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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
THE COVE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, is made this 16th day of October, 1998, by ISLAND WALK DEVELOPMENT COMPANY, a Florida corporation, ("Developer"), and by THE COVE HOMEOWNERS ASSOCIATION OF NAPLES, INC., a Florida corporation not-for-profit, ("Association"),

Developer is the owner of the real property described in Exhibit "A" attached to this Declaration, and incorporated into this Declaration by reference. The Developer intends by this Declaration to impose restrictions upon certain properties under a general plan of development to mutually benefit all owners of residential properties within the restricted property. The Developer desires to provide a flexible, manageable, and reasonable procedure for the overall development of the restricted property, and to establish a method for the administration, maintenance, preservation, use, and enjoyment of the restricted property.

Developer declares that the property restricted by this Declaration and any additional property which may be subjected to this Declaration by a subsequent amendment shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property subjected to this Declaration. The easements, covenants, conditions and restrictions found in this Declaration shall be binding on all persons or entities, and their heirs, successors, and assigns, having any right, title, or interest in the property subjected to this Declaration.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean the Articles of Incorporation of the Association (hereinafter

defined). A true and correct copy of the Articles is attached hereto, made a part hereof, and marked Exhibit "B".

2. "Assessment" means a share of the funds which are required for the payment of Association Expenses, which from time to time is assessed against the Members (hereinafter defined) of the Association.

3. "Association" shall mean and refer to The Cove Homeowners Association of Naples, Inc., a Florida corporation not-for-profit, its successors and assigns.

4. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board, where appropriate, pursuant to the Homeowners Documents (hereinafter defined).

5. "Association Property" shall mean all real and personal property transferred to the Association for the benefit of all Members.

6. "Board" shall mean the Board of Directors of the Association.

7. "By-Laws" shall mean and refer to the By-Laws of the Association, attached hereto, made a part hereof, and marked Exhibit "C".

8. "Common Area" shall mean those areas of real property shown on the Plat of The Cove (hereinafter defined), together with all improvements thereto, which are devoted to the common use and enjoyment of the Members of the Association. The term "Common Area" may sometimes be used interchangeably with the term "Association Property". The common area shall consist of:

A. All portions of the Property (hereinafter defined), which are submitted to this Declaration, and are dedicated to the Association, that are not Lots or Units;

B. All portions of the Property submitted to this Declaration that are not dedicated to any governmental entity or to the public for a public use, if any.

9. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be reasonably and more specifically determined by the Board.

10. "County" shall mean Collier County, Florida.

11. "Declaration" shall mean the easements, covenants, conditions, restrictions, and all other terms set forth in this document, and as may be amended from time to time.

12. "Developer" shall mean and refer to Island Walk Development Company, a Florida corporation, its successors and assigns.

13. "General Plan of Development" shall mean that portion of the Plat of The Cove dedicated to the Association or submitted to this Declaration, initially or by Subsequent Amendment (hereinafter defined), as approved by the appropriate governmental agencies, and which shall represent the development plan and general uses of the Property.

14. "Homeowners Documents" means in the aggregate this Declaration, the Articles, the By-Laws of the Association, the Rules and Regulations of the Association, the Limited Warranty, the typical Special Warranty Deed, the form of Contract for Purchase and Sale, the Escrow Agreement, the 1998 budget for the Association, and all of the instruments and amendments to same executed in connection with the General Plan of Development.

15. "Institutional Mortgage" shall mean any lending institution having a first lien on any property subject to this Declaration, including any of the following institutions: an insurance company or subsidiary thereof, a federal or state savings and loan association, a federal or state building and loan association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a federal or state banking association, a real estate investment trust, or any mortgage banking company authorized to do business in the State of Florida.

16. "Lot" shall mean tract of land located within the Property which is intended for use as a site for a Unit.

17. "Member" shall mean a member of the Association.

18. "Occupant" shall mean the occupant of a Unit who shall be the owner, the lessee, or their respective guest(s).

19. "Owner" shall mean and refer to one (1) or more Persons (defined below) who hold the record title to any Lot which is created on the Property, but excluding any party holding an interest merely as security for the performance of an obligation.

20. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

21. "Property" or "Properties" shall mean all of the real and personal property submitted to this Declaration. The real property initially submitted to this Declaration is described in Exhibit A.

22. "Roads" shall mean and refer to any street or thoroughfare which is constructed by Developer within the Common Areas, and which is dedicated to the public or to the Association, whether same is designated, for example, by way of illustration and not as limitation, as a street,

avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, or similar designation.

23. "Rules and Regulations" shall mean the rules, regulations, and policies which are attached hereto, made a part hereof, and marked Exhibit "E", and as may be adopted by the Board from time to time by resolution or motion carried.

24. "Single Family" means one person or a group of two or more persons living together and interrelated by bonds of consanguinity, marriage, or legal adoption, or not more than two persons living together who may or may not be interrelated.

25. "Special Assessment" shall mean and refer to those assessments levied in accordance with the further terms of this Declaration.

26. "Subsequent Amendment" shall mean an amendment to this Declaration which subjects additional property to this Declaration, or which withdraws property previously submitted to this Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on any land submitted by a Subsequent Amendment to the provisions of this Declaration.

27. "The Cove" is the name given to a subdivision (hereinafter defined) located in Collier County, Florida.

28. "The Cove Homeowners Association of Naples, Inc." shall mean that certain entity created to maintain, manage, and control the Common Areas. It shall be referred to as the "Association", but it may also be referred to as the "Homeowners Association" or "HOA".

29. "Transfer Date" shall mean the date that the Developer relinquishes the right to appoint all of the Directors to the Board, and conveys legal title to the Common Area to the Association. The transfer date shall occur on the earlier of the following events: (A) three months after ninety (90) percent of the Units have been conveyed to Members; or (B) when the Developer elects to terminate control of the Association, whichever shall first occur.

30. "Unit" shall mean a finished portion of the Properties, for which a certificate of occupancy has been issued by the appropriate jurisdiction and which is intended for use and occupancy as a detached residence for a Single Family. A Unit may also be referred to as a "Townhouse Unit."

31. "Water Management System" shall mean and refer to those surface water retention areas, drainage areas, and other facilities created and used for drainage of The Cove, as shown on or described in the applicable permit from the County or the South Florida Water Management District, if any, attached hereto as Exhibit "F".

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

1. Initial Property. The Property which is initially subject to the easements, covenants, conditions, and restrictions imposed by this Declaration is described in Exhibit A.

2. Additional Property. The Developer may subject additional property to this Declaration, including without limitation, residential property, Common Areas, Roads, and properties of all types, including undeveloped lands and platted subdivisions, and lots by recording in the public records of the County a Subsequent Amendment to this Declaration setting forth any use restrictions, voting rights, maintenance requirements, user fees, dues, or other provisions pertaining to such additional property. Despite the fact that Developer's submission of additional property to this Declaration may result in an overall increase in the Association Expenses, and a resulting increase in the Assessments payable by each Unit, or may result in an increase in the total number of votes or Members in the Association, the Developer shall not be required to obtain the joinder or consent of the Association, any Unit Owner, any other Person (except for the approval, if required, of the County governmental authorities), or any mortgagee of any Unit. Any property submitted to this Declaration by Subsequent Amendment, shall be included in the term "Property". Likewise, the Developer reserves the right to withdraw any portion of the Property from the restrictions, covenants, and conditions of this Declaration, including, without limitation, any residential property, Roads, Common Areas or other areas that may have been submitted initially by this Declaration or by a Subsequent Amendment. The Developer shall have such rights until the Transfer Date. The Developer's right to withdraw any portion of the Property shall not be applicable to any portion of the Property that has been conveyed to an Owner.

3. Phasing. If sales response warrants the development, it is the intention of the Developer to develop the Units in two (2) phases. Development shall be commenced within 90 days of the recording of this Declaration in the public records of the County. Developer reserves the right to modify the architectural appearance, dimensions, and site plan for The Cove. Developer's right to modify the architectural appearance, dimensions, and site plan shall not require the consent of any other person or entity, except for approval, if required, of competent governmental authorities.

ARTICLE III

PROPERTY RIGHTS

1. Use of Common Area. Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time, and subject to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her

family, tenants, and social invitees subject to reasonable regulation by the Board, and in accordance with procedures which it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee. The rights and easements of enjoyment created hereby shall be subject to the following:

A. Right to Borrow Money. The right of the Association to borrow money for the purpose of improving the Common Area and, in connection therewith, to mortgage the Common Area.

B. Protect Against Foreclosure. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure.

C. Suspension of Rights.

(i) The right of the Association to suspend the enjoyment rights and easements of any Owner for any period during which an Assessment remains unpaid by that Owner.

(ii) The right of the Association to suspend the enjoyment rights and easements of any Owner for any period during which such Owner is in violation of this Declaration, or any of the rules and regulations promulgated by the Association, or any of the traffic regulations of the Association.

D. Maintenance. The right of the Association to maintain the Common Property.

E. Rules and Regulations. The rules and regulations governing the use and enjoyment of the Common Property, as promulgated by the Association.

F. Traffic Regulations. The traffic regulations governing the use and enjoyment of the Roads, as promulgated by the Association.

G. Dedications. The right of the Association to dedicate or transfer all, or any part, of the Common Property to any governmental or quasi-governmental agency, authority, utility, water management or water control district.

H. Plat Restrictions. Restrictions contained on any plat, or filed separately, with respect to all or any portion of the Property.

I. Declaration. All of the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association and all exhibits thereto, and all Rules and Regulations adopted by the Association, as same may be amended from time to time.

J. Utility Easements. The Owners' easements of enjoyment shall be subject to

easements, hereby reserved over, through and underneath the Common Property, and the Lots, for present and future utility services to the Property, including, but not limited to, easements for water pipes, sanitary sewer pipes, emergency sewer lines, storm drainage pipes, sprinkler pipes, telephone cables, cable television wires, and street lights. Easements for such utility services are reserved by Developer for all buildings and improvements which have been or may be constructed on the Property and Developer may grant specific easements to utility companies and others as reasonably necessary. Utility facilities or equipment may be installed within such easements, including, but not limited to, pipes, lines, meters, transformers, pedestals, boxes, and similar above ground and underground facilities and equipment for water, irrigation, sewer, gas, telephone, electricity, cable television, or other information or communication services. The Developer makes no representations as to the location or size of such facilities or equipment.

K. Emergency Access. In case of any emergency originating in, or threatening the Property or any Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by the Association, or the management agent under a management agreement, shall have the right to enter the Property or such Unit, for the purpose of remedying, or abating, the cause of such emergency, and such right of entry shall be immediate.

2. Developer Rights. The Developer reserves the right to amend this Declaration unilaterally prior to the Transfer Date, without prior notice and without the consent of any Person, provided such amendment is not unequivocally contrary to the General Plan of Development, and further provided Developer obtains the prior written consent to such amendment, if any, required from competent governmental authorities.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

1. Membership. The Owner of the fee simple title of record of each Unit shall be a mandatory member of the Association. Membership shall continue until the Member transfers or conveys its interest of record or the interest is transferred by operation of law, at which time the membership shall automatically be conferred upon the transferee.

2. Homeowners Association. Each Unit Owner shall become a member of the Association upon acceptance of the special warranty deed to his Unit. As a member of the Association, the Owner shall be governed by the Articles of Incorporation and the By-Laws of the Association; and shall be entitled to one (1) vote for each Unit owned. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument

provided to the secretary of the Association. Provided, however, the Developer shall retain the right to appoint all of the directors to the Board until the Transfer Date.

ARTICLE V

USE OF PROPERTY

1. Single Family Residence. The Units shall be used solely as single family residences. Nothing herein shall be deemed to prevent an Owner from leasing a Unit to a single family, subject to the terms, conditions, and covenants contained in this Declaration.

2. Use Restrictions. The Board shall have the authority to make and enforce standards and restrictions governing the use of the Properties, in addition to those contained herein. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association.

A. Occupants Bound. All provisions of the Homeowners Documents and of any Rules and Regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners, and which provide for sanctions against Owners, shall also apply to all occupants of any Unit.

B. Business Use. The Units shall be used solely for Single Family purposes. Nothing herein shall be deemed to prevent an Owner from leasing a Unit to a single family, subject to all of the terms, conditions and covenants contained in this Declaration. The Units shall not be used in any trade, business, professional or commercial capacity. Nothing contained herein shall prohibit the Developer from carrying on any and all types of construction activity necessary to accomplish the General Plan of Development, including the construction and operation of a sales model and office by the Developer until all of the Units have been sold.

C. Nuisance. No Unit shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept in any Unit that will emit a foul or obnoxious odor or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property or to the development as a whole. No illegal, noxious or offensive activity shall be carried on in any Unit, nor shall anything be done thereon tending to cause a nuisance to any person using any property adjacent to the Unit. There shall not be maintained any plants, animals, devices, or things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties.

D. Maintenance of Units. All Units shall be kept in a clean and sanitary

condition and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. In the event an Owner fails to maintain his Unit as required, for a period of at least thirty (30) days, the Association shall have the right, exercisable in its discretion, to clear any rubbish, refuse, or unsightly debris and/or growths from any Unit deemed by the Association to be a health menace, fire hazard or a detraction from the aesthetic appearance of The Cove; provided, however, that at least fifteen (15) days prior notice shall be given by the Association to the Owner of such Unit before such work is done by the Association. In the event the Association, after such notice, causes the subject work to be done, then, and in that event, the costs of such work, together with interest thereon at the maximum rate permitted by the usury laws of the State of Florida, shall be charged to the Owner and shall become a lien on the Unit, which lien shall be effective, have priority and be enforced pursuant to the procedures set forth in this Declaration.

E. Easements. No Unit or material improvement to a Unit shall be built or maintained upon any easement or right-of-way, and said easements and rights-of-way shall at all times be open and accessible to the persons entitled to the use thereof.

F. Laundry. No portion of the Lot shall be used for the drying or hanging of laundry, unless such laundry is screened from public view, so that the laundry is not visible from the Road, or from adjoining Lots. This provision is not intended to prohibit the drying or hanging of laundry on a Lot.

G. Vehicles. No motorcycle, truck (excluding sport utility vehicles intended for use as personal passenger vehicles and without commercial markings or signs), trailer, boat, van, camper, motor home, bus, commercial vehicle, or similar vehicle shall be parked on any part of the Properties, any driveway, or designated parking space within the Properties except: (1) within a garage, and (2) commercial vehicles, vans, or trucks delivering goods or furnishing services temporarily during daylight hours. Vehicles over eighty (80") inches in height, or those vans (including full size and mini-vans) which do not have windows completely circling the vehicle's exterior (similar to windows around a station wagon), and permanent installed seating for four or more passengers, shall be considered to be a prohibited van or truck. The Association shall have the right to authorize the towing away of any vehicles in violation of this rule with the costs and fees, including attorneys' fees, if any, to be borne by the vehicle owner or violator.

H. Parking and Garages. Vehicles shall be parked only in the garages or in the driveways serving the Units or in the appropriate spaces or designated areas in which parking may be allowed, and then subject to the reasonable rules and regulations adopted by the Board. Vehicles shall not be parked overnight on common areas or swales. Vehicles may not be parked overnight on any Roads other than on Cove Circle, and then only in marked parking areas. All commercial vehicles, recreational vehicles, trailers, campers, camper trailers, boats, water craft, motorcycles, and boat trailers must be parked entirely within a garage unless otherwise approved by the Board. No garage shall be used as a living area. No garage shall be altered in such a manner that the number of automobiles which may be parked therein after the alteration is less than the number of

automobiles that could have reasonably been parked in the garage as originally constructed.

I. Animals and Pets. No animals shall be raised, bred, or kept in any Unit, except that dogs, cats, or other household pets may be kept in the Unit, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animal may be kept in the Unit, which in the judgment of the Board results in a nuisance or is obnoxious to the residents in the vicinity. No Owner shall be permitted to maintain in his or her Unit a bull terrier (pit bull) or any dog or dogs of mean or of violent temperament or otherwise evidencing such temperament. Pets shall not be permitted in any of the Common Areas unless under leash. Each pet owner shall be required to clean up after his or her pet. Each Owner by acquiring a Unit agrees to indemnify the Association, and hold it harmless against any loss or liability resulting from his or her, his or her family member's, or his or her lessee's ownership of a pet. If a dog or any other animal becomes obnoxious to other Unit Owners by barking or otherwise, the Owner shall remedy the problem, or upon written notice from the Association, he or she will be required to dispose of the pet.

J. Subdivision of Unit. Units shall not be further subdivided or separated by any Owner; and no portion less than all of any such Unit, nor any easement shall be conveyed or transferred by an Owner; provided, however, that this shall not prevent corrective deeds, deeds to resolve boundary disputes and other similar corrective instruments. Developer, however, hereby expressly reserves the right to subdivide, replat, or otherwise modify the boundary lines of any Unit or Units owned by the Developer. Any such division, boundary line change, or replatting shall not be in violation of the applicable municipal subdivision and zoning regulations.

K. Antennas. No exterior antennas, aerials, satellite dishes, or other apparatus for the reception or transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including any Unit, without the prior written approval of the Architectural Control Committee ("ACC").

L. Energy Conservation Equipment. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and domestic Water Systems. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the ACC. No solar panel, vents, or other roof-mounted, mechanical equipment shall project more than 1.5 feet above the surface of the roof of a Unit; and all such equipment shall be painted consistent with the color scheme of the roof of the Unit. This provision is not intended to prohibit the use of solar energy devices.

M. Windows. All draperies, curtains, shades, or other window coverings installed in a Unit, and which are visible from the exterior of a Unit shall have a white backing, unless otherwise approved by the ACC.

N. Signs. No sign, symbol, name, address, notice, or advertisement shall be inscribed or exposed on or at any window or other part of a Unit or Common Areas without the prior written approval of the ACC. The Board or the Developer shall have the right to erect signs as they, in their sole discretion, deem appropriate.

O. Hurricane Season. Each Unit Owner who intends to be absent from his Unit during the hurricane season (June 1 - November 30 of each year) shall prepare his Unit prior to his departure by doing the following:

(i) Removing all furniture, potted plants, and other movable objects from his yard, patio, and deck; and

(ii) Designating a responsible person or firm, satisfactory to the Association, to care for his Unit should it suffer hurricane damage. Such person or firm shall also contact the Association for permission to install temporary hurricane shutters, which must be removed when no longer necessary for storm protection. At no time shall hurricane shutters be permanently installed, without the consent of the ACC. Permanently installed hurricane shutters shall not be left in a closed position except as is necessary for hurricane or tropical storm protection when the threat of such storms is immediate and imminent, without the consent of the Board.

P. Lighting. Except for seasonal Christmas decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved by the ACC.

Q. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flags, and similar items must be approved by the ACC.

R. Irrigation. Except for sprinkler or irrigation systems installed by the Developer, no sprinkler or irrigation systems of any type which draw water from wells, ground, or surface waters within the Properties shall be installed, constructed or operated within the Properties.

S. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person, other than the Developer, the Association, South Florida Water Management District, or the County, may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Developer hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow.

T. Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved by the ACC.

U. Sight Distance. All property located at street intersections shall be landscaped so as to permit safe sight across street corners. No fence, wall, hedge, shrub or planting shall be placed or permitted to remain where it would create a traffic or sight problem.

V. Rules and Regulations. The Unit Owners shall abide by each and every rule and regulation promulgated from time to time by the Board. The Board shall give an owner in violation of the Rules and Regulations of the Association, written notice of the violation by U.S. Certified Mail, return receipt requested, and fifteen (15) days in which to cure the violation. Should the Association be required to seek enforcement of any provision of this Declaration or the Rules and Regulations and prevail in such action, then the offending Unit Owner (for himself or for his family, guests, invitees, or lessees) shall be liable to the Association for all costs incurred in the enforcement action, including reasonable attorneys' fees, whether incurred in trial or appellate proceedings or otherwise.

ARTICLE VI

COMMON AREAS

1. Title to Common Area. The Developer shall not be required to convey title to the Common Area or any portion thereof to the Association until the Transfer Date. Notwithstanding the manner in which title is held, the Association shall be responsible for the management, maintenance, and operation of the Common Areas, and for the payment of all real estate taxes and other assessments which are liens against the Common Area, from and after the recording of this Declaration. On or before the Transfer Date, the Developer shall convey the Common Area to the Association by quitclaim deed. The Developer shall not be required to provide any title insurance or other related title documents to the Association in connection with the conveyance of the Common Areas.

2. Annexation of Additional Property. The Association shall have the power and authority to acquire and annex to the Common Areas other interests in real and personal property as it may deem beneficial to the Members. Any property acquired pursuant to this section shall be annexed to the Common Areas by means of a Subsequent Amendment recorded in the public records of the County.

3. Rules and Regulations Governing Use of Common Areas. The Board shall promulgate rules and regulations governing the use of the Common Areas. Such rules and regulations, and all provisions, restrictions, and covenants as now or hereinafter provided, including, without limitation, all architectural and use restrictions contained in this Declaration may be enforced by legal or equitable action as provided herein or therein.

4. Traffic Regulation. The Board shall have the right to post motor vehicle speed limits

throughout the Common Areas, and to promulgate other traffic regulations. The Board may also promulgate rules and procedures for the enforcement of the traffic regulations, including, without limitation, the assessment of fines against Owners who violate the traffic regulations and against Owners whose family members, guests, invitees, licensees, employees, or agents violate the traffic regulations. The fines shall be collected as an individual assessment in accordance with the Declaration from the Owner who violates the traffic regulations, or from the Owner whose family members, guests, invitees, licensees, employees, or agents violate the traffic regulations. Before any fine shall be effective, the Owner shall be entitled to notice and an opportunity to be heard before the Board.

5. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE VII

EASEMENTS

1. Easements for Owners. The Developer hereby grants a perpetual non-exclusive easement to the Association and to the Unit Owners, their families, guests, invitees, licensees and lessees upon, over, and across the sidewalks, walkways, rights-of-way and other Common Areas. The Developer hereby grants an additional perpetual non-exclusive easement to the Association over, across, through, and under all portions of the General Plan of Development for the purpose of performing the maintenance and repair requirements of the Association as described in this Declaration.

2. Easements for Utilities. The Developer hereby also grants a perpetual non-exclusive easement to all utility or service companies servicing the Property upon, over, across, through, and under the Common Areas and such other portions of the Property or Lots on which utility facilities may be located for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to water, irrigation, sewer, gas, telephone, electricity, television cable or communication lines and systems. It shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under the Common Areas, providing such company restores any disturbed area substantially to the condition existing prior to their activity; provided, however, that no utility service line or system may be installed or relocated within the Common Areas without the consent of the Association.

3. Easements for Drainage Facilities. Easements for the installation and maintenance

of drainage facilities are granted to the Association, and the Developer as shown on the Plat of The Cove. Within these easement areas, no structure, planting or other material, (other than sod) which may interfere with such installation and maintenance, or which may obstruct or retard the flow of water through drainage channels shall be placed or permitted to remain unless such structure, planting or other material was installed by Developer. The Association shall have access to all such drainage easements for the purpose of operation and maintenance thereof.

4. Easements for Encroachments. The Developer hereby grants an easement for encroachment in the event any improvements upon the Common Areas now or hereafter encroaches upon a Unit, or in the event that any Unit now or hereafter encroaches upon the Common Area or any other Lot, as a result of minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement or otherwise. The encroaching improvements shall remain undisturbed as long as the encroachment exists. This easement for encroachment shall also include an easement for the maintenance and use of the encroaching improvements. Provided, however, that at no time shall there be any encroachment onto the surface water management systems, without the written consent of the County and the South Florida Water Management District.

5. Easements to Institutional Mortgagees. Easements are hereby granted to all Institutional Mortgagees holding a first mortgage upon any portion of the Property for the purpose of access to the property subject to its mortgage.

ARTICLE VIII

MAINTENANCE

1. Association's Responsibility.

A. Common Areas. The Association shall maintain and keep in good repair the Common Areas. The maintenance of the Common Areas shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all plantings and sodding of Common Area road rights-of-way; all perimeter plantings and sod; right-of-way, perimeter, and other Association irrigation facilities and pumps; road and identification signage; drainage easements and other easements; drainage facilities and water control structures; sidewalks located within rights-of-ways; sod, landscaping and other flora located on the Common Areas; and other structures and improvements situated upon the Common Area. The cost to the Association of maintaining the Common Areas shall be assessed equally among the Unit Owners, as part of the Association Expenses pursuant to the provisions of this Declaration. The Association shall also be responsible for the maintenance of the landscaped portions of the public road rights-of-way which lie within the Common Areas or adjacent to, but outside of the Common Areas. Finally, the Association shall maintain the landscape and irrigation located adjacent to the front entries of each Unit.

B. Unit Exterior Surfaces. The Association shall at all times be responsible for the maintenance and care of the exterior stucco surfaces and shared roofing (defined herein) of the Units and the unit entry areas and porticos. The cost to the Association of maintaining the exterior surfaces and shared roofing of the Units and entry areas and porticos shall be assessed equally among the Unit Owners, as part of the Association Expenses pursuant to the provisions of this Declaration.

C. Front Yards and Public Property. The Association may maintain property which it does not own, including, without limitation, the front yards (street side) of the Units and property dedicated to the public, if the Board determines that such public property maintenance is necessary or desirable.

2. Owner's Responsibility. Each Owner shall maintain his or her own Unit and the structures, driveway, sidewalks, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard, and all applicable covenants.

A. Maintenance of the Exterior of Unit. Subject to the maintenance duties of the Association, each Owner shall maintain his or her own Unit, including all boundary walls and fences, in good condition and repair and in a like condition, appearance, and quality as originally constructed. Notwithstanding the foregoing, the Association shall be responsible for normal and routine pressure cleaning, painting, and refinishing of the boundary walls and fences of a Unit. The Board shall determine the need for such cleaning and painting from time to time. All costs reasonably related to said cleaning and painting shall be borne by the Association as an Association Expense.

B. Maintenance of Rear Yard. Each Unit owner shall maintain his own lawn, landscaping, and the sprinkler system located in the rear yard of his lot. The rear yard of a lot includes all portions of the lot behind the rear yard entry gate or opening.

C. Party Walls. The Units comprising each building are residential Units with common walls, known as "party walls", between each Unit that adjoins another Unit. The center line of a party wall is the common boundary of the adjoining Unit. The cost of maintaining each side of a party wall shall be borne by the Unit Owner using said side, except as otherwise provided herein.

D. Entry Areas and Porticos. The Units are separated by shared entry areas, sidewalks, and porticos. The center line of the entry portico is a common boundary between and shared by two units. The cost of maintaining the entry portico shall be borne by the Association as provided herein. The typical location of the entry portico is shown on Exhibit "D".

E. Use of Party Walls. Each adjoining owner of a party wall, his heirs, successors, and assigns shall have the right to use same jointly with the other party to said wall as herein set forth. The term "use" shall and does include normal interior usage such as paneling,

plastering, decoration, erection of tangent walls and shelving but prohibits any form of alteration which would cause an aperture, hole, conduit, break or other displacement of the original concrete forming said party wall.

F. Party Fences. Those walls, structures, or fences, which are constructed between two adjoining Lots and are to be shared by the Owners of said adjoining Lots are to be known as and are hereby declared to be "Party Fences". Entry porticos shall be held in the same manner as Party Fences, but shall be maintained by the Association. Party Fences shall be the joint maintenance obligation of the Owners of the Lots bordering the fences. Each Owner shall have the right to full use of said fence subject to the limitation that such use shall not infringe on the rights of the Owner of the adjacent Lot or in any manner impair the value of said fence. Each Owner shall have the right and duty to maintain and to perform superficial repairs to that portion of a Party Fence which faces such Owner's Lot. The cost of said maintenance and superficial repairs shall be borne solely by said Owner. In the event of damage or destruction of the Party Fence from any cause whatsoever, other than negligence or willful misconduct of one of the adjacent Lot owners, the Owners of the adjacent Lots shall, at their joint expense, repair and rebuild said fence within 30 days, unless extended by the Board. In the event it is necessary to repair or rebuild a Party Fence, the Owners shall agree on the cost of such repairs or rebuilding, and shall agree on the person or entity to perform such repairs, provided however, all such repairs must be performed by a qualified contractor. If the Owners cannot agree on the cost of such repairs or on the person or entity to perform such repairs, each Owner shall choose a member of the Board to act as their arbiter. The Board members so chosen shall agree upon and choose a third Board member to act as an additional arbiter. All of the said Board members shall thereafter choose the person or entity to perform the repairs and shall assess the costs of such repairs in equal shares to the Owners. Whenever any such fence or any part thereof shall be rebuilt, it shall be erected in the same manner and be of the same size and of the same or similar materials and of like quality and color and at the same location where it was initially constructed. Provided, that if such maintenance, repair or construction is brought about solely by the neglect or the willful misconduct of one Lot Owner, any expense incidental thereto shall be borne solely by such wrongdoer. If the Lot Owner shall refuse to repair or reconstruct the fence within 30 days, unless extended by the Board, and to pay his share, all or part of such cost in the case of negligence or willful misconduct, the Association may have such fence repaired or reconstructed and shall be entitled to a lien on the Lot of the Owner so failing to pay for the amount of such defaulting Owner's share of the repair or replacement. In the event repairs or reconstruction shall be necessary, all necessary entries on the adjacent Lots shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a workmanlike manner, and consent is hereby given to enter on the adjacent lots to effect necessary repairs and reconstruction.

G. Shared Roofing. The entire roof of the Unit building, any and all roof structure support, and any and all appurtenances to such structures, including without limitation, the roof covering, roof trim, and roof drainage fixtures, shall be collectively referred to as "shared roofing". The shared roofing shall not be considered as Common Area.

H. Damage. If a Unit is damaged through an act of God or other casualty, the affected owner shall promptly have his Unit repaired and rebuilt substantially in accordance with the architectural plans and specifications of the Unit building. The Association shall have the right to specially assess all members of the Association if insurance proceeds are insufficient to repair or rebuild the affected Units in accordance with this paragraph. The assessment and collection of any special assessment authorized pursuant to this paragraph shall be made in accordance with the assessment powers and lien rights of the Association for Association Expenses.

In the event such damage or destruction of a party wall or shared roof is caused solely by the neglect or willful misconduct of a Unit Owner, any expense incidental to the repair or reconstruction of such wall or shared roof shall be borne solely by such wrongdoer. If the Unit Owner refuses or fails to pay the cost of such repair or reconstruction, the Association shall have the right to complete such repair and reconstruction substantially in accordance with the original plans and specifications of the affected building, and the Association shall thereafter have the right to specially assess said Unit Owner for the costs of such repair and re-construction. The assessment and collection of such assessment authorized pursuant to this paragraph shall be made in accordance with the assessment powers and lien rights of the Association for Association Expenses.

I. Modifications. No Unit Owner shall authorize the painting, refurbishing or modification of the exterior surfaces of his Unit or of the Unit building. Normal maintenance of the exterior surfaces, such as pressure cleaning, repainting and refinishing, shall be done uniformly at the same time for the entire Unit building by the Association and as an Association Expense. Normal maintenance of the shared roof, such as cleaning, refinishing or recovering, shall be done uniformly at the same time for the entire shared roof by the Association and as an Association Expense.

J. Failure to Maintain. In the event a Unit Owner shall fail to maintain correct Lot drainage and to maintain the premises and the improvements thereon, as provided herein, the Association, after notice to the Owner, shall have the right to enter upon any Lot to correct drainage and to repair, maintain and restore the exterior of the Unit and any other improvements erected thereon. All costs related to such correction, repair or restoration shall become an Special Assessment against such Unit; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the failure to maintain prior to entry.

ARTICLE IX

ASSESSMENTS

1. Creation of Assessments. There are hereby created assessments for Association Expenses as may from time to time specifically be authorized by the Board to be commenced at the

time and in the manner set forth in this Article. There shall be two (2) types of assessments: (a) Assessments to fund Association Expenses for the benefit of all Members of the Association; and (b) Special Assessments as described in paragraph 3 below.

A. Equal Assessments. Assessments shall be levied equally on all Units. Special Assessments shall be levied as provided in paragraph 3 below. Each Owner, by acceptance of his or her deed is deemed to covenant and agree to pay these assessments.

B. Certificate of Payment. The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment. The Association may require the advance payment of a nominal processing fee for the issuance of such certificate.

C. Quarterly Payments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Assessment for delinquent Members. Unless the Board otherwise provides, the Assessments shall be payable not less frequently than quarter-annually in advance on the first day of January, April, July, and October.

D. No Waiver. No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of the County or other governmental authority.

E. Developer Obligation. Until the Transfer Date, the Developer shall be obligated for the difference between the amount of assessments levied on such Units, and the amount of actual expenditures required to operate the Association for the period of time that the Developer has the right to unilaterally subject additional property to this Declaration. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

F. Subsidy Contracts. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with the Developer or other entities for the payment of some portion of the

common expenses.

2. Computation of Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include and shall separately list Association Expenses. The Board shall cause a copy of the budget and the amount of assessments to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the end of the current fiscal year. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in the By-Laws.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

The budget shall include, without limitation, the following listed line items:

A. Maintenance, repair and replacement. All expenses necessary to meet the Association's responsibility to maintain the Units, lawns, landscaping and irrigation systems as described herein, and to maintain the Common Areas in accordance with the requirements of this Declaration.

B. Utility Charges. All charges levied for utility services to the Common Areas, whether supplied by a private or public firm including, without limitation, all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge.

C. Insurance. The premiums on any policy or policies of insurance required under this Declaration, together with the costs of such other policies of insurance, as the Board, with the consent of the Unit Owners at any meeting thereof, shall determine to be in the best interest of the Association. Nothing contained herein is intended to require that the Association insure any Unit or Lot from any liability or casualty risk.

D. Insurance Trustee. If required or appropriate, all expenses necessary to retain and continue to retain a lending institution in the County, having a trust department to act as "Insurance Trustee". The functions of the Insurance Trustee shall include holding all original policies purchased by the Association, being named as loss payee, distributing proceeds of such insurance, assisting in the reconstruction of improvements from insurance premiums and performing such other functions as shall be agreed upon.

E. Taxes. All taxes levied or assessed upon the Common Areas, if any, by any and all taxing authorities, including all taxes, charges and assessments, imposition and liens for

public improvements, special charges and assessments; and, in general, all taxes on personal property and improvements which are now and which hereinafter may be placed in the Common Area, including any interest penalties and other charges which may accrue on such taxes.

F. Miscellaneous expenses. The costs of administration for the Association, including any secretaries, accounting service, bookkeepers, or employees necessary to carry out the obligations and covenants of the Association under the Declaration, including the collection of sums owed by a particular Unit. The Association may retain a managing company or contractors to assist in the operation of the Association and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Association Expenses.

G. Indemnification. The costs to the Association to indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property in or about the Common Areas, if any, from and against all costs, counsel fees, expenses, liabilities occurring in and about such claim, the investigation thereof, or the defense at any level of any action or proceeding brought which may enter therein. Included in the foregoing provisions for indemnification are any expenses the Developer may be compelled to incur and bring suit for the purposes of enforcing rights thereunder, or for the purpose of compelling the specific enforcement of the provisions, conditions, covenants and restrictions, contained in this Declaration to be kept and performed by the Association and/or the Owners, including the payment of Association Expenses.

Included also is the cost to the Association to indemnify its Board, committee members, and officers for all costs and expenses whatsoever incurred in pursuance of their duties, obligations and functions hereunder. Nothing in the provisions of this subparagraph shall require any Institutional Mortgagee to pay the Association Expenses or portion thereof attributable to costs of the Association to indemnify and save harmless Developer in accordance with such paragraph. Any such Association Expense shall be reallocated amongst the Unit Owners and not the Institutional Mortgagees.

H. Reserve funds. The costs to establish an adequate reserve fund for replacement and/or capital refurbishment of the Common Areas and the payment of other common expenses (the "capital contributions") in the amounts determined proper and sufficient by the Board, if any. Each Owner acknowledges, understands and consents that capital contributions are the exclusive property of the Association as a whole, and that no Owner shall have any interest, claim or right to any such capital contributions or funds composed of the same. The Association shall be responsible for maintaining the capital contribution in a separate reserve account and to use such funds only for capital costs and expenses as aforesaid.

3. Special Assessments.

A. Consent of Members. In addition to the assessments authorized in paragraph 1 of this Article, the Association may levy a Special Assessment or Special Assessments; provided, such assessment shall have the affirmative vote or written consent of at least fifty-one (51%) percent of the Members of the Association. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

B. Repairs. The Association may levy a Special Assessment to obtain all sums necessary to repair, replace, construct or reconstruct ("repair") any buildings or improvements located on the Property damaged by any casualty to the extent insurance proceeds are insufficient for repair. Any difference between the amount of insurance proceeds received on behalf of the Association with respect to repair and the actual cost of the repair ("repair sums") shall be an Association Expense for which the Association shall levy a Special Assessment against all Unit Owners to obtain the funds necessary to pay for such repair sums within ninety (90) days from the date such damage was incurred. The Association shall establish an account with an Institutional Mortgagee located in the County, and deposit into such account all repair sums and all insurance proceeds collected by the Insurance Trustee so that the amounts on deposit will equal the costs of repair. The Association shall proceed so that repairs shall be completed within one (1) year from the date of damage, if possible. Nothing contained herein is intended to require that the Association insure any Unit or Lot from any liability or casualty risk.

C. Reimbursements. The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, By-Laws, and the Rules and Regulations, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

4. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Unit at the time that a certificate of occupancy is issued for the Unit by the appropriate governmental authority. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on a Unit.

5. Subordination of the Lien to First Mortgagees. The lien of assessments, including interest, late charges, and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit as provided in this Declaration. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or non-judicial foreclosure of a first Mortgage or as a result of a deed in lieu of foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or

transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the Association Expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Association Expenses or assessments shall be deemed to be Association Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

6. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from the payment of Assessments and Special Assessments:

- A. All Common Areas; and
- B. All property dedicated to and accepted by any governmental authority or public utility.

ARTICLE X

ESTABLISHMENT AND ENFORCEMENT OF LIENS

1. Lien for Assessments. All assessments, together with interest at a rate not to exceed the highest rate allowed by Florida law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Under no circumstances shall the Board suspend the voting rights of a Member for nonpayment of any assessment.

2. Effective Date of Lien. Said lien shall be effective only from and after the time of recordation amongst the Public Records of the County, of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon recording, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Upon full payment of all sums secured by that lien and costs and fees accrued, the party making payment shall be entitled to a recordable Satisfaction of Lien.

3. Remedies. In the event any Owner shall fail to pay his or her assessments within (15) days after the same becomes due, the Association, through its Board, shall have all of the following remedies to the extent permitted by law.

A. Late Charge. To impose a late charge not in excess of \$25.00.

B. Acceleration of Assessments. To accelerate the entire amount of any assessments for the remainder of the year notwithstanding any provisions for the payment thereof in installments.

C. Attorneys Fees and Costs. To advance on behalf of the Owner funds to accomplish the needs of the Association and the amount or amounts of money so advanced, including reasonable attorneys' fees and expenses which might have been reasonably incurred because of or in connection with such advance, including costs and expenses of the Association if it must borrow to pay expenses because of said Owner, together with interest at the highest rate allowable by law, may thereupon be collected or enforced by the Association and such advance or loan by the Association shall not waive the default.

D. Action in Equity. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in a like manner as the foreclosure of a mortgage on real property.

E. Action at Law. To file an action at law to collect said assessments, plus interest at the highest rate allowable by law plus costs and attorneys' fees, without waiving any lien rights or rights of foreclosure by the Association.

4. Rights upon Foreclosure. The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which the Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

ARTICLE XI

INSURANCE

1. Common Area Insurance. The Association shall maintain a policy or policies to

insure the Common Area improvements, personal property and supplies, if any, from casualty losses, and shall be in such amounts so that the insured will not be a co-insurer except under deductible clauses required to obtain coverages at a reasonable cost.

A. Casualty Insurance Exclusions. The coverages for casualty losses will **EXCLUDE** the following:

- (i) Land, foundations, excavations or other items that are usually excluded from insurance coverage; and
- (ii) Floor, wall, and ceiling coverings.

B. Casualty Insurance Inclusions. The coverage for casualty losses will **INCLUDE**, where applicable, the following:

- (i) covered by a standard extended coverage endorsement;
- (ii) all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement;
- (iii) Agreed Amount and Inflation Guard Endorsement, when it can be obtained;
- (iv) Liability from Operation of Building Laws Endorsement, and Increased Cost of Construction Endorsement;
- (v) Steam Boiler Endorsement, if applicable, providing at least \$50,000.00 coverage for each accident at each location; and
- (vi) a standard mortgagee clause naming, when appropriate, the Federal National Mortgage Association (FNMA) or the servicers for mortgages held by FNMA, their successors and assigns.

C. Policy Waivers. When appropriate and possible, the policies shall waive the insurer's right to:

- (i) subrogation against the Association and against the Owners, individually and as a group;
- (ii) the prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and

(iii) avoid liability for a loss that is caused by an act of the Board, or by a member of the Board or by one or more Owners.

D. Other Provisions. In addition, the policy shall provide that:

(i) any Insurance Trust Agreement will be recognized;

(ii) the policy shall be primary, even if an Owner has other insurance that covers the same loss; and

(iii) the named insured shall be the Association for the use and benefit of the Unit Owners. The "loss payable" clause should show said Association or the designated insurance trustee as the trustee for each Owner and each Owner's mortgagee.

2. Unit Insurance. Each Unit Owner shall maintain a policy or policies to insure his or her Unit from all casualty losses.

3. Reconstruction and Repair after Casualty.

A. Determination. Under ordinary circumstances, Common Area improvements which are damaged by casualty shall be reconstructed and repaired. If a dispute arises as to whether a Common Area improvement should be repaired or reconstructed, the Board of Directors, with approval of the oldest unsatisfied mortgagee having an effective lien thereon, shall make the determination to repair or reconstruct. The adjoining owners shall be bound by this determination. If a Unit is damaged by a casualty, the affected Unit Owner shall promptly have his Unit repaired and rebuilt substantially in accordance with the architectural plans and specifications of the Unit. The Association shall have the right to specially assess all members of the Association if insurance proceeds are insufficient to repair or rebuild the affected Common Areas in accordance with this paragraph. The assessment and collection of any special assessment authorized pursuant to this paragraph shall be made in accordance with the assessment powers and lien rights of the Association for Association Expenses.

B. Plans and Specifications. Although it is impossible to anticipate all problems which may arise from a casualty, the intent is to try to assure that the General Plan of Development is maintained by requiring damaged Units to be rebuilt or repaired and that unsightly and dangerous conditions are remedied as soon as possible. Any reconstruction and repair must be substantially in accordance with the plans and specifications for such property as originally constructed, and in any event, according to plans and specifications approved by the ACC. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair to the Common Areas, for which the Association is responsible, or if at any time during the work or upon completion of the work the funds available for payment of the costs are insufficient, assessments shall be made by the Association against all Owners in sufficient amounts to provide funds for the payment of those costs.

The Assessments shall be made as an Association Expense, except that the cost of construction, reconstruction and repair occasioned by special improvement made at the request of the Owner and not common to other Units shall be assessed to such Unit Owner.

4. Public Liability Coverage. The Association shall obtain comprehensive general liability coverage insuring the Association against any and all claims and demands made by any person or persons for injuries received in connection with the operation and maintenance of the Common Areas and improvements located thereon, or for any other risk insured against by such policies which the Association, in its sole discretion, determines to insure against. Each policy purchased by the Association shall have limits of not less than \$1,000,000.00 covering all claims for personal injury and property damage arising out of a single occurrence. The liability coverage shall include protection against liability for non-owned and hired automobiles, and liability of hazards related to usage. In addition, the coverage shall include protection against liability that results from actions related to employment contracts in which the Association is a party. All such policies will name the Association (and the Developer until the Transfer Date), as their respective interests may appear, as insured parties under such policy or policies. The original of each policy shall be held by the Board or in the office of the Insurance Trustee.

5. Fidelity Bond Coverage. The Association shall obtain Fidelity Bonds covering officers, directors, employees and other persons who handle or are responsible for handling Association funds. The Fidelity Bonds (or insurance) shall meet the following requirements.

A. Association as Obligatee. All such fidelity insurance or bonds shall name the Association as an obligee; and

B. Amount of Insurance. Such fidelity insurance or bonds shall be written in the amount equal to at least 150% of three months operating expenses of the Association, and the amount in reserve as of the end of each fiscal year of the Association; and

C. Waivers. Such fidelity insurance or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or a similar expression; and

D. Notice of Cancellation. Such insurance or bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days prior written notice of the servicer or the insured.

6. Flood Insurance. If any part of the Common Areas are in a special flood hazard area, and are insurable as defined by the Federal Emergency Management Agency, the Association shall insure same. The coverage shall be 100% of the current replacement cost of any Common Area improvements or structures and other insurable common property, or the maximum coverage available for such improvements, structures, or property under the National Flood Insurance

Program.

7. Insurer. All insurance shall be issued by a company authorized to do business in the State of Florida.

8. Named Insured. For all policies obtained by the Association, the named insured shall be the Association individually and as trustee for Owners covered by the policy without naming them, and shall include Institutional Mortgagees who hold mortgages upon Units covered by the policy whether or not the mortgagees are named. The Board may authorize the Insurance Trustee to maintain the policies and receive any proceeds of such policies.

9. Premiums. Premiums on policies purchased by the Association shall be paid as an Association Expense. However, if the amount of a premium is increased because a Unit or its appurtenances is misused or abandoned then the Owner of such Unit is liable for the amount of such increase. The Association will furnish evidence of premium payment to each mortgagee upon request.

10. Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as trustee or to such institution in Florida with trust powers as may be designated as Insurance Trustee by the Board. The Trustee shall hold the proceeds for the benefit of the Unit Owners and their mortgagees in the following shares:

A. Share of Proceeds. An undivided share for each Unit Owner, that share being the same as such Owner's undivided share in the Association Expenses.

B. Mortgagees. If a mortgagee endorsement of an insurance policy has been issued as to a Unit, the share of the Owner shall be held in trust for the mortgagee and such Owner, as their interests may appear; however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any such Unit shall be reconstructed or repaired, and unless provided by the terms of the mortgage, no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution of proceeds made to the Owner and the mortgagee.

11. First Mortgagees. This Article is additionally for the benefit of first mortgagees of Units and may not be amended without the consent of all such mortgagees.

12. Policy Cancellation. All insurance policies purchased by the Association shall require the insurer to notify in writing the Association or the designated Insurance Trustee and each first mortgagee named in any mortgage clause at least 10 days before it cancels or substantially changes the coverage.

13. Association as Agent. The Association is irrevocably appointed agent for each Unit Owner and for each mortgagee or other lienor of a Unit, and for each owner of any other interest in the property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

ARTICLE XII

ARCHITECTURAL CONTROL

1. Architectural Control Committee. The Architectural Control Committee (hereinafter referred to as "ACC") shall consist of three (3) or more persons appointed by the Board. The Board shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction the decisions of the ACC. This Article may not be amended without the Developer's written consent so long as the Developer owns any property subject to this Declaration or subject to annexation to this Declaration.

2. Community-Wide Standard. The ACC shall regulate the external appearance, use, and maintenance of the General Plan of Development and of improvements thereon in such a manner as to comply with and meet the Community-Wide Standard, to best preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. As regards the Developer, or any successor Developer, nothing herein shall give to the ACC the authority to regulate, control or determine external appearance, use or maintenance of property to be developed or under development, or dwellings to be constructed or under construction.

3. General Provisions.

A. Address of ACC. The address of the ACC shall be the principal office of the Association as designated by the Board. Such address shall be the place for the submittal of plans and specifications and the place where the current architectural standards, if any, shall be kept.

B. Construction Time Limitations. The ACC shall establish time limitations for the completion of any architectural improvements for which approval is required.

C. Defects in Plans, Specifications or Construction of Improvements. Plans and specifications are not approved for engineering design, and by approving such plans and specifications, neither the ACC, the members thereof, the Association, its members, the Board or the Developer assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

4. Failure to Approve. In the event the ACC fails to approve, modify or disapprove in writing an application within thirty (30) days after plans and specifications in writing have been

submitted to it, in accordance with adopted procedures, if any, approval will be deemed granted.

5. Disapproval. In the event plans and specifications submitted to the ACC are disapproved, the party or parties making such submission may appeal in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the ACC. The Board shall have forty-five (45) days following receipt of the request for appeal to render its written decision. The Board may reverse or modify the ACC decision by a majority vote of the Directors. The failure of the Board to render a decision within the forty-five (45) day period shall be deemed a decision in favor of the appellant.

6. Conditions.

A. Definitions. No construction, which term shall include, without limitation, within its definition, staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements of this Article have been fully met, and until the approval of the ACC has been obtained.

B. Approval by ACC. No construction of improvements (including without limitation, pools, saunas, spas, jacuzzis, screened enclosures, buildings, mailboxes, dog runs, animal pens, or fences), decorations, attachments, fixtures, alterations, repairs, change of paint or stain color, pressure cleaning, or other work shall be erected, constructed, affixed, placed, or altered on any Unit until the proposed plans, specifications, exterior colors and/or finishes, landscaping plan, and plot plan showing the proposed location of such improvements shall have been approved by the ACC, its successors or assigns. Refusal of approval of plans, location, or specifications may be based by the ACC upon any reason, including purely aesthetic conditions, which in the sole discretion of the ACC shall be deemed sufficient. One (1) copy of all plans and specifications shall be furnished to the ACC for its records. No permission or approval shall be required to repaint in accordance with the originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired.

C. Additional Plantings. No additional plantings shall be permitted on that portion of any Unit which may be maintained by the Association except as may be approved by the Association.

D. Laundry. No clothing, laundry or wash shall be aired or dried on any portion of the Units in an area exposed to view from any other Unit. Drying areas will be permitted only in locations approved by the ACC and only when protected from view by approved screening or fencing.

E. Antennae. No television or other outside antenna system or facility shall be erected or maintained on any Unit to which cable television service is then currently available except

with the specific consent of the ACC.

F. Typical Completion Deadline. Unless specifically excepted by the ACC, all improvements for which an approval of the ACC is required under this Declaration shall be completed within twelve (12) months from the date of commencement of said improvements.

G. Debris Deposit. No construction shall be commenced unless and until a returnable debris deposit of \$500.00 has been posted by the Unit Owner with the Association. The debris deposit shall be used to correct any damage to the common areas resulting from the construction activity. If no damage is done to the common areas by the construction activity, the debris deposit will be returned to the Unit Owner.

7. Variances. The ACC may authorize variances from compliance with any of the provisions of the current architectural standards, if any, when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate, and no variance shall be effective unless in writing, unless in compliance with the restrictions set forth in this Declaration, and unless such variance will not estop the Association from denying a variance in other circumstances. For the purposes of this paragraph, the inability to obtain approval of any governmental agency; the issuance of any permit; or the terms of any financing shall not be considered a hardship warranting a variance.

ARTICLE XIII

DEVELOPER'S RIGHTS

1. Developer's Transfer Right. Any or all of the special rights and obligations of the Developer may be transferred or assigned to other Persons, provided that the transfer or assignment shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Developer and duly recorded in the Public Records of the County. Nothing in this Declaration shall be construed to require Developer or any successor or assign to develop any property other than the property described in Exhibit "A".

2. Developer's Sales Offices. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and sales of Units shall continue, it shall be expressly permissible for Developer to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Developer, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Developer shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include

specifically the right to use Units owned by the Developer and any facility which may be owned by the Association, as models and sales offices, respectively.

3. Right of Approval. So long as Developer continues to have rights under this Article, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Developer's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Developer.

4. Termination of Developer's Rights. This Article may not be amended without the express written consent of the Developer; provided, however, the rights contained in this Article shall terminate upon the Transfer Date.

ARTICLE XIV
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties.

1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

A. Condemnation Loss. Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

B. Delinquent Assessments. Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Homeowners Documents which is not cured within sixty (60) days;

C. Insurance Lapse. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

D. Actions Requiring Consent. Any proposed action which would require the consent of a specified percentage of eligible holders of first mortgages.

2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

A. Common Areas. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection).

B. Assessments. Change the method of determining the obligations, assessments, or other charges which may be levied against an Unit.

C. Architectural Regulations. By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area. (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.)

D. Insurance Lapse. Fail to maintain insurance, as required by this Declaration.

E. Use of Insurance Proceeds. Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

3. No Priority. No provision of the Homeowners Documents gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

4. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

7. Financial Statements. Any holder of a first mortgage shall be entitled, upon written request after reasonable notice, to a financial statement of the Association for the immediately preceding fiscal year.

ARTICLE XV

ENFORCEMENT OF DECLARATION

The enforcement of this Declaration may be by proceeding at law for damages or in equity to compel compliance with its terms or to prevent violation or breach of any of the covenants or terms herein. The Developer, the Association, or any Unit Owner may, but shall not be required to, seek enforcement of the Declaration. Any Unit Owner who seeks enforcement of this Declaration shall by his actions be deemed to have indemnified the Developer and the Association from all liabilities resulting from his actions. Should the party seeking enforcement be the prevailing party in any action, then the person against whom enforcement has been sought shall pay all costs and reasonable attorneys' fees at all trial and appellate levels to the prevailing party.

ARTICLE XVI

AMENDMENTS

1. Amendment Date. Until the closing of the first conveyance of an Unit by Developer to an owner, other than Developer, (Amendment Date), any amendment may be made by Developer with consent of any mortgagee who has advanced funds for construction or who is under contract to advance construction funds, if any.

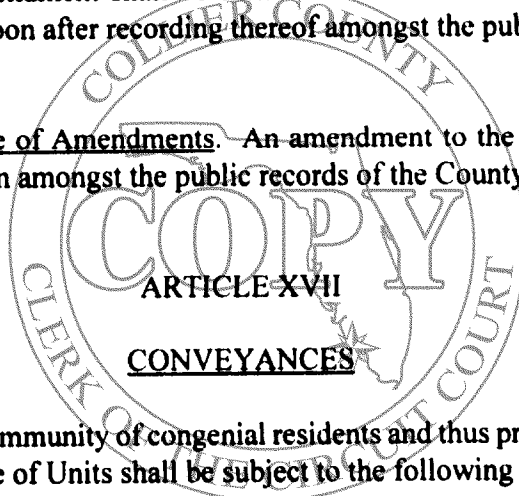
2. Consent of Mortgagee. With the exception of Subsequent Amendments, which may be made at any time; after the Amendment Date, this Declaration may be amended only by consent of fifty- one percent (51%) of all Unit owners together with the consent of the institutional

mortgagee with the highest aggregate mortgage indebtedness on the Units. The aforementioned consent shall be in writing and affixed to the Amendment to this Declaration.

3. Limitation on Amendments. No amendment to the Article entitled "Assessments" or the Article entitled "Enforcement and Establishment of Liens", and no other amendment shall be effective which shall, in a material fashion impair or prejudice the rights or priorities of any owner, the Developer, or any institutional mortgagee under this Declaration without the specific written approval of the owner, the Developer or institutional mortgagee affected thereby. In addition, any amendment which would affect the drainage or surface water management system must have the prior approval of the County and the South Florida Water Management District.

4. Scrivener's Errors. Prior to the transfer date, the Developer may amend this Declaration in order to correct a scrivener's error or other defect or omission without the consent of the owners or the Board; provided that such amendment is reasonable and does not adversely affect in a material manner an owner's property rights. This amendment shall be signed by the Developer alone and a copy of the amendment shall be furnished to each owner, the Association and all institutional mortgagees as soon after recording thereof amongst the public records of the County, as is practicable.

5. Effective Date of Amendments. An amendment to the Declaration shall become effective upon the recordation amongst the public records of the County.



In order to assure a community of congenial residents and thus protect the value of the Units in The Cove, the sale or lease of Units shall be subject to the following provisions:

1. Notice to Association. The Unit Owner shall notify the Association in writing of his or her intention to sell or lease his or her Unit and furnish with such notification a copy of the contract for purchase and sale or a copy of the lease, whichever is applicable. Except as provided below, it is not the intention of this Article to grant to the Association a right of approval or disapproval of purchasers or lessees. It is, however, the intent of this paragraph to impose an affirmative duty on the Unit Owners to keep the Association fully advised of any changes in occupancy or ownership for the purposes of facilitating the management of the Association's membership records. As this Article is a portion of the Declaration which runs with the land, any transaction which is conducted without compliance with this Article may be voidable by the Association.

2. Lease Agreement Terms. Any and all lease agreements between an Owner and a

lessee of such Owner shall be in writing, shall provide for a term of not less than four (4) months, and must provide that the lessee shall be subject in all respects to the terms and provisions of this Declaration and that any failure by the lessee under such lease agreement to comply with such terms and conditions shall be a material default and breach of the lease agreement. The lease agreement shall also state the party who will be responsible for the assessments as stated above, and it shall be the obligation of all Unit Owners to supply the Board with a copy of said written agreement prior to the lessee occupying the premises. Unless provided to the contrary in a lease agreement, an Unit Owner, by leasing his Unit, automatically delegates his right of use and enjoyment of the Common Areas and facilities to his lessee; and in so doing, said Owner relinquishes said rights during the term of the lease agreement.

3. Association Approval. Upon receipt of a copy of the contract for purchase and sale or a copy of the lease, the Association shall within ten (10) business days, issue a Certificate indicating the Association's approval of the transaction. In the event of a sale it shall then be the responsibility of the purchaser to furnish the Association with a recorded copy of the deed of conveyance indicating the owner's mailing address for all future assessments and other correspondence from the Association. Provided, however, prior to the issuance by the Association of a Certificate indicating the Association's approval of the transaction, the purchaser or lessee shall be required to agree to comply with the Rules and Regulations of the Association.

4. Delinquent Unit Owners. Notwithstanding the provisions above, in the event that an Unit Owner is delinquent in paying any assessment, or the Owner or his buyer, family, guests, agents, licensees or invitees are not in compliance with any provisions of the Homeowners Documents, the Association has the right to disapprove of any sale, and in the case of a lease, the right to disapprove of and to void any lease at any time prior to or during the leasehold tenancy until any delinquent assessment is paid and/or until any violation of the Homeowners Documents is corrected.

ARTICLE XVIII

TERMINATION

1. Consent to Termination. This Declaration may be terminated upon the affirmative written consent of eighty percent (80%) of all Unit Owners, and upon the affirmative written consent of all Institutional Mortgagees holding mortgages encumbering Units.

2. Termination Documents. If this Declaration is terminated in accordance herewith, it is hereby declared by the Developer, and each and every Owner of a Unit by acquiring title to his Unit covenants and agrees, that the termination documents shall require:

A. Use of Units. That all Units shall continue to be used solely as Single Family

residences.

B. Common Areas. All Common Areas shall be owned and held in equal shares by the Unit Owners as tenants in common, and each Unit Owner shall remain obligated to pay his pro rata share of expenses to continually maintain the Common Areas.

3. Limitation on Termination. The Unit Owners and their grantees, successors, and assigns by acquiring title to a Unit covenant and agree that no termination of this Declaration shall be made for a period of twenty-five (25) years from the date of recordation of this Declaration. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the subject property and inure to the benefit of Developer, the Association, the Owners, Institutional Mortgagees and their respective legal representatives, heirs, successors, and assigns for said period. After this period, the Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such twenty-five (25) year term or any such ten (10) year extension there is recorded amongst the Public Records of the County, an instrument confirming that at least eighty percent (80%) of all Unit Owners, and all of the Institutional Mortgagees holding mortgages encumbering such Units have agreed to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of twenty-five (25) years or the ten (10) year extension thereof during which the termination instrument is recorded.

4. Drainage and Water Management System. If the Association is terminated, the property consisting of the drainage and water management system operated and maintained as part of the Common Areas shall be conveyed to an appropriate agency of local government, and if not accepted thereby, then it must be conveyed to a similar non-profit corporation.

ARTICLE XIX

MISCELLANEOUS

1. No Waiver. The failure of the Developer, the Association, or any Owner to object to an Owner's or another person's failure to comply with the Covenants and Restrictions contained herein shall in no event be deemed a waiver of any right to object to same and to seek compliance therewith in accordance with the provisions herein.

2. Headings. Article and paragraph captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit or in any way affect any of the terms and provisions of this Declaration.

3. Pronouns. Whenever the context requires, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any

nouns or pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

4. Severability. In the event any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

5. Partition. The Association may not convey, encumber, abandon, partition or subdivide any of the Common Areas without the approval of all Institutional Mortgagees.

6. Homeowners Documents. The Association is required to make available to Owners, to Institutional Mortgagees, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Articles of Incorporation, By-Laws, Rules and Regulations and other such documents governing the Association, as well as the books, records, and financial statements of the Association. "Available" shall be defined as obtainable for inspection, upon written request after reasonable notice, during normal business hours or under such other reasonable circumstances. Any holder of a first mortgage shall be entitled, upon written request after reasonable notice, to a financial statement of the Association for the immediately preceding fiscal year.

IN WITNESS WHEREOF, the Declaration of Covenants and Restrictions for The Cove has been signed by the Developer and the Association on the day and year first above set forth. The Developer and the Association have caused these presents to be executed in their names and their corporate seals to be hereunto affixed by their duly authorized officers.

ISLAND WALK DEVELOPMENT COMPANY

(Corporate Seal)

By:

William E. Shannon, President

William E. Shannon, President

THE COVE HOMEOWNERS ASSOCIATION
OF NAPLES, INC.

(Corporate Seal)

By:

Charles H. Hathaway, President

Charles H. Hathaway, President

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 1st day of October, 1998 by William E. Shannon, President of ISLAND WALK DEVELOPMENT COMPANY, a Florida corporation, on behalf of the corporation. He is personally known to me.

Notary Public State of Florida
CHRISTINE SCALAMANDRE
Commission # CC742794
Expires 8/31/2002

Notary Public
Name: Christine Scalamandre
My Commission # CC742794
Expiration date: 8/31/2002

STATE OF FLORIDA
COUNTY OF PALM BEACH

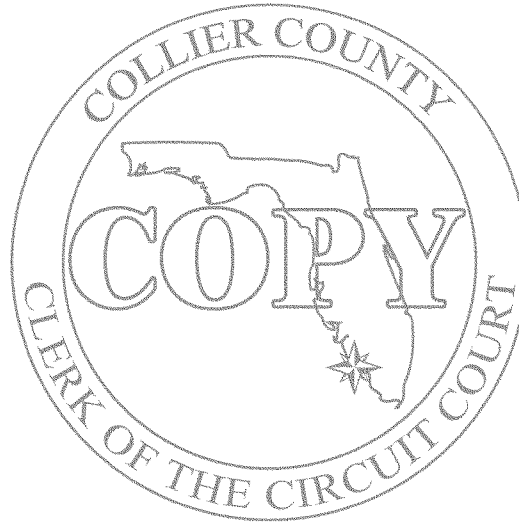
The foregoing instrument was acknowledged before me this 1st day of October, 1998 by Charles H. Hathaway, President of THE COVE HOMEOWNERS ASSOCIATION OF NAPLES, INC., a Florida corporation, on behalf of the corporation. He is personally known to me.

Notary Public State of Florida
CHRISTINE SCALAMANDRE
Commission # CC742794
Expires 8/31/2002

Notary Public
Name: Christine Scalamandre
My Commission # CC742794
Expiration date: 8/31/2002

EXHIBIT A

All of Tract "O" of ISLANDWALK PHASE ONE, according to the Plat thereof, as recorded in Plat Book 29, Pages 100 through 106 inclusive, of the Public Records of Collier County, Florida.



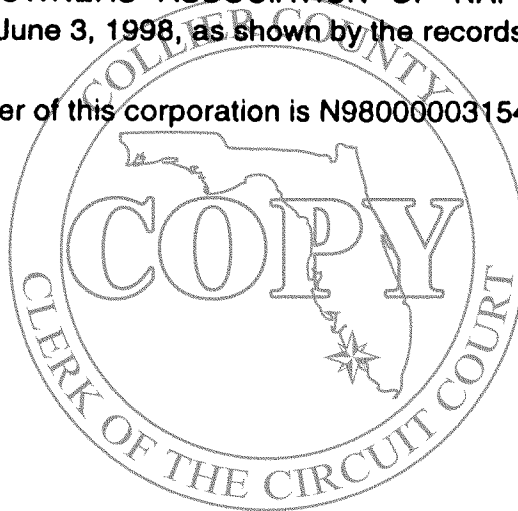
State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of THE COVE HOMEOWNERS ASSOCIATION OF NAPLES, INC., a Florida corporation, filed on June 3, 1998, as shown by the records of this office.

The document number of this corporation is N98000003154.



Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Third day of June, 1998



CR2EO22 (2-95)

Sandra B. Northrup

Sandra B. Northrup

Secretary of State

EXHIBIT
PAGE 1 OF 10 PAGES

FILED
 SECRETARY OF STATE
 DIVISION OF CORPORATIONS
 98 JUN -3 AM 10:16

ARTICLES OF INCORPORATION
 OF
 THE COVE HOMEOWNERS
 ASSOCIATION OF NAPLES, INC.
 (A Florida Corporation Not-For-Profit)

In order to form a corporation not-for-profit, under and in accordance with Chapter 617 of the Florida Statutes, we, the undersigned, hereby associate ourselves into a corporation not-for-profit, for the purpose, and with the powers, hereinafter set forth and to that end, we do, by these Articles of Incorporation, certify as follows:

ARTICLE I

NAME

1. Name. The name of this corporation shall be THE COVE HOMEOWNERS ASSOCIATION OF NAPLES, INC. ("Association"). The initial address of the Association shall be 4500 PGA Boulevard, Suite 400, Palm Beach Gardens, Florida 33418.

2. Definitions. The words used in these Articles shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for The Cove, (said Declaration, as amended, renewed, or extended from time to time, is hereinafter referred to as the "Declaration").

ARTICLE II

PURPOSE

The purpose for which the Association is organized is to engage as a non-profit organization in protecting the value of the property of the Members of the Association, to exercise all the powers and privileges, and to perform all of the duties and obligations of the Association as set forth in the Declaration which is to be recorded in the public records of Collier County, Florida, including, without limitation, the establishment and enforcement of the payment of assessments and other charges contained therein, and to engage in such other lawful activities as may be to the mutual benefit of the Members and their property.

ARTICLE III

POWERS

The Association shall have the following powers which shall be governed by the following provisions:

1. Common Law and Statutory Powers. The Association shall have all of the common law and statutory powers of a corporation not-for-profit, which are not in conflict with the terms of these Articles, the Declaration, or the By-Laws of the Association.

2. Necessary Powers. The Association shall have all of the powers and duties set forth in the Declaration, except as limited by these Articles, and all powers and duties reasonably necessary to operate and administer the Properties pursuant to the Declaration, including but not limited to the following:

A. To make and collect assessments against Members to defray the costs and expenses of the Association property.

B. To use the proceeds of assessments in the exercise of its powers and duties.

C. To purchase, own, hold, lease, improve, maintain, repair, replace, operate and convey the property of the Association in accordance with the Declaration.

D. To purchase insurance upon the property of the Association and insurance for the protection of the Association and its members, in the amounts required by the Declaration.

E. To dedicate or to transfer all or any part of the Association's property to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by not less than fifty-one percent (51%) of the Members, and approved by not less than seventy-five percent (75%) of the institutional mortgagees holding mortgages encumbering Units.

F. To reconstruct the improvements to the Association's property after casualty, and to further improve the Association's properties, as provided in the Declaration.

G. To make and amend reasonable Rules and Regulations regarding the use of the property of the Association in accordance with the requirements set forth in the By-Laws.

H. To contract for the management of the Association property and to delegate to such contractors all powers and duties of the Association except such as are specifically required by the Declaration to have the approval of the Board or the Membership.

I. To employ personnel for reasonable compensation to perform the services required for proper operation and administration of the Association property.

J. To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws, and the Rules and Regulations for the use of the Association's property as same may be promulgated, modified, or amended from time to time by the Association.

K. To pay taxes and assessments, which are liens against any part of the Association's property.

L. To pay the cost of all power, water, sewer, waste collection, and other utility services rendered to the property of the Association, and not billed to Unit owners.

M. To grant such permits, licenses, and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful to the Association.

N. To enter any lot at a reasonable time and upon reasonable notice to make emergency repairs, to avoid waste, or to do such other work reasonably necessary for the proper protection, preservation, or maintenance of Association Property.

O. To do such other things as may be necessary in order to perform the duties and to exercise the powers provided for the Association in the Declaration.

3. Funds and Title to Properties. All funds and the titles of all properties acquired by the Association and their proceeds shall be held in trust for the Members in accordance with the provisions of the Declaration, these Articles, and the By-Laws.

ARTICLE IV

MEMBERS

1. Members. The Members of the Association shall consist of all of the record owners of Units in The Cove.

2. Change of Membership. Subject to the terms and conditions of the Declaration for conveyances, change of membership in the Association shall be established by recording in the public records of the County, a deed or other instrument establishing a record title to a Unit at The Cove, and the delivery to the Association of a copy of such instrument. The owner designated by such instrument thus becomes a Member of the Association and the membership of the prior owner is terminated as of the date of execution of such instrument.

3. Transfer of Membership. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except upon transfer of title of his Unit.

4. Voting. The owner of each Unit shall be entitled to one vote as a Member of the Association. The exact number of votes to be cast by Members and the manner of exercising voting rights, shall be determined by the By-Laws; subject, however, to the terms and conditions of the Declaration.

ARTICLE V

TERM

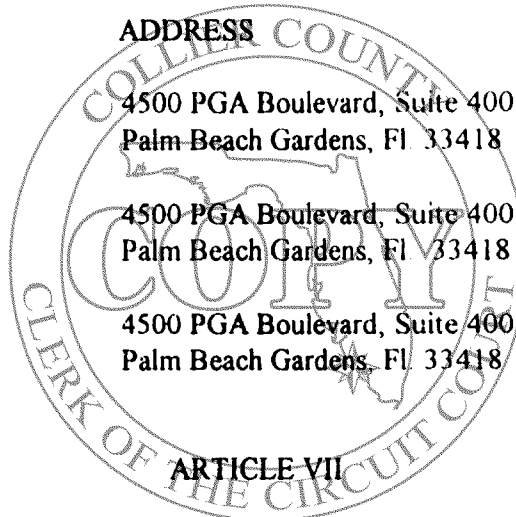
The term for which this corporation is to exist shall be perpetual.

ARTICLE VI

INCORPORATORS

The names and addresses of the Incorporators to these Articles are as follows:

NAME	ADDRESS
Charles H. Hathaway	4500 PGA Boulevard, Suite 400 Palm Beach Gardens, Fl 33418
Jack B. Owen, Jr.	4500 PGA Boulevard, Suite 400 Palm Beach Gardens, Fl 33418
William E. Shannon	4500 PGA Boulevard, Suite 400 Palm Beach Gardens, Fl 33418



ARTICLE VII

OFFICERS

1. Officers. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer, which officers shall be subject to the directions of the Board.

2. Election of Officers. The Board shall elect the President, the Vice President, the Secretary and the Treasurer, and as many Vice Presidents as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in the By-Laws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the By-Laws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the

office of Secretary.

Officers shall be elected by the Board at the first meeting of the Board following each annual meeting of the Members, provided, however, until the Transfer Date, the Developer shall have the right to approve all of the officers elected. The following persons shall serve as the initial officers.

President	Charles H. Hathaway
Vice President	Jack B. Owen, Jr.
Secretary	William E. Shannon
Treasurer	William E. Shannon

ARTICLE VIII

BOARD OF DIRECTORS

1. Directors. The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than five (5) Directors. The composition of the Board, the manner of election to the Board, the term of office and other provisions regarding the Board shall be established by the Declaration and the By-Laws of the Association. The number of Directors on the Board until the Transfer Date shall be three (3). Thereafter, the number of Directors shall be five (5). After the Developer elects to divest itself of control of the Association, Directors must be Members of the Association.

2. Term of Directors. After the Transfer Date, members of the Board shall serve for a term of two (2) years; provided, however, that not less than two (2) members of the Board elected on the Transfer Date shall serve for initial terms of one (1) year and the balance of the Board elected on the Transfer Date shall serve for initial terms of two (2) years. Thereafter, the terms of no more than three (3) Board members will end each year. After the Transfer Date, at each annual meeting, Directors shall be elected to take the Board positions of the members of the Board who terms have expired.

3. Election of Directors. Directors of the Association shall be elected at the Annual Members' Meeting in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the By-Laws.

4. Transfer Date. Members other than the Developer shall be entitled to elect at least a majority of the members of the Board of Directors when the earlier of following events occurs:

- A. three months after ninety (90) percent of the Units have been conveyed to Members; or
- B. when the Developer elects to terminate control of the Association, whichever

shall first occur.

The Directors named as the first Board, including any replacement members, shall serve until the first election of Directors, and any vacancies in their number occurring before the first election shall be filled by the remaining Directors.

5. First Board. The names and addresses of the persons who are to serve as the first Board are as follows:

NAME	ADDRESS
Charles H. Hathaway	4500 PGA Boulevard, Suite 400 Palm Beach Gardens, Fl. 33418
Jack B. Owen, Jr.	4500 PGA Boulevard, Suite 400 Palm Beach Gardens, Fl. 33418
William E. Shannon	4500 PGA Boulevard, Suite 400 Palm Beach Gardens, Fl. 33418

ARTICLE IX

INDEMNIFICATION

Every Director, committee member, and officer of the Association (and the Directors, committee members, and officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels and whether or not suit be instituted) reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he may become involved by reason of his being or having been a Director, committee member, or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he is a Director, committee member, or officer at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association. In instances where a Director, committee member, or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director, committee member, or officer may be entitled whether by statute or common law.

ARTICLE X

BY-LAWS

The By-Laws of the Association may be adopted, amended, altered, or rescinded as provided therein; provided, however, that at no time shall the By-Laws conflict with these Articles or the Declaration, and provided further, that no amendment, alteration, or rescission may be made which adversely affects the rights and privileges of any Institutional Mortgagee, without the prior written consent of the Institutional Mortgagee so affected, and provided further that until the Transfer Date no amendments, alterations or rescissions of the By-Laws shall be effective unless the Developer shall have joined in and consented thereto in writing. Any attempt to amend, alter, or rescind contrary to these prohibitions shall be of no force or effect.

ARTICLE XI

AMENDMENTS

1. Amendments Prior to Recording. Prior to the recording of the Declaration amongst the public records of the County, these Articles may be amended only by an instrument in writing signed by all of the Incorporators to these Articles and filed in the Office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended, give the exact language of such amendments, and a certified copy of each such amendment shall always be attached to any certified copy of these Articles.

2. Amendments After Recording. After the recording of the Declaration amongst the public records of the County, these Articles may be amended in the following manner:

A. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting (whether of the Board or of the Membership) at which such proposed amendment is to be considered; and

B. A resolution approving the proposed amendment may be first passed by either the Board or the Membership. After such approval of a proposed amendment by one of said bodies, such proposed amendment must be submitted to and approved by the other of said bodies. Approval by the Membership must be by a vote of a majority of the Members present at a meeting of the Members at which a quorum is present and approval by the Board must be by a majority of the Directors present at any meeting of the Directors at which a quorum is present.

3. Amendment by Reference to Title. No Article shall be revised or amended by reference to its title or number only. Proposals to amend existing Articles shall contain the full text of the Articles to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this

procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial re-wording of Article. See Article _____ for present text." Non-material errors or omissions in the Article amendment process shall not invalidate an otherwise properly promulgated amendment.

4. Institutional Mortgagees. Notwithstanding the foregoing provisions of this Article, there shall be no amendment to these Articles which shall abridge, amend or alter the priority of any Institutional Mortgagee, or the validity of any mortgage held by such Institutional Mortgagee without the prior written consent therefor by such Mortgagee.

5. Developer. Notwithstanding the foregoing provisions of this Article, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Developer, including the right to designate, to select, or to approve the selection of the Directors as provided in the Declaration and By-Laws, without the prior written consent of the Developer.

IN WITNESS WHEREOF, the Incorporators have hereunto affixed their signatures, this 29th day of May, 1998

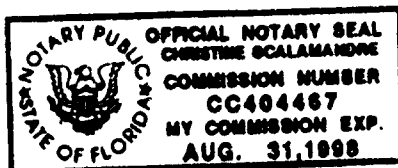
Charles H. Hathaway
Charles H. Hathaway

Jack B. Owen, Jr.
Jack B. Owen, Jr.

William E. Shannon
William E. Shannon

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 29th day of May, 1998, by CHARLES H. HATHAWAY, JACK B. OWEN, JR. and WILLIAM E. SHANNON. They are personally known to me.



Christine Scalapandre
Notary Public

Name: Christine Scalapandre

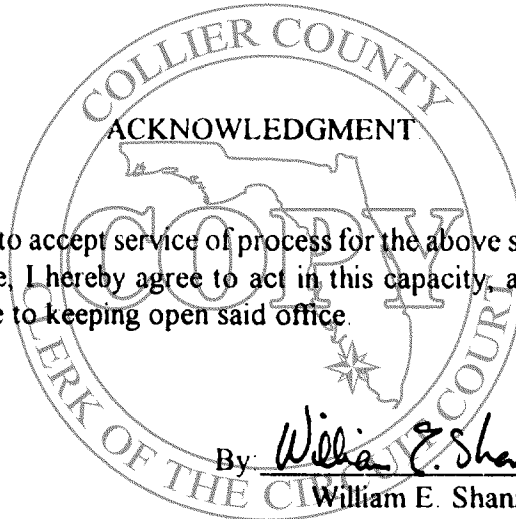
Commission # CC404467

Expiration date: Aug. 31, 1998

**CERTIFICATE DESIGNATING A REGISTERED OFFICE AND
A REGISTERED AGENT FOR THE SERVICE OF PROCESS
WITHIN THE STATE OF FLORIDA**

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted, in compliance with said Act:

THE COVE HOMEOWNERS ASSOCIATION OF NAPLES, INC., desiring to organize under the laws of the State of Florida, with its principal office , as indicated in the Articles of Incorporation, at the City of Palm Beach Gardens, County of Palm Beach, State of Florida, has named WILLIAM E. SHANNON located at 4500 PGA Boulevard, City of Palm Beach Gardens, County of Palm Beach, State of Florida, as its agent to accept service of process within the State of Florida.



Having been named to accept service of process for the above stated corporation, at the place designated in this certificate, I hereby agree to act in this capacity, and agree to comply with the provision of the Act relative to keeping open said office.

By: William E. Shannon
William E. Shannon

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
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BY-LAWS
OF
THE COVE HOMEOWNERS ASSOCIATION OF NAPLES, INC.

ARTICLE I

NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1. Name. The name of the Association shall be The Cove Homeowners Association of Naples, Inc. ("Association").
2. Principal Office. The initial office of the Association shall be located in Palm Beach County, Florida. The Association may have such other offices, either within or without the State of Florida, as the Board of Directors may determine or as the affairs of the Association may require.
3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants and Restrictions for The Cove, ("Declaration"), unless the context shall prohibit.

ARTICLE II

ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, AND PROXIES

1. Membership. The qualification of Members, the manner of their admission to membership, and the termination of such membership shall be as set forth in the Articles.
2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board either within the Property or as convenient thereto as possible and practical.
3. Annual Meetings. The first meeting of the Members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) but not more than ninety (90) days after the close of the Association's fiscal year on a date and at a time set by the Board.
4. Special Meetings. Special meetings of the Membership shall be held at any place within the County, whenever called by the President or Vice President or by a majority of the Board. In addition, it shall be the duty of the President to call a special meeting upon a petition signed by the Members representing at least ten (10%) percent of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose

thereof. No business shall be transacted at a special meeting except as stated in the notice.

5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association. The post office certificate of mailing shall be retained as proof of such mailing. The notice shall be signed by an officer of the Association. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice.

6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or alternate shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members or their alternates representing at least twenty-five (25%) percent of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

8. Voting. Each Unit shall be entitled to one (1) vote on any Association matter requiring a vote of the Members. The vote to which any Unit is entitled shall not be divisible, and shall be cast by the Member designated and entitled to cast the vote according to the terms and provisions of this Section. In no event shall more than one vote be cast with respect to any one Unit.

Except as otherwise provided in this Article, each Member who is designated and entitled to cast the vote for any lot shall be named in a voting certificate signed by all Owners of such Unit and filed with the Association. In the event any such voting certificate is not filed with the Association, the vote to which such Unit is entitled shall not be considered in determining whether a quorum is present, or for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed, except if the Unit is owned jointly by a husband and wife. If the Unit is owned jointly by a husband and wife, the provisions of subsection (D) below shall be applicable. A voting certificate shall be valid until revoked by the Owners of, or until a transfer of title to, the Unit to which the voting certificate pertains.

Voting rights shall be established as follows:

A. In the event an Owner is one person, that person's right to vote shall be established by the recorded title to his Unit.

B. In the event a Unit is owned by more than one person or entity, those persons or entities shall sign a voting certificate designating one of them for the purpose of casting the vote that is appurtenant to their Unit.

C. In the event a Unit is owned by an entity, or an entity is designated as the Owner entitled to cast the vote for a Unit, such entity shall designate a partner, officer, fiduciary, or employee of the entity to cast the vote that is appurtenant to the Unit. The voting certificate for such Unit shall be signed by any duly authorized partner or officer of the entity.

D. Notwithstanding anything to the contrary contained in these Bylaws, in the event a Unit is owned jointly by a husband and wife, the following provisions shall be applicable to the casting of the vote that is appurtenant to their Unit:

(i) The husband and wife may, but shall not be required to, designate one of them as the voting Member;

(ii) In the event the husband and wife do not designate either of them as the person entitled to cast the vote that is appurtenant to their Unit, and if both persons are present at any regular or special meeting of the Members and are unable to concur in their decision upon any subject requiring a vote of the Members, such husband and wife shall lose their right to vote on that particular subject at that particular meeting; and

(iii) In the event the husband and wife do not designate as the person entitled to cast the vote appurtenant to their Unit, and only one of them is present at any meeting, the Member present may cast the vote to which their Unit is entitled, without establishing the concurrence of the absent Member.

9. Proxies. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him, and in the Member's place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated in the proxy and any adjournments of such meeting. In no event shall any proxy be valid for a period longer than 90 days after the date of the meeting designated in the proxy. A proxy must be filed with the Secretary before the appointed time of the meeting in order to be effective. Any proxy may be revoked prior to the time a vote is cast according to such proxy.

10. Majority. As used in these By-Laws, the term "Majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person, by alternate, or by proxy of the Members representing one-third (1/3) of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. If any meeting of the Membership cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by Proxy, may adjourn the meeting from time to time until a quorum is present. In the case of the meeting being postponed, the notice provisions for the adjournment shall be as determined by the Board.

12. Conduct of Meetings. The President, or his designated alternate, shall preside over all meetings of the Association, and the Secretary, or his designated alternate, shall keep the minutes of the meeting, record in a minute book all resolutions adopted at the meeting, and record all transactions occurring at the meeting. Minutes of all meetings shall be kept in a businesslike manner and shall be available for inspection by the Members and the Board at all reasonable times.

13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken by written agreement in lieu of a meeting, provided written notice of the matter or matters to be agreed upon is given to the Membership at the addresses and within the time periods set forth herein or duly waived in accordance herewith. The decision of the majority of the Membership (as evidenced by written response to be solicited in the notice) shall be binding on the Membership, provided a quorum of the Membership submits a response. The notice shall set forth a time period during which time a response must be made by a Member.

14. Voting Certificate and Ledger. All voting certificates shall be filed with the Secretary. The Secretary shall keep all voting certificates and shall prepare and maintain a ledger listing, by Unit, each Member who is designated to vote on behalf of such Unit.

15. Secret Ballot. At any time prior to a vote upon any matter at any meeting of Members, any Member may require that a vote be made by secret written ballot.

ARTICLE III

BOARD OF DIRECTORS: NUMBER, POWERS, AND MEETINGS1. Composition and Selection.

A. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. After the Transfer Date, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director.

B. Number of Directors. The number of Directors in the Association shall be not less than three (3) nor more than five (5), as provided below. The initial Board shall consist of three (3) members as identified in the Articles. The Board shall determine the number of Directorships for the succeeding year at the Board meeting prior to the Annual Members' Meeting.

2. Nomination of Directors. Nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each Annual Members' Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall be permitted from the floor. All nominees and candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3. Election and Term of Office. The provisions of the Articles setting forth the terms of the Directors service is incorporated herein by reference. The Directors shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

4. Removal of Directors and Vacancies.

A. A Director elected by the Membership may be removed from office for any reason deemed by the Members to be in the best interests of the Association, upon the affirmative vote or the agreement in writing of a majority of the Members at a special meeting of the Members. A meeting of Members to so remove a Director elected by them shall be held, subject to the notice provisions hereof, upon the written request of ten percent (10%) of the Members. However, before any Director is removed from office, he shall be notified in writing at least two (2) days prior to the meeting at which the motion to remove him will be made, and such Director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote on his removal.

B. The Members shall elect, at a special meeting or at the Annual Members' Meeting, persons to fill vacancies on the Board caused by the removal of a Director elected by the Members.

C. A Director designated by the Developer as provided in the Articles may be removed only by the Developer in its sole discretion and without any need for a meeting or vote. The Developer shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board as to a Director designated by it, and the Developer shall notify the Board as to any such removal or vacancy and the name of the successor Director and of the commencement date for the term of such successor Director.

D. Any Director elected by the Membership who has three consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board and it may appoint a successor.

5. Meetings.

A. Organization Meetings. The first meeting of the Board following each annual meeting of the Membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board. No further notice of the organizational meeting shall be necessary, providing that a quorum shall be present at such organizational meeting.

B. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of the time and place of the meeting shall be communicated to Directors not less than two (2) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver or a written consent to holding of the meeting. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

C. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or Vice President of the Association or by any three (3) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; or (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director. All such notices shall be given at the Director's telephone number or sent to the Director's address as

shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least two days (2) before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least twenty-four (24) hours before the time set for the meeting.

D. Waiver of Notice. The transactions of any meetings of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

E. Quorum of the Board. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. The notice provisions for the reconvened meeting shall be as determined by the Board.

F. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

G. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board, and all transactions and proceedings occurring at such meetings. Minutes of all Board meetings shall be kept in a businesslike manner and shall be available for inspection by the Members and the Board at all reasonable times.

H. Open Meetings. Except for actions taken without a formal meeting, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussions or deliberations unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time any Member may speak. In the event a Member not serving as a Director or not otherwise invited by the Directors to participate in

the meeting attempts to become more than a mere observer at the meetings or conducts himself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

I. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

6. Powers and Duties. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members or the Membership generally.

The Board shall delegate to one of the Directors the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

A. Preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

B. Making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board, the annual assessment for each Member's proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of each quarter for said quarter;

C. Providing for the operation, care, upkeep, and maintenance of all of the Common Areas, and maintaining and operating the surface water management system as permitted by the South Florida Water Management District, including all retention areas, drainage facilities, and related appurtenances, if any;

D. Designating, hiring, and dismissing the personnel necessary for the

maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

E. Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

F. Making and amending rules and regulations;

G. Opening of bank accounts on behalf of the Association and designating the signatories required;

H. Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

I. Enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

J. Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

K. Paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

L. Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

M. Making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and all other books, records, and financial statements of the Association; and

N. Permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property.

7. Management Agent.

A. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these By-Laws, other than the powers set forth above. The Developer, or an affiliate of the Developer, may be employed as managing agent or manager.

B. No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on not more than ninety (90) days written notice.

8. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

A. Accrual accounting, as defined by generally accepted accounting principles, shall be employed;

B. Accounting and controls should conform to the federal income tax basis of accounting;

C. Cash accounts of the Association shall not be commingled with any other accounts;

D. No remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

E. Any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

F. Commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

i. An income statement reflecting all income and expense activity for the preceding period on an accrual basis;

ii. A statement reflecting all cash receipts and disbursements for the preceding period;

iii. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

iv. A balance sheet as of the last day of the preceding period; and

v. A delinquency report listing all Owners who are delinquent in paying the quarterly installments of assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A quarterly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of the first month of each quarter unless otherwise determined by the Board of Directors).

9. Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Common Areas without the approval of the Members. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

10. Rights of the Association. In accordance with the Articles and By-Laws, the Association shall have the right to contract with any person for the performance of various duties and functions. Such agreements shall require the consent of a majority of all the Directors.

11. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote for nonpayment of assessments. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

A. Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

B. Hearing. If a hearing is requested in a timely manner, the hearing shall be held by the body seeking to impose the sanction affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

C. Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, President or Secretary of the Association within thirty (30) days after the hearing before the Covenants Committee.

D. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE IV

OFFICERS

1. Officers. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. Officers shall not receive compensation for their services. The compensation, if any, of all other employees of the Association shall be fixed by the Board. This provision shall be preclude the Board from employing an officer as an employee of the Association or preclude the contracting with an officer for the management of the Association.

A. The President, who shall be a Director, shall be the chief executive officer of

the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a corporation not-for-profit including, but not limited to, the power to appoint committees from among the Members at such times as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. He shall preside at all meetings of the Board and the Membership.

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

C. The Secretary shall cause to be kept the minutes of all meetings of the Board and the Membership, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President.

D. Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all of the duties incident to the office of the Treasurer.

2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

3. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board.

ARTICLE V

COMMITTEES

1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board.

2. Covenants Committee. In addition to any other committees which may be established, the Board may appoint a Covenants Committee consisting of at least three (3) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association, and shall conduct all hearings pursuant to these By-Laws.

ARTICLE VI

MISCELLANEOUS

1. Fiscal Year. The fiscal year of the Association shall be determined by the Board.

2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles, the Declaration, or these By-Laws.

3. Conflicts. If there are conflicts between the provisions of Florida law, the Articles, the Declaration, and these By-Laws, the provisions of Florida law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

4. Books and Records.

A. Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Property as the Board shall prescribe.

B. Rules of Inspection. The Board shall establish reasonable rules with respect to:

- i. Notice to be given to the custodian of the records;
 - ii. Hours and days of the week when such an inspection may be made;
- and
- iii. Payment of the cost of reproducing copies of documents requested.

C. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

A. If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

B. If to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this paragraph.

6. Amendments.

A. Prior to the conveyance of the first Unit, Developer may unilaterally amend these By-Laws. After such conveyance, the Developer may unilaterally amend these By-Laws so long as it still owns property submitted to the Declaration for development as part of the Property and so long as the amendment has no material adverse effect upon any right of any Member.

B. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination thereof, of voting Members representing a majority of the total votes of the Association. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

C. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined

through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial re-wording of By-Law. See By-Law ____ for present text." Nonmaterial errors or omissions in the By-Law amendment process shall not invalidate an otherwise properly promulgated amendment.

D. No modification or amendment to these By-Laws shall be adopted which would affect or impair the priority of any Mortgagee, the validity of the mortgage held by such Mortgagee, or any of the rights of the Developer, without their prior written consent.

7. Arbitration. Internal disputes arising from the operation of the Association among Owners, the Board, or their agents and assigns may be resolved by voluntary binding arbitration. Any party to such an arbitration may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

8. Captions and Headings. The captions and headings pertaining to the articles and sections of these By-laws are solely used for ease of reference and in no way shall such captions or headings define, limit or in any way affect the substance of any provisions contained in these By-laws.

9. Severability. In the event any of the terms or provisions contained in these By-laws shall be deemed invalid by a court of competent jurisdiction, such term or provision shall be severable from these By-laws and the invalidity or unenforceability of any such term or provision shall not affect or impair any other term or provision contained in these By-laws.

10. Number and Gender. Whenever used in these By-laws, the singular number shall include the plural, the plural number shall include the singular, and the use of any one gender shall be applicable to all genders.

11. Governing Laws. The terms and provisions contained in these By-laws shall be construed in accordance with and governed by the laws of the State of Florida.

THE COVE HOMEOWNERS ASSOCIATION OF
NAPLES, INC.

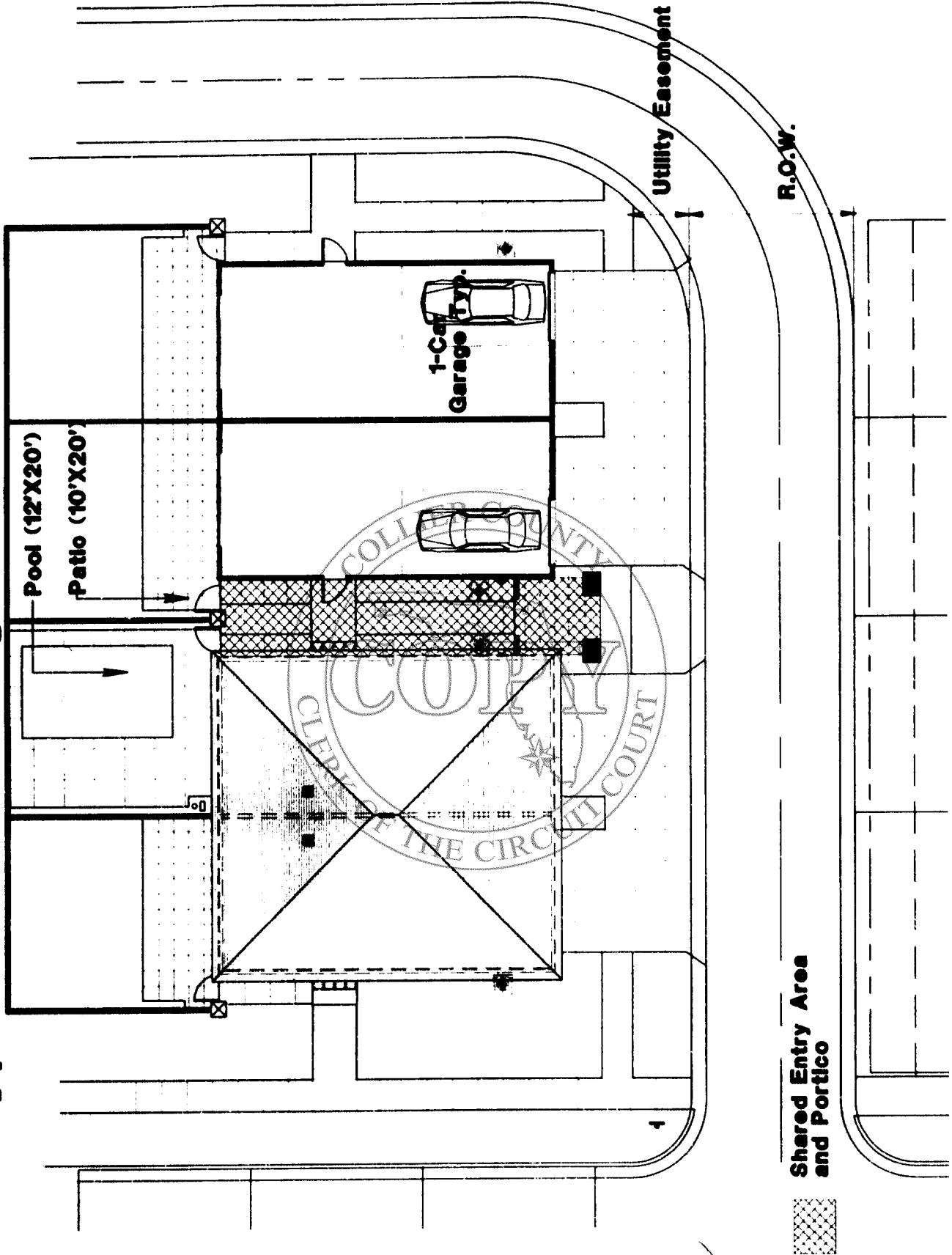
(Seal)

By: Charles H. [Signature]

Attest: William E. [Signature]

cove.byl.wpd

Typical Lot Configuration



RULES AND REGULATIONSFORTHE COVE

The definitions contained in the Declaration of Covenants, Conditions, and Restrictions for The Cove are incorporated herein as part of these Rules and Regulations.

1. The owners and lessees of each Lot shall abide by each and every term and provision of the Declaration of Covenants, Conditions, and Restrictions for The Cove, and each and every term and provision of the Articles of Incorporation, and By-Laws of the Association.

2. No bicycles, tricycles, scooters, baby strollers or other similar vehicles or toys shall be allowed to remain in the Common Areas. The walkways, bridges, sidewalks, and streets shall not be obstructed.

3. Any damage to the Common Areas, property, or equipment of the Association caused by any Owner, his family member, guest, invitee or lessee shall be repaired or replaced at the expense of such Owner.

4. An Owner will not park or position his vehicle so as to prevent access to another Lot. The Owners, their families, guests, invitees, licensees, and lessees will obey the posted parking and traffic regulations installed for the safety and welfare of all Owners.

5. No Owner shall do or permit any assembling or disassembling of motor vehicles except within his garage. Each Lot Owner shall be required to clean his driveway of any oil or other fluid discharged by his motor vehicle.

6. Except as may be permitted in accordance with the Declaration, no transmitting or receiving aerial or antenna shall be attached to or hung from any part of a Lot or the Common Areas.

7. All garbage and refuse from the Lots shall be deposited with care in each Owner's private garbage containers, which shall be placed so they are not visible from the Roads or from adjoining Units. No garbage or refuse shall be deposited in any Common Area for any reason, except on the correct days of the week for pickup and removal. No littering shall be done or permitted on the Association Property.

8. No commercial vehicle, recreational vehicle (including, without limitation, all terrain vehicles), camper, trailer, boat, motorcycle, van, bus, truck, or similar vehicle shall park or be parked at any time on any portion of the Common Areas, except for commercial vehicles, vans, or trucks

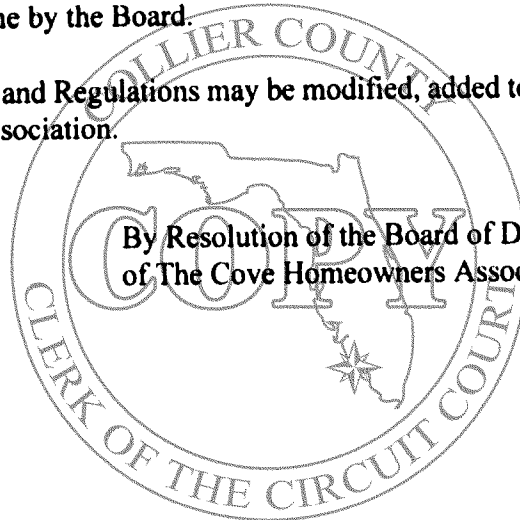
delivering goods or furnishing services. Said commercial vehicles, vans or trucks shall not park or be permitted to park overnight on any portion of the Common Areas or on any driveway or other portion of a Lot (except within the confines of a garage). Vehicles shall not be parked overnight on roads or swales, except in designated parking areas. The Association shall have the right to authorize the towing away of any such vehicles in violation of this rule with costs and fees, including attorneys' fees, if any, to be borne by the vehicle owner or violator.

9. No garage doors shall be permitted to remain open except for temporary purposes, and the Board may adopt further rules for the regulation of the opening of garage doors.

10. Complaints regarding the management of the Association property, or regarding the actions of other Owners, their families, guests, or lessees shall be made in writing to the Association and shall be signed by the complaining Lot Owner.

11. Any consent or approval given under these Rules and Regulations by the Association may be revocable at any time by the Board.

12. These Rules and Regulations may be modified, added to, or repealed in accordance with the By-Laws of the Association.



By Resolution of the Board of Directors
of The Cove Homeowners Association of Naples, Inc.

P:\Counsel\CS\Cove\cove.rul.wpd



OR: 2473 PG: 3340

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

ENVIRONMENTAL RESOURCE PERMIT NO. 11-01507-P

DATE ISSUED: JULY 10, 1997

AUG 30 1997
WILSON MILLER

PERMITTEE: HARVEY BROTHERS FARMS, INC.
(ISLANDWALK)
90 LOGAN BLVD. NORTH,
NAPLES, FL 34109

PROJECT DESCRIPTION: CONCEPTUAL APPROVAL OF A SURFACE WATER MANAGEMENT SYSTEM TO SERVE A 704.7 ACRE RESIDENTIAL DEVELOPMENT, DISCHARGING TO THE I-75 CANAL VIA THE VANDERBILT BEACH ROAD DITCH AND AUTHORIZATION FOR CONSTRUCTION AND OPERATION OF A SURFACE WATER MANAGEMENT SYSTEM SERVING 649.8 ACRES OF THE 704.7 ACRE RESIDENTIAL SITE.

PROJECT LOCATION: COLLIER COUNTY, SECTION: 33.34 TWP: 48S RGE: 26E

This Permit is issued pursuant to Application No. 970325-3, dated March 25, 1997. Permittee agrees to hold and save the South Florida Water Management District and its successors harmless from any and all damages, claims or liabilities which may arise by reason of the construction, operation, maintenance or use of activities authorized by this Permit. This Permit is issued under the provisions of Chapter 373, Part IV, Florida Statutes (F.S.), and the Operating Agreement Concerning Regulation Under Part IV, Chapter 373 F.S., between South Florida Water Management District and the Department of Environmental Protection. Issuance of this Permit constitutes certification of compliance with state water quality standards where necessary pursuant to Section 401, Public Law 92-500, 33 USC Section 1341, unless this Permit is issued pursuant to the net improvement provisions of Subsections 373.414(1)(b), F.S., or as otherwise stated herein.

This Permit may be transferred pursuant to the appropriate provisions of Chapter 373, F.S. and Sections 408-1.6107(1) and (2), and 408-4.351(1), (2), and (4), Florida Administrative Code (F.A.C.)

This Permit may be revoked, suspended, or modified at any time pursuant to the appropriate provisions of Chapter 373, F.S. and Sections 408-4.351(1), (2), and (4), F.A.C.

This Permit shall be subject to the General Conditions set forth in Rule 408-4.381, F.A.C., unless waived or modified by Governing Board. The Application, and the Surface Water Management Staff Review Summary of the Application, including all conditions, and all plans and specifications incorporated by reference, are a part of this Permit. All activities authorized by this Permit shall be implemented as set forth in the plans, specifications, and performance criteria as set forth and incorporated in the Surface Water Management Staff Review Summary. Within 30 days after completion of construction of the permitted activity, the Permittee shall submit a written statement of completion and certification by a registered professional engineer or other appropriate individual, pursuant to the appropriate provisions of Chapter 373, F.S., and Sections 408-4.361 and 408-4.381, F.A.C.

In the event the property is sold or otherwise conveyed, the Permittee will remain liable for compliance with this Permit until transfer is approved by the District pursuant to Rule 408-1.6107, F.A.C.

SPECIAL AND GENERAL CONDITIONS ARE AS FOLLOWS:

SEE PAGES 2-4 OF 7 - 18 SPECIAL CONDITIONS.
SEE PAGES 5-7 OF 7 - 19 GENERAL CONDITIONS.

FILED WITH THE CLERK OF THE SOUTH
FLORIDA WATER MANAGEMENT DISTRICTSOUTH FLORIDA WATER MANAGEMENT
DISTRICT BY ITS, GOVERNING BOARD

ON

Original signed by:

BY

Vern Kaiser
DEPUTY CLERKOriginal signed by
TONY BURNS

By

ASSISTANT SECRETARY

EXHIBIT

E

PAGE 1 OF 7 PAGES

PAGE 1 OF 7

SPECIAL CONDITIONS

1. MINIMUM BUILDING FLOOR ELEVATION: 13.5 FEET NGVD.
2. MINIMUM ROAD CROWN ELEVATION: 13 FEET NGVD.
3. DISCHARGE FACILITIES:
1-22' WIDE RECTANGULAR WEIR WITH CREST AT ELEV. 10.67' NGVD.
1-6.9' W X .67' H RECTANGULAR NOTCH WITH INVERT AT ELEV. 10' NGVD.
RECEIVING BODY : VANDERBILT BEACH ROAD DITCH
CONTROL ELEV : 10 FEET NGVD. /10 FEET NGVD DRY SEASON.
4. THE PERMITTEE SHALL BE RESPONSIBLE FOR THE CORRECTION OF ANY EROSION, SHOALING OR WATER QUALITY PROBLEMS THAT RESULT FROM THE CONSTRUCTION OR OPERATION OF THE SURFACE WATER MANAGEMENT SYSTEM.
5. MEASURES SHALL BE TAKEN DURING CONSTRUCTION TO INSURE THAT SEDIMENTATION AND/OR TURBIDITY PROBLEMS ARE NOT CREATED IN THE RECEIVING WATER.
6. THE DISTRICT RESERVES THE RIGHT TO REQUIRE THAT ADDITIONAL WATER QUALITY TREATMENT METHODS BE INCORPORATED INTO THE DRAINAGE SYSTEM IF SUCH MEASURES ARE SHOWN TO BE NECESSARY.
7. LAKE SIDE SLOPES SHALL BE NO STEEPER THAN 4:1 (HORIZONTAL:VERTICAL) TO A DEPTH OF TWO FEET BELOW THE CONTROL ELEVATION. SIDE SLOPES SHALL BE NURTURED OR PLANTED FROM 2 FEET BELOW TO 1 FOOT ABOVE CONTROL ELEVATION TO INSURE VEGETATIVE GROWTH.
8. FACILITIES OTHER THAN THOSE STATED HEREIN SHALL NOT BE CONSTRUCTED WITHOUT AN APPROVED MODIFICATION OF THIS PERMIT.
9. OPERATION OF THE SURFACE WATER MANAGEMENT SYSTEM SHALL BE THE RESPONSIBILITY OF ISLAND WALK HOMEOWNERS ASSOCIATION, INC. THE PERMITTEE SHALL SUBMIT A COPY OF THE RECORDED DEED RESTRICTIONS (OR DECLARATION OF CONDOMINIUM, IF APPLICABLE), A COPY OF THE FILED ARTICLES OF INCORPORATION, AND A COPY OF THE CERTIFICATE OF INCORPORATION FOR THE HOMEOWNERS ASSOCIATION CONCURRENT WITH THE ENGINEERING CERTIFICATION OF CONSTRUCTION COMPLETION.
10. SILT SCREENS, HAY BALES OR OTHER SUCH SEDIMENT CONTROL MEASURES SHALL BE UTILIZED DURING CONSTRUCTION. THE SELECTED SEDIMENT CONTROL MEASURES SHALL BE INSTALLED LANDWARD OF THE UPLAND BUFFER ZONES AROUND ALL PROTECTED WETLANDS. ALL AREAS SHALL BE STABILIZED AND VEGETATED IMMEDIATELY AFTER CONSTRUCTION TO PREVENT EROSION INTO THE WETLANDS AND UPLAND BUFFER ZONES.
11. THE SFWMD RESERVES THE RIGHT TO REQUIRE REMEDIAL MEASURES TO BE TAKEN BY THE PERMITTEE IF WETLAND AND/OR UPLAND MONITORING OR OTHER INFORMATION DEMONSTRATES THAT ADVERSE IMPACTS TO PROTECTED, CONSERVED, INCORPORATED OR MITIGATED WETLANDS OR UPLANDS HAVE OCCURRED DUE TO PROJECT RELATED ACTIVITIES.
12. ANY FUTURE CHANGES IN LAND USE OR TREATMENT OF WETLANDS AND/OR UPLAND BUFFER/COMPENSATION AREAS MAY REQUIRE A SURFACE WATER MANAGEMENT PERMIT MODIFICATION AND ADDITIONAL ENVIRONMENTAL REVIEW BY DISTRICT STAFF. PRIOR TO THE PERMITTEE INSTITUTING ANY FUTURE CHANGES NOT AUTHORIZED BY THIS PERMIT, THE PERMITTEE SHALL NOTIFY THE SFWMD OF SUCH INTENTIONS FOR A DETERMINATION OF ANY NECESSARY PERMIT MODIFICATIONS.

EXHIBIT F

13. WETLAND PRESERVATION/MITIGATION AREAS, UPLAND BUFFER ZONES AND/OR UPLAND PRESERVATION AREAS SHALL BE DEDICATED AS CONSERVATION AND COMMON AREAS IN THE DEED RESTRICTIONS AS WELL AS ON THE PLAT IF THE PROJECT WILL BE PLATTED. RESTRICTIONS FOR USE OF THE CONSERVATION/COMMON AREAS SHALL STIPULATE:

THE WETLAND PRESERVATION/MITIGATION AREAS, UPLAND BUFFER ZONES, AND/OR UPLAND PRESERVATION AREAS ARE HEREBY DEDICATED AS CONSERVATION AND COMMON AREAS. THE CONSERVATION/COMMON AREAS SHALL BE THE PERPETUAL RESPONSIBILITY OF ISLAND WALK HOMEOWNERS ASSOCIATION AND MAY IN NO WAY BE ALTERED FROM THEIR NATURAL STATE AS DOCUMENTED IN PERMIT FILE, WITH THE EXCEPTION OF PERMITTED RESTORATION ACTIVITIES. ACTIVITIES PROHIBITED WITHIN THE CONSERVATION AREAS INCLUDE, BUT ARE NOT LIMITED TO: CONSTRUCTION OR PLACING SOIL OR OTHER SUBSTANCES SUCH AS TRASH REMOVAL OR DESTRUCTION OF TREES, SHRUBS, OR OTHER VEGETATION - WITH THE EXCEPTION OF EXOTIC/NUISANCE VEGETATION REMOVAL; EXCAVATION, DREDGING, OR REMOVAL OF SOIL MATERIAL; DIKING OR FENCING; AND ANY OTHER ACTIVITIES DETRIMENTAL TO DRAINAGE, FLOOD CONTROL, WATER CONSERVATION, EROSION CONTROL, OR FISH AND WILDLIFE HABITAT CONSERVATION OR PRESERVATION.

COPIES OF RECORDED DOCUMENTS SHALL BE SUBMITTED CONCURRENT WITH ENGINEERING CERTIFICATION OF CONSTRUCTION COMPLETION.

14. ACTIVITIES ASSOCIATED WITH IMPLEMENTATION OF THE WETLAND MITIGATION, MONITORING AND MAINTENANCE SHALL BE IN ACCORDANCE WITH THE FOLLOWING WORK SCHEDULE. ANY DEVIATION FROM THESE TIME FRAMES SHALL REQUIRE FORMAL SFWMD APPROVAL. SUCH REQUESTS MUST BE MADE IN WRITING AND SHALL INCLUDE (1) REASON FOR THE MODIFICATION; (2) PROPOSED START/FINISH DATES; AND (3) PROGRESS REPORT ON THE STATUS OF THE EXISTING MITIGATION EFFORTS.

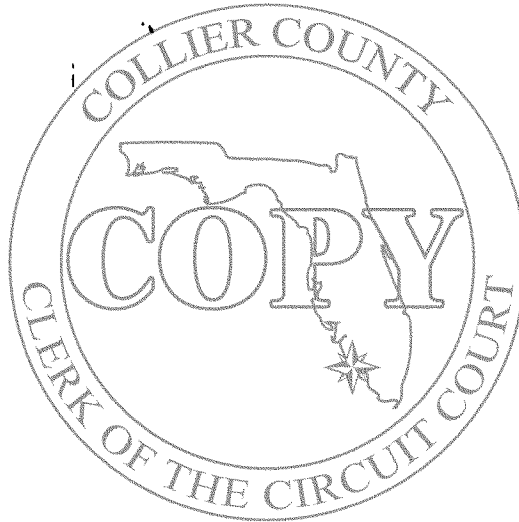
COMPLETION DATE	ACTIVITY
OCTOBER 1, 1997	BASELINE MONITORING REPORT
NOVEMBER 30, 1997	RECORD CONSERVATION EASEMENT
OCTOBER 1, 1998	FIRST MONITORING REPORT
OCTOBER 1, 1999	SECOND MONITORING REPORT
OCTOBER 1, 2000	THIRD MONITORING REPORT
OCTOBER 1, 2001	FOURTH MONITORING REPORT
OCTOBER 1, 2002	FIFTH MONITORING REPORT

15. THE DELINEATION OF THE EXTENT OF WETLANDS AND/OR OTHER SURFACE WATERS AS SHOWN ON THE PLANS INCORPORATED INTO THIS PERMIT, SHALL BE CONSIDERED BINDING.
16. NO LATER THAN NOVEMBER 30, 1997, THE PERMITTEE SHALL RECORD A CONSERVATION EASEMENT(S) OVER THE REAL PROPERTY DESIGNATED AS A CONSERVATION/PRESERVATION AREA(S) ON THE ATTACHED EXHIBIT 29E - 29F. THE EASEMENT SHALL BE GRANTED FREE OF ENCUMBRANCES OR INTERESTS WHICH THE DISTRICT DETERMINES ARE CONTRARY TO THE INTENT OF THE EASEMENT. THE CONSERVATION EASEMENT SHALL BE GRANTED TO THE DISTRICT USING THE APPROVED FORM ATTACHED HERETO AS EXHIBIT 29A - 29D. ANY PROPOSED MODIFICATIONS TO THE APPROVED FORM MUST RECEIVE PRIOR WRITTEN CONSENT FROM THE DISTRICT. UPON RECORDATION, THE PERMITTEE SHALL FORWARD THE ORIGINAL RECORDED EASEMENT TO THE NATURAL RESOURCE MANAGEMENT POST PERMIT COMPLIANCE STAFF IN THE DISTRICT SERVICE CENTER WHERE THE APPLICATION WAS SUBMITTED.
17. A MAINTENANCE PROGRAM SHALL BE IMPLEMENTED IN ACCORDANCE WITH EXHIBIT(S) 28A - 28B FOR THE PRESERVED WETLAND AREAS ON A REGULAR BASIS TO ENSURE THE INTEGRITY AND VIABILITY OF THE CONSERVATION AREAS(S) AS PERMITTED. MAINTENANCE SHALL BE CONDUCTED IN PERPETUITY TO ENSURE THAT EXOTIC AND

EXHIBIT F

NUISANCE VEGETATION WITHIN THE CONSERVATION AREAS IS MAINTAINED AT OR BELOW BASELINE CONDITIONS.

18. A WETLAND MONITORING AND MAINTENANCE PROGRAM SHALL BE IMPLEMENTED IN ACCORDANCE WITH EXHIBIT(S) 28A - 28B. THE MONITORING PROGRAM SHALL EXTEND FOR A PERIOD OF FIVE YEARS WITH ANNUAL REPORTS SUBMITTED TO SFWM D STAFF.



OR: 2473 PG: 3343

GENERAL CONDITIONS

1. ALL ACTIVITIES AUTHORIZED BY THIS PERMIT SHALL BE IMPLEMENTED AS SET FORTH IN THE PLANS, SPECIFICATIONS AND PERFORMANCE CRITERIA AS APPROVED BY THIS PERMIT. ANY DEVIATION FROM THE PERMITTED ACTIVITY AND THE CONDITIONS FOR UNDERTAKING THAT ACTIVITY SHALL CONSTITUTE A VIOLATION OF THIS PERMIT AND PART IV, CHAPTER 373, F.S.
2. THIS PERMIT OR A COPY THEREOF, COMPLETE WITH ALL CONDITIONS, ATTACHMENTS, EXHIBITS, AND MODIFICATIONS SHALL BE KEPT AT THE WORK SITE OF THE PERMITTED ACTIVITY. THE COMPLETE PERMIT SHALL BE AVAILABLE FOR REVIEW AT THE WORK SITE UPON REQUEST BY THE DISTRICT STAFF. THE PERMITTEE SHALL REQUIRE THE CONTRACTOR TO REVIEW THE COMPLETE PERMIT PRIOR TO COMMENCEMENT OF THE ACTIVITY AUTHORIZED BY THIS PERMIT.
3. ACTIVITIES APPROVED BY THIS PERMIT SHALL BE CONDUCTED IN A MANNER WHICH DOES NOT CAUSE VIOLATIONS OF STATE WATER QUALITY STANDARDS. THE PERMITTEE SHALL IMPLEMENT BEST MANAGEMENT PRACTICES FOR EROSION AND POLLUTION CONTROL TO PREVENT VIOLATION OF STATE WATER QUALITY STANDARDS. TEMPORARY EROSION CONTROL SHALL BE IMPLEMENTED PRIOR TO AND DURING CONSTRUCTION, AND PERMANENT CONTROL MEASURES SHALL BE COMPLETED WITHIN 7 DAYS OF ANY CONSTRUCTION ACTIVITY. TURBIDITY BARRIERS SHALL BE INSTALLED AND MAINTAINED AT ALL LOCATIONS WHERE THE POSSIBILITY OF TRANSFERRING SUSPENDED SOLIDS INTO THE RECEIVING WATERBODY EXISTS DUE TO THE PERMITTED WORK. TURBIDITY BARRIERS SHALL REMAIN IN PLACE AT ALL LOCATIONS UNTIL CONSTRUCTION IS COMPLETED AND SOILS ARE STABILIZED AND VEGETATION HAS BEEN ESTABLISHED. ALL PRACTICES SHALL BE IN ACCORDANCE WITH THE GUIDELINES AND SPECIFICATIONS DESCRIBED IN CHAPTER 6 OF THE FLORIDA LAND DEVELOPMENT MANUAL, A GUIDE TO SOUND LAND AND WATER MANAGEMENT (DEPARTMENT OF ENVIRONMENTAL REGULATION, 1988), INCORPORATED BY REFERENCE IN RULE 40E-4.091, F.A.C. UNLESS A PROJECT-SPECIFIC EROSION AND SEDIMENT CONTROL PLAN IS APPROVED AS PART OF THE PERMIT. THEREAFTER THE PERMITTEE SHALL BE RESPONSIBLE FOR THE REMOVAL OF THE BARRIERS. THE PERMITTEE SHALL CORRECT ANY EROSION OR SHOALING THAT CAUSES ADVERSE IMPACTS TO THE WATER RESOURCES.
4. THE PERMITTEE SHALL NOTIFY THE DISTRICT OF THE ANTICIPATED CONSTRUCTION START DATE WITHIN 30 DAYS OF THE DATE THAT THIS PERMIT IS ISSUED. AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF ACTIVITY AUTHORIZED BY THIS PERMIT, THE PERMITTEE SHALL SUBMIT TO THE DISTRICT AN ENVIRONMENTAL RESOURCE PERMIT CONSTRUCTION COMMENCEMENT NOTICE FORM NO. 0960 INDICATING THE ACTUAL START DATE AND THE EXPECTED COMPLETION DATE.
5. WHEN THE DURATION OF CONSTRUCTION WILL EXCEED ONE YEAR, THE PERMITTEE SHALL SUBMIT CONSTRUCTION STATUS REPORTS TO THE DISTRICT ON AN ANNUAL BASIS UTILIZING AN ANNUAL STATUS REPORT FORM. STATUS REPORT FORMS SHALL BE SUBMITTED THE FOLLOWING JUNE OF EACH YEAR.
6. WITHIN 30 DAYS AFTER COMPLETION OF CONSTRUCTION OF THE PERMITTED ACTIVITY, THE PERMITTEE SHALL SUBMIT A WRITTEN STATEMENT OF COMPLETION AND CERTIFICATION BY A REGISTERED PROFESSIONAL ENGINEER OR OTHER APPROPRIATE INDIVIDUAL AS AUTHORIZED BY LAW, UTILIZING THE SUPPLIED ENVIRONMENTAL RESOURCE PERMIT CONSTRUCTION COMPLETION/CERTIFICATION FORM NO. 0881. THE STATEMENT OF COMPLETION AND CERTIFICATION SHALL BE BASED ON ONSITE OBSERVATION OF CONSTRUCTION OR REVIEW OF ASBUILT DRAWINGS FOR THE PURPOSE OF DETERMINING IF THE WORK WAS COMPLETED IN COMPLIANCE WITH PERMITTED PLANS AND SPECIFICATIONS. THIS SUBMITTAL SHALL SERVE TO NOTIFY THE DISTRICT THAT THE SYSTEM IS READY FOR INSPECTION. ADDITIONALLY, IF DEVIATION FROM THE APPROVED DRAWINGS ARE DISCOVERED DURING THE CERTIFICATION

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PROCESS. THE CERTIFICATION MUST BE ACCOMPANIED BY A COPY OF THE APPROVED PERMIT DRAWINGS WITH DEVIATIONS NOTED. BOTH THE ORIGINAL AND REVISED SPECIFICATIONS MUST BE CLEARLY SHOWN. THE PLANS MUST BE CLEARLY LABELED AS "ASBUILT" OR "RECORD" DRAWING. ALL SURVEYED DIMENSIONS AND ELEVATIONS SHALL BE CERTIFIED BY A REGISTERED SURVEYOR.

7. THE OPERATION PHASE OF THIS PERMIT SHALL NOT BECOME EFFECTIVE: UNTIL THE PERMITTEE HAS COMPLIED WITH THE REQUIREMENTS OF CONDITION (6) ABOVE, HAS SUBMITTED A REQUEST FOR CONVERSION OF ENVIRONMENTAL RESOURCE PERMIT FROM CONSTRUCTION PHASE TO OPERATION PHASE, FORM NO.0920; THE DISTRICT DETERMINES THE SYSTEM TO BE IN COMPLIANCE WITH THE PERMITTED PLANS AND SPECIFICATIONS; AND THE ENTITY APPROVED BY THE DISTRICT IN ACCORDANCE WITH SECTIONS 9.0 AND 10.0 OF THE BASIS OF REVIEW FOR ENVIRONMENTAL RESOURCE PERMIT APPLICATIONS WITHIN THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT - AUGUST 1995, ACCEPTS RESPONSIBILITY FOR OPERATION AND MAINTENANCE OF THE SYSTEM. THE PERMIT SHALL NOT BE TRANSFERRED TO SUCH APPROVED OPERATION AND MAINTENANCE ENTITY UNTIL THE OPERATION PHASE OF THE PERMIT BECOMES EFFECTIVE. FOLLOWING INSPECTION AND APPROVAL OF THE PERMITTED SYSTEM BY THE DISTRICT, THE PERMITTEE SHALL INITIATE TRANSFER OF THE PERMIT TO THE APPROVED RESPONSIBLE OPERATING ENTITY IF DIFFERENT FROM THE PERMITTEE. UNTIL THE PERMIT IS TRANSFERRED PURSUANT TO SECTION 40E-1.6107, F.A.C., THE PERMITTEE SHALL BE LIABLE FOR COMPLIANCE WITH THE TERMS OF THE PERMIT.
8. EACH PHASE OR INDEPENDENT PORTION OF THE PERMITTED SYSTEM MUST BE COMPLETED IN ACCORDANCE WITH THE PERMITTED PLANS AND PERMIT CONDITIONS PRIOR TO THE INITIATION OF THE PERMITTED USE OF SITE INFRASTRUCTURE LOCATED WITHIN THE AREA SERVED BY THAT PORTION OR PHASE OF THE SYSTEM. EACH PHASE OR INDEPENDENT PORTION OF THE SYSTEM MUST BE COMPLETED IN ACCORDANCE WITH THE PERMITTED PLANS AND PERMIT CONDITIONS PRIOR TO TRANSFER OF RESPONSIBILITY FOR OPERATION AND MAINTENANCE OF THE PHASE OR PORTION OF THE SYSTEM TO A LOCAL GOVERNMENT OR OTHER RESPONSIBLE ENTITY.
9. FOR THOSE SYSTEMS THAT WILL BE OPERATED OR MAINTAINED BY AN ENTITY THAT WILL REQUIRE AN EASEMENT OR DEED RESTRICTION IN ORDER TO ENABLE THAT ENTITY TO OPERATE OR MAINTAIN THE SYSTEM IN CONFORMANCE WITH THIS PERMIT, SUCH EASEMENT OR DEED RESTRICTION MUST BE RECORDED IN THE PUBLIC RECORDS AND SUBMITTED TO THE DISTRICT ALONG WITH ANY OTHER FINAL OPERATION AND MAINTENANCE DOCUMENTS REQUIRED BY SECTIONS 9.0 AND 10.0 OF THE BASIS OF REVIEW FOR ENVIRONMENTAL RESOURCE PERMIT APPLICATIONS WITHIN THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT - AUGUST 1995, PRIOR TO LOT OR UNIT SALES OR PRIOR TO THE COMPLETION OF THE SYSTEM, WHICHEVER OCCURS FIRST. OTHER DOCUMENTS CONCERNING THE ESTABLISHMENT AND AUTHORITY OF THE OPERATING ENTITY MUST BE FILED WITH THE SECRETARY OF STATE WHERE APPROPRIATE. FOR THOSE SYSTEMS WHICH ARE PROPOSED TO BE MAINTAINED BY THE COUNTY OR MUNICIPAL ENTITIES, FINAL OPERATION AND MAINTENANCE DOCUMENTS MUST BE RECEIVED BY THE DISTRICT WHEN MAINTENANCE AND OPERATION OF THE SYSTEM IS ACCEPTED BY THE LOCAL GOVERNMENT ENTITY. FAILURE TO SUBMIT THE APPROPRIATE FINAL DOCUMENTS WILL RESULT IN THE PERMITTEE REMAINING LIABLE FOR CARRYING OUT MAINTENANCE AND OPERATION OF THE PERMITTED SYSTEM AND ANY OTHER PERMIT CONDITIONS.
10. SHOULD ANY OTHER REGULATORY AGENCY REQUIRE CHANGES TO THE PERMITTED SYSTEM, THE PERMITTEE SHALL NOTIFY THE DISTRICT IN WRITING OF THE CHANGES PRIOR TO IMPLEMENTATION SO THAT A DETERMINATION CAN BE MADE WHETHER A PERMIT MODIFICATION IS REQUIRED.
11. THIS PERMIT DOES NOT ELIMINATE THE NECESSITY TO OBTAIN ANY REQUIRED FEDERAL, STATE, LOCAL AND SPECIAL DISTRICT AUTHORIZATIONS PRIOR TO THE START OF ANY ACTIVITY APPROVED BY THIS PERMIT. THIS PERMIT DOES NOT CONVEY TO THE PERMITTEE OR CREATE IN THE PERMITTEE ANY PROPERTY RIGHT, OR ANY INTEREST IN REAL PROPERTY, NOR DOES IT AUTHORIZE ANY ENTRANCE UPON OR ACTIVITIES ON

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PROPERTY WHICH IS NOT OWNED OR CONTROLLED BY THE PERMITTEE, OR CONVEY ANY RIGHTS OR PRIVILEGES OTHER THAN THOSE SPECIFIED IN THE PERMIT AND CHAPTER 40E-4 OR CHAPTER 40E-40, F.A.C.

12. THE PERMITTEE IS HEREBY ADVISED THAT SECTION 253.77, F.S. STATES THAT A PERSON MAY NOT COMMENCE ANY EXCAVATION, CONSTRUCTION, OR OTHER ACTIVITY INVOLVING THE USE OF SOVEREIGN OR OTHER LANDS OF THE STATE, THE TITLE TO WHICH IS VESTED IN THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND WITHOUT OBTAINING THE REQUIRED LEASE, LICENSE, EASEMENT, OR OTHER FORM OF CONSENT AUTHORIZING THE PROPOSED USE. THEREFORE, THE PERMITTEE IS RESPONSIBLE FOR OBTAINING ANY NECESSARY AUTHORIZATIONS FROM THE BOARD OF TRUSTEES PRIOR TO COMMENCING ACTIVITY ON SOVEREIGNTY LANDS OR OTHER STATE-OWNED LANDS.
13. THE PERMITTEE MUST OBTAIN A WATER USE PERMIT PRIOR TO CONSTRUCTION DEWATERING, UNLESS THE WORK QUALIFIES FOR A GENERAL PERMIT PURSUANT TO SUBSECTION 40E-20.302(4), F.A.C., ALSO KNOWN AS THE "NO NOTICE" RULE.
14. THE PERMITTEE SHALL HOLD AND SAVE THE DISTRICT HARMLESS FROM ANY AND ALL DAMAGES, CLAIMS, OR LIABILITIES WHICH MAY ARISE BY REASON OF THE CONSTRUCTION, ALTERATION, OPERATION, MAINTENANCE, REMOVAL, ABANDONMENT OR USE OF ANY SYSTEM AUTHORIZED BY THE PERMIT.
15. ANY DELINEATION OF THE EXTENT OF A WETLAND OR OTHER SURFACE WATER SUBMITTED AS PART OF THE PERMIT APPLICATION, INCLUDING PLANS OR OTHER SUPPORTING DOCUMENTATION, SHALL NOT BE CONSIDERED BINDING UNLESS A SPECIFIC CONDITION OF THIS PERMIT OR A FORMAL DETERMINATION UNDER SECTION 373.421(2), F.S., PROVIDES OTHERWISE.
16. THE PERMITTEE SHALL NOTIFY THE DISTRICT IN WRITING WITHIN 30 DAYS OF ANY SALE, CONVEYANCE, OR OTHER TRANSFER OF OWNERSHIP OR CONTROL OF A PERMITTED SYSTEM OR THE REAL PROPERTY ON WHICH THE PERMITTED SYSTEM IS LOCATED. ALL TRANSFERS OF OWNERSHIP OR TRANSFERS OF A PERMIT ARE SUBJECT TO THE REQUIREMENTS OF RULES 40E-1.6105 AND 40E-1.6107, F.A.C. THE PERMITTEE TRANSFERRING THE PERMIT SHALL REMAIN LIABLE FOR CORRECTIVE ACTIONS THAT MAY BE REQUIRED AS A RESULT OF ANY VIOLATIONS PRIOR TO THE SALE, CONVEYANCE OR OTHER TRANSFER OF THE SYSTEM.
17. UPON REASONABLE NOTICE TO THE PERMITTEE, DISTRICT AUTHORIZED STAFF WITH PROPER IDENTIFICATION SHALL HAVE PERMISSION TO ENTER, INSPECT, SAMPLE AND TEST THE SYSTEM TO INSURE CONFORMITY WITH THE PLANS AND SPECIFICATIONS APPROVED BY THE PERMIT.
18. IF HISTORICAL OR ARCHAEOLOGICAL ARTIFACTS ARE DISCOVERED AT ANY TIME ON THE PROJECT SITE, THE PERMITTEE SHALL IMMEDIATELY NOTIFY THE APPROPRIATE DISTRICT SERVICE CENTER.
19. THE PERMITTEE SHALL IMMEDIATELY NOTIFY THE DISTRICT IN WRITING OF ANY PREVIOUSLY SUBMITTED INFORMATION THAT IS LATER DISCOVERED TO BE INACCURATE.

*** OR: 2473 PG: 3346 ***