

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Princeton Place at Wiggins Bay Condominium Three Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the members held on March 19, 2026, where a quorum was present, after due notice, the resolutions set forth below were duly approved by the votes indicated for the purpose of amending and restating the Declaration of Condominium of Princeton Place at Wiggins Bay Condominium Three, as originally recorded in O.R. Book 1446 at Pages 2305 *et seq.*, of the Public Records of Collier County, Florida, as previously amended, and the Articles of Incorporation and the By-Laws of Princeton Place at Wiggins Bay Condominium Three Association, Inc.

1. The following resolution was approved by a favorable vote of at least 67% of the voting interests and at least 66-2/3rds of the Board of Directors of the Association.

(for use by Clerk of Court)

RESOLVED: That the Declaration of Condominium of Princeton Place at Wiggins Bay Condominium Three be amended and the amendment is adopted in the form attached hereto, and made a part hereof.

2. The following resolution was approved by a vote of at least 67% of the voting interests and at least 66-2/3rds of the Board of Directors of the Association.

RESOLVED: That the Articles of Incorporation of Princeton Place at Wiggins Bay Condominium Three Association, Inc. be amended and the amendment is adopted in the form attached hereto, and made a part hereof.

3. The following resolution was approved by not less than a majority of the voting interests of all members of the Association and by not less than 66-2/3rds of the entire Board of Directors.

RESOLVED: That the Bylaws of Princeton Place at Wiggins Bay Condominium Three Association, Inc. be amended and the amendment is adopted in the form attached hereto, and made a part hereof.

Date: 4/1/2026

(1) [Signature]
Witness

Print Name THOMAS QUINN

(2) [Signature]
Witness

Print Name Kevin Heyde

**PRINCETON PLACE AT WIGGINS BAY
CONDOMINIUM THREE ASSOCIATION, INC.**

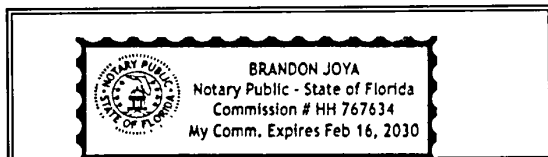
By: [Signature]

Deborah Fox, President
340 Horse Creek Drive, #
Naples, Florida 34110

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of physical presence this 1 day of April 2026, by Deborah Fox, as President of the aforementioned Corporation, on behalf of the Corporation. He is personally known to me or has produced MA Drivers License as identification.



[Signature]
Signature of Notary Public

(Print, Type or Stamp Commissioned Name of Notary Public) (Affix Notarial Seal)

This instrument prepared by Robert C. Samouce, Esq., Samouce & Gal, P. A., 3060 Tamiami Trail N., Suite 202, Naples, FL 34103.

NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE DECLARATION. FOR PRESENT TEXT SEE THE EXISTING DECLARATION OF CONDOMINIUM.

**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
FOR
PRINCETON PLACE AT WIGGINS BAY CONDOMINIUM THREE**

On June 8, 1989, the original Declaration of Condominium of Princeton Place at Wiggins Bay Three (the "Condominium") was recorded in O. R. Book 1446, at Pages 2305 *et seq.*, of the Official Records of Collier County, Florida. That Declaration, as it has previously been amended, is hereby further amended in part, and is restated in its entirety as amended.

1. SUBMISSION STATEMENT. This Amended and Restated Declaration of Condominium is made by Princeton Place at Wiggins Bay Condominium Three Association, Inc., a Florida corporation not for profit (the "Association"). The land subject to this Declaration, and all improvements thereon, have already been submitted to the condominium form of ownership and use pursuant to the Florida Condominium Act. No additional property is being submitted to condominium ownership by this Declaration. The covenants and restrictions in this Declaration, as it may be amended from time to time, run with the land; and are binding upon and inure to the benefit of all present and future owners of condominium parcels. The ownership of a unit, the acquisition of any other interest in the condominium property, or the lease, occupancy, or use of any portion of a unit or the condominium property, constitute unconditional acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by its terms.

2. NAME AND ADDRESS. The name of this Condominium is Princeton Place at Wiggins Bay Condominium Three, and its street address is 340 Horse Creek Drive, #408, Naples, Florida 34110.

3. DESCRIPTION OF CONDOMINIUM PROPERTY. The land submitted to the condominium form of ownership by the original Declaration (the "Land") is legally described as in Exhibit "1" to the original Declaration, which is hereby incorporated by reference.

4. DEFINITIONS: Certain words and phrases are used in this Declaration and its recorded exhibits with the meanings stated below, unless the context clearly requires a different meaning.

4.1 "Assessment" means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owners.

4.2 "Association" means Princeton Place at Wiggins Bay Condominium Three Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of this Condominium.

DECLARATION OF CONDOMINIUM

4.3 **"Association Property"** means all property, real or personal, owned or leased by the Association for the use and benefit of the unit owners.

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

4.5 **"Condominium Documents"** means and includes this Declaration and all recorded exhibits hereto, as amended from time to time.

4.6 **"Family"** or **"Single Family"** means any one (1) of the following:

(A) One (1) natural person; or

(B) Two (2) or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others; or

(C) Two (2) or more natural persons meeting the requirements of (B) above, except that there is among them one (1) person who is not related to some or all of the others.

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

4.8 **"Guest"** means a person who is not the owner or a tenant of a unit, and is not a member of the owner's or tenant's family, who nevertheless is physically present in, or occupies the unit on a temporary basis, at the invitation of the owner or tenant, without paying valuable consideration.

4.9 **"Institutional Mortgagee"** means the mortgagee (or its assignee) of a mortgage against a condominium parcel, which mortgagee is a bank, savings and loan association, mortgage company, insurance company, real estate or mortgage investment trust, pension or profit-sharing trust, the Federal Housing Administration, the Veterans Administration, or any agency of the United States of America. The term also refers to any holder of a mortgage against a condominium parcel which mortgage is guaranteed or insured by the Federal Housing Administration, the Veterans Administration, any agency of the United States of America, or by any other public or private corporation engaged in the business of guaranteeing or insuring residential mortgage loans, and their successors and assigns.

4.10 **"Lease"** means the grant by a unit owner of a temporary right of use of the owner's unit for valuable consideration.

DECLARATION OF CONDOMINIUM

4.11 **"Limited Common Elements"** are those common elements that are reserved for the use of a certain unit or units, to the exclusion of the other units.

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

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

4.14 **"Primary Occupant"** means the natural person approved for occupancy when title to a unit is held in the name of two or more persons, or by a trustee or a corporation or other entity which is not a natural person or as otherwise designated and approved by a unit owner(s). Tenants cannot be designated as Primary Occupants.

4.15 **"Rules and Regulations"** means those rules and regulations promulgated by the Board of Directors, governing the use of the common elements and the operation of the Association.

4.16 **"Voting Interest"** means and refers to the arrangement established in the condominium documents by which the owners of each unit collectively are entitled to one (1) vote in Association matters. There are thirty-seven (37) units, so the total number of voting interests is thirty-seven (37) votes.

5. DESCRIPTION OF IMPROVEMENTS; SURVEY AND PLANS:

5.1 **Survey and Plot Plans.** Attached to the original Declaration as Exhibit "2", and incorporated by reference herein, are a survey of the Land and plot plans, which graphically describe the improvements in which units are located, and which show all the units, including their identification numbers, locations and approximate dimensions and the common elements and limited common elements. Together with this Declaration, the exhibit identifies the common elements and limited common elements, and their relative locations and dimensions.

5.2 **Unit Boundaries.** Each unit includes that part of the building containing the unit that lies within the following boundaries:

(A) **Upper and Lower Boundaries.** The upper and lower boundaries of the unit are the following boundaries extended to their intersections with the perimeter boundaries:

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

DECLARATION OF CONDOMINIUM

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

(B) Perimeter Boundaries. The perimeter boundaries of the unit are the vertical planes of the unfinished interior surfaces of the plasterboard walls bounding the unit as shown in Exhibit "A" hereto, extended to their intersections with each other and with the upper and lower boundaries. Included within the unit are all wall, floor and ceiling coverings. All lath, plasterboard, wallboard, drywall and other unfinished construction materials in the perimeter boundaries of the unit are common elements.

(C) Interior Walls. No part of the non-structural interior partition walls within a unit shall be considered part of the boundary of a unit.

(D) Apertures. Where there are openings in any boundary, including, without limitation, windows, doors and skylights, the boundary of the unit shall extend to the interior unfinished surfaces of the coverings of such openings, and their frameworks thereof. Therefore, windows, doors, screens and all framings, casings and hardware therefor, are excluded from the unit.

In cases not specifically covered in this Section 5.2, or in any case of conflict or ambiguity, the graphic depictions of the unit boundaries set forth in Exhibit "2" hereto shall control in determining the boundaries of a unit, except the provisions of 5.2(D) above shall control over Exhibit "2". Nothing herein shall be construed as purporting to change the boundaries of the units as provided in the original Declaration.

6. CONDOMINIUM PARCELS; APPURTENANCES AND USE:

6.1 Shares of Ownership. The Condominium contains thirty-seven (37) units. The owner of each unit also owns a one-thirty-seventh (1/37th) undivided share in the common elements and the common surplus.

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

(A) The undivided ownership share in the Land and other common elements and the common surplus, as specifically set forth in Section 6.1 above.

(B) Membership and voting rights in the Association, which is acquired and exercised as provided in the Amended and Restated Articles of Incorporation and Bylaws of the Association, attached hereto as Exhibits "4" and "5", respectively.

(C) The exclusive right to use the limited common elements reserved for the unit, and the right to use the common elements.

DECLARATION OF CONDOMINIUM

- 4 -

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

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

Each unit and its appurtenances constitutes a "condominium parcel".

6.3 Use and Possession. A unit owner or primary occupant is entitled to exclusive use and possession of his unit. He is entitled to use the common elements in accordance with the purposes for which they are intended, but no use of the unit or of the common elements may unreasonably interfere with the rights of other unit owners or other persons having rights to use the condominium property. No unit may be divided or any fractional portion sold, leased or otherwise transferred. The use of the units, common elements and limited common elements shall be governed by the condominium documents and by the rules and regulations adopted by the Board of Directors, as provided in the Bylaws.

7. COMMON ELEMENTS; EASEMENTS:

7.1 Definition. The term "common elements" means all of the property submitted to condominium ownership that is not within the unit boundaries set forth in Section 5 above. The common elements include without limitation the following:

- (A) The Land.
- (B) All portions of the buildings and other improvements outside the units, including all limited common elements.
- (C) Easements through each unit for conduits, ducts, plumbing, wiring, and other facilities for furnishing utility services to other units or the common elements.
- (D) An easement of support in every portion of a unit which contributes to the support of a building.
- (E) The property and installations required for access for furnishing utilities and other services to more than one (1) unit or to the common elements.

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

DECLARATION OF CONDOMINIUM

encumbering these easements shall automatically be subordinate to the rights of unit owners with respect to such easements.

(A) Utility and Other Easements. The Association has the power, without the joinder of any unit owner, to grant, modify or move easements such as electric, gas, cable television, or other utility, service or access easements, or relocate any existing easements, in any portion of the common elements or association property, and to grant easements or relocate any existing easements in any portion of the common elements or association property, as the Association shall deem necessary or desirable for the proper operation and maintenance of the Condominium. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the units. The Association may also transfer title to utility-related equipment or installations, and take any other action reasonably necessary to satisfy the requirements of the transferee to which any such utility-related equipment or installations are to be so transferred.

(B) Encroachments. If for any reason other than the intentional act of the unit owner or the Association, any unit encroaches upon any of the common elements or upon any other unit, or any common element encroaches upon any unit, then an easement shall exist to the extent of that encroachment as long as the encroachment exists.

(C) Ingress and Egress. A non-exclusive easement shall exist in favor of each unit owner and occupant, their respective guests, tenants, licensees and invitees for pedestrian traffic over, through, and across sidewalks, streets, paths, walks, and other portions of the common elements as from time to time may be intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through, and across such portions of the common elements as from time to time may be paved or intended for such purposes, and for purposes of ingress and egress to the public ways.

(D) Maintenance, Repair and Replacement. A non-exclusive easement shall exist in favor of the Association and its employees, agents and hired contractors through the units and common elements for maintenance, repairs and replacements.

7.3 Restraint Upon Separation and Partition. The undivided share of ownership in the common elements and common surplus appurtenant to a unit cannot be conveyed or encumbered separately from the unit and passes with the title to the unit, whether or not separately described. As long as the condominium exists, the common elements cannot be partitioned. The shares in the funds and assets of the Association cannot be assigned, pledged or transferred except as an appurtenance to the units.

8. LIMITED COMMON ELEMENTS:

8.1 Description of Limited Common Elements. Certain common elements have been reserved for the use of a particular unit or units, to the exclusion of the other units. The limited common elements and the units to which their exclusive use is appurtenant, are as described in this

DECLARATION OF CONDOMINIUM

Declaration and its recorded exhibits. The following common elements are hereby designated as limited common elements:

(A) Parking Spaces. There have been designated, on the attached survey and plot plan, certain parking spaces as limited common elements. These parking spaces have been assigned to the exclusive use of specific units as identified in the survey and plot plan.

(B) Stairs. Any stairways, stairwells and railings which are attached to and which exclusively serve particular units are limited common elements for the exclusive use of the units which they serve.

(C) Air Conditioning and Heating Equipment. All equipment, fixtures and installations located outside of a unit, which furnish air conditioning or heating exclusively to that unit, are limited common elements.

(D) Lanais, Balconies, Patios and Porches. Any lanai, balcony, patio or porch attached to and serving exclusively a unit is a limited common element. No lanai, balcony, patio or porch may be carpeted, covered or enclosed in any way without the prior written approval of the Board of Directors. No carpeting of any kind or description may be installed over concrete floors exposed to the elements.

(E) Others. Any part of the common elements that is connected to or exclusively serves a single unit, and is specifically required in Section 9. of this Declaration to be maintained, repaired or replaced by or at the expense of the unit owner, shall be deemed a limited common element appurtenant to that unit, whether specifically described above or not. This paragraph includes windows, screens and doors, including all hardware and framings therefor.

8.2 Exclusive Use; Transfer of Use Rights. The exclusive right to use a limited common element is an appurtenance to the unit or units to which it is designated or assigned. If, after all of the units have been sold, the exclusive use of any assignable limited common element was not, for any reason, assigned to the use of a specific unit or units by the Developer, the Association may do so. The right of exclusive use of each limited common element passes with the unit to which it is assigned, whether or not separately described, and cannot be separated from it; except that the use rights to particular parking places may be exchanged or transferred between units as follows:

(A) The unit owners desiring to exchange such use rights shall submit a written request to the Board of Directors. If the Board approves the exchange, the owners involved shall then execute a Certificate of Transfer which shall include the recording data identifying this Declaration, and be executed by the Association and the owners with the formalities required for the execution of a deed.

DECLARATION OF CONDOMINIUM

(B) The exchange or transfer of use rights shall be complete and effective when the Certificate is recorded in the Public Records of Collier County, Florida. The costs of preparing and recording the Certificate shall be borne by the unit owners desiring the exchange or transfer.

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

9.1 Association Maintenance. The Association is responsible for the protection, maintenance, repair and replacement of all common elements and association property (other than the limited common elements that are required elsewhere herein to be maintained by the unit owner). The cost is a common expense. The Association's responsibilities include, without limitation:

- (A) The exterior surface of the main entrance doors to the units.
- (B) Electrical wiring up to the circuit breaker panel serving each unit.
- (C) Water pipes, up to the individual shut-off valve serving each unit.
- (D) Cable television/Wi-Fi lines up to the wall outlets.
- (E) Main air conditioning condensation drain lines, up to the point where the individual unit drain line meets.
- (F) Main sewer lines, up to the point where the individual sewer lines serving each unit connect.
- (G) All installations, fixtures and equipment located within one (1) unit but serving one (1) or more other units, or located outside the unit, for the furnishing of utilities to more than one (1) unit or the common elements.
- (H) All exterior building walls, including painting, waterproofing, and caulking.
- (J) Any stairways, stairwells, or railings.
- (K) Lanai, balcony, patio, or porch railings.
- (N) Repair and/or replacement of drywall when there is water damage (such as window leaks or roof leaks) caused by a significant wind event.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures or other electrical, plumbing or mechanical installations located within a unit and serving

DECLARATION OF CONDOMINIUM

only that unit. All damage caused to a unit or limited common elements by work performed or ordered to be performed by the Association resulting from accidental or negligent causes shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practicable to its condition before the damage. The cost shall be a common expense. However, the Association shall not be responsible for the damage caused to a portion of a unit or limited common element for which the unit owner is responsible for maintaining or repairing (including any unit owner made alteration or addition) resulting from intended maintenance or repairs made by the Association that were not caused by accident or negligence.

9.2 Unit Owner Maintenance. Each unit owner is responsible, at his own expense, for all maintenance, repairs, and replacements of his own unit and certain limited common elements. The owner's responsibilities include, without limitation:

- (A) Maintenance, repair and replacement of the unit's windows and window glass, and related frameworks, hardware and locks, as well as maintenance, repair and replacement of the unit's appurtenant lanai, balcony, patio, and porch screens, windows and window glass, and related frameworks, hardware and locks.
- (B) The main entrance door to the unit and its interior surfaces and related entrance door frameworks, hardware and locks.
- (C) All other doors (including sliding glass doors) within or affording access to the unit or lanai, balcony, patio or porch and related door frameworks, hardware and locks.
- (D) The electrical, mechanical, cable/wifi, and plumbing lines, pipes, fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the unit or located outside the unit but serving only the unit.
- (E) The circuit breaker panel serving the unit and all electrical wiring going into the unit from the panel.
- (F) Appliances, water heaters, smoke alarms and vent fans.
- (G) All air conditioning, and heating equipment, thermostats, ducts and installations serving the unit exclusively whether located within or outside the unit, except as otherwise provided in Section 9.4 below.
- (H) Carpeting and other floor coverings.
- (I) Shower pans serving the unit.
- (J) The main water supply shut-off valve serving the unit.

DECLARATION OF CONDOMINIUM

- 9 -

(K) Other facilities or fixtures which are located or contained partially or entirely within the unit and serve only the unit or located outside the unit but serve only the unit.

(L) All interior, partition walls which do not form part of the boundary of the unit.

9.3 Other Unit Owner Responsibilities:

(A) Lanais, Balconies, Patios and Porches. Where a limited common element consists of a lanai, balcony, patio or porch area, the unit owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; and all fixed glass, sliding glass doors in portions of the entrance way to said area (and related frameworks, hardware and locks); and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the painting, maintenance, repair and replacement of all exterior walls of the building and the concrete slabs, including the walls, floor and ceiling bounding said area. If the unit owner has carpeted, covered, or enclosed a balcony with prior written approval of the Board of Directors, the maintenance, repair, replacement and insurance of such approved carpeting, covering, or enclosure shall be the responsibility of the unit owner. Any unit owner desiring to alter his lanai, balcony, patio or porch must comply with the provisions of Section 9.5.

(B) Interior Decorating. Each unit owner is responsible for all decorating within his own unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

(C) Flooring. All units above the ground floor shall always have the floors covered with wall-to-wall carpeting installed over high quality padding, except carpeting is not required in kitchens, bathrooms or laundry rooms. An owner of a unit above the ground floor who desires to install in place of carpeting, or other existing flooring anywhere within the unit, with any new hard-surface floor covering (e.g. marble, slate, ceramic tile, hardwood, luxury vinyl, engineered flooring) shall also install a sound absorbent underlayment of such kind and quality as to substantially reduce the transmission of noise to adjoining units, and must obtain written approval of the Board of Directors prior to any such installation. If the installation is made without prior approval or if after approved installation is made, noise of an unreasonable amount of annoyance or nuisance emanates from the unit, the Board may, in addition to exercising all the other remedies provided in this Declaration, require the unit owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending unit owner. No carpeting of any kind may be installed on or affixed to concrete surfaces exposed to the elements.

(D) Window Coverings. The covering and appearance of windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the

DECLARATION OF CONDOMINIUM

- 10 -

unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.

(E) Air Conditioning Maintenance, Water Heaters, Dishwashers, Washing Machine Hoses, Water Turn-Off.

(1) Air Conditioning Maintenance. An owner must contract for ongoing air conditioning maintenance service which includes periodic inspection of the systems on at least a bi-annual basis, addition of current industry standard products to help keep the lines clear (such as a chemical cleaner), and periodic blowout of the condensation lines. If an owner fails to contract for such maintenance service (if the Association does not already do so) and water leaks from his air conditioning system, the owner will be strictly liable for all damage caused to the unit, the common elements, association property, other units or any other property which is damaged by such leak.

(2) Water Heaters. An owner must replace unit water heaters after they have been in service for ten (10) years. If an owner fails to replace his water heaters after ten (10) years of service and if a leak occurs in a water heater or related pipes, the owner will be strictly liable for all damages caused to the unit, the common elements, association property, other units or any other property which is damaged by such leak.

(3) Dishwashers. An owner must replace unit dishwashers after they have been in service for fourteen (14) years. If an owner fails to replace his dishwasher after fourteen (14) years of service and if a leak occurs in a dishwasher or related pipes, the owner will be strictly liable for all damages caused to the unit, the common elements, association property, other units or any other property which is damaged by such leak.

(4) Washing Machine Hoses. All washing machine hoses must be steel lined, and if not steel lined, must be replaced with steel lined hoses. If an owner fails to have steel lined hoses on his washing machine and if a leak occurs in his washing machine hose, the owner will be strictly liable for all damage caused to the unit, the common elements, association property, other units or any other property which is damaged by such leak.

(5) Refrigerator Water Line. An owner must replace the refrigerator water line when replacing the refrigerator or when remodeling the kitchen. If an owner fails to replace the refrigerator water line when replacing the refrigerator or when remodeling the kitchen and if a leak occurs in his refrigerator water line, the owner will be strictly liable for all damage caused to the unit, the common elements, association property, other units or any other property which is damaged by such leak.

(6) Water Turn-Off. An owner is responsible for the water to owner's unit being turned off if the unit will be unoccupied for twenty-four (24) hours or overnight hours or more. If the water is not turned off in such instances and a leak occurs, the owner

DECLARATION OF CONDOMINIUM

will be strictly liable for all damages caused to the unit, the common elements, association property, other units or any other property which is damaged by such leak.

(F) Modifications, Remodeling and Alterations. If a unit owner makes any modifications, installations or additions to his unit or the common elements, the unit owner, and his successors in title, shall be financially responsible for:

- (1) Insurance, maintenance, repair and replacement of the modifications, installations or additions;
- (2) The costs of repairing any damage to the unit, common elements or other units resulting from the existence of such modifications, installations or additions; and
- (3) The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the condominium property for which the Association is responsible.
- (4) Damage to the modifications, installations or additions caused by work being done by the Association.

(G) Use of Licensed and Insured Contractors. Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) is/are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

(H) Drywall Water Damage. Except for damages to drywall caused by a significant wind event, the unit owner is responsible for repair and/or replacement of drywall which has been damaged by water leaks from water sources which are the unit owner's duty to maintain, including, but not limited to, water leaks from a unit's ice maker, ice maker supply lines, sinks, toilets, toilet supply lines, faucets, clothes washers, clothes washer supply lines, or plumbing. Repair by the unit owner or the insurer must be completed and the drywall restored to the original condition within sixty (60) days of the date damage occurred or was discovered, subject to the approval of the Board of Directors. This paragraph is for clarification purposes only and in no way limits a unit owner's liabilities or responsibilities as set forth in Section 9.7 below.

9.4 Appliance Maintenance Contracts. If there shall become available to the Association a program of contract maintenance for kitchen appliances, or water heaters within units, and/or air-conditioning compressors and/or air handlers serving individual units, which the Association determines is to the benefit of the owners to consider, then upon agreement by a majority of the voting interests present, in person or by proxy and voting, at a meeting called for the purpose, or

DECLARATION OF CONDOMINIUM

upon agreement by a majority of the total voting interest in writing, the Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be common expenses. All maintenance, repairs and replacements not covered by the contracts shall be the responsibility of the unit owner.

9.5 Alteration of Units, Common Elements or Association Property by Unit Owners. No material alterations or substantial additions to a unit, the common elements or association property, or a change in any manner to the exterior appearance of any portion of the condominium, shall be made without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the condominium in part or in whole. Whenever title to a condominium parcel is transferred for any reason, the new owner becomes jointly and severally liable with the previous owner for correcting any unapproved material alterations or substantial additions to a unit, the common elements or association property or for a change in any manner to the exterior appearance of any portion of the condominium. Any glass, screen, curtain, blind, shutter, awning, or other modifications, additions or installations which may be installed where visible from outside the unit, are subject to regulation by the Board of Directors. The Board of Directors may revoke or rescind any approval of an alteration or modification previously given, if it appears that the installation has had unanticipated, adverse effects on the condominium.

9.6 Alterations and Additions to Common Elements and Association Property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements or the real property owned by the Association costing more than \$30,000 in the aggregate in any calendar year without prior approval of at least two-thirds (2/3rds) of the voting interests who are present and voting, in person or by proxy, at an annual or special meeting called for the purpose. Therefore, up to \$30,000 in the aggregate worth of material alterations or substantial additions may be made in any calendar year by the Association with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common elements or association property also constitutes a material alteration or substantial addition to the common elements, no prior unit owner approval is required.

9.7 Enforcement of Owner's Maintenance Responsibilities. The owner of a unit has a legal duty to maintain, repair and replace, at his own expense, his unit and the limited common elements serving his unit, except for those limited common elements required to be maintained by the Association, as provided in this Section 9. Each unit owner also has a duty to maintain his unit, any limited common element whose exclusive use is appurtenant to the unit, and the personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other units, the common elements, or the personal property of other owners or occupants. If any condition, defect or malfunction, resulting from the owner's failure to perform these duties causes damage to the unit, other units, the common elements, association property or property within the unit or other units, the owner of the offending unit shall be liable to the person or entity

DECLARATION OF CONDOMINIUM

- 13 -

responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance, as well as reasonable attorney fees and other expenses of collection, if any. The cost of all repairs which resulted from the owner's negligent failure to perform these duties shall be reimbursed to the party performing the repair within sixty (60) days of the date the damage occurred or was discovered. The owner of each unit is also liable for the expenses of any maintenance, repair or replacement of the unit, common elements, other units, or personal property made necessary by his negligent act or failure to act or by that of any member of his family or his guests, employees, agents, or tenants. If any owner fails to maintain the unit or its appurtenant limited common elements as required above, the Association may institute legal proceedings to enforce compliance, or may take any and all other lawful actions to remedy the violation including, but not limited to, performing the maintenance, repair or replacement and then charging the owner the cost thereof.

9.8 Association's Access to Units; Damage Caused by Condition in Unit. The Association has the irrevocable right of access to the units during reasonable hours, for the maintenance, repair, or replacement of the common elements, as well as any portion of the unit to be maintained by the Association pursuant to the Declaration. The Association also has the right to enter units to prevent, mitigate or repair damage to the common elements or to other units. If any condition, defect or malfunction is discovered to be causing or threatening to cause such damage, and one (1) or more units involved (or potentially involved) is not occupied, the Association may enter the unoccupied unit with or without prior notice to or consent of the tenant or the owner, and take reasonable action sufficient to correct the problem, mitigate damage or prevent its further spread. The costs of such action shall be chargeable to the owner of the unit entered, unless the work done ordinarily was the responsibility of the Association. The Association may, but is not obligated to, repair the damage to property inside the unit, with the prior consent of the unit owner. The Association's right of access also includes, without limitation, entry for purposes of pest control and preventive maintenance of safety equipment such as smoke alarms, as well as the right, but not the duty, to enter under circumstances where the health or safety of resident may be endangered. The exercise of the Association's rights of access to the unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable annoyance, as well as with appropriate precautions to protect the personal property within the unit. The Association may retain a pass-key to all units. If it does, no unit owner shall alter any lock, nor install a new lock, which prevents access when the unit is unoccupied, unless the unit owner provides a key to the Association. If the Association is not given a key, the unit owner shall pay all costs incurred by the Association in gaining entrance to the unit, as well as all damage to his unit caused by gaining entrance thereto, and all damage resulting from delay in gaining entrance to his unit caused by the unavailability of a key.

9.9 Pest Control. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that such service is necessary for the protection of the balance of the Condominium, in which event the owner thereof must either permit the Association's pest control company to enter his unit or must employ a licensed pest control company to enter his unit on a regular basis to perform pest control services and furnish written

DECLARATION OF CONDOMINIUM

- 14 -

evidence thereof to the Association. The cost of pest control provided by the Association is a common expense, so the election of an owner not to use the service will not reduce the owner's assessments.

9.10 Lanai, Balcony, Patio and Porch Enclosures. Notwithstanding any provision hereinabove set forth to the contrary, the Board of Directors may adopt a basic approved plan for screening and/or enclosing balconies, patios and porches. Owners of units may screen or enclose the balconies, patios and porches serving their units in accordance with said approved basic plan without specific consent from the Board of Directors, provided that such screening or enclosure conforms in all respects to the approved basic plans therefor.

9.11 Hurricane Protection. Notwithstanding any provision to the contrary above, the Board of Directors shall adopt as required by law a model, style and color of hurricane shutter as a standard for use in the Condominium. No hurricane or storm shutters except the standard model, color and style adopted by the Board of Directors shall be installed upon the Condominium. The Board of Directors may also adopt as required by law models, styles and colors of impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection as alternative standards for use in the Condominium and if adopted only such models, styles and colors shall be installed upon the Condominium..

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

10.1 Units. Except as otherwise provided herein, each unit shall be occupied by only one (1) family at any time, as a residence and for no other purpose. No persons can own legal or beneficial title to more than two (2) units in the Condominium. No business or commercial activity shall be conducted in or from any unit, including, but not limited to storing or processing inventory, visitation of the home by clients, customers, suppliers or other business invitees or door to door solicitation of residents. The use of a unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any owner from maintaining a personal or professional library, from keeping his personal, business or professional records in his unit, or from handling his personal, business or professional telephone calls, e-mail, web services or written correspondence in and from his unit. Such uses are expressly declared customarily incident to residential use.

10.2 Occupancy in Absence of Owner. If the owner and his family who permanently reside with him are absent from the unit and are not occupying it, and the unit has not been leased, the owner may permit his unit to be occupied by his guests only in accordance with the following:

(A) Any one (1) person who is the parent, child, adult grandchild or sibling of the unit owner or of the unit owner's spouse or non-spouse companion, if any, may occupy the unit in the absence of the owner for a period not to exceed thirty (30) days. That person's spouse or non-spouse companion and children, if any, and guests, if any, may accompany him with

DECLARATION OF CONDOMINIUM

the proviso that the family and its guests, if any, consists of no more than six (6) persons. The total number of occasions for occupancy in any unit under this paragraph shall be limited to four (4) in any one (1) calendar year, with a maximum aggregate total of one hundred twenty (120) days.

(B) House guests not included within 10.2(A) are permitted for only one (1) family occupancy in the unit owner's absence and then only with the proviso that the family and its guests, if any, consist of no more than six (6) persons. Such family, with guests, if any, may stay no more than two (2) weeks and the total number of occasions for this type of guest occupancy in any unit under this paragraph shall be limited to two (2) in each calendar year.

(C) An owner desiring guest occupancy under (A) or (B) above shall give notice to the Association as provided in the rules and regulations.

10.3 Exceptions. Upon prior written application by the unit owner, the Board of Directors may make such limited exceptions to the foregoing restrictions as may be deemed appropriate in the discretion of the Board, for the sole purpose of avoiding undue hardship or inequity. The making of one (1) exception shall not be construed as a precedent for later exceptions.

10.4 Occupancy When Owner is Present. There is no restriction on the number of guests, whether related or unrelated to the owner, who may occupy the unit together with the unit owner, other than the total occupancy limit permitted by County Code. Once a guest, whether related or unrelated to the owner, has been occupying a unit together with the owner for a period of more than thirty (30) days in any twelve (12) month period, such guest must apply for and obtain Association approval in the same manner as a prospective owner is required to obtain Association approval pursuant to the transfer provisions contained in Section 14. hereof. If the guest does not obtain Association approval within the requisite time periods contained in Section 14.3 hereof, the guest must then vacate the unit until approval is obtained.

10.5 Minors. All occupants under eighteen (18) years of age shall be closely supervised at all times by an adult to insure that they do not become a source of unreasonable annoyance to other residents.

10.6 Pets. The owner of each unit may keep in the unit no more than one (1) small pet of normal domesticated household types (such as a cat or dog weighing no more than twenty-five (25) pounds when fully grown unless otherwise approved by the Association or Board of Directors) and: caged birds or tropical fish kept in a tank with a capacity of no more than twenty (20) gallons. All pets must be carried under the owner's arm or be leashed at all times while on the condominium property outside of the unit. Pet messes or droppings must be removed immediately by the unit owner or pet handler and disposed of directly into the garage dumpster located on the first floor of the building. The ability to keep such pets is a privilege, not a right, and the Board of Directors is empowered to order and enforce the removal of any pet which becomes a source of unreasonable annoyance to other residents of the Condominium. No pets of any kind are permitted to be kept by lessees or guests in leased units. No reptiles, monkeys, rodents, amphibians, poultry, swine

DECLARATION OF CONDOMINIUM

or livestock may be kept in the condominium.

10.7 Nuisances. No owner shall use his unit or the common elements or permit his unit or the common elements to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another unit, or which would not be consistent with the maintenance of the highest standards for a first-class residential condominium, nor permit the premises to be used in a disorderly or unlawful way. The use of each unit and the common elements shall be consistent with existing laws and the condominium documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner. No owner, tenant or guest may disturb any other person on the property with the use of profane, obscene, threatening or abusive comments or conduct.

10.8 Signs. No person may post or display "For Sale", "For Rent", "Open House" or other signs or banners anywhere within the Condominium or on the condominium property except on the information bulletin board outside of the first-floor elevator area across from mailboxes, including those posted in windows of buildings. Directional "Open House" signs, as approved by the Association, can be posted during daylight hours while the unit is open for public viewing.

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

10.10 Prohibited Vehicles. Recreational vehicles, boats, trailers, non-street licensed vehicles, panel vans, vehicles obnoxious to the eye, inoperable vehicles and commercial vehicles not actively serving a unit are prohibited from being parked or kept on the common elements or association property.

10.11 Seasonal Holiday Decorations. Lights or decorations may be erected at the exterior of the units or on the interior of the units, where they may be seen from the outside of the unit, in commemoration or celebration of publicly observed holidays provided that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent owners by illuminating bedrooms, creating noise or attracting sightseers. All lights and decorations that are not permanent fixtures of the unit as part of the original construction shall be removed within fifteen (15) days after the holiday has ended. Christmas decorations or lights may be displayed from Mid-November thru the First week in January. Other holiday decorations or lights may not be displayed more than two (2) weeks in advance of the holiday. The Association shall have the right, upon fifteen (15) days prior written notice to enter any unit and remove lights and decorations displayed in violation of this provision. The Association and the persons removing such lights and decorations shall not be liable to the owner for trespass, conversion or damages of any kind except intentional misdeeds and gross negligence.

DECLARATION OF CONDOMINIUM

- 17 -

10.12 Satellite Dishes. An owner wishing to install a satellite antenna less than one meter in diameter on his lanai, balcony, patio or porch limited common area must install same at a preferred location where an acceptable signal may be obtained. The preferred location is near the floor of the lanai, balcony, patio or porch which is least visible from view from the grounds of the Condominium and is attached in a stable and secure manner to the wall of the lanai, balcony, patio or porch. No portion of the antenna may extend outside the limited common element lanai, balcony, patio or porch area. The antenna can only be installed at a non-preferred location on the lanai, balcony, patio or porch if an acceptable signal cannot be obtained from a preferred location. No satellite dishes may be installed in the common areas of the property. Please contact management for further information about dish installation.

10.13 Electrical Vehicle Charging. Charging of electrical vehicles on condominium property is prohibited unless prior written approval of the Board is obtained. As a condition of approval, an owner must agree to pay any cost required to upgrade the electric facilities and lines if necessary and if the vehicle is to be charged at a common element socket, the owner must agree to either purchase and install a separate electric meter for charging the vehicle at a common element socket and agree to pay all properly metered electric costs associated with charging the owner's vehicle or agree to pay an estimated fee (as established by the Board) for the electricity to be utilized by the vehicle at the socket. Also, the owner must agree to accept all liability, and hold harmless and indemnify the Association, for any and all damage to property or person that may occur as a result of charging the vehicle.

10.13 Security Cameras. Unit owners may maintain security cameras within their units or on their lanais. However, no unit owner shall be permitted to maintain any security camera on or within their unit or their limited common element area appurtenant to such unit (such as their lanai) that is positioned in such a way as to film areas of the condominium property not directly related to access points to their unit or lanai.

10.14 Drones. Drones (defined for purposes herein as a powered, unmanned, aerial vehicle that use aerodynamic forces to provide vehicle lift, can fly autonomously or be piloted remotely, and is designed to be recoverable) shall not be permitted to be flown within the community, unless such drone is 1) registered with the FAA, to the extent required, 2) operated by an individual duly licensed by the FAA, to the extent required, 3) is only flown and utilized in accordance with FAA and other applicable governmental requirements, 4) is flown within the community in a manner not to interfere with an owner's reasonable expectation of privacy with respect to such owner's property, 5) is not utilized in any fashion to spy or otherwise peer or take pictures into the residence of another owner's property, 6) is not utilized to harass any person with respect to private property or to the association's common property, and 7) utilized in a manner not to cause injury to person or property. The operator of such drone shall be solely responsible for any injury to person or property which results from use of such drone. A person's failure to comply with the terms and provisions of this section shall constitute a nuisance under this declaration and a violation. In no manner shall the association be deemed to be a guarantor or protector of an individual's right to privacy with respect to any drones that are flown within the community, and the association shall only undertake actions under this section upon association representatives

DECLARATION OF CONDOMINIUM

having direct knowledge and evidence of a violation or following receipt of a written claim from an offended resident and subsequent inspection by the association and determination of a violation.

10.15 Remodeling/Renovations of Units. Remodeling units, renovation of units, or similar work is permitted only from the 1st of May to the 1st of November of each year. Such work is restricted from 8:00 a.m. to 5:00 p.m. Monday thru Friday with prior written approval of the Association. No such work is permitted during each Season from the 1st of November until the 30th of April of the following year unless such work is needed in response to an emergency such as a flood or a fire. During the Seasonal period, no floor replacement, wall or cabinet removal or installation, oil-based painting, rewiring or re-plumbing, or use of power tools or other tools that cause noise are permitted except in response to an emergency. The intent of this paragraph is not to have noise, dust, or smell nuisances emanating from units during Season.

10.16 Smoking. Smoking is prohibited everywhere on the Condominium Property including within units, on unit balconies, lanais, or anywhere on the common areas of the Condominium.

11. ASSOCIATION: The operation of the Condominium is by Princeton Place at Wiggins Bay Condominium Three Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:

11.1 Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached as Exhibit "4".

11.2 Bylaws. The Bylaws of the Association shall be the Amended and Restated Bylaws attached as Exhibit "5", as they may be amended from time to time.

11.3 Delegation of Management. The Association may contract for the management and maintenance of the condominium property and employ a licensed manager or management company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds made available by the Association for such purposes. The Association and its officers however, shall retain at all times the powers and duties provided in the Condominium Act.

11.4 Membership. The members of the Association are the record owners of legal title to the units, as further provided in the Bylaws.

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

DECLARATION OF CONDOMINIUM

11.6 Powers and Duties. The powers and duties of the Association include those set forth in the Condominium Act and the condominium documents. The Association may contract, sue, or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the condominium property and association property. The Association may impose fees for the use of common elements or association property. The Association has the power to enter into agreements to acquire leaseholds, memberships and other ownership, possessory or use interests in lands or facilities, regardless of whether the lands or facilities are contiguous to the lands of the Condominium.

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

11.8 Purchase of Units. The Association has the power to purchase one (1) or more units in the condominium, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors.

11.9 Acquisition of Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as provided in Section 11.8 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the voting interests.

11.10 Disposition of Property. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased or otherwise encumbered or disposed of by the same authority as would be required to acquire it under Sections 11.8 and 11.9 above. However, the power to lease association property and common elements shall be exercised solely by the Board of Directors.

11.11 Roster. The Association shall maintain a current roster of names and mailing addresses of unit owners, based upon information supplied by the unit owners. A copy of the roster shall be made available to any member upon request as provided by law.

11.12 Association Security Cameras. The association may, but shall not be obligated to, operate one or more cameras on the common areas for purposes of providing security for the property and its residents. In the event that the association does elect to utilize security cameras, each unit owner shall be deemed to have agreed, for such unit owner and such owner's family members, guest and tenants, that the association is not and shall not be considered an insurer or guarantor of security for or pertaining to the property. The association shall not be held liable for any loss or damage by reason of failure in the security camera system or any other safety measures undertaken, each such individuals assume all risks for loss or damage to persons or property and

DECLARATION OF CONDOMINIUM

- 20 -

to the contents of same, and each such individuals acknowledges that the association has made no representations or warranties related to the use and operation of security cameras.

11.13 Limitation on Liability. Notwithstanding its duty to maintain and repair condominium or association property, the Association shall not be liable to individual unit owners occupants, visitors or invitees for personal injury or property damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or unit owners or other persons. From time to time the common elements or association property, or any portion thereof, is opened and put into use for the enjoyment of owner, tenants, guests and invitees. The Association shall be and remain wholly free and clear of any and all liability to, or claims by, all owners, and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the common elements, association property or any of their improvements, fixtures, and facilities resulting from any defect or unsafe condition or circumstance not known by the Association. In this respect, it shall be the affirmative duty and responsibility of each owner and user of the common elements and association property and their facilities to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof. All users of, and visitors to, the common elements and association property and their improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril. As used in this Section 11.12, "Association" shall include within its meaning all of the Association's Directors, Officers, Committee Members, Employees, Agents, Contractors (including management firms and its employees), Subcontractors, successors and assigns.

12. ASSESSMENTS AND LIENS: The Association has the power to levy and collect assessments against each unit and unit owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both "regular" assessments for each unit's share of the common expenses as set forth in the annual budget, and "special" assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual unit for any amounts, other than for common expenses, which are properly chargeable against such unit under this Declaration or the Bylaws. Assessments shall be levied and payment enforced as provided in Section 6 of the Bylaws, and as follows:

12.1 Common Expenses. Common expenses include the expenses of operation, maintenance, repair, replacement or insurance of the common elements and association property, the expenses of operating the Association, and any other expenses properly incurred by the Association for the condominium, including amounts budgeted for the purpose of funding reserve accounts. The cost of water and sewer service to the units is a common expense. If the Board of Directors contracts for pest control within units or communication services (such as basic cable television programming services, telephone) information and/or internet services in bulk for the entire condominium, the cost of such services shall be a common expense.

DECLARATION OF CONDOMINIUM

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

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

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

12.5 No Waiver or Excuse from Payment. The liability for assessments may not be avoided or abated by waiver of the use or enjoyment of any common elements, by abandonment of the unit on which the assessments are made, or by interruption in the availability of the unit or the common elements for any reason whatsoever. No unit owner may be excused from payment of his share of the common expenses unless all unit owners are likewise proportionately excused from payment, except as otherwise provided in Section 20.3 below as to certain first mortgagees, and as in Section 12.12 as to the Developer.

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

12.7 Acceleration. If any special assessment or installment of a regular assessment as to a unit is unpaid thirty (30) days after the due date, the Association shall have the right to accelerate the due date of the entire unpaid balance of the unit's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorneys' fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be

DECLARATION OF CONDOMINIUM

- 22 -

deemed given upon mailing of the notice, postpaid. The notice may be given as part of the notice of intent to foreclose, as required by Section 718.116 of the Condominium Act, or may be sent separately.

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

12.9 Priority of Lien. The Association's lien for unpaid assessments shall be subordinate and inferior to the lien of a recorded first mortgage, but only to the extent required by the Condominium Act, as amended from time to time. The Association's lien shall be superior to, and take priority over, any other mortgage or lien regardless of when the mortgage or lien was recorded, except as otherwise expressly provided by the Condominium Act, as amended from time to time. Any lease of a unit shall be subordinate and inferior to the Association's lien, regardless of when the lease was executed.

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

12.11 Certificate as to Assessments. Within fifteen (15) days after request by a unit owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter") stating whether all assessments and other monies owed to the Association by the unit owner with respect to the condominium parcel have been paid. Any person other than the owner who relies upon such certificate shall be protected thereby.

13. LEASING OF UNITS: In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of units by their owners shall be restricted as provided in this section. All leases of units must be in writing. A unit owner may lease only his entire unit, and then only in accordance with this Section, after receiving the approval of the Association. The lessee must be a natural person. Any unit owner who acquires title other than by inheritance may not lease his unit until he has owned the unit for at least twenty four (24) months.

13.1 Procedures.

DECLARATION OF CONDOMINIUM

(A) Notice by the Unit Owner. An owner intending to lease his unit shall give to the Board of Directors or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require. The Board may require a personal interview with any lessee and his spouse or non-spouse companion, if any, and all others who will be occupying the unit with the lessee as a pre-condition to approval.

(B) Board Action. After the required notice and all information or interviews requested have been provided, the Board shall have twenty (20) days in which to approve or disapprove the proposed lease. If the Board neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.

(C) Disapproval. A proposed lease and those who will be occupying the unit with the lessee shall be disapproved only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

- (1) The unit owner is delinquent in the payment of assessments at the time the application is considered;
- (2) The unit owner has a history of leasing his unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his unit;
- (3) The real estate company or rental agent handling the leasing transaction on behalf of the unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;
- (4) The application on its face indicates that the persons seeking approval intends to conduct themselves in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
- (5) The prospective lessee or other persons who will be occupying the unit with the lessee have been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (6) The prospective lessee or other persons who will be occupying the unit with the lessee have a history of conduct which evidences disregard for the rights and property of others;

DECLARATION OF CONDOMINIUM

- 24 -

- (7) The prospective lessee or other persons who will be occupying the unit with the lessee evidences a strong probability of financial irresponsibility;
- (8) The lessee or other persons who will be occupying the unit with the lessee during previous occupancy in this Condominium or another, has evidenced an attitude of disregard for the Association rules;
- (9) The prospective lessee or other persons who will be occupying the unit with the lessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid; or
- (10) The unit owner fails to give proper notice of his intention to lease his unit to the Board of Directors.

(D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee with five (5) days' notice, without securing consent to such eviction from the unit owner.

(E) Applications; Assessments. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying condominium assessments may not be delegated to the lessee. If a unit is leased and any special assessment or installment of a regular assessment or any other monetary obligation due the Association for a unit remains unpaid for at least thirty (30) days after the due date, then the Association may make a written demand as provided by Statute that the tenant pays the subsequent rental payments related to the condominium unit to the Association, and the tenant must make such payments and continue to make such payments until all monetary obligations of the unit owner related to the unit have been paid in full to the Association. The tenant must pay the monetary obligations to the Association until the Association releases the tenant or the tenant discontinues tenancy in the unit. The Association must mail written notice to the unit owner of the Association's demand that the tenant make payments to the Association. The Association shall, upon request, provide the tenant with written receipts for payments made. A tenant is immune from any claim by the landlord or unit owner related to the rent timely paid to the Association after the Association has made written demand. The liability of the tenant may not exceed the amount due from the tenant to the tenant's landlord. The tenant's landlord shall provide the tenant a credit against rents due to the landlord in the amount of monies paid to the Association. The Association may issue notice under Section 83.56, Florida Statutes and may sue for eviction under Sections 83.59-83.625, Florida Statutes, as if the Association were a landlord under part II of Chapter 83 if the tenant fails to pay a required payment to the Association after written demand has been made to the tenant. However, the Association is not otherwise considered a landlord under Chapter 83 and specifically has no obligations under Section 83.51, Florida Statutes.

DECLARATION OF CONDOMINIUM

- 25 -

(F) Committee Approval. To facilitate approval of leases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an *ad hoc* committee. Only the Board of Directors shall have the power to disapprove a lease. If the Committee, after reviewing a lease and all information provided by the applicant, determines that it will not approve the lease, the Committee shall forward the proposed lease to the members of the Board of Directors for their review. Notwithstanding any other time periods set forth in this Section 13., the Board of Directors shall have twenty (20) days after the receipt of the lease from the Committee and all information or interviews requested in which to approve or disapprove the lease.

(G) Manager Approval. To facilitate approval of leases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to the Manager of the Association. Only the Board of Directors shall have the power to disapprove a lease. If the Manager, after reviewing a lease and all information provided by the applicant, determines that he will not approve the lease, the Manager shall forward the proposed lease to the members of the Board of Directors for their review. Notwithstanding any other time periods set forth in this Section 13., the Board of Directors shall have twenty (20) days after the receipt of the lease from the Manager and all information or interviews requested in which to approve or disapprove the lease.

13.2 Term of Lease and Frequency of Leasing. No unit may be leased more often than three (3) times in any calendar year, with the minimum lease term being thirty (30) days. The first day of occupancy under the lease shall determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed.

13.3 Exceptions. Upon written request of a unit owner, the Board of Directors may approve one (1) additional lease of the unit within the same calendar year, but only under unusual circumstances to avoid undue hardship and inequity.

13.4 Occupancy During Lease Term. No one but the lessee, his family members within the first degree of relationship by blood, adoption or marriage, and their spouse or non-spouse companions and guests may occupy the unit. The total number of occupants of a leased unit is limited to two (2) persons per bedroom. Once a guest, whether related or unrelated to the lessee, has been occupying a unit together with the lessee for a period of more than fifteen (15) days, such guest must apply for and obtain Association approval in the same manner as a prospective lessee is required obtain Association approval pursuant to the transfer provisions contained in Section 13. hereof. If the guest does not obtain Association approval within the requisite time periods contained in Section 13.1 hereof, the guest must then vacate the unit until approval is ever obtained.

13.5 Occupancy in Absence of Lessee. If a lessee absents himself from the unit for any period of time during the lease term, his family within the first degree of relationship already in residence

DECLARATION OF CONDOMINIUM

may continue to occupy the unit and may have house guests subject to all the restrictions in Section 10 above. In addition, the following restrictions shall apply:

(A) Any one (1) person who is the parent, child, adult grandchild or sibling of the lessee or of the lessee's spouse or non-spouse companion, if any, may occupy the unit in the absence of the lessee for a period not to exceed thirty (30) days. That person's spouse or non-spouse companion and children if any, and guests, if any may accompany him with the proviso that the family and its guests, if any consist of no more than six (6) persons. The total number of occasions for occupancy in any unit under this paragraph shall be limited to four (4) in any one (1) calendar year, with a maximum aggregate total of one hundred (120) days.

(B) House guests not included within 13.5(A) are permitted for only one (1) family occupancy in the lessee's absence and then only with the proviso that the family and its guests, if any, consist of no more than four (4) persons. Such family, with guests, if any, may stay no more than two (2) weeks and the total number of occasions for this type of guest occupancy in any unit under this paragraph shall be limited to two (2) in each calendar year.

Any lessee who wishes to permit his unit to be occupied in his absence shall provide to the Board of Directors, on such forms as may be provided by it from time to time, the name and address of each guest, the relationship of each guest to the lessee, the planned dates of arrival and departure of the guests and such other information concerning the guests as the Board may reasonably require. If the lessee and all of his family members within the first degree of relationship are absent, no other person may occupy the unit.

13.6 Use of Common Elements and Association Property. To prevent overtaxing the facilities, a unit owner whose unit is leased may not use the recreation facilities during the lease term, except as the guest of another unit owner.

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

13.8 Fees and Deposits Related to the Lease of Units. Whenever herein the Board's approval is required to allow the lease of a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. No fee may be charged for approval of a renewal or extension of a lease with the same lessee. The Association may also require any deposits that are authorized by the Condominium Act as amended from time to time.

DECLARATION OF CONDOMINIUM

14. OWNERSHIP OF UNITS: In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of ownership of a unit shall be subject to the following provisions:

14.1 Forms of Ownership:

(A) One Person. A unit may be owned by one (1) natural person who has qualified and been approved as elsewhere provided herein.

(B) Two or More Persons. Co-ownership of units by two (2) or more natural persons is permitted. However, the intent of this provision is to allow flexibility in estate, tax or financial planning, and not to create circumstances where the unit may be used as short-term transient accommodations for multiple families. If there are co-owners, the Board shall condition its approval upon the designation of one (1) approved natural person as "primary occupant." The use of the unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one (1) such change will be approved in any twelve (12) month period.

(C) Ownership by Corporations, Partnerships or Trusts. A unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the unit may be used as short-term transient accommodations for several individuals or families. The approval of a trustee, corporation, partnership or other entity as a unit owner shall be conditioned upon designation by the owner of one (1) natural person to be the "primary occupant." The use of the unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one (1) such change will be approved in any twelve (12) month period.

(D) Designation of Primary Occupant. Within thirty (30) days after the effective date of this provision, each owner of a unit which is owned in the forms of ownership stated in preceding subsections 14.1(B) and (C) shall designate a primary occupant in writing to the Association. If any unit owner fails to do so, the Board of Directors may make the initial designation for the owner, and shall notify the owner in writing of its action. The Board will consider the residents occupying the unit on and after the effective day of these provisions in making its designation. If the ownership of a unit is such that the designation of a primary occupant is not required, the unit owner may, nevertheless, choose to designate one, subject to Board approval. Tenants cannot be designated as Primary Occupants.

DECLARATION OF CONDOMINIUM

(E) Life Estate. A unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under Section 14.2 below. In that event, the life tenant shall be the only Association member from such unit, and occupancy of the unit shall be as if the life tenant was the only owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy rights unless separately approved by the Association. The life tenant shall be liable for all assessments and charges against the unit. Any consent or approval required of Association members may be given by the life tenant alone, and the consent or approval of the holders of the remainder interest shall not be required. If there is more than one (1) life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights under Section 14.1(B), above.

14.2 Transfers.

(A) Sale or Gift. No unit owner may dispose of a unit or of any ownership interest in a unit by sale or gift (including agreement for deed) without prior written approval of the Board of Directors.

(B) Devise or Inheritance. If any owner acquires title by devise or inheritance, his right to occupy or use the unit shall be subject to the approval of the Board of Directors under Section 14.3(A)(2) below. The approval shall not be denied to any devisee or heir who was the prior owner's lawful spouse or non-spouse companion at the time of death, or who was related to the owner by blood or adoption in the first degree.

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

(D) Committee Approval. To facilitate transfers proposed during times when many members are not in residence, the Board of Directors may delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) members. The Chairman of the committee shall be deemed a Vice-President, and as such shall be empowered to execute Certificates of Approval on behalf of the Association. Only the Board of Directors shall have the power to disapprove a transfer. If the Committee, after reviewing a proposed transfer and all information provided by the applicant, determines that it will not approve the transfer, the Committee shall forward the proposed transfer documentation to the members of the Board of Directors for their review. Notwithstanding any other time periods set forth in this Section 13., the Board of Directors shall have twenty (20) days after the receipt of the transfer documentation from the Committee and all information or interviews requested in which to approve or disapprove the proposed transfer.

(E) Manager Approval. To facilitate approval of transfers during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to the Manager of the Association. Only the Board of Directors shall have the power to disapprove a transfer. If the Manager, after reviewing a transfer application and all

DECLARATION OF CONDOMINIUM

- 29 -

information provided by the applicant, determines that he will not approve the transfer, the Manager shall forward the transfer application to the members of the Board of Directors for their review. Notwithstanding any other time periods set forth in this Section 14., the Board of Directors shall have twenty (20) days after the receipt of the application from the Manager in which to approve or disapprove the transfer.

14.3 Procedures

(A) Notice to Association.

(1) Sale or Gift. An owner intending to make a sale or gift of his unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least thirty (30) days before the intended closing date, together with the name and address of the proposed purchaser or donee, a copy of the executed sales contract, if any, and all other information the Board may reasonably require. The Board may require a personal interview with any purchaser or donee and his spouse or non-spouse companion, if any and all others who will be occupying the unit with the purchaser or donee, as a pre-condition to approval.

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

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

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

(B) Board Action. Within thirty (30) days after receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by paragraph (A) above is received, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate

DECLARATION OF CONDOMINIUM

of Approval executed by the President or Vice-President of the Association in recordable form and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board shall issue a Certificate of Approval to the transferee.

(C) Disapproval.

(1) With Good Cause. Approval of the Association shall be withheld for good cause only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good cause for disapproval:

- (a) The persons seeking approval have been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (b) The persons seeking approval have a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
- (c) The persons seeking approval give the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
- (d) The persons seeking approval have a history of disruptive behavior;
- (e) The persons seeking approval have evidenced an attitude of disregard for Association rules or the rights or property of others, by his past conduct;
- (f) The transfer to the persons seeking approval would result in those persons owning legal or beneficial title to more than two (2) units in the Condominium;
- (g) The persons seeking approval have failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process; or
- (h) The transaction, if a sale or gift, was concluded by the parties without having both sought and obtained the prior approval required herein.

(2) Without Good Cause. Approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the owner or transferee has made the demand set forth in Section 14.3(A)(3), then within thirty (30) days after the Board meeting at which the transaction was disapproved, the Board shall deliver in writing to the owner (hereafter "the seller") the name of an approved purchaser who will purchase the unit at the same price, and upon substantially the same

DECLARATION OF CONDOMINIUM

terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two (2) state-certified property appraisers, one (1) selected by the seller and the other by the Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the buyer and seller, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and condominium assessments shall be prorated to the day of closing and the parties shall bear their own attorneys' fees, if any. The closing shall take place not more than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurred last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.

(3) If the Board fails to deliver the name of the approved purchaser within thirty (30) days as required above, the original proposed purchaser shall be deemed approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.

14.4 Exception. The provisions of Sections 14.2 and 14.3 are not applicable to the acquisition of title by a first mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure.

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

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

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

15.1 By the Unit Owner. Each unit owner is responsible for insuring his own unit, and the personal property therein; all floor, wall and ceiling coverings; all built-in cabinets, appliances, water heaters, and electrical fixtures serving the unit and all alterations, additions and improvements made to the unit or the common elements by the owner or his predecessors in title. Each unit owner is expected to carry homeowner's insurance, with endorsements for leakage, seepage and wind-driven rain, additions and alterations, and special assessment loss protection or

DECLARATION OF CONDOMINIUM

recognize that he bears financial responsibility for any damage to his property or liability to others that would otherwise be covered by such insurance.

15.2 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under the condominium documents, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the unit owners without naming them, and their mortgagees without naming them, as their interests shall appear. To the extent permitted by law, the Association may self-insure.

15.3 Required Coverage. The Association shall maintain adequate insurance covering the buildings and other improvements on the condominium property that the Association is required to insure, as well as all Association property, in such amounts, and with such deductibles, as is determined annually by the Board of Directors in the exercise of its good business judgment, such insurance to afford at least the following protection:

- (A) **Property.** Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by what is commonly known as an "All Risk" property contract.
- (B) **Flood.** If within a flood zone requiring coverage, in amounts deemed adequate by the Board of Directors, as available through the National Flood Insurance Program.
- (C) **Liability.** Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner.
- (D) **Automobile.** Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles, in such limits of protection and with such coverage as may be determined by the Board of Directors.
- (E) **Workers' Compensation.** The Association shall maintain Workers' Compensation insurance if required by law.
- (F) **Statutory Fidelity Bonding or Insurance.** For all persons who control or disburse funds of the Association.

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

- (A) Workers' Compensation insurance, including blanket Workers' Compensation insurance even if not required by law.

DECLARATION OF CONDOMINIUM

- (B) Mechanical Breakdown.
- (C) Broad Form Comprehensive General Liability Endorsement.
- (D) Elevator Liability & Elevator Collision.
- (E) Directors and Officers Liability.
- (F) Medical Payments.
- (G) Leakage, seepage and wind-driven rain.
- (H) Endorsement for loss by operation of local ordinance.
- (I) Flood insurance if not in a flood zone requiring coverage.

15.5 Description of Coverage. A detailed summary of the coverage included in the master policies as provided by the insurer, and copies of the master policies, shall be available for inspection and copying by unit owners or their authorized representatives upon request.

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

- (A) Common Elements. Proceeds on account of damage to common elements shall be held in as many undivided shares as there are units, the shares of each unit owner being the same as his share in the common elements.
- (B) Units. Proceeds received on account of damage within the units shall be held in prorated shares, based on the amount of damage within each damaged unit as a percentage of the total damage within all units.
- (C) Mortgagee. If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interests appear. No mortgagee shall have the right to require application of insurance proceeds to any mortgage it may hold against a unit, unless insurance proceeds on account of damage to that unit are not used for repairs, or the proceeds exceed the actual cost of repairs or reconstruction. Except as otherwise expressly provided, no mortgagee shall have the right to participate in determining whether improvements will be repaired or reconstructed after casualty.

DECLARATION OF CONDOMINIUM

- 34 -

(D) Deductibles. The policies may provide for reasonable deductibles. In the case of property insurance, except for a loss caused by a significant wind event, the deductible shall be paid by the party who would be liable for the loss or responsible for repairs in the absence of insurance. If multiple parties would be responsible, the deductible shall be allocated among them in proportion to the amount each party's loss bears to the total. For a loss caused by a significant wind event such as, but not limited to, a hurricane or tornado, the deductible, uninsured losses, and other damages in excess of the hazard insurance coverage shall be paid as common expenses of the Association.

15.7 Distribution of Proceeds. Insurance proceeds from Association policies shall be distributed to or for the benefit of the unit owners in the following manner:

(A) Costs of Protecting and Preserving the Property. If a person other than the person responsible for repair and reconstruction has properly advanced funds to preserve and protect the property to prevent further damage or deterioration, the funds so advanced shall first be repaid, with interest if required.

(B) Cost of Repair or Reconstruction. If the damage for which the proceeds are paid is to be repaired or reconstructed the remaining proceeds shall be paid to defray the costs as provided in Sections 15.7 (A) and (B). Any proceeds remaining after repairs and reconstruction shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being paid jointly to them.

(C) Failure to Repair or Reconstruct. If it is determined in the manner elsewhere provided herein that the damages for which the proceeds are paid shall not be reconstructed or repaired, the proceeds on account of that damage shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them.

15.8 Association as Agent. The Association is hereby irrevocably appointed as agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the condominium property.

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

16.1 Damage to Units. Where loss or damage occurs within one (1) or more units, any Association insurance proceeds on account of the loss or damage shall be distributed to the owner(s) of the damaged unit(s) in shares as provided in Section 15.7 above. The owner(s) of the damaged unit(s) shall be responsible for reconstruction and repair.

16.2 Damage to Common Elements - Less than "Very Substantial". Where loss or damage occurs to the common elements, but the loss is less than "very substantial", as hereinafter defined,

DECLARATION OF CONDOMINIUM

it shall be mandatory for the Association to repair, restore and rebuild the damage caused by the loss, and the following procedures shall apply:

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

(B) If the proceeds of insurance and available reserves are insufficient to pay for the cost of repair and reconstruction of the common elements, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners in proportion to their shares in the common elements for the deficiency. Such special assessments need not be approved by the unit owners. The proceeds from the special assessment shall be added to the funds available for repair and restoration of the property.

16.3 "Very Substantial" Damage. As used in this Declaration, the term "very substantial" damage shall mean loss or damage caused by a common occurrence whereby at least three-fourths (3/4ths) of the total units cannot reasonably be rendered habitable within sixty (60) days. Should such "very substantial" damage occur:

(A) The Board of Directors and the officers, or any of them, are authorized, regardless of any other provision of this Declaration, to take such action as may reasonably appear to be necessary under emergency conditions, as further provided in Section 4.16 of the Bylaws. This authority includes actions to protect life and property, to evacuate or shore-up structures and salvage property, to engage security to protect against looting or other criminal acts, and to alter the condominium property or Association property as might be reasonable under the circumstances to protect the condominium property or Association property from further damage or deterioration. This authority includes the authority to expend any and all available Association funds, including reserves.

(B) The Board of Directors shall endeavor to obtain comprehensive, detailed estimates of the cost of repair and restoration.

(C) A meeting of the members shall be held not later than sixty (60) days after the Board has obtained the estimates, to determine the opinion of the membership with reference to rebuilding or termination of the Condominium, subject to the following:

(1) If the insurance proceeds, reserves and other Association funds available for the restoration and repairs that are the Association's responsibility are sufficient to cover the estimated cost thereof so that it is reasonably anticipated that the repairs and reconstruction can be accomplished without levying a special assessment that exceeds fifteen percent (15%) of the total annual budget for the condominium in the year in which the casualty occurred, the Condominium shall be repaired and reconstructed unless at least two-thirds (2/3rds) of the total voting interests of the Condominium vote for termination, in which case the Condominium shall be terminated.

DECLARATION OF CONDOMINIUM

- 36 -

(2) If upon the advice of legal counsel and engineers, it appears unlikely that the then applicable zoning or other regulatory laws will allow reconstruction of the same number and general types of units; or if the insurance proceeds, reserves and other Association funds available for restoration and repair are not sufficient to cover the estimated cost thereof, and it is reasonably anticipated that the repairs and reconstruction can be accomplished only by levying special assessments exceeding fifteen percent (15%) of the total annual budget for the Condominium in the year in which the casualty occurred, the Condominium shall be terminated, and the property removed from the provisions of the Condominium Act, unless at least two-thirds (2/3rds) of the total voting interests of the Condominium vote against termination. If the requisite number of unit owners vote against termination, the Board of Directors shall levy such assessments as are necessary, and shall proceed with the necessary repairs and restoration. The proceeds from the special assessments shall be added to the funds available for repair and reconstruction.

(D) If any dispute shall arise as to whether "very substantial" damage has occurred, or as to the amount of special assessments required, a determination by at least a majority of the Directors shall be conclusive, and shall be binding upon all persons.

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

16.5 Equitable Relief. In the event of damage to the common elements which renders any unit uninhabitable, and repairs and reconstruction are not begun and completed within a reasonable period of time, the owner of the uninhabitable unit may petition a court for equitable relief, which may include termination of the Condominium and partition of the former condominium property. For the purposes of this provision, it shall be conclusively presumed that repair and reconstruction has begun and been completed within a reasonable period of time if substantial work is commenced within six (6) months following the damage or destruction, and is completed within nine (9) months thereafter.

16.6 Plans and Specifications. Any repairs or reconstruction must be substantially in accordance with the plans and specifications for the original buildings, or according to different plans and specifications approved by the Board of Directors, by the owners of at least three-fourths (3/4ths) of the units, and by the Primary Institutional Mortgagee, if any. Such approvals may not be unreasonably withheld. However, no change in plans and specifications shall materially reduce the interior floor space of any unit without the consent of the unit owner and his institutional mortgagee, if any.

17. CONDEMNATION:

DECLARATION OF CONDOMINIUM

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

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

17.3 Disbursement of Funds. If the Condominium is terminated, the proceeds of all awards and other payments will be deemed Association property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated, but the size of the Condominium will be reduced, the owners of units to be diminished or eliminated, if any, will first be made whole, and any property damaged by the taking will be made usable in the manner provided below. Proceeds of awards and special assessments shall be used for these purposes and shall be disbursed in the manner provided for disbursements of funds after a casualty.

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

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

(A) Restoration of Unit. The unit shall be made habitable. If the cost of doing so exceeds the amount of the award, the additional funds required shall be paid by the owner of the unit.

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

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

DECLARATION OF CONDOMINIUM

(A) Payment of Award. The award shall be paid to the owner of the unit and to each mortgagee of the unit as their interests may appear, the remittance being made payable jointly to the owner and mortgagee(s).

(B) Addition to Common Elements. If possible and practical, any remaining portion of the unit shall become part of the common elements and shall be placed in condition for use by some or all unit owners in a manner approved by the Board of Directors.

(C) Adjustment of Shares in Common Elements. The shares in the common elements appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the ownership of the common elements among the changed number of units. This shall be done by restating the shares of continuing unit owners in the common elements as percentages of the total of the numbers representing the shares of these as they existed prior to the adjustment.

(D) Assessments. If the award to the Association for damage to the common elements resulting from a taking is not sufficient to pay the cost of converting the remaining portions of the unit for use as a part of the common elements, the additional funds required for those purposes shall be raised by special assessment against all unit owners who will continue as owners of units after the changes in the Condominium affected by the taking. The assessments shall be made in proportion to the shares of those owners in the common elements after the changes affected by the taking.

17.7 Taking of Common Elements. Awards for the taking of common elements only shall be used to make the remaining portion of the common elements usable in a manner approved by the Board of Directors. The balance of such awards, if any, shall become part of the common surplus.

17.8 Amendment of Declaration. Any changes in units and in the common elements, in the ownership of the common elements, and in the sharing of common expenses that are necessitated by condemnation or eminent domain shall be accomplished by amending this Declaration and Exhibits "A" and "B" in conformity to the changes mandated by Sections 17.5 and 17.6 above. Such amendments need be approved only by the owners of a majority of the units. Approval of, or joinder by, lien holders is not required for any such amendment.

18. TERMINATION: The Condominium may be terminated in the following manner:

18.1 Agreement. The Condominium may be caused to be terminated at any time by written agreement of the owners of at least three-fourths (3/4ths) of the units, and the Primary Institutional Mortgagee.

18.2 Very Substantial Damage. If the Condominium suffers "very substantial damage" to the extent defined in Section 16.3 above, and it is not decided as therein provided that the

DECLARATION OF CONDOMINIUM

- 39 -

Condominium will be reconstructed or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

18.3 Certificate of Termination. The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the President or Vice-President with the formalities of a deed, and certifying as to the facts effecting the termination. The certificate shall also include the name and address of a Florida financial institution with trust powers, or a licensed Florida attorney, who is designated by the Association to act as Termination Trustee, and shall be signed by the Trustee indicating willingness to serve in that capacity. Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this Section is recorded in the Public Records of Collier County, Florida. The recording of that Certificate of Termination automatically divests the Association and all unit owners of legal title, and vests legal title in the Termination Trustee named in the Certificate of Termination, to all real and personal property which was formerly the condominium property or Association property, without need for further conveyance. Beneficial title to the former condominium and Association property is owned by the former unit owners as tenants in common, in the same undivided shares as each owner previously owned in the common elements. Upon termination, each lien encumbering a condominium parcel shall be automatically transferred to the equitable share in the condominium property attributable to the unit encumbered by the lien, with the same priority.

18.4 Wind-up of Association Affairs. The termination of the Condominium does not, by itself, terminate the Association. The former unit owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, and in the Articles of Incorporation and Bylaws, for the purpose of winding up the affairs of the Association in accordance with this Section.

18.5 Trustee's Powers and Duties. The Termination Trustee shall hold title to the property for the benefit of the former unit owners and their successors, assigns, heirs, devisees, mortgagees and other lien holders, as their interests shall appear. If the former unit owners approve a sale of the property as provided in this Section, the Termination Trustee shall have the power and authority to convey title to the real property, and to distribute the proceeds in accordance with the provisions of this Section. The Termination Trustee shall be entitled to charge a reasonable fee for acting in such capacity, and such fee and all costs and expenses incurred by the Termination Trustee in the performance of its duties shall be paid by the Association or taken from the proceeds of the sale of the former condominium and Association property, or other Association assets, and shall constitute a lien on the property superior to any other lien. The Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting as Termination Trustee unless such liabilities are the result of gross negligence or malfeasance. The Termination Trustee may rely upon the written instructions and information provided to it by the officers, Directors and agents of the Association, and shall not be required to inquire beyond such information and instructions. In the event of the resignation or incapacity

DECLARATION OF CONDOMINIUM

- 40 -

of the Trustee, a successor Trustee may be appointed by the Circuit Court on the petition of the Association.

18.6 Partition; Sale. Following termination, the former condominium property and Association property may be partitioned and sold upon the application of any unit owner. If following a termination, at least seventy-five percent (75%) of the voting interests agree to accept an offer for the sale of the property, the Board of Directors shall notify the Termination Trustee, and the Trustee shall complete the transaction. In that event, any action for partition of the property shall be held in abeyance pending the sale, and upon the consummation of the sale shall be discontinued by all parties thereto. If the unit owners have not authorized a sale of the former condominium and Association property within one (1) year after the recording of the Certificate of Termination, the Trustee may proceed to sell the property without agreement by the former unit owners. The proceeds of the sale of any of the property or assets of the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear.

18.7 New Condominium. The termination of the Condominium does not bar creation of another Condominium including all or any portion of the same property.

18.8 Provisions Survive Termination. The provisions of this Section 18 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the Bylaws and Articles of Incorporation, and shall have the power to levy assessments to pay the costs and expenses of maintaining the property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, as well as post-termination costs of maintaining the former condominium property, are common expenses, the payment of which shall be secured by a lien on the beneficial interest owned by each former unit owner, which to the maximum extent permitted by law, shall be superior to, and take priority over, all other liens.

19. RIGHTS AND REMEDIES:

19.1 Duty to Comply; Right to Sue. Each unit owner, his tenants and guests, and the Association shall be governed by and shall comply with the provisions of the Condominium Act, the condominium documents and the rules and regulations of the Association. The unit owner is legally responsible for all violations of his tenants and guests. Actions for damages or for injunctive relief, or both, for failure to comply may be brought, but shall not be required to be brought, by the Association or by a unit owner against:

- (A) The Association;
- (B) A unit owner;
- (C) Any Director who willfully and knowingly fails to comply with these provisions.

DECLARATION OF CONDOMINIUM

(D) Any tenant leasing a unit, and any other invitee occupying a unit.

19.2 Waiver of Rights. The failure of the Association or any member to enforce a right, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future. A provision of the Condominium Act may not be waived by a unit owner if the waiver would adversely affect the rights of the owner or defeat the purpose of the provision, except that unit owners or Directors may waive notice of specific meetings as provided in the Bylaws. Any written instrument or instruction given by the Association on behalf of a purchaser or unit owner to an escrow agent may be relied upon by the escrow agent, whether or not such instruction and the payment of funds thereunder might otherwise constitute a waiver of any provision of the Condominium Act or the condominium documents.

19.3 Attorneys' Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, unit owner or the Association to comply with the requirements of the Condominium Act, the condominium documents, or the Association's rules and regulations, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorney fees as may be awarded by the court.

19.4 No Election of Remedies. All rights, remedies and privileges granted to the Association or unit owners under the law and the condominium documents shall be cumulative, and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising any other rights, remedies, or privileges that may be available.

20. RIGHTS OF MORTGAGEES:

20.1 Approvals. Written consent of the institutional mortgagee of a unit shall be required for any amendment to the Declaration which would decrease the unit's share of ownership of the common elements, except as otherwise provided in Sections 17.6(C) and 17.8.

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

20.3 First Mortgage Foreclosure. If the mortgagee of a first mortgage of record acquires title to a condominium parcel as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, the liability of the first mortgagee for the unpaid common expenses or assessments attributable to the condominium parcel, or chargeable to the former owner of the parcel, which came due prior to the first mortgagee's acquisition of title, shall be limited to the amount the first mortgagee is required to pay under the Condominium Act, as it may be amended from time to time. No acquirer of title to a condominium parcel by foreclosure, or by a deed in

DECLARATION OF CONDOMINIUM

lieu of foreclosure, may be excused from the payment of any assessments coming due during the period of such ownership.

20.4 Redemption. If proceedings are instituted to foreclose any mortgage or lien on any unit, the Association, on behalf of one (1) or more unit owners and with the permission of the mortgagee, may redeem the mortgage or lien for the amount due thereon and be thereby subrogated to all of the mortgagee's or lienor's rights of action, or the Association may purchase the unit at the foreclosure sale. Any mortgagee shall have an unrestricted, absolute right to accept title to the unit in settlement and satisfaction of the mortgage or to foreclose its mortgage in accordance with its terms, and to bid upon the unit at the foreclosure sale.

20.5 Right to Inspect Books. The Association shall make available to institutional mortgagees requesting same current copies of the condominium documents and the books, records and financial statements of the Association. "Available" means ready for inspection, within a reasonable time after receipt of a written request from the mortgagee, during normal business hours, or under other reasonable circumstances. Photocopies shall be provided at the expense of the person requesting them.

20.6 Financial Statement. An institutional mortgagee is entitled, upon written request, to a copy of the most recent financial report or financial statement of the Association.

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

- (A) Any delinquency of sixty (60) days or longer in the payment of assessments or charges owed by the owner of any unit on which it holds a mortgage.
- (B) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association. An increase in coverage shall not be deemed a material modification under this paragraph, nor shall any change in coverage which is mandatory under the Condominium Act as amended from time to time.
- (C) Any proposed action that requires the consent of a specified percentage of mortgage holders.

The failure of the Association to provide such notice shall not be grounds for liability.

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

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

DECLARATION OF CONDOMINIUM

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

21.3 Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, this Declaration shall be amended if the proposed amendment is approved by at least two-thirds (2/3rds) of the voting interests who are present and voting, in person or by proxy, at any annual or special meeting called for the purpose. Alternatively, amendments may be adopted without a meeting following the procedure set forth in Section 3.12 of the Bylaws.

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

21.5 Proviso. No amendment may change the configuration or size of any unit in any material fashion, materially alter or modify the appurtenances to the unit, or change the proportion or percentage by which the unit owner shares the common expenses of the condominium and owns the common surplus of the condominium unless the record owner of the unit and all record owners of liens on the unit join in the execution of the amendment and unless all the record owners of liens on the unit join in the execution of the amendment and unless all the record owners of all other units in the same condominium approve the amendment. This proviso does not apply to changes caused by condemnation or a taking by eminent domain as provided in Section 17. No amendment shall operate to unlawfully discriminate against any unit owner nor against any class of unit owners.

21.7 Correction of Errors. If there is an omission or error in this Declaration of Condominium or in other documents required by Florida law to establish the Condominium, the Association may correct the error or omission by following the procedures set forth in the Condominium Act.

23. MISCELLANEOUS:

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

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

DECLARATION OF CONDOMINIUM

23.3 Conflicts. If there is a conflict between any provision of this Declaration and the Condominium Act, the Condominium Act shall control. If there is a conflict between this Declaration and the Association's Articles of Incorporation or Bylaws, the Declaration shall control.

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

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

23.6 Number and Gender. Whenever the context so requires, the use of the plural shall include both the singular and the plural, and the use of any gender shall be deemed to include all genders.

23.7 Headings. The headings used in the condominium documents are for reference purposes only, and do not constitute substantive matter to be considered in construing the terms and provisions of these documents.

EXHIBITS TO DECLARATION

The exhibits listed below were recorded on June 8, 1989, together with the Declaration of Condominium of Princeton Place at Wiggins Bay Condominium Three, by Declaration created on the same date, at Book 1446, Page 2035 *et seq.*, Public Records of Collier County, Florida.

by reference as exhibits to the attached Amended and Restated Declaration of Condominium.

- EXHIBIT "1" - LEGAL DESCRIPTION
- EXHIBIT "3" - SURVEY, PLOT PLANS & FLOOR PLANS

● In addition, the following Exhibits are completely amended and restated, and the Restatements are attached hereto and recorded herewith:

- EXHIBIT "4" - ARTICLES OF INCORPORATION OF ASSOCIATION
- EXHIBIT "5" - BYLAWS OF THE ASSOCIATION

● In addition, the following Exhibit is deleted in its entirety:

DECLARATION OF CONDOMINIUM

EXHIBIT "2" - ALLOCATION OF FRACTIONAL SHARES OF COMMON ELEMENTS,
COMMON EXPENES AND COMMON SURPLUS- now in Sections 6.1 and 12.2.

NOT A CERTIFIED COPY

DECLARATION OF CONDOMINIUM

- 46 -

SAMOUCÉ & GAL, P.A. ■ Attorneys at Law ■ 5405 Park Central Court ■ Naples, FL 34109
Phone (239) 596-9522 ■ Fax (239) 596-9523