

the lessee of its use rights as permitted by the Condominium Act, due to the burden on Association administration.

13.6 Regulation by Association. All of the provisions of the Condominium Documents 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 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.

13.7 Fees and Deposits for the Lease of Units. Whenever herein the Board's approval is required to allow the lease of a Unit, the 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 security deposits that are authorized by the Condominium Act as amended from time to time which security deposit shall cover damage to the Common Elements or Association Property. Handling of the security deposit and claims against the security deposit shall be in accordance with the Act, as the same may be amended from time to time.

13.8 Unapproved Leases. Any lease of a Unit not approved pursuant to this Section 13 shall be void and unenforceable unless subsequently approved by the Board and shall constitute a valid basis for an eviction action.

13.9 Continuing Liability. The liability of the Owner under the Condominium Documents shall continue notwithstanding the fact that such Owner may have leased or rented said interest as provided herein. Every purchaser, lessee or tenant shall take title or occupancy subject to the Condominium Documents and the Condominium Act.

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

14.1 Forms of Ownership:

(A) A Unit may be owned by one natural person who has qualified and been approved as provided in this Section 14.

(B) Co-Ownership. Co-ownership of Units is permitted. If the co-Owners are to be other than husband and wife, the Board shall condition its approval upon the designation by the proposed new Owners of one (1) natural person as the Primary Occupant. The use of the Unit by other persons shall be as if the

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Primary Occupant were the only actual Owner. Any subsequent change in the Primary Occupant shall be treated as a transfer to ownership by sale or gift subject to the provisions of this Section 14. No more than one such change will be approved in any 12 month period.

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

(D) Designation of Primary Occupant. If any Unit Owner fails to designate a Primary Occupant when required to do so, the Board of Directors may make the initial designation for the Owner, and shall notify the Owner in writing of its action.

(E) Life Estate. A Unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under Section 14.2 below. In that event, the life tenant shall be the only 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 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 transfer a Unit or any ownership interest in a Unit by sale or gift (including agreement for deed) without prior written approval of the Board of Directors which shall not be unreasonably denied.

(B) Devise or Inheritance. If any Unit Owner acquires his 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, using the same criteria as for transfers. However, the approval shall not be denied to any devisee or heir who was the prior Owner's lawful spouse at the time of death, or was related to the Owner by blood or adoption within the first degree.

(C) Other Transfers. If any person acquires title in any manner not considered in the foregoing subsections, that person shall have no right to occupy or use the Unit before being approved by the Board of

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Directors under the procedures outlined in Section 14.3 below.

(D) Delegation of Power. To facilitate transfers proposed during times when many of its members are not in residence, the Board of Directors may by resolution delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) Unit Owners, or to the President, Vice President or Treasurer, any of whom may be deemed a Vice President for purposes of executing a Certificate of Approval.

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 such other information as the Board may reasonably require.

(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 shall have no occupancy or use rights until and unless approved by the Board, but may sell or lease the Unit following the procedures in this Section or Section 14.

(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 intend to violate the covenants of this Declaration, and shall constitute good cause for Association disapproval.

(B) Board Action. Within fifteen (15) days after receipt of the required notice and all information or interview 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 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 With Good Cause. Approval of the Association shall be withheld for good

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cause only if a majority of the entire Board so votes. The following, without limitation, may be deemed to constitute good cause for disapproval (to the extent reasonably relevant to the application):

(1) The person seeking approval has been convicted of a felony involving violence to persons, a felony involving sale of a controlled substance, or a felony that renders the applicant legally classified as a "sexual offender".

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

(3) The person seeking approval has evidenced an attitude of disregard for the Condominium Documents by his conduct in this Condominium as a tenant, Unit Owner or occupant of a Unit.

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

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

(D) Disapproval Without Good Cause. The Association's approval shall not be denied unless a majority of the entire 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 disapproval took place, the Board shall deliver in writing to the Owner the name of an approved purchaser (which may be the Association) who will purchase the Unit in cash at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two state-certified property appraisers, one selected by the Owner 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 purchaser and selling Owner, except that the seller shall pay for the title insurance and the costs of mortgage financing, and each party shall pay his/its own attorneys' fees. 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 longer than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.

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

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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, nor shall the Association's approval be required for the subsequent resale or lease of a Unit by such mortgagee of the Unit so acquired.

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. The Board may further require that the purchaser of the Unit deposit with the Association a sum not exceeding four (4) quarters of regular Assessments, based on the current or approved budget, as determined by the Board by rule, which deposit will be credited to that Unit's future Assessment obligation.

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 Insurance Obligations as Between Association and Owners. Every property insurance policy issued or renewed on or after January 1, 2009 to the Association, for the purpose of protecting the Condominium, must provide primary coverage for:

(A) All portions of the Condominium Property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.

(B) All alterations or additions made to the Condominium Property or Association Property pursuant to Section 718.113(2) of the Condominium Act.

(C) The coverage must exclude all personal property within a Unit or Limited Common Elements, and floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of the Unit and serve only such Unit. Such property and any insurance thereupon is the responsibility of the Owner.

(D) An Owner's policy must conform to the requirements of Section 627.714, Florida Statutes, which provides:

(1) For policies issued or renewed on or after July 1, 2010, coverage under an Owner's residential property policy must include at least Two Thousand Dollars (\$2,000.00) in

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