of adjacent properties, and/or (g) any particular hotel affiliation or maintaining any existing hotel affiliation.** Nothing herein shall be deemed to be a waiver of the rights of the parties

hereto pursuant to Section 718.506 of the Florida Statutes. The provisions of this paragraph shall survive the closing.

37. Incorporation Definitions. The explanations, definitions, disclaimers and other provisions set forth in the Condominium Documents are incorporated into this Agreement as if repeated at length here. When the words “this Agreement” are used, they shall include in their meaning all modifications, riders and addenda to it signed by Purchaser and Seller. The term “Force Majeure” as used in this Agreement shall mean “Acts of God”, labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental or utility authority, civil riots, floods or other causes beyond Seller’s control.

38. Entire Agreement. This Agreement is the entire contract for sale and purchase of the Unit and once it is signed, it can only be amended by a written instrument signed by the party against whom enforcement is sought which specifically states that it is amending this Agreement. Any current or prior Agreements, representations understandings or oral statements of sales representatives or others, if not expressed in this Agreement, the Condominium Documents or in brochures for the Condominium, are void and have no effect. Purchaser has not relied on them.

39. Cooperating Broker. _____ (if no name is filled in, Purchaser shall be deemed to have represented and warranted to Seller that no cooperating broker was involved in the subject transaction. See Section 20).

40. Calculation of Time Periods. In computing time periods of less than six (6) days, Saturdays, Sundays and state or national legal holidays shall be excluded. Any time periods provided for herein which shall end on a Saturday, Sunday or state or national legal holiday shall extend to 5:00 p.m. (Eastern time) on the day which is not a Saturday, Sunday or state or national legal holiday.

[Signatures on Following Page]

Witnesses:

PURCHASER:

Date: _____

SELLER:

CHAMPIONSGATE CONDO I, LP, a
Delaware limited partnership

By: CHAMPIONSGATE CONDO I GP,
LLC, a Delaware limited partnership, its sole
general partner

By: _____
Authorized Representative

Date: _____

SCHEDULE "A"
List of Furnishings

2 – Bedroom Unit

- 1 – King Bed with Headboard, mattress, box spring, pillows, linens, duvet and dust ruffle
- 2 – Double Beds with Headboards, mattresses, box springs, pillows, linens, duvet and dust ruffles
- 1 – Queen Sleeper Sofa with cushions and pillows
- 1 – Double Sleeper Sofa with cushions and pillows
- 4 – TVs with Stands
- 3 – Bedside Tables with Lamps
- 1 – Rectangular Coffee Table
- 1 – Oval Coffee Table
- 3 – Ceiling Fans (2 with lights)
- 2 – Floor Lamps
- 1 – Square Side Table with a Lamp
- 1 – Round Side Table with a Lamp
- 2 – Leather Lounge Chairs
- 1 – Square Leather Ottoman
- 1 – Rectangle Dining Table
- 2 – Arm Chairs
- 4 – Side Chairs
- 1 – Credenza
- 2 – Dining Console Lamps
- 2 – Barstools
- 2 – Full Length Mirrors
- 2 – Vanity Mirrors
- 1 – Credenza Mirror
- Drapes on all applicable windows
- Scones on all applicable light fixtures
- Water heater
- AC unit
- Washer/Dryer unit

SCHEDULE "A"
List of Furnishings

3 – Bedroom Unit

- 1 – King Bed with Headboard, mattress, box spring, pillows, linens, duvet and dust ruffle
- 2 – Double Beds with Headboards, mattresses, box springs, pillows, linens, duvet and dust ruffles
- 1 – Queen Sleeper Sofa with cushions and pillows
- 1 – Double Sleeper Sofa with cushions and pillows
- 5 – TVs with Stands
- 5 – Bedside Tables with Lamps
- 1 – Rectangular Coffee Table
- 1 – Oval Coffee Table
- 4 – Ceiling Fans (3 with lights)
- 2 – Floor Lamps
- 1 – Square Side Table with a Lamp
- 2 – Round Side Tables with Lamps
- 2 – Leather Lounge Chairs
- 1 – Square Leather Ottoman
- 1 – Round Dining Table
- 6 – Side Chairs
- 1 – Credenza
- 2 – Dining Console Lamps
- 2 – Barstools
- 2 – Full Length Mirrors
- 3 – Vanity Mirrors
- 1 – Credenza Mirror
- Drapes on all applicable windows
- Sconces on all applicable light fixtures
- Water heater
- AC unit
- Washing Machine
- Dryer

The Villas at ChampionsGate
 Operating Budget
 February 1-December 31, 2007

# of Units	60
Total Square Feet	86,982
Total Annual Expenses	\$ 376,306.00
Annual Assessment per Square Foot	\$ 4.33
Monthly Assessment per Square Foot	\$ 0.36

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Annual Audit & tax preparation	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
Bank Fees	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 300.00
Division Fees	\$ -	\$ -	\$ -	\$ 75.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75.00
Fire Safety Parts/Maintenance	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 106.00	\$ 1,272.00
Fire System Monitor	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 780.00
Fire System Inspection	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 2,160.00
Security Equipment Parts/Maintenance/Monitoring	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,800.00
Glass Cleaning	\$ -	\$ -	\$ -	\$ -	\$ 2,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800.00	\$ -	\$ 5,600.00
Housekeeping Service	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Insurance													\$ -
Property	\$ 12,938.00	\$ 12,938.00	\$ 12,938.00	\$ 12,938.00	\$ 12,938.00	\$ -	\$ -	\$ -	\$ 12,938.00	\$ 12,938.00	\$ 12,938.00	\$ 12,938.00	\$ 116,442.00
Liability - D&O - Crime - Umbrella - Boiler/Mach	\$ 2,933.00	\$ 2,933.00	\$ 2,933.00	\$ 2,933.00	\$ 2,933.00	\$ -	\$ -	\$ -	\$ 2,933.00	\$ 2,933.00	\$ 2,933.00	\$ 2,933.00	\$ 26,397.00
Legal	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
Licenses & Permits													\$ -
Elevator - Contract (includes annual inspection)	\$ 1,000.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 6,280.00
Lightbulbs	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 1,200.00
Management Fee	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 28,800.00
Meetings	\$ 300.00					\$ 300.00					\$ 300.00		\$ 900.00
Administrative (Postage, Copies, & Checks)	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
Payroll													\$ -
Maintenance Man	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 28,800.00
Pest Control													\$ -
Condominium Units and Common Areas	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 325.00	\$ 3,900.00
R&M Building	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
R&M Interior	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
R&M HVAC- Warranty 2006	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ 4,000.00
Signage	\$ 800.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ 1,800.00
Telephone	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 21,600.00
Cable TV	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 18,000.00
Utilities													\$ -
Electric	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 50,400.00
Water & Sewer	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 3,600.00
Waste	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 7,800.00
General Contingency	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
TOTAL	\$ 36,622.00	\$ 34,002.00	\$ 37,202.00	\$ 35,077.00	\$ 37,002.00	\$ 18,431.00	\$ 19,331.00	\$ 18,131.00	\$ 34,202.00	\$ 35,002.00	\$ 37,302.00	\$ 34,002.00	\$ 376,306.00
RESERVES	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 5,304.81	\$ 63,657.72
TOTAL INCLUDING RESERVES	\$ 41,926.81	\$ 39,306.81	\$ 42,506.81	\$ 40,381.81	\$ 42,306.81	\$ 23,735.81	\$ 24,635.81	\$ 23,435.81	\$ 39,506.81	\$ 40,306.81	\$ 42,606.81	\$ 39,306.81	\$ 439,963.72

The Villas at ChampionsGate
Reserve Schedule

Component	Est Cost in Todays Dollars	Est Remaining Useful Life	Annual Contribution	Monthly Contribution	Monthly Contribution Per SQ FT
Roof	\$60,000.00	12	\$ 5,000.00	\$416.67	
Paving/Parking	\$16,800.00	7	\$ 2,400.00	\$200.00	
Painting	\$250,000.00	10	\$ 25,000.00	\$2,083.34	
Electrical/Mechanical	\$75,000.00	30	\$ 2,500.00	\$208.34	
Pool Resurfacing	\$7,000.00	7	\$ 1,000.00	\$83.34	
Recreation Deck	\$17,150.00	7	\$ 2,450.00	\$204.17	
Furniture Beautification	\$72,151.10	7	\$ 10,307.30	\$858.95	
Security/Fire Safety	\$150,000.00	10	\$ 15,000.00	\$1,250.00	
Total	\$648,101.10		\$ 63,657.30	\$5,304.81	\$0.06

Unit Type		Yearly HOA
A (1398 sq ft)	\$	6,039.36
B (1475 sq ft)	\$	6,372.00
C (1687 sq ft)	\$	7,287.84
D (1826 sq ft)	\$	7,888.32

Master Budget for 2007

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Management Fee	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00
Audit & Tax Preparation	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Division Fee	\$ -	\$ -	\$ -	\$ 75.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Landscape													
Contract	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 2,180.00	\$ 26,160.00
Irrigation	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 1,680.00
Insect Control/Fertilization	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 312.00	\$ 3,744.00
Bedding Plants	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 1,200.00
Palm Tree Trimming	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 804.00
R&M Pool													
Pool Service Contract	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 9,000.00
Pool Permits- Inc. Maintenance Contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350.00	\$ -	\$ -	\$ -	\$ 350.00
Pool Supplies & Maintenance	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 14,400.00
Contract Maintenance - Common Areas	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 8,400.00
Electric for Pools & Lighting	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 18,000.00
Insurance													
Property	\$ 4,313.00	\$ 4,313.00	\$ 4,313.00	\$ 4,313.00	\$ 4,313.00	\$ -	\$ -	\$ -	\$ 4,313.00	\$ 4,313.00	\$ 4,313.00	\$ 4,313.00	\$ 38,817.00
Liability	\$ 978.00	\$ 978.00	\$ 978.00	\$ 978.00	\$ 978.00	\$ -	\$ -	\$ -	\$ 978.00	\$ 978.00	\$ 978.00	\$ 978.00	\$ 8,802.00
Water & Sewer	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 3,600.00
Lighting	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
Gas for Pool & Spa	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 7,800.00
Emergency Telephone	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 360.00
Total	\$13,620.00	\$13,620.00	\$14,620.00	\$13,695.00	\$13,620.00	\$ 8,329.00	\$ 8,329.00	\$ 8,329.00	\$13,970.00	\$13,620.00	\$13,620.00	\$13,620.00	\$147,917.00

Total to be divided among all unit owners and billed semi-annually on January 1st and July 1st each calendar year

\$2465.28 annually per unit owner

\$1232.64 semi-annual amount to be billed to each unit owner

FREQUENTLY ASKED QUESTIONS AND ANSWERS SHEET

CG Villas Building I Condominium Association, Inc.

As of October 1, 2005

Q: What are my voting rights in the condominium association?

A: Each Unit Owner is a Member of the Association and is entitled to one vote for each Unit owned by such Unit Owner. Votes may be held at regular and special meetings called in accordance with the Bylaws of the Association.

Q: What restrictions exist in the condominium documents on my right to use my unit?

A: The condominium documents contain restrictions on changing the exterior and structural elements of a Unit. The condominium documents also contain requirements for maintaining the Unit and requirements that the Rules and Regulations be followed. Pets are prohibited. Please see the Rules and Regulations attached as Schedule A to the Bylaws and Section 18 of the Declaration for specific restrictions.

Q: What restrictions exist in the condominium documents on the leasing of my unit?

A: Leases in excess of seven months must be in writing in a form approved by the Association. Please see Section 18.1 of the Declaration for additional information.

Q: How much are my assessments to the condominium association for my unit type and when are they due?

A: Monthly assessments are due and payable on the first day of each month commencing January 1 of each year. Estimated monthly assessments for each unit are described on Exhibit "A" attached hereto.

Q: Do I have to be a member in any other association? If so, what is the name of the association and what are my voting rights in this association? Also, how much are my assessments?

A: Yes. You will be a member of ChampionsGate Condominium Property Owners' Association, Inc. You will have one vote in this association for each Unit owned.

Q: Am I required to pay rent or land use fees for recreational or other commonly used facilities? If so, how much am I obligated to pay annually?

A: No.

Q: Is the condominium association or other mandatory membership association involved in any court cases in which it may face liability in excess of \$100,000? If so, identify each such case.

A: No.

NOTE: THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, EXHIBITS HERETO, THE SALES CONTRACT AND THE CONDOMINIUM DOCUMENTS.

EXHIBIT "A"

SCHEDULE OF MONTHLY ASSESSMENTS

\$0.38 per square foot per month

RECEIPT FOR CONDOMINIUM DOCUMENTS

The undersigned acknowledges that the documents checked below have been received or, as to plans and specifications, made available for inspection:

Name of Condominium: **CG VILLAS BUILDING I, a hotel condominium**

Address of Condominium: 1470 Masters Blvd Championsgate, Osceola County, FL

Place a check in the column by each document received or, for plans and specifications, made available for inspection. If a document uses a different name, substitute the correct name or place in parenthesis. If an item does not apply, place "N/A" in the column.

DOCUMENT	RECEIVED BY HARD COPY	RECEIVED BY ALTERNATIVE MEDIA
<u>Prospectus Text</u>	<u>X</u>	<u></u>
<u>Declaration of Condominium</u>	<u>X</u>	<u></u>
<u>Articles of Incorporation</u>	<u>X</u>	<u></u>
<u>Bylaws</u>	<u>X</u>	<u></u>
<u>Estimated Operating Budget</u>	<u>X</u>	<u></u>
<u>Form of Agreement for Sale or Lease</u>	<u>X</u>	<u></u>
<u>Rules & Regulations</u>	<u>X</u>	<u></u>
<u>Covenants and Restrictions</u>	<u>X</u>	<u></u>
<u>Ground Lease</u>	<u>NA</u>	<u></u>
<u>Management and Maintenance Contracts for More Than One Year</u>	<u>NA</u>	<u></u>
<u>Renewable Management Contracts</u>	<u>NA</u>	<u></u>
<u>Lease of Recreational and Other Facilities to be Used Exclusively by Unit Owners of Subject Condominium(s)</u>	<u>NA</u>	<u></u>
<u>Lease of Recreational and Other Facilities to be Used by Unit Owners with other Condominium(s)</u>	<u>NA</u>	<u></u>
<u>Declaration of Servitude</u>	<u>NA</u>	<u></u>
<u>Sales Brochures</u>	<u>X</u>	<u></u>
<u>Phase Development Description</u>	<u>NA</u>	<u></u>
<u>Form of Unit Lease if a Leasehold</u>	<u>NA</u>	<u></u>
<u>Description of Management for Single Management of Multiple Condominiums</u>	<u>NA</u>	<u></u>
<u>Conversion Inspection Report</u>	<u>NA</u>	<u></u>
<u>Conversion Termite Inspection Report</u>	<u>NA</u>	<u></u>
<u>Plot Plan</u>	<u>X</u>	<u></u>
<u>Floor Plan</u>	<u>X</u>	<u></u>
<u>Survey of Land and Graphic Description of Improvements</u>	<u>X</u>	<u></u>

<u>Frequently Asked Questions & Answers Sheet</u>	<u> X </u>	<u> </u>
<u>Financial Information</u>	<u> NA </u>	<u> </u>
<u>State or Local Acceptance/Approval of Dock or Marina Facilities</u>	<u> NA </u>	<u> </u>
<u>Evidence of Developer's Ownership, Leasehold or Contractual Interest in the Land Upon Which the Condominium is to be Developed</u>	<u> X </u>	<u> </u>
<u>Executed Escrow Agreement</u>	<u> X </u>	<u> </u>
<u>Other Documents (Insert Name of Document)</u>	<u> NA </u>	<u> </u>
<u>Alternative Media Disclosure Statement</u>	<u> NA </u>	<u> </u>
<u>Plans and Specifications</u>	<u> NA </u>	<u> </u>

THE PURCHASE AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THE PURCHASE AGREEMENT BY THE BUYER AND RECEIPT BY THE BUYER OF ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER. THE AGREEMENT IS ALSO VOIDABLE BY THE BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE DOCUMENTS REQUIRED. BUYER'S RIGHT TO VOID THE PURCHASE AGREEMENT SHALL TERMINATE AT CLOSING.

Executed this _____ day of _____, 20____.

Signature of Purchaser or Lessee

Signature of Purchaser or Lessee

LARRY WHALEY 3P
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

This instrument was prepared by and
after recording return to:

Peter L. Lopez, Esquire
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
Post Office Box 2809
Orlando, Florida 32802-2809

CL 2005102684 OR 2769/538
HLG Date 05/02/2005 Time 09:19:52
DOC STAMPS: 6,510.00

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made and executed this 26th day of April, 2005, by **RIDA ASSOCIATES LIMITED PARTNERSHIP**, a Delaware limited partnership, whose address is 4669 Southwest Freeway, Suite 400, Houston, Texas 77027 (hereinafter referred to as the "Grantor") to **CHAMPIONSGATE CONDO I, LP**, a Delaware limited partnership, whose address is 4669 Southwest Freeway, Suite 400, Houston, Texas 77027 (hereinafter referred to as the "Grantee");

W I T N E S S E T H:

THAT the Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged by these presents, does grant, bargain, sell, alien, remise, release, convey, and confirm unto the Grantee that certain piece, parcel or tract of land situated in Osceola County, Florida more particularly described as follows, to wit:

SEE EXHIBIT "A" ATTACHED HERETO
AND BY THIS REFERENCE MADE A PART HEREOF

(hereinafter referred to as the "Subject Property");

TOGETHER WITH all the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Subject Property in fee simple forever;

AND the Grantor does hereby covenant with and warrant to the Grantee that the Grantor is lawfully seized of the Subject Property in fee simple; that the Grantor has good right and lawful authority to sell and convey the Subject Property; and that the Grantor fully warrants the title to the Subject Property and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor, but against none other.

THE conveyance made herein, however, is expressly made SUBJECT TO ad valorem real property taxes and assessments for the year 2005 and thereafter, and easements and restrictions of record, if any, the reference to which shall not operate to reimpose the same.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in manner and form sufficient to bind it as of the day and year first above written.

Signed, sealed and delivered
In the presence of:

RIDA ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership

By: RALP SPE GP, LLC, a Delaware limited liability company, its general partner

John Fischer
Printed Name: JOHN FISCHER
[Signature]
Printed Name: P. Lopez

By: [Signature]
Ira Mitzner, its Manager

Address: 4669 Southwest Freeway
Suite 400
Houston, Texas 77027

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 14th day of April, 2005 by IRA MITZNER, as Manager of RALP SPE GP, LLC, a Delaware limited liability company, general partner of **RIDA ASSOCIATES LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of the corporation and limited partnership. He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

[Signature]
Notary Public Signature

 Peter L. Lopez
My Commission DD274623
Expires December 14, 2007

Typed or Printed Notary Name _____
Notary Public-State of _____
Commission No.: _____
My Commission Expires: _____

EXHIBIT "A"
Legal Description
(Phase I Condo Parcel)

Part of Parcel 2A, Championsgate Golf Course South according to the Plat thereof, as recorded in Plat Book 12, Pages 48 through 53 of the Public Records of Osceola County, Florida. Lying in a portion of the Southeast quarter of Section 32, Township 25 South, Range 27 East, Osceola County, Florida. Said parcel being more particularly described as follows:

Begin at the Southwest corner of said Parcel 2A; thence run North $00^{\circ} 07' 06''$ West, 313.92 feet along the West line of said Parcel 2A; thence departing said West line, run South $85^{\circ} 57' 56''$ East, 40.61 feet to the point of curvature of a curve to the right, having a radius of 29.00 feet and a central angle of $48^{\circ} 07' 24''$; thence along the arc of said curve a distance of 24.36 feet to the point of reverse curvature of a curve to the left, having a radius of 10.00 feet and a central angle of $60^{\circ} 50' 41''$; thence along the arc of said curve a distance of 10.62 feet to the point of tangency; thence North $81^{\circ} 18' 47''$ East, 34.19 feet to the point of curvature of a curve to the left, having a radius of 10.00 feet and a central angle of $71^{\circ} 52' 25''$; thence along the arc of said curve a distance of 12.54 feet to the point of reverse curvature of a curve to the right, having a radius of 61.00 feet and a central angle of $46^{\circ} 45' 43''$; thence along the arc of said curve a distance of 49.79 feet to the point of reverse curvature of a curve to the left, having a radius of 68.00 feet and a central angle of $30^{\circ} 12' 42''$; thence along the arc of said curve a distance of 35.86 feet to the point of reverse curvature of a curve to the right, having a radius of 68.00 feet and a central angle of $54^{\circ} 32' 25''$; thence along the arc of said curve a distance of 64.73 feet to the point of reverse curvature of a curve to the left, having a radius of 78.00 feet and a central angle of $19^{\circ} 21' 42''$; thence along the arc of said curve a distance of 26.36 feet to the point of reverse curvature of a curve to the right, having a radius of 59.00 feet and a central angle of $121^{\circ} 15' 18''$; thence along the arc of said curve a distance of 124.86 feet to the point of reverse curvature of a curve to the left, having a radius of 240.00 feet and a central angle of $14^{\circ} 13' 11''$; thence along the arc of said curve a distance of 59.56 feet to the point of tangency; thence South $11^{\circ} 47' 46''$ East, 97.66 feet; thence North $81^{\circ} 45' 35''$ East, 114.84 feet; thence South $21^{\circ} 41' 05''$ East, 178.64 feet to the point of curvature of a curve to the left, having a radius of 100.00 feet and a central angle of $68^{\circ} 26' 01''$; thence along the arc of said curve a distance of 119.44 feet to a point on the South line of said Parcel 2A; thence leaving said curve, run South $89^{\circ} 52' 54''$ West, 621.54 feet along said South line to the Point of Beginning.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHAMPIONSGATE CONDOMINIUM

THIS DOCUMENT PREPARED BY
AND SHOULD BE RETURNED TO:

William A. Beckett, Esquire
Lowndes, Drosdick, Doster, Kantor
& Reed, Professional Association
Post Office Box 2809
Orlando, Florida 32802-2809

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CHAMPIONSGATE CONDOMINIUM**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made this ____ day of _____, 2005, by CHAMPIONSGATE CONDOMINIUM, a Florida limited partnership (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the record owner of certain real property located in Osceola County, Florida which is more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter sometimes referred to as the "Initial Property"); and

WHEREAS, this Declaration may apply in the future to both the Initial Property and "Additional Property", as such term is hereinafter defined, and all references herein to the Property shall refer to both the Initial Property and the Additional Property, if any; and

WHEREAS, Declarant intends to use and develop the Property as a residential condominium project (hereinafter sometimes referred to as "ChampionsGate Condominium" or the "Project"); and

WHEREAS, the Project will be a part of the overall ChampionsGate development, a high quality mixed use development including hotels, resort villas, time-share residential communities, condominiums, commercial properties and rental apartments offering a golf course and various uses and natural amenities (hereinafter referred to as "ChampionsGate"); and

WHEREAS, the Project is also a part of the ChampionsGate Community Development District (“CDD”), which CDD has served, among other functions, the financing and developing and maintaining of the master infrastructure for ChampionsGate, which CDD shall have primary responsibility for maintenance of common areas serving the overall ChampionsGate development within the CDD portion of ChampionsGate; and

WHEREAS, the Project is also subject to that certain Declaration of Covenants, Conditions and Restrictions for ChampionsGate dated March 20, 2001 and recorded on March 22, 2001 in Official Records Book 1851, Page 161 of the Public Records of Osceola County, Florida, as amended from time to time (the “Master Declaration”); and

WHEREAS, under the terms of the Master Declaration, the Project is also a part of the ChampionsGate Property Owners' Association, Inc. (the "Master Association"), which Master Association has the power to levy assessments on property outside the CDD portion of ChampionsGate and shall be responsible for maintenance of common areas outside the CDD portion of ChampionsGate, and which, only upon the terms provided and under the circumstances described in Article III, Section 14 of the Master Declaration, also has the power to levy assessments on property within the CDD portion of ChampionsGate and to provide for the maintenance of common areas within the CDD portion of ChampionsGate; and

WHEREAS, Declarant desires that all of ChampionsGate Condominium, be subjected to certain additional restrictive covenants, as a supplement to the provisions of the Master Declaration, not inconsistent with or in lieu of the terms of the Master Declaration, for the

mutual benefit and protection of Declarant and all persons, corporations, partnerships or entities who may hereafter purchase or lease property within ChampionsGate Condominium;

WHEREAS, Declarant also desires that ChampionsGate Condominium or portions thereof may be subjected to further supplemental restrictions, declarations of condominium and the creation of additional associations and/or condominium associations, so long as such matters are not inconsistent with the provisions hereof;

NOW THEREFORE, Declarant does hereby impose upon the Property those covenants, conditions, restrictions, reservations, assessments, and easements hereinafter set forth which shall be binding upon and enforceable against each and every person, corporation, partnership or other entity who or which shall hereafter own all or any portion of ChampionsGate Condominium or any right, title, interest or estate therein.

ARTICLE I.
GENERAL

Section 1. Definitions. The following words, and terms, when used in this Declaration, unless the context shall prohibit, shall have the following meaning:

A. “Association” shall mean and refer to ChampionsGate Condominium Property Owners’ Association, Inc., a Florida corporation, not for profit, its successors and assigns.

B. “Common Areas” shall mean and refer to all personal, real and intangible property, or interests therein, located within or in the immediate vicinity of the Project whether located on commonly held or privately held Property, owned by the Association or the CDD,

which Common Areas are intended to be maintained by the Association and devoted to or otherwise available for the common use, enjoyment or benefit of the Members of the Association. The Common Areas shall also include, without limitation, the parking areas, swimming pool and associated amenities located within ChampionsGate Condominium, as well as an access roadway serving the Project, to the extent such access roadway is not dedicated to the public. Provided however, notwithstanding anything to the contrary contained herein, no limitations placed upon the right of the Association to transfer, abandon, release or in any way encumber the Common Areas, or any other limitations upon the management and operation of the Common Areas as set forth herein shall be applicable to said access roadway.

C. “Common Expenses” shall mean and refer to the costs of maintaining, operating, administering and carrying out the purposes, functions and duties of the Association as established herein and in the Articles of Incorporation and Bylaws of the Association, including, but not limited to, payment of any Annual, Special or Improvement Assessments, as hereinafter defined.

D. “Declarant” shall mean and refer to CHAMPIONSGATE CONDOMINIUM I, LP and its designated successors and assigns and shall include any person or entity to whom Declarant may expressly assign, convey or transfer all of its rights, privileges, duties and obligations as Declarant hereunder. All of the Declarant’s privileges and duties shall cease and expire simultaneously with the termination of the Declarant’s Class “B” Membership in the Association, as specified in Article II, Section 2 hereof, except that the Declarant shall retain all of its easement rights hereunder. Such termination shall not affect any of Declarant’s

rights as an Owner hereunder to the extent that Declarant is the owner of any of the Property or any leasehold or similar interests therein.

E. “Improvements” shall mean and include any and all buildings, outbuildings, structures, utilities, parking or loading areas, roadways, driveways, walkways, storage areas, fences, walls, hedges, landscaping, poles, ponds, lakes, signs, lighting fixtures and all other structures and facilities of any kind or nature constructed or located on any site and any replacements, additions, modifications or alterations thereto.

F. “Lease” or “lease” as used herein shall also be deemed to mean and include any sublease entered into by Declarant as Lessor and any other party.

G. “Member” shall mean and refer to any Owner who is a member of the Association.

H. “Owner” shall mean the record owner of the fee simple title to a Site within the Property, which shall include condominium units; or, if the record owner of the fee simple title to a Site within the Property has entered into, granted or conveyed an easement, leasehold interest, subleasehold interest, or similar interest in any Site within the Property, and such interest expressly includes the transfer of rights and responsibilities of an Owner hereunder (i.e. obligations for maintenance costs, assessments and similar obligations), then “Owner” shall instead mean the owner or holder of such easement, leasehold interest, subleasehold interest or similar interest, unless the terms of the easement, lease, sublease, or similar applicable instrument expressly provide to the contrary. All other restrictions and covenants applicable to “Owners” herein, shall be fully applicable to the owner and holder of any such interest.

Notwithstanding the foregoing, there shall be only one "Owner" at any given time for each Site within the Property for purposes of assessments and voting rights.

I. "Property" shall mean and refer to the real property, including any improvements thereon, described on Exhibit "A" and such additional property as may be brought within the jurisdiction of the Association by Declarant as hereinafter provided. All of the Property and any right, title or interest therein shall be owned, held, leased, sold and/or conveyed by Declarant and any subsequent Owner of all or any part thereof, subject to this Declaration and the covenants, restrictions, charges and liens set forth herein.

J. "Regulations" shall mean all applicable laws, statutes, codes, ordinances, rules, regulations, limitations, restrictions, orders, judgments or other requirements of any governmental authority having jurisdiction over the Property or any Improvements constructed or located therein.

K. "Signs" shall mean all names, insignia, trademarks, logos and descriptive words or material of any kind affixed, inscribed, erected or maintained upon the Property or upon any Improvement located thereon.

L. "Site" shall mean each lot, tract or parcel of real property within the Property other than Common Areas, or Special Common Areas which has been approved by the Master Declarant under the Master Declaration, whether recorded or unrecorded, and which, upon recording may ultimately be sold, leased or conveyed by Declarant or its designated successor (or the current Owner of any portion of the Property as it may now exist or later have additional property added thereto) as such Site is described in the initial instrument of lease or

conveyance by Declarant (or such other party). Each Condominium Unit shall be considered a "Site" for all purposes of this Declaration.

M. “Special Common Areas” shall mean and refer to all personal, real and intangible property, or interests therein, located within or in the immediate vicinity of ChampionsGate located on the Property to which title is held by the Association or a third party, including but not limited to, property owned by any governmental entity or agency, whereby the Association or CDD may be responsible for the costs of maintenance, repair or refurbishment so long as the need for such maintenance, repair or refurbishment with respect to such Special Common Areas shall be for the reasonable benefit of the Association and/or some, but not all of its members. A Special Common Area may, for example, constitute a tract of land serving as a joint retention pond, parking area or pool for two or more Members of the Association, providing benefits accordingly for such specific Members with assessments to be paid by such specific Members, without similar benefits for (or assessments paid by) other Members of the Association.

Section 2. Additions to Property Subject to Declaration.

Additions to the Property subject to this Declaration (the “Additional Property”) may be made in the following manner:

A. The Declarant, in its sole discretion, may at any time commit additional property in Osceola County, Florida owned or leased by Declarant to the scheme of this Declaration by filing of record a Supplement which need only be executed by the Declarant and does not require the execution or consent of the Association or its Members.

B. The Declarant may also commit additional property owned by another party to the scheme of this Declaration by filing of record a Supplement which need only be executed by the Declarant and the owner of the additional property to be brought under the terms hereof, and does not require the execution or consent of the Association or any other Members whatsoever.

C. Such Supplementary Declaration as contemplated in Paragraph (A) or Paragraph (B) above may contain covenants and restrictions to which the properties described therein shall be subject. Such Supplementary Declaration may contain additions, deletions and modifications with respect to the property covered thereby from those set forth in this Declaration as may be necessary to reflect the different character of the properties so added. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by previously filed Supplementary Declarations for any other portion of the Property nor shall such Supplementary Declaration in any way change or be inconsistent with the provisions hereof with respect to the Property unless such change is in compliance with the amendment provisions of Article VIII hereof. The Property and Additional Property contemplated hereunder may include lands located in Osceola County and any Supplementary Declaration shall be recorded in the Public Records of Osceola County. No such Supplementary Declaration may in any way modify or be inconsistent with the terms of the Master Declaration.

D. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another

association may be added to the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration, or any Supplementary Declaration, pertaining to the Property except as hereinafter provided.

Section 3. Condominium Property Owners' Association. The Declarant, for the purpose of the efficient preservation of the values and Common Areas of the Project, has created the Association. In accordance with Article III hereinbelow, and to the extent not maintained and administered by the CDD or the Master Association, the Association may be responsible for, and is hereby delegated and assigned the power of maintaining and administering the Common Areas and Special Common Areas, if any, as well as administering and enforcing this Declaration, and collecting and disbursing the assessments and charges hereinafter created. Said power of the Association shall extend to all portions of the Property.

ARTICLE II.
MEMBERSHIP, VOTING RIGHTS AND CONTROL OF THE ASSOCIATION

Section 1. Membership. Each and every person, persons or legal entity who is the Owner of any Site, including condominium units, in the Property shall automatically be a Member of the Association, PROVIDED that any person or entity who holds such an interest merely as security for the performance of any obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Site which is subject to

assessment. Acreage included within the Common Areas and Special Common Areas shall not be included for purposes of this Article. If the ownership of a Site is vested in other than a single person, then the Owner shall designate a Voting Member to act on its behalf in connection with all Association balloting and other similar activities. The Voting Member shall be designated in writing by the persons or entity owning the applicable Site. The designation shall be witnessed and acknowledged before a notary public and delivered to the Association. Prior to the receipt of the written designation of the Voting Member, the Association shall have no obligation to recognize the right of any person to act on behalf of such Owner. The designation of a Voting Member shall be executed in accordance with the terms hereof. The Voting Member may be changed, from time to time, by the Owner's re-execution and delivery of an additional Voting Member designation executed in accordance with the provisions hereof. There shall be no more than one Voting Member at a time for any Site.

Section 2. Classes of Voting Members. The Association shall have two classes of voting Memberships:

Class A. Class A Members shall be all those Members described in Section 1 of this Article II with the exception of the Declarant. Class A Members shall be entitled to one vote for each Site owned or leased by each Member. When two or more persons or entities hold undivided interests in any part of the Property, all such persons or entities shall be Class A Members, and the vote for such part of the Property shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with

respect to each Site in which such Members own undivided interests, and there shall be no more than one Voting Member per Site.

Class B. The Class B Member shall be the Declarant or any specifically designated successors or assigns. The Class B Member shall be entitled to nine (9) votes for each approved Site within the Property owned or leased by Declarant. Approved Sites within the Property for purposes of Class B votes as set forth herein shall include not only Sites including condominium units included within Condominium Declarations approved and recorded in the applicable public records, but shall also include all condominium units approved by the Declarant, RIDA Associates Limited Partnership (“Master Declarant”) under the terms of the Master Declaration according to said Master Declarant’s master plan for ChampionsGate. Such calculation of approved Class B Sites, so long as consistent with the Master Declarant’s master plan for the Property may include unrecorded Sites, including condominium units from time to time. Class B Membership of the Association shall cease to exist at such time as the number of votes held by members other than Declarant in Class A is equal to the number of votes of the Class B Membership. At such time, Declarant shall become a Class A Member of the Association for all purposes thereof, except where otherwise provided in this Declaration and shall be entitled to one vote for each Site owned, leased or controlled by Declarant. Declarant shall also have the right at any time and in its sole discretion to elect to terminate Class B Membership and convert it to Class A Membership. Until such time as termination of the Class B Membership, Declarant shall have the right at any time and in

its sole discretion to elect to assign its Declarant status to a specifically designated successor or assign.

Declarant's Veto Power. Whether or not the Class B Membership exists, as long as the Declarant owns or leases any of the Property subject to this Declaration up to a maximum period of fifteen (15) years from the date hereof, it shall separately have the right to veto any proposal set to a vote before the Association (i.e., veto power). Declarant's veto power shall be separate and distinct from its right to vote as provided hereunder.

Section 3. Assignment of Voting Rights. Voting rights may not be assigned, in whole or in part, as such rights related to a particular parcel of the Property except that voting rights may be assigned to a mortgagee of a Site, provided that such assignment shall not become effective until an officer or other authorized representative of such mortgagee shall notify the Association, by written affidavit, that a default has been committed by the mortgagor of the applicable Site. The Association shall be conclusively authorized to rely upon any such affidavit received by it from a mortgagee.

Section 4. Control of the Association; Calculation of Approved Sites and Voting Rights. Except as hereinafter specified, control of the Association and all of its rights, powers and duties set forth herein and in the Articles of Incorporation and By-Laws of the Association shall be vested in the Board of Directors of the Association, which shall act in accordance with the votes of a majority of the members of the Board; subject, however, to the veto power of the Declarant provided in Section 2 of this Article. The members of the Board shall be elected by the vote of a

majority of the Members (Classes A and B combined) of the Association, from time to time, in accordance with the procedures and for the terms established in the Articles of Incorporation and By-Laws of the Association. Notwithstanding anything to the contrary contained herein, all calculations of Approved Sites for purposes of voting rights shall include not only Sites approved and recorded in the applicable public records, but also any condominium units approved by Master Declarant as set forth under Section 2 of this Article II.

Section 5. Notice of Membership. All Owners are members of the Master Association, in addition to this Association. In conjunction with the acquisition of the Initial Property the Declarant has executed and recorded a Notice of Membership in Championsgate Property Owners' Association, Inc./Notice of Declaration of Championsgate Condominium (the "Notice"). The Notice provides among other things, that (i) the subdivision of the Initial Property shall not increase the number of votes applicable to such acreage and the Owners of such acreage in the Master Association; (ii) voting by unit Owners in the Master Association shall be conducted through the subassociation as a collective block vote; and (iii) any assessments to be paid to the CDD by unit Owners shall be collected by the subassociation and forwarded to the CDD, all as set forth in such Notice.

ARTICLE III. ASSESSMENTS AND ASSESSMENT LIENS

Section 1. Covenants for Assessments. The Declarant, each Owner of any Site within the Property hereby covenants by acceptance of a deed, lease or sublease with Declarant therefor, whether or not it shall be so expressed in any such instrument or other conveyance, shall be deemed to covenant to pay to the Association any: (a) Annual Assessments or charges

(as specified in Article III, Section 3 hereof); (b) Special Assessments (as specified in Article III, Section 4 hereof); and (c) Improvement Assessments (as specified in Article III, Section 5 hereof), all of such assessments which may be fixed, established and collected from time to time as hereinafter provided. Notwithstanding anything to the contrary contained herein, the Association shall have the right, but not the obligation, to impose assessments pursuant to this Article III, and in the event such assessments are imposed, they may be applicable to all or less than all of the Property.

Section 2. Purpose of the Assessments. The assessments levied by the Association shall be used exclusively to promote the common use, enjoyment and benefit of the Members of the Association; to provide for the beautification, maintenance, security, preservation of the Property for the benefit of the Members of the Association, and the Common Areas and Special Common Areas, if any; and for carrying out the purposes of the Association as stated in the Articles of Incorporation, including without limitation, the care, maintenance, repair and replacement of all Common Areas and Special Common Areas, if any; and the paving, drainage, landscaping of improvements located thereon or associated therewith, including the entranceways and approaches to the Property, whether on or off the Property, and all drainage and utility facilities and structures or public Improvements located thereon. To the extent such purposes, facilities and improvements are performed, owned and/or maintained by the CDD, the Association shall not levy assessments therefore, but may levy assessments for the same purposes, facilities and improvements to the extent not covered by the CDD. The Association may employ and or contract with entities affiliated with the Declarant to perform services and/or

obligations of the Association, so long as the Association shall pay such entities reasonable and competitive amounts for the actual services rendered.

Section 3. Annual Assessment. The actual and reasonable cost of such care, maintenance, repair and replacement, together with reasonable costs associated with the administration of such care, maintenance and repair, as described in Article III, Section 2, above, shall be allocated between each Owner of a Site within the Property (to the extent such Site is not exempt under Section 14 below) based upon the number of approved Sites within the Property including not only those condominium units within condominium declarations approved and recorded in the applicable public records, but also all condominium units approved by the Master Declarant under the ChampionsGate Master Plan as set forth in Article II, Section 2. For assessment purposes, the calculation of Sites shall equal one Site for each site owned by a Class A Member and one for each site owned by a Class B Member, such that the number of Sites for purposes of assessments shall equal the total Site count in the Master Plan from time to time, while the number of votes shall exceed the total number of Sites in the Master Plan from time to time, so long as the Class B Membership exists as set forth in Article II (the "Current Assessment Methodology"). The Board of Directors of the Association shall determine, in its sole and absolute discretion, whether to continue allocating Annual Assessments based on the Current Assessment Methodology or to revise the methodology for allocating Annual Assessments. The Board of Directors of the Association shall have the right to add any Additional Property and/or product type and/or make appropriate revisions and adjustments to the methodology and/or allocations to account for such change on a reasonable and good faith basis bearing an approximate relationship to the Current Assessment Methodology while taking

into account the applicable change. Should such Annual Assessment be insufficient to generate funds to pay the aforementioned costs of care, maintenance and repair, the Annual Assessment may be increased by the Board of Directors of the Association in the amount necessary to pay such costs. The Declarant shall have the option to either (a) fund any deficit in the Annual Assessments but not be liable for property owned or leased by Declarant; or (b) pay Annual Assessments for property owned or leased by Declarant in the same manner and on the same basis as all other Owners.

Section 4. Special Assessments. In addition to the Annual Assessments authorized by Article III, Section 3 hereof, the Board of Directors of the Association may levy and collect in any assessment year or years "Special Assessments" for the purpose of defraying, in whole or in part, the cost of operation of Special Common Areas, the actual costs of any non-elective maintenance, construction, reconstruction, unexpected repair or replacement (defined as construction, reconstruction, repair or replacement necessitated by natural disaster or an Act of God) of any capital improvement within or forming a part of the Common Areas or the Special Common Areas including the necessary fixtures and personal property related thereto, funding the construction, care, maintenance, repair or replacement of any off-site improvements, funding improvements outside the Project, or to make up any shortfall arising from the fact that the Annual Assessment is insufficient to pay for the costs contemplated herein, including the costs of care, maintenance and repairs; or for carrying out other purposes of the Association as stated in its Articles of Incorporation. The amount of any such Special Assessments applicable to the Common Areas shall be paid by each Owner in the same proportions as the Annual Assessment described in Article III, Section 3 above, while the amount of Special Assessments applicable to

the Special Common Areas may be allocated among Owners in different proportions as set forth under Article I, Section 1(M). With respect to any improvements or operation of Special Common Areas that are designed and intended to be for the benefit of some, but not all, Sites subject to this Declaration, whether owned, leased or subleased by third parties or the Declarant, such capital improvements, to the extent made, shall be constructed or installed at the sole cost and expense of the specific Members of the Association intended to be benefited. The Association's intended benefit shall be stated at the time of creation of the Special Assessment and designation of a Special Common Area, and if no such statement is made, it shall be presumed to be intended to benefit all Sites and assessed to all Sites accordingly. The Board may, at its sole discretion, levy Special Assessments either at such time as it fixes the Annual Assessment or at any other time.

Section 5. Improvement Assessments. In addition to the Annual and Special Assessments, the Board of Directors of the Association may levy and collect Improvement Assessments applicable to all Sites to pay for the construction of elective capital improvements which form a part of the Common Areas and are not necessitated by natural disaster or an Act of God. Improvement Assessments are intended to be applicable to Common Areas and have a general benefit for the entire Membership of the Association, unlike Special Assessments where it may be expressly stated by the Association at the time of creation of a Special Assessment that it is applicable to a Special Common Area as set forth in Section 4 above. However, a capital improvement to be funded by an Improvement Assessment may nevertheless benefit one or more Sites more than other Sites, and such lack of completely equal benefit shall not preclude the levying and collection from all Sites of an Improvement Assessment for such purpose. Any non-

elective capital improvements (defined as those capital improvements necessitated by natural disaster or an act of God) subject to this Declaration shall be funded by Special Assessments as provided in Section 4 hereof. The Board may, at its sole discretion, levy Improvement Assessments either at such time as it fixes the Annual Assessment or at any other time. The methodology for allocating any such Improvement Assessments between the Owners shall be based on the methodology for allocating Annual Assessments between the Owners as provided under Section 3 above, as the same may be amended from time to time.

Section 6. Commencement Date of Annual Assessment. Following adoption of the Annual Assessment by the Association, the first Annual Assessment provided for herein shall commence upon the first sale or sublease of any Site by Declarant following such adoption and shall continue thereafter from year to year.

Section 7. Due Date of Annual Assessments. The first Annual Assessment shall become due and payable at such time as title to a Site is transferred from Declarant or such time as the commencement of the term of any sublease entered into by Declarant. The first Annual Assessment shall be prorated as of the date of closing on the basis of a 365 day year. Annual Assessments for each subsequent year shall become due and payable in advance in equal semi-annual installments on February 1st and August 1st of each such year and shall be delinquent if not paid by the 15th of such month. The due date and delinquent date of any Special Assessment or Improvement Assessment shall be fixed in the resolution of the Board of Directors of the Association authorizing such assessment.

Section 8. Liability for Assessments. All assessments (whether Annual, Special or Improvement Assessments) levied pursuant to this Declaration, together with interest, costs and such reasonable attorneys' fees as may be associated with the collection thereof (whether suit be brought or not) shall be a charge and a continuing lien upon the Site with respect to which any such assessment is made or levied. Additionally, each such assessment, together with interest, costs and reasonable attorneys' fees associated with the collection thereof, as aforesaid, shall also be the joint and several personal obligation and liability of each Owner of a Site within the Property from the time such assessment is made or levied. Such personal liability for assessments made or levied pursuant to this Declaration prior to conveyance of a particular Site shall not, by virtue of any such conveyance, pass to such Owner's successor in title, except that the lien of such assessment shall follow the title to the Site from and after the recording of the notice of assessment lien referred to in Article III, Section 9, below.

Section 9. Effect of Nonpayment of Assessments. Any assessment which has not been paid prior to its delinquency date shall bear interest from the due date at the maximum rate of interest allowed by law. Upon the failure of any Owner to pay a required assessment within seven (7) days following written notice of such delinquency from the Association, the Association may record among the Public Records of Osceola County, Florida, a notice or assessment lien against the Site against which such assessment is made and the Owner against whom the lien is filed shall pay the cost of preparation and filing of such assessment lien in addition to the amount of the lien, and any attorneys' fees of the Association incurred in connection with the enforcement or collection thereof, with interest on all such sums from the date incurred or due at the highest rate allowed by law until paid in full. At any time after seven

(7) days following mailing of the notice of delinquency if the assessment has not been paid in full, the Association may bring an action at law against the Owner personally obligated to pay the same and may foreclose its assessment lien against the Site covered thereby as hereinafter contemplated. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas, or Special Common Areas or abandonment of his/her/its Site.

Section 10. Subordination of Assessment Lien to Mortgages. The lien of the assessments provided for herein shall date from and have priority as of the date of recording a notice thereof as specified in Article III, Section 9, above. The sale, transfer or lease of any such Site shall not affect the validity or viability of an assessment lien; provided, however, that the sale or transfer of any such Site pursuant to proceedings in foreclosure of a bona fide mortgage (or a conveyance in lieu of foreclosure of such mortgage) which was recorded among the Public Records of Osceola County, Florida prior to the recording of any such notice of assessment lien shall extinguish the lien of such assessments which became due prior to such sale or transfer. No such sale or transfer of a Site or other assessed property shall relieve such Site or other assessed property or the Owner thereof from the personal obligation or liability for the payment of any assessments thereafter becoming due or from the lien thereof.

Section 11. Assessment Lien and Foreclosure. All sums assessed in the manner provided in Article III, but unpaid, shall (together with interest and the reasonable costs of collection, including attorneys' fees as hereinafter provided), upon recording of the notice provided for in Article III, Section 9 herein, become a continuing lien and charge on the Site or

other assessed property covered by such assessment, which shall bind such property in the hands of the Owner, and his heirs, devisees, personal representatives, successors and assigns. Such lien for payment of assessments shall attach with the priority above set forth and may be enforced by the foreclosure of the defaulting Owner's property by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of assessment lien, and the Association may institute suit against the Owner personally obligated to pay the assessment and/or for foreclosure of the aforesaid lien. In any foreclosure proceeding, the Owner shall be required to pay all costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

Section 12.Certificate of Assessments Due. The Association shall furnish upon written request a certificate setting forth whether assessments or other amounts due the Association on a particular Site within the Project have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Site shall be binding upon the Association as of the date of its issuance.

Section 13.Association Records. The Association shall maintain books of account for all Annual and Special Assessments for Common Expenses and the receipt and disbursement of all funds collected and disbursed on account thereof. Said books of account shall be maintained by the Association at its offices within ChampionsGate, or at any other place within Orange, Osceola or Polk counties, and shall be available for inspection by Owners or authorized representatives of the Owners during regular business hours.

Section 14. Properties Exempt. All Common Areas and Special Common Areas as defined in Article I hereof, and any Common Areas and Special Common Areas designated on any recorded plat filed by Declarant shall be exempt from the assessments and liens created hereunder.

ARTICLE IV.
RESTRICTIONS ON IMPROVEMENTS

No improvement shall be erected, constructed, placed, altered (by addition or deletion), maintained or permitted to remain on any portion of the Property until plans and specifications, in such form and detail as the Master Association Design Review Committee (the "MDRC") may deem reasonably necessary, shall have been submitted to and approved in writing by such committee, all in accordance with the terms of the Master Declaration. Any decision of the MDRC shall be final, conclusive and binding upon the applicant.

Notwithstanding anything to the contrary contained herein, the MDRC shall have the right to approve or disapprove any plans and specifications submitted to the MDRC in the exercise of its full and complete discretion. The MDRC may take into consideration any factors it deems appropriate, including but not limited to consideration of aesthetics as the MDRC deems fit, harmony of external design, and location in relation to surrounding structures and topography. The review shall be made in accordance with the terms of the Master Declaration, the Design Standards contemplated thereunder (the "Design Standards"), and the Rules and Regulations of the Board of Directors of the Master Association, as any of the foregoing may be amended from time to time. The MDRC shall have the power to promulgate from time to time the Design Standards and any amendments thereto at its discretion. The Design Standards may

be set forth in writing and made available to all Owners, but shall not be recorded in the public records. The Design Standards may include any and all matters considered appropriate by the MDRC which are not inconsistent with the provisions of this Declaration, including but not limited to, height limitations; setback lines; landscaping standards; stormwater retention; exterior wall specifications; driveway and parking area standards; considerations of access, storage, loading and refuse areas; standards for and/or restrictions against temporary Improvements, antennae, utilities, air-conditioning equipment, exterior lighting, signs, buildings, waste disposal, excavation, wells, storage tanks, mailboxes, and storage of materials and equipment; and any other matters deemed appropriate by the MDRC. All terms and requirements of the Design Standards, as they may be amended from time to time, shall be binding upon each Site within the Property and each Owner thereof, to the full extent as if such terms and requirements were incorporated in this Declaration and made a part hereof.

Nothing herein contained shall be construed so as to require the submission of plans or specifications for the approval of the MDRC of (i) any Improvements (including roadway, parking, drainage and utility facilities) constructed or installed within the Property for which a certificate of occupancy or other appropriate governmental approval was issued to Declarant prior to the date of this Declaration, or (ii) the alteration of the interior of an existing building, or the approval thereof, unless any planned interior alteration will substantially change the primary use of the building, structure or Improvement affected by such alteration. All other provisions of the Master Declaration shall be equally applicable to Improvements constructed upon the Property.

ARTICLE V.
EASEMENTS

Section 1. Road Easements. There is hereby created, declared and reserved for the benefit of the Association, the Declarant, the Master Association, the Master Declarant and the Owner (including the agents, employees, guests, invitees and tenants of the any of them) of each Site within the Property and all public agencies for routine and emergency maintenance, services and repairs (including fire and rescue services) a non-exclusive easement for access, ingress, egress and road purposes over all roads, ways and drives within the Property, which serve or are intended to serve more than one (1) Site (hereinafter referred to as the "Roadways"), to the extent such Roadways are not dedicated to the public. The non-exclusive easement for access, ingress, egress and road right-of-way purposes hereinabove declared and created over the Roadways shall be an appurtenance and shall run with the title to each Site within the Property and each parcel of real property from time to time declared to be a part of the Property. The easement hereby created is not intended to create any rights or benefits in favor of any party outside the Property unless expressly and specifically set forth herein.

Section 2. Utility Easements. There are hereby declared, created and reserved for the benefit of the Association, the Declarant, the Master Association, the Master Declarant, the CDD, each Owner and any public or private provider of utility services to any portion of the Property and their respective successors and assigns: (1) non-exclusive easements for utility purposes (and for other purposes incidental to the development of the Property so long as approved by the Association and the Master Association), within any unpaved portion of the Roadways (hereinafter referred to as the "Utility Easement Areas"); (2) a non-exclusive

easement and license, to enter upon such Utility Easement Areas and adjacent land to the extent designated as a utility easement on a recorded plat or other recorded instrument for the purpose of constructing, installing, replacing, inspecting, maintaining and repairing any and all utility lines and facilities located within such Utility Easement Areas; and (3) such other easements as may, from time to time prior to conveyance by Declarant, be declared and dedicated by Declarant by separate instrument or included on a plat of all or any portion of the Property owned by Declarant including, but not limited to those easements created by or reserved to Declarant and included on any plats of all or portions of the Property or Additional Property that have been recorded prior to the date of recording the Declaration. The utilities contemplated to be served by such utility easements may include, without limitation, electric power, natural gas, telephone, cable television, internet access, sewer, potable water, and greywater, all of which must be installed underground (except for those components of the utilities which by their nature are typically situated above ground and are approved by the MDRC). Provided, however, the provisions hereof shall not act to prohibit any utilities which may be located above ground pursuant to valid easements in existence prior to the recording of this Declaration. In the event any user of a utility easement created hereunder shall perform or cause to be performed any construction, repair, alteration, replacement, relocation or removal of any utility facilities located within the Utility Easement Area(s), said easement user shall first receive written permission from the Association and the Master Association (which shall not be unreasonably withheld or delayed), coordinate its work with all other applicable utilities utilizing said Easement Area(s), and thereafter restore, at the sole cost of such user, the Easement Area(s) to as near as practicable the condition(s) which existed prior to such activities.

Section 3. Stormwater System Easements. There are hereby declared, created and reserved for the benefit of the Association, the Declarant, the Master Association, the Master Declarant, the CDD, and each Owner and their respective successors and assigns: (1) non-exclusive easements for the drainage of stormwater from the respective Sites, Common Areas, Open Areas and Special Common Areas into the Master Stormwater System, as the same may be modified from time to time. At all times, the CDD shall be responsible for constructing, installing, replacing, inspecting, maintaining and repairing all portions of the Master Stormwater System located within the portion of the Property served by the CDD, and the Master Association shall be responsible for constructing, installing, replacing, inspecting, maintaining and repairing all portions of the Master Stormwater System located within the portion of the Property not served by the CDD, as set forth in the Master Declaration. No one, other than the CDD or the Master Association, as applicable, shall perform or cause to be performed any construction, repair, alteration, replacement, relocation or removal of any portion of the Master Stormwater System, without the express written consent of the CDD or the Master Association, as applicable.

Section 4. Existing Easements. All easements reserved for the benefit of Declarant created herein shall not be terminated upon the termination of Declarant's Class B Membership.

Section 5. Disclaimer. All claims against Declarant, Master Declarant or the Association or the Master Association for damages, if any, arising out of the construction, maintenance, operation and repair of utilities or on account of any temporary or permanent

shortage, disruption or other inconvenience caused thereby are hereby waived by all Owners of Sites on the Property.

Section 6. Dedication. Notwithstanding anything in this Declaration set forth to the contrary, the Association, the Master Association and Declarant and the Master Declarant shall have, and there is hereby reserved unto the Declarant (or the Association, should the Declarant and the Master Declarant be unable to act) the right to dedicate the Roadways and other easements herein provided for, declared, created and reserved to the perpetual use of the public for the uses and purposes for which the same have been created, declared and reserved, whether or not such dedication is accompanied by or pursuant to a plat of the same or effected in any other manner.

Section 7. Master Declaration Easements. The Declarant and each Owner shall have the use and benefit of any easements intended to be in favor of each Owner under the Master Declaration.

Section 8. Coordination and Notice. No Owner (other than Declarant and the Master Declarant) shall be entitled to enter upon any of the easement areas described in this Article VI or to perform any construction, installation, replacement, inspection, maintenance and/or repair activities within any such easement area without first providing notice to the Association and the Master Association and coordinating the work to be performed with all other parties utilizing said easement areas.

ARTICLE VI.
COMMON AREAS AND SPECIAL COMMON AREAS

Section 1. Easements of Enjoyment. Subject to the provisions of Article VI, Section 3 hereof, every Member of the Association shall have a right and easement of enjoyment in and to the Common Areas.

Section 2. Title to Common Areas. Except as is provided in these covenants, once title to Common Areas (or any portion thereof) is transferred to the Association, such Common Areas (or applicable portion thereof) shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated or otherwise encumbered without first obtaining the written approval of the Declarant for so long as Declarant owns or leases any portion of the Property. Notwithstanding the foregoing, the Association may encumber the Common Areas provided such encumbrances are solely to secure loans obtained for improving the Common Areas being encumbered and their lien is not superior to the provisions for these covenants.

Section 3. Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

A. The right of the Declarant or the Association to prescribe reasonable rules and regulations for the use, enjoyment and maintenance of the Common Areas and the Special Common Areas, including lakes and easements.

B. The right of the Association to sell and convey the Common Areas, or any part thereof, provided such sale or conveyance is approved by a majority of the total eligible votes of the membership of the Association, as defined in Article II hereof, voting in person or

by proxy, at a meeting duly called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

C. The right of the Association to borrow money for the purpose of improving the Common Areas and the Special Common Areas, or any part thereof, and to mortgage the Common Areas, or any part thereof in connection with such borrowing.

D. The right of the Association to take such steps as are reasonably necessary to protect the Common Areas, or any part thereof, against foreclosure.

E. The right of the Association to suspend the easements of enjoyment of any Member of the Association in the Common Areas and the Special Common Areas during which time any assessment levied under Article III hereof remains unpaid, and for any period not to exceed thirty (30) days for any material infraction of its published rules and regulations which remains uncured after written notice thereof from the Association; provided, however, such suspension shall not be applicable to essential services and rights such as ingress, egress and utility services to such Owner's Site.

ARTICLE VII. ENFORCEMENT

The covenants, conditions, restrictions, reservations and easements herein contained shall run with the title to the Property and shall be binding upon all Owners and inure to the benefit of the Declarant, the Master Declarant, the CDD, all Owners, the Association and the Master Association. Violation of any covenant, condition, restriction or easement herein contained shall give to the Declarant, the Master Declarant, the CDD, all Owners, the Association and the

Master Association the right to bring proceedings at law or in equity against the party or parties violating or attempting to violate any of said conditions, covenants, restrictions, reservations and easements in order to enjoin such violation or attempted violation, cause any such violation or attempted violation to be remedied, or to recover damages resulting or occasioned on account of any such violation. In any legal or equitable proceeding brought to enforce the provisions of this Declaration or to enjoin any violation of the same, the prevailing party shall be entitled to recover from the losing party such reasonable attorneys' fees as may be awarded by the Court.

ARTICLE VIII.
DURATION, AMENDMENT AND TERMINATION

Each of the covenants, conditions, restrictions and reservations contained herein shall continue and be binding upon Declarant and the Association, and their respective successors and assigns, and upon each Owner and all Owners from time to time of any portion of the Property, and all other persons, parties or legal entities claiming by, through or under any of them, for a period of fifty (50) years from the date of this Declaration and thereafter, until terminated or otherwise modified by the affirmative vote of not less than a majority of the total cumulative votes entitled to be cast in Association balloting. Each of the easements herein declared to be created, granted or reserved shall continue to be binding upon Declarant and its successors and assigns, and upon each Owner and all Owners from time to time of any portion of the Property and all persons, parties and legal entities claiming by, through or under any of them in perpetuity unless all persons or entities having an interest therein shall agree to terminate or otherwise modify the same. Until such time as ninety percent (90%) of the Property (on a Site basis as calculated pursuant to Article II, Section 4) from time to time included within the Property is

sold, transferred or conveyed by Declarant or leased or subleased by Declarant to third parties, the Declarant may, from time to time, in its reasonable discretion, and without requiring the joinder of any Owner or other parties (except the Declarant), change, amend and modify this Declaration by written instrument duly executed by the Declarant and recorded among the Public Records of Osceola County, Florida; it being expressly provided, however, that no such change, amendment or modification shall (i) adversely affect the substantive rights of any Owner hereunder; (ii) impose additional costs or assessments upon any Owner hereunder; or (iii) cause any Improvements approved by the Declarant, the Master Declarant, the MDRC, the Association or the Master Association or constructed upon the Property prior to the effective date of such change, amendment or modification to be in violation of this Declaration, as so amended. Thereafter, this Declaration may be changed, amended or modified only upon the affirmative vote of not less than two-thirds (2/3) of the votes entitled to be cast in Association balloting at the time of the recordation of any such change, amendment or modification, subject to the right of the Declarant to veto any such amendment as set forth in Article II hereof.

ARTICLE IX.
ASSIGNMENT OF DECLARANT'S RIGHTS AND DUTIES

Any or all of the rights, powers, duties and reservations herein granted or reserved to or conferred upon the Declarant may be assigned by the Declarant to any person, corporation, partnership, limited partnership, trust, association or other legal entity who or which shall assume the obligations of the Declarant pertaining to the particular rights, powers, duties and reservations so assigned, and upon the execution by any such person, corporation, partnership, limited partnership, trust, association or other legal entity of an instrument evidencing his or its

acceptance of such assignment and his or its assumption of such duties, and the recordation of such instrument among the Public Records of Osceola County, Florida, he or it shall, to the extent of such assignment, have the same rights, powers and reservations and be subject to the same duties as are herein given or reserved to or conferred upon the Declarant and the Declarant shall be released therefrom.

ARTICLE X.
EXCULPATION

Declarant, the Association, the MDRC, the Master Declarant, the Master Association and their individual members and officers, or any of them, shall not, jointly or severally, be liable or accountable in damages or otherwise to any Owner or occupant of property affected by this Declaration, or to anyone submitting plans or other materials for any required consent or approval hereunder, by reason or on account of any decision, approval or disapproval required to be made, given or obtained pursuant to the provisions of this Declaration or the Master Declaration, or for any mistake in judgment, negligence or nonfeasance related to or in connection with any such decision, approval or disapproval. Each person who shall submit plans or other materials for consent or approval pursuant to this Declaration, by the submission thereof, and each Owner or occupant of any Site, by acquiring title thereto or an interest therein, agrees that it will not bring any action, proceeding or suit against Declarant, the Association, the MDRC, the Master Declarant, the Master Association or any individual member or members or officer or officers thereof for the purpose of recovering any such damages or other relief on account of any such decision, approval or disapproval. Declarant's, Association's, MDRC's, Master Declarant's or Master Association's approval of any plans or materials submitted to them

for any required approval or consent hereunder, or any other approval or consent given by Declarant, the Association, the MDRC, the Master Declarant or the Master Association pursuant hereto or pursuant to the Master Declaration, or otherwise, is and shall be given solely to protect the aesthetics and general quality of the development of ChampionsGate and shall not be deemed in any way to be or constitute a warranty, representation or covenant that such approval or consent or any action taken pursuant thereto or in reliance thereon complies with, or is not a violation of, any applicable Regulations, and the Declarant, the Association, the MDRC, the Master Declarant, the Master Association, and the individual members and officers thereof are hereby expressly released and relieved of and from any and all liability or obligation in connection therewith. Each Owner of a Site agrees, by acquiring title to a Site or an interest therein, that it will unconditionally and absolutely defend, indemnify and hold the Declarant, the Association, the MDRC, the Master Declarant and the Master Association and their individual members and officers thereof, and their respective successors and assigns harmless from and against any and all claim, cause of action, liability, loss, damage, cost and expense (including reasonable attorneys' fees) arising from or in connection with the design, construction, or structural soundness of any and all Improvements located or constructed on the Site owned, leased or occupied by them.

ARTICLE XI.
MISCELLANEOUS PROVISIONS

Section 1. Constructive Notice and Acceptance. Every person, corporation, partnership, limited partnership, trust, association or other legal entity, who or which shall hereafter own or acquire any right, title, interest or estate in or to any portion of the Property,

whether or not such interest is reflected upon the Public Records of Osceola County, shall be conclusively deemed to have consented and agreed to each and every covenant, condition, restriction, reservation and easement contained or by reference incorporated herein, whether or not any reference to this Declaration is contained in the document or instrument pursuant to which such person, corporation, partnership, limited partnership, trust, association or other legal entity shall have acquired such right, title, interest or estate in the Property or any portion thereof.

Section 2. Paragraph Headings. Paragraph headings, where used herein, are inserted for convenience only and are not intended to be a part of this Declaration or in any way define, limit or describe the scope and intent of the particular sections or paragraphs in which they are contained or to which they refer.

Section 3. Effect of Invalidation. If any particular provision of this Declaration is held to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provision hereof.

Section 4. Written Notice. Whenever written notice is required or specified herein, such written notice shall be deemed made and given only when deposited in the United States Mail, postage paid and addressed to the last known address of the addressee. All such notices shall be sent certified mail, return receipt requested.

Section 5. Arbitration. In the event there arises any dispute with respect to any matters contained herein (including decisions of the MDRC), between the Declarant, the Association, the Master Declarant, the Master Association or the Owner of any Site, such dispute

shall be resolved by binding arbitration by a Board of Review of three (3) Members which shall be the final, conclusive determination of the dispute and shall be binding upon all parties. Notwithstanding the foregoing, no Owner shall have the right to require that arbitration be used in connection with a dispute between such Owner and any other Owners nor may any Owner require that the Association submit to arbitration in connection with proceedings brought by the Association in order to collect or enforce any assessment levied in accordance with the terms hereof or to foreclose the lien thereof. In the event that any party wishes to resort to arbitration in order to resolve any dispute, it shall send seven (7) days' prior written notice of its election to do so to the party with whom the dispute exists, with a copy of such notice to the Association. Such notice shall be accompanied by the name of an arbitrator selected by the party requesting the arbitration. Within ten (10) days following receipt of such notice, the other party to the arbitration shall select an arbitrator to act for it. Within ten (10) days following selection of the second arbitrator, the two arbitrators so selected shall, jointly, agree upon the selection of a third arbitrator. A decision of the majority of the board of arbitrators shall be binding upon the parties. The arbitrators elected by the parties shall be experts qualified in the area regarding which the dispute exists, licensed to practice in the State of Florida, selected from either the architectural, engineering, accounting or legal professions, depending upon the nature of the dispute. The experts so selected shall, in their consideration of the dispute, be guided by the standards set forth in these Restrictions or any publications referred to or recited herein or in the Articles and Bylaws of the Association. Each party shall bear the expense of the arbitrator they select. The expense of the third arbitrator shall be borne equally between the disputing parties.

(SIGNATURES APPEAR ON NEXT PAGE)

EXECUTED as of the day and year first written above.

Signed, sealed and delivered
in the presence of:

CHAMPIONSGATE CONDOMINIUM I, LP a
Florida limited partnership

Name: _____

BY: _____

“DECLARANT”

Name: _____

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this ____ day of April, 2005 by
_____ partner on behalf of CHAMPIONSGATE CONDOMINIUM I LP, a
Florida limited partnership. He/she is personally known to me or has produced
_____ as identification.

NOTARY PUBLIC

(Name typed, printed or stamped)

Notary Public - State of Florida

Commission No.: _____

JOINDER AND CONSENT

The undersigned hereby joins in and consents to the terms and conditions of this Declaration of Covenants, Conditions and Restrictions for ChampionsGate, including but not limited to the terms of the Article V concerning creation, declaration and reservation of various easements.

Signed, sealed and delivered
in the presence of:

CHAMPIONSGATE COMMUNITY
DEVELOPMENT DISTRICT

Name: _____

By: _____

Name: _____

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this ____ day April, 2005 by _____ of ChampionsGate Community Development District. He/she is personally known to me or has produced _____ as identification.

NOTARY PUBLIC

(Name typed, printed or stamped)
Notary Public - State of Florida
Commission No.: _____