

AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
SAPPHIRE LAKES

KNOWN ALL MEN BY THESE PRESENTS:

That heretofore on the 24th day of June, 1991, the original Master Declaration of Covenants and Restrictions for Sapphire Lakes (hereinafter the "Master Declaration") was recorded in Official Record Book 1626, at Page 1952, et seq., of the Public Records of Collier County, Florida, by GMA Developers, Inc., and as subsequently amended by Supplement and Amendment to the Master Declaration recorded on May 23, 1994, in Official Record Book 1950, at Page 314, et seq., of the Public Records of Collier County, Florida, by GMA Developers, Inc., GMA Partners Joint Venture, and Maxwell of Naples Corporation (hereinafter, collectively, "the Developer" or "the Master Developer"). That Declaration is hereby amended in part and restated in its entirety. The Committed Properties which are subject to this Declaration are commonly referred to as Sapphire Lakes, described in the original Declaration as Exhibit "B", and as subsequently amended, and shall be held, sold, conveyed and occupied only subject to the following easements, covenants, conditions and restrictions which shall constitute covenants running with the land and shall be binding on all parties having any right, title or interest in the Committed Properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof. The acquisition of fee simple title to any Residential Unit, or any ownership interest in any of the Committed Properties, or the lease, occupancy, or use of any portion thereof, shall constitute an acceptance and ratification of all provisions of this Declaration and an agreement to be bound by its terms.

SUBMISSION STATEMENT

The submission of the Committed Properties to such Covenants and Restrictions is and will remain effective. It is the desire of the Owners, however, to operate with modernized documents free of internal conflicts and obsolete references to the Developer. By adoption of this Amended and Restated Declaration of Covenants and Restrictions, the Owners hereby restate the Master Declaration of Covenants and Restrictions and its Exhibits in its entirety. These Covenants and Restrictions shall run with the Committed Properties and shall be binding upon all parties having and/or acquiring any right, title or interest in the Committed Properties or any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in the Committed Properties. By adoption of this Amended and Restated Master Declaration of Covenants and Restrictions, the Owners ratify governance of the Committed Properties described in the original Declaration as Exhibit "B", and as subsequently amended. No additional land is being included in the Committed Properties by this Amended and Restated Master Declaration of Covenants and Restrictions.

Amended and Restated
Master Declaration of Covenants and Restrictions

ARTICLE I
DEFINITIONS

- A. Terminology. The following words and phrases when used in these Sapphire Lakes Covenants (unless the context should clearly reflect another meaning) shall have the following meanings:
1. "Master Developer" or "Developer" means, collectively, GMA Developers, Inc., a Florida corporation, GMA Partners Joint Venture, a Florida joint venture, and Maxwell of Naples Corporation, a Florida corporation.
 2. "Sapphire Lakes" means the multi-staged, planned community in Naples, Florida, developed as "Residential Property", and appurtenant "Common Areas", on the Committed Property.
 3. "Sapphire Lakes Documents" means in the aggregate the Sapphire Lakes Master Declaration, the Articles, the By-Laws, the Rules and Regulations, any Declaration of Condominium on the Committed Properties and any and all amendments that be made thereto, and all of the instruments referred to in the foregoing described documents.
 4. "Committed Property" means those certain lands subject to this Declaration, as legally described in the original Master Declaration as Exhibit "B" thereto, and as subsequently amended by any Supplement to the original Master Declaration, all of which are incorporated herein by this reference.
 5. "Supplement" means the document or documents, which when recorded amongst the Public Records of Collier County Florida, shall commit any Property to the provisions of these Sapphire Lakes Covenants as Committed Property.
 6. "Residential Unit" means any residential dwelling unit intended as an abode for one family and constructed on Residential Property including, without limitation, a detached single family home, an attached townhouse dwelling, duplex or other multiplex dwelling, or any apartment-type unit contained in any multi-unit, multistory, residential building.
 7. "Residential Unit Owner" or "Owner" means the owner or owners of the fee simple title to a Residential Unit and the person or entity, if any, holding a lease or other muniment of the title or possession of a Residential Unit.
 8. "Residential Property" means all portions of the Committed Property designated as such in these Sapphire Lakes Covenants, or in a Supplement and, collectively, are all those portions of Committed Property upon which Residential Units may be constructed, including all improvements now and hereafter located thereon.

9. "Common Areas" means all portions of the Committed Property which are not Residential Property.
10. "Master Association" means Sapphire Lakes Master Association, Inc., a Florida corporation not-for-profit, the entity responsible for the operation of the Common Areas of Sapphire Lakes.
11. "Association" means a Florida corporation not-for-profit responsible for operating any condominium created in Sapphire Lakes responsible for the maintenance and operation of any Residential Property within Sapphire Lakes.
12. "Articles" means the Articles of Incorporation of the Master Association, a copy of which is attached hereto as Exhibit "A" and made part hereof.
13. "By-Laws" means the By-Laws of the Master Association, a copy of which is attached hereto as Exhibit "B" and made a part hereof.
14. "Board" or "Board of Directors" means the representative body which is responsible for administration of the Master Association.
15. "Condominium Act" or "Act" means Chapter 718, Florida Statutes, as it exists on the date hereof.
16. "Condominium Declaration" means the document by which any portion of the Residential Property has been submitted to condominium ownership in accordance with the Condominium Act.
17. "Operating Expenses" means the expenses for which Residential Unit Owners are liable to the Master Association as described in these Sapphire Lakes Covenants and in any other of the Sapphire Lakes Documents, and include, but are not limited to, the costs and expenses incurred by the Master Association in fulfilling its obligations hereunder and in administering, operating, owning, constructing, reconstructing, financing, maintaining, repairing and replacing the Common Areas or portions thereof and improvements thereon as well as expenses incurred by the Master Association in fulfilling the obligations under the Sapphire Lakes Documents with regard to the Residential Property, which means and include costs and expenses described in the Sapphire Lakes Documents as such, and include regular and special assessments made by the Master Association in accordance with the terms hereof.
18. "Institutional First Mortgagees" means (a) any lending institution having a first mortgage lien upon a Residential Unit or Common Areas including any of the following institutions: a Federal or State Savings and Loan or Building and Loan Association, or bank or real estate investment trust, or mortgage banking company doing business in the State of Florida or in a life insurance company; or (b) any "Secondary Mortgage Market Institution" including the Federal National Mortgage Association, Government National

Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration and Veterans Administration and such other Secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Residential Unit.

19. "Common Expenses" means those expenses defined as such under the Condominium Act, and the Condominium Declaration.
20. "Assessment" means any and all assessments or charges made by the Master Association against "Contributing Units" as hereafter defined.
21. "Contributing Unit" means each Residential Unit against which an Assessment is made in accordance with Article VI, Paragraph B hereof.
22. "Contributing Unit Owner" means the Owner of a Contributing Unit.
23. "Association Member" means each Association which shall be a Member of the Master Association. No Owner of any Property or Residential Unit which is subject to the jurisdiction of an Association shall be deemed a Member of the Master Association.
24. "County" means Collier County, Florida.

ARTICLE II

DEVELOPMENT OF SAPPHIRE LAKES

A. Uses of Committed Property. The Committed Property shall be subject to the use limitations, covenants, conditions, restrictions, easements and other provisions imposed thereon as set forth in these Sapphire Lakes Covenants or a Supplement. The Committed Property is reserved for the exclusive use of the Master Association, the Associations, and all Residential Unit Owners, their lessees and invitees, subject to all easements now or hereafter created.

B. The Sapphire Lakes Master Declaration. The Sapphire Lakes Master Declaration describes certain common property which serves all of Sapphire Lakes, including, but not limited to, the roadways, waterways, entranceways, park areas, parking spaces of Sapphire Lakes, and provides for administration, pools, tennis courts and recreational facilities, maintenance and upkeep of such common property and the manner by which the costs thereof are assessed by the Sapphire Lakes Master Association against each Association Member, and grants to the Sapphire Lakes Master Association certain remedies for the enforcement of such assessments, including, but not limited to, lien rights against each "Unit". On or before the date each assessment for Common Expenses for the Master Association is due, each Association Member shall be required to and shall pay to the Master Association an amount equal to the assessment for Common Expenses per Residential Unit, multiplied by the number of Units within the property then owned and/or under the jurisdiction of such Association Member. This Sapphire Lakes Master Declaration also sets forth certain restrictions on the use of all Units. The term "Unit" under the Sapphire Lakes Master Declaration includes, but is not limited to, the Residential

Units. Pursuant to the Sapphire Lakes Master Declaration and the Articles of Incorporation and By-Laws of the Sapphire Lakes Master Association, each Association located within Sapphire Lakes shall be a member of the Sapphire Lakes Master Association.

ARTICLE III
LAND USE CLASSIFICATIONS AND RESTRICTIONS

A. Land Use Classifications of Committed Property. In consideration of the benefits hereinafter contained and the payment of the Operating Expenses, the Committed Property shall be transferred, owned, demised, sold, mortgaged, conveyed, used and occupied subject to the easements, restrictions, covenants, limitations, rights and obligations contained herein, all of which shall run with and be binding upon the Committed Property as follows:

1. Residential Property. Those portions of the Committed Property described as Residential Property shall be for residential use only. There may be constructed on Residential Property only Residential Units and improvements associated with residential purposes such as (but not limited to) streets, drives, driveways, parking spaces, lawn and utility service areas, and other amenities as an appurtenance to Residential Units being constructed including, but not limited to, recreational and social facilities commonly associated with the type of Residential Units in question. No commercial or business occupations may be carried on in the Residential Property except for the construction, development and sale or rental of the Residential Property or portions thereof (including, but not limited to, Residential Units constructed thereon) and for direct accessory services to the Residential Property such as utilities, maintenance, and other such services.
2. Common Areas. Those portions of the Committed Property which are not designated as Residential Property shall be Common Areas. The Common Areas shall always be kept and maintained by the Master Association in substantially the same condition, location and appearance as established by Master Developer, subject to the requirement of any governmental or quasi-governmental agencies. These Common Areas shall include, but shall not be limited to, the land areas designated as "Roadways", "Parking and Driveways", "Carports and Garages", "Utility Easement Areas", "Entranceway", "Pool and Pool Deck", "Club House", "Pool House", "Utility Storage Areas", "Administrative Office and Apartments", "Perimeter Border", "Storm Drainage and Retention Area" as shown on the Land Use Plan for the Committed Properties. Any Common Area not otherwise designated shall be an Open Area. These Common Areas shall be used for the intended purpose thereof and no loitering, nuisances, picketing or demonstration shall be permitted thereon.
 - (a) Roadway: The Roadways shall always be kept and maintained by the Master Association for roadways and as a means of ingress and egress to and from, between and among, publicly dedicated streets and all portions of Sapphire Lakes.

- (b) **Entranceway:** The Entranceway shall always be kept and maintained by the Master Association as part of the Roadways and may include a gatehouse and any other security equipment or facilities as the Master Association shall from time to time determine, consistent with the intended use.
- (c) **Parking and Driveway:** The Parking and Driveway Areas shall always be kept and maintained by the Master Association for parking and as a driveway to provide a means of ingress and egress to and from, between and among the Residential Property and the Roadways. The Master Association may restripe, alter or otherwise rearrange the parking spaces, provided, however, provisions to the contrary notwithstanding, at all times at least one (1) parking space shall be assigned to or reserved for each Residential Unit for its exclusive use. Notwithstanding the assignment or reservation of parking spaces, the Parking and Driveway Area shall remain a Common Area and, like all Common Areas, the costs and expenses associated therewith shall be Operating Expenses. Parking spaces shall be assigned or reserved by the Master Association and a record of each such assignment shall be maintained by the Secretary of the Master Association or the designee thereof. An assigned parking space shall automatically pass with title to a Residential Unit as an appurtenance thereto unless and until a substitute space is assigned to such Residential Unit and noted in the records of the Master Association whereupon the substitute parking space shall pass as an appurtenance to the Residential Unit. No assigned parking space shall be substituted without the prior written consent of the Residential Unit Owner and no substitution shall be effective unless and until recorded in the records of the Master Association. Assignments of parking space need not be recorded amongst the Public Records of the County to be effective.
- (d) **Carports and Garages:** The Carport and Garage Areas shall always be kept and maintained by the Master Association for parking of Residential Unit Owners' vehicles. Carports may not be used for storage of personal property and must be used only as covered parking spaces. The Master Association may alter or otherwise rearrange the location of the carports and garages. The Master Developer has designated and assigned certain carport spaces and garage spaces situated on the Common Areas for the exclusive use by Unit Owners of specified Units. The Master Association may assign any remaining carport space or garage space. No Unit Owner shall have or acquire any fee simple title to a carport space or garage space. Notwithstanding the assignment or reservation of carport spaces, garage spaces, the Carports and Garage Areas shall remain a Common Area and, like all Common Areas, the costs and expenses associated therewith shall be Operating Expenses. Carport and/or Garage spaces shall be assigned or reserved by the Master Association and a record of each such assignment shall be maintained by the Secretary of the Master Association or the designee thereof. An assigned carport space or garage space shall automatically pass with title to a Residential Unit as an appurtenance thereto unless and until a substitute space is assigned to such Residential Unit and noted in the records of the Master

Association whereupon the substitute, if any, carport space and/or garage space shall pass as an appurtenance to the Residential Unit. No assigned carport and/or garage space shall be substituted without the prior written consent of the Residential Unit Owner and no substitution shall be effective unless and until recorded in the records of the Maser Association. Assignments of the above said spaces need not be recorded amongst the Public Records of Collier County to be effective.

- (e) **Utility Easement Area:** Those portions of the Common Area now or hereafter designated or now or hereafter used as an utility easement shall always be kept and maintained for the installment and maintenance, construction and repair of utility facilities, including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting, cable and television transmission. The Master Developer has provided for landscape, grass, plant or other improvements such as pool decks, carports, garages, utility storage areas, roadways or parking spaces on the surface of all or portions of the easement areas, or otherwise used in a manner not inconsistent with its intended use, and to the extent possible, such area shall be so maintained by the Master Association, notwithstanding the fact that the other utility easements shall be located on, over or under such area or other portions of Sapphire Lakes.
- (f) **Open Area:** All portions of the Common Areas which are improved, grassed, planted, irrigated, landscaped or paved shall be kept and maintained as improved. The Master Association shall determine the manner of further improving such open areas, if at all, and the use thereof, which uses may include, but not be limited to, bicycle or jogging paths, tennis courts, recreation building, picnic areas, or any other facility for recreational or social purposes and the amenities associated therewith such as (but not limited to) driveways and parking facilities.
- (g) **Pool, Pool House and Deck Area:** The Pool, Pool House, and Deck Area shall be kept and maintained as a pool, pool house and pool deck area. Certain easements required as part of the drainage plan for Sapphire Lakes may be located under a portion of this area and the Master Association shall specifically be responsible for the repair and replacement of same as an Operating Expense.
- (h) **Club House Area:** Any club house constructed on the Common Areas shall be kept and maintained by the Master Association in a manner consistent with its use as a club house facility.
- (i) **Tennis Courts:** Any tennis courts constructed on the Common Area shall be kept and maintained by the Master Association in a manner consistent with its use as a tennis and athletic facility.
- (j) **Perimeter Border:** The wall or other visual screen now or hereafter constructed along a portion of the perimeter of Sapphire Lakes shall be kept and maintained

by the Master Association in a manner consistent with the original design and construction thereof. Such screen may include, but not be limited to, landscaping, walls or fences or the like or a combination thereof.

- (k) Storm Drainage and Retention Area: The Dry Retention Area, Underground Storm Drainage and Lake Areas, if any, shall be maintained in a manner consistent with the drainage plan for Sapphire Lakes as same may from time to time be revised by the South Florida Water Management District or other applicable authorities.
3. The Committed Property is reserved for the sole and exclusive use of the Master Association, the Associations and Residential Unit Owners and their family members, invitees, guests, lessees, licenses, subject to the easement rights set forth herein.
 4. The administration, management, operation and maintenance of the Common Areas shall be the responsibility of the Master Association except as is specifically otherwise provided herein or in a Supplement. The Master Association, by its Board, shall have the right to promulgate and impose rules and regulations consistent with the provisions of these Sapphire Lakes Covenants and thereafter modify, alter, amend, rescind and augment any of the same consistent with the terms hereof (collectively, "the Rules") with respect to the use, operation and enjoyment of the Common Areas and any improvements located thereon (including, but not limited to, establishing reasonable fees for the use of the recreation facilities, establishing hours and manner of operation and establishing requirements as to dress and decorum).
 5. Revenues received by the Master Association for the lease, rental or use of improvements of the Common Areas, or any facilities thereon, shall be used, to the extent thereof, to defray or offset the Operating Expenses.
 6. All property on the Committed Property submitted to condominium ownership shall continue to be transferred, owned, demised, sold, mortgaged, conveyed and occupied subject to the terms of these Sapphire Lakes Covenants.
- B. Disputes as to Use. In the event there is any dispute as to whether the use of the Committed Property or any portion thereof complies with the covenants, conditions and restrictions contained in these Sapphire Lakes Covenants, or any Supplement, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith.
- C. Additional Provisions for the Preservation of the Values and Amenities of Sapphire Lakes.
1. In order to preserve the values and amenities of Sapphire Lakes, the following provisions shall be applicable to the Committed Property.

- (a) **Plans, Specifications and Locations of Buildings:** No building or structure of any kind, including additions, improvements or alterations shall be erected or altered until the plans and specifications, exteriors, including exterior colors, location and sealed plot plan thereof, in detail and to scale, shall have been submitted to and approved by the Board in writing before any construction has begun. Failure to submit the plans, specifications, exteriors, location and plot plan, in detail and to scale, or failure to acquire the approval of the Board shall be deemed a material breach of this restriction. The Master Association shall then have the right to proceed in courts to obtain a mandatory injunction requiring any construction done without approval to be torn down forthwith. The plans and specifications and location of all construction thereunder, and every alteration of any building or structure shall be in accordance with the building, plumbing, electrical and any other requirements of all regulatory codes. The Board and the Master Association will not assume any responsibility in this regard before, during or after construction. No exterior colors or treatments on any building or structure on the Committed Property shall be permitted that, in the sole judgment of the Board, would not be in conformity with or consistent with the aesthetics for the Committed Property. Any and all future exterior changes, including but not limited to color changes, must be first approved by the Board in writing.
- (b) **Parking:** All driveways and parking areas shall be approved as to design specifications and layout by the Board. No parking shall be permitted on any roadway, and adequate, permanent, paved parking shall be constructed and maintained in accordance with standards acceptable to the Board for such use.
- (c) **Carports and Garages:** All carports and garages shall be approved as to design specifications and layout by the Board. All carports and garages shall be constructed and maintained in accordance with standards acceptable to the Board.
- (d) **Antennas and Flagpoles:** No outside antennas, antenna poles, antenna masts, electronic devises, antenna towers or flagpoles shall be permitted on the Common Areas unless approved in writing by the Board.
- (e) **Accessory or Temporary Buildings:** No tents and no accessory or temporary buildings, awnings or structures shall be permitted unless approved in writing by the Board.
- (f) **Signs:** No signs shall be erected or displayed on the Committed Property or on any structure, unless the placement and character, form, size, and time of placement of such sign be first approved in writing by the Board. No free standing signs shall be permitted unless approved in writing by the Board. Said signs must also conform with local regulatory ordinances.
- (g) **Maintenance of Premises:** No weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon any Committed Property, and no refuse

or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. The Committed Property and any landscaping, buildings, improvements and appurtenances thereon shall be kept in a good, safe, clean, neat and attractive condition, and all buildings and structures shall be maintained in a finished, painted and attractive condition. Upon the failure to maintain the Committed Property and any landscaping, buildings, structures, improvements and appurtenances thereon to the satisfaction of the Master Association, and upon the Association's failure to make such corrections within thirty (30) days of written notice by the Master Association, the Master Association may enter upon the Committed Property and make such improvements or corrections as may be necessary, the cost of which shall be paid for by the Association as a specially assessed Operating Expense or Common Expense, as the case may be. The Master Association may require the Association to deposit with the Master Association the estimated cost thereof as determined by the Master Association. If any Owner or Association fails to make payment within fifteen (15) days after requested to do so by the Master Association, then the payment requested shall be a lien in accordance with the provisions of Article V hereof, or the provisions of the Condominium Act in the case of Common Expenses.

- (h) Mining or Drilling: There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise ("Mining Activity") undertaken within any portion of the Committed Property. Activities of or on behalf of Master Association in dredging any waterways or creating, excavating or maintaining drainage or other facilities or easements shall not be deemed Mining Activities nor will the installation of wells or pumps, in compliance with applicable governmental requirements, or for sprinkler systems for any portions of the Committed Property be deemed a Mining Activity.
- (i) Nuisances: No Owner or Association shall cause or permit any unreasonable or obnoxious noises or odors and no nuisances or immoral or illegal activities shall be permitted or maintained on the Committed Property. It is intended, however, that noises or odors which are the reasonably expected result of such uses of the Committed Property as are specifically permitted or contemplated by these Sapphire Lakes Covenants, or a Supplement, shall not be deemed unreasonable, obnoxious or a nuisance.
- (j) Removal of Sod and Shrubbery, Alteration of Drainage, Etc.: No sod, topsoil muck, trees or shrubbery shall be removed from the Committed Property and no change in the condition of the soil or the level of the land of any Committed Property shall be made which results in any permanent change in the flow or drainage of surface water of or within Sapphire Lakes without the prior written consent of the Master Association.

- (k) Radio Equipment: No ham radios or radio transmission equipment shall be operated or permitted to be operated without the prior written consent of the Master Association.
- (l) Casualty Destruction to Improvements: In the event a building or other improvements upon the Residential Property are damaged or destroyed by casualty, hazard or other loss within a reasonable period of time after such incident, the provisions of the applicable Condominium Declaration shall govern, or if not applicable, then the Owners thereof shall either commence to rebuild or repair the damaged building or improvements and diligently continue such rebuilding or repairing activities to completion or (upon a determination by the Owners thereof that the improvements will not be repaired or replaced) promptly clear damaged improvements and grass over and landscape such Residential Property in a sightly manner. As to any such reconstruction of destroyed buildings, same shall only be replaced with buildings of a similar size and type as those destroyed, as approved by the Master Association.
- (m) Trucks, Commercial Vehicles, Buses, Recreational Vehicles, Mobile Homes, Boats, Campers and Trailers:
 - (i) Subject to such rules and regulations as the Board may, from time to time, promulgate, no truck or commercial vehicle of any kind shall be permitted to be parked on the Committed Property for a period of more than four (4) hours unless said vehicles are temporarily present and necessary in the actual construction or repair of Residential Units or buildings on the Committed Property, or are necessary and incident to the business on the Committed Property. No truck or commercial vehicle incident to business shall be parked overnight unless parked inside a garage or within the designated area or areas as approved by the Master Association and said areas shall be screened by landscaping or other suitable means as required by the Master Association.
 - (ii) No buses may be parked on the Committed Property.
 - (iii) Mobile homes, boats, campers and trailers or other recreational vehicles may be temporarily parked on the Committed Property provided, however, that they are parked so that they shall not be visible from any adjacent street. No mobile homes, boats, campers and trailers or other recreational vehicles shall be parked overnight or stored in the Committed Property, except within the confines of a garage. Provided, however, that any Residential Unit Owner may park a recreational vehicle on the Committed Property for up to forty-eight (48) hours for loading and unloading purposes only, with the prior written approval of the Master Association.

- (iv) None of the vehicles named herein shall be used as a domicile or residence, either permanent or temporary.
- (n) **Nonliability of Master Association:** The Master Association shall not in any way or manner be held liable or responsible for approval given hereunder or for any violation of these restrictions by any person or entity other than itself.
- (o) **Owner and Association Compliance:**
 - (i) The covenants, restrictions and servitudes imposed by these Sapphire Lakes Master Covenants shall apply not only to an Owner or an Association, but also to any person or persons, entity or entities, occupying the Owner's or the Association's premises under lease from the Owner or such Association, or under a sublease, or by permission or invitation of an owner or such association or its tenants, expressed or implied.
 - (ii) Failure of the Owner or an Association to notify said persons or occupants of the existence of said restrictions shall not in any way act to limit or divest the right of the Master Association of enforcement of these restrictions and, in addition, the Owner or Association shall be responsible for all violations of these restrictions by its employees, tenants, licensees, invitees or guests or by subtenants and invitees of its tenants at any time.
- (p) **No Implied Waiver:** The failure of the Master Association to object to an Owner's or other party's failure to comply with the covenants or restrictions contained herein or with any other of the Sapphire Lakes Documents (including the Rules now or hereafter promulgated) shall in no event be deemed a waiver by the Master Association or of any other party having an interest therein of its right to object to same and to seek compliance therewith in accordance with the provisions of the Sapphire Lakes Documents.
- (q) **Basis of Approval:** Approval or disapproval of plans and specifications by the Master Association shall be based on aesthetic values and conformance with these Sapphire Lakes Master Covenants only, approved or disapproved based solely upon conformity with any applicable regulations of any regulatory agency having jurisdiction. The Master Association shall not assume any responsibility for the adequacy of design of any plans or specifications submitted for approval.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS IN THE MASTER ASSOCIATION;
BOARD OF DIRECTORS OF THE MASTER ASSOCIATION

A. Membership. The members of the Master Association shall be comprised of the Associations. No Owner of any property or Residential Unit which is subject to the jurisdiction

of an Association shall be deemed a member of the Master Association. Each Residential Unit Owner as a member of an Association shall be entitled to the benefit of, and be subject to the provisions of the Sapphire Lakes Documents as they may be amended from time to time. The rights of the Association regarding voting, corporate meetings, notices and the like shall be as set forth in the Articles and By-Laws.

B. Board of Directors. The Master Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles and By-Laws.

ARTICLE V
COVENANT TO PAY ASSESSMENTS FOR OPERATING EXPENSES;
ESTABLISHMENT AND ENFORCEMENT OF LIENS, CERTAIN RIGHTS OF
DECLARANT AND INSTITUTIONAL MORTGAGEES

A. Affirmative Covenant to Pay Operating Expenses. In order to (1) fulfill the terms, provisions, covenants and conditions contained in these Sapphire Lakes Master Covenants; and (2) maintain, operate and preserve and improve the Common Areas for the recreation, use, safety, welfare and benefit of the Master Association, Association(s) and Owners and their guests, invitees, lessees, and licensees, there is hereby imposed upon the Association(s) and each Contributing Unit (as hereinafter defined in Article VI) the affirmative covenant and obligation to pay to the Master Association (in the manner herein set forth) all Assessments including, but not limited to, the "Individual Unit Assessments" and "Special Assessments" (as hereinafter provided). Any Condominium Declaration shall recognize (and if not, shall be deemed to recognize) that all of the covenants set forth in these Sapphire Lakes Master Covenants including, but not limited to, the affirmative covenants and obligations to pay Operating Expenses as herein set forth shall run with the land within the Condominium Property submitted to such condominium form of ownership, and any Property subject to the jurisdiction of an Association and any Assessments made pursuant to these Sapphire Lakes Master Covenants and assessed against any Contributing Unit shall be collected in the same manner and to the same extent and by the same procedure as the Common Expenses are collected by such Association. The Association shall collect the Assessments for the Contributing Units it operates and pay same to the Master Association when such Assessment is due in accordance with the terms hereof. Each Owner by acceptance of a deed or other instrument of conveyance conveying a Residential Unit, whether or not it shall be so expressed in such deed or instrument, acknowledges that it shall be a "Contributing Unit Owner" (meaning the Owner of a Contributing Unit) and that it shall be obligated and agrees to pay all Assessments for Operating Expenses in accordance with the provisions of the Sapphire Lakes Documents and consents and agrees to the lien rights hereunder against its Residential Unit.

B. Payment of Assessment by Association. On or before the date each Assessment for Common Expenses is due, each Member Association shall be required to and shall pay to the Master Association an amount equal to the Assessment for Common Expenses per Residential Unit, multiplied by the number of units within the property then owned by and/or under the jurisdiction of such Association Member.

C. Establishment of Liens. Any and all Assessments with interest thereon at the highest rate allowed by law and costs of collection, including, but not limited to, reasonable attorneys' fees as hereinafter provided are hereby declared to be a charge and continuing lien on all property owned or subject to the jurisdiction of an Association and upon the Contributing Units against which each such Assessment is made. Each Assessment against (i) the Property owned by an Association, and (ii) a Contributing Unit, together with interest thereon at the highest rate allowed by law and costs of collection thereof, including, but not limited to, reasonable attorneys' fees, shall be the personal obligation of (i) the Association, and (ii) the Contributing Unit Owner assessed. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written acknowledged statement by the Master Association setting forth the amount due to the Master Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, where an Institutional Mortgagee of record obtains title to a Contributing Unit as a result of foreclosure, such acquirer of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Contributing Unit or chargeable to the former Contributing Unit Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Contributing Unit in question is secured by a claim of lien for assessments that is recorded prior to the recordation of the mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given. Instead, the unpaid share of Assessments is collectible from all of the Contributing Unit Owners, including such acquirer and his successors and assigns.

D. Release. The foregoing lien as to property operated by an Association Member shall specifically extend to all property which is subject to the jurisdiction of the Association Member, including any Contributing Units within such property. However, any Owner of any property subject to the jurisdiction of the Association Member shall be entitled to a release of the Master Association's lien as to its property upon payment to the Master Association of a percentage of the total amount secured by the Master Association's lien, which percentage shall be equal to such Owner's share of Common Expenses of the Association, and in addition, reasonable costs of the Master Association associated with preparing and recording a partial release of lien. In the event such payment to the Master Association results in the Owner paying a greater percentage of the Common Expenses of its Association than the Owner's share, the Owner shall be entitled to reimbursement from the Association for such excess amount.

E. Collection of Assessments.

1. In the event any Association or Contributing Unit Owner shall fail to pay assessments, or any installments thereof, charged to its Contributing Unit by its Association within fifteen (15) days after the same becomes due, than the Master Association, through its Board, shall, in its sole discretion, have any and all of the following remedies, to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Master Association:

- (a) To accelerate the entire amount of any Assessments for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.
- (b) To advance on behalf of the Contributing Unit Owner(s) or Association in default funds to accomplish the needs of the Master Association up to and including the full amount for which such Contributing Unit Owner(s) or Association(s) is liable to the Master Association and the amount or amounts of monies so advanced, together with interest at the highest allowable rate, and all costs of collection thereof including, but not limited to, reasonable attorneys' fees, may thereupon be collected by the Master Association and such advance by the Master Association shall not waive the default.
- (c) 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 Master Association on like manner as a foreclosure of a mortgage on Committed Properties.
- (d) To file an action at law to collect said Assessment plus interest at the highest rate allowed by law plus court costs and reasonable attorneys' fees without waiving any lien rights or rights of foreclosure in the Master Association.

F. Rights of Institutional Mortgagees to Pay Assessments and Receive Reimbursement. Any Institutional Mortgagees shall have the right but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments, which are in default and which may or have become a charge against any Contributing Units in Sapphire Lakes. Further, any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at its sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Master Association where the same are overdue and where, in its sole judgment, lapses in policies or services may occur. Any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Master Association will be entitled to reimbursement from the Master Association plus any costs of collection, including, but not limited to, reasonable attorneys' fees, and the Master Association shall, upon written request, execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement.

ARTICLE VI
METHOD OF DETERMINING ASSESSMENTS AND
PROPERTY AND OWNERS TO ASSESS

- A. Determining Amount and Apportionment of Assessments.
 - 1. Individual Unit Assessment. The total anticipated Operating Expenses for each calendar year exclusive of any "Special Assessments" as defined below shall be set forth in a budget prepared by the Board not later than December 1 of the calendar year preceding

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the calendar year for which the budget is to be adopted (the "Budget"). If no Budget has been prepared, and until such time as a Budget is prepared and adopted by the Board, the Budget then in effect shall remain as the Budget for purposes of determining the projected Operating Expenses. The total anticipated Operating Expenses shall be apportioned amongst the Contributing Units to determine the "Individual Unit Assessment", as follows:

- (a) The Master Association shall assign a value ("Value") to each Contributing Unit. Unless otherwise set forth in a Supplement, the Value assigned to each Contributing Unit shall be one (1).
- (b) The "Individual Unit Assessment" for each Contributing Unit shall be the product arrived at by multiplying the total anticipated Operating Expenses reflected in the Budget by a fraction, the numerator of which is the Value assigned to such Contributing Unit as aforesaid and the denominator of which shall be the total of all Values assigned to all Contributing Units. The denominator shall be adjusted from time to time in accordance with Article VI, Paragraph C below.

B. Contributing Units.

- 1. Each Residential Unit shall be deemed a "Contributing Unit" effective upon the occurrence of: (1) the first day of the month following the issuance of a Certificate of Occupancy by the appropriate governmental authority for such Residential Unit; and (2) the conveyance of title as evidenced by the recording of an instrument of conveyance amongst the Public Records of Collier County. The Master Association may, in its discretion, confirm the number and dates of such conveyances and lettings.
- 2. Any structure constituting or containing Contributing Units which is destroyed or demolished shall nevertheless be deemed to contain the number of Contributing Units theretofore existing, each of which shall retain the Value originally assigned until such time as the structure is replaced and the new Certificate(s) of Occupancy with respect thereto issued, whereupon the number of Residential Units contained in the replaced structure shall be the number of Contributing Units and the Values shall be assigned by the Master Association.
- 3. In the event there is any dispute as to whether or not a Residential Unit is a Contributing Unit in accordance with these Sapphire Lakes Master Covenants or any Supplement, such dispute shall be resolved by the Board which resolution shall be final and binding on all parties concerned therewith.

C. Assessment Payments. The Individual Unit Assessments shall be payable either monthly, in advance, on the first day of each month or quarterly, in advance, on the first day of each January, April, July and October of each year, as the Board shall determine.

D. Special Assessment. "Special Assessments" include, but are not limited to, in addition to other Assessments designated as Special Assessments in the Sapphire Lakes Documents and whether or not for a cost or expense which is included within the definition of Operating Expenses, those Assessments which are levied for capital improvement, including the costs (whether in whole or in part) of constructing or acquiring improvements for or on the Common Areas or the cost (whether in whole or in part) of reconstructing or replacing such improvement or for unanticipated expenses or for expenses of litigation. Special Assessments shall be apportioned and assessed amongst the Contributing Units in the same manner as the Individual Unit Assessments. Special Assessments shall be paid in such installments or in lump sum as the Board shall, from time to time, determine.

E. Liability of Contributing Unit Owners for Individual Unit Assessments. By the acceptance of a deed or other instrument of conveyance of a Residential Unit, each Owner thereof acknowledges that each Contributing Unit, and the Contributing Unit Owners thereof, are jointly and severally liable for their own Individual Unit Assessment and their applicable portion of any Special Assessments, as well as any and all other Assessments provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Contributing Units for the Operating Expenses. Accordingly, it is recognized and agreed by each Owner, who is or becomes a Contributing Unit Owner for himself and his heirs, executors, successors and assigns, tenants and/or lessees, that in the event Contributing Unit Owners fail or refuse to pay their Individual Unit Assessment or any portion thereof or their respective portions of any Special Assessments or other Assessments, then the other Contributing Unit Owners may be responsible for such unpaid Individual Unit Assessments by Special Assessment or regular Assessments due to the nonpayment by such other Contributing Unit Owners, and such increased Individual Unit Assessment or Special or other Assessment, including interest and reasonable attorneys' fees and costs, can and may be enforced by the Master Association in the same manner as all other Assessments hereunder as provided in these Sapphire Lakes Master Covenants.

ARTICLE VII
OPERATING EXPENSES;
CERTAIN ASSESSMENT CLASSIFICATIONS

The following expenses of the Common Areas and the Master Association are hereby declared to be Operating Expenses which the Master Association is obligated to assess and collect and which the Contributing Unit Owners are obligated to pay as provided herein or as may be otherwise provided in the Sapphire Lakes Documents:

A. Taxes. Any and all taxes levied or assessed at any and all times upon the Common Areas or any improvements thereto or thereon by any and all taxing authorities, including, without limitation, all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments, and water drainage districts, and in general, all taxes and tax liens which may be assessed against the Common Areas and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon.

B. Utility Charges. All charges levied for utilities providing services for the Common Areas, whether supplied by a private or public firm, including, without limitation, all charges for water, gas, electricity, telephone, sewer, bulk rate cable television service and any other types of utility or any other types of service charge. In the event such charges are not separately metered or the charges are combined with the Common Expenses of the Association, the Board shall, in its sole discretion, determine and allocate shares of such expenses between the Master Association and the Association and such determination shall be binding upon the Master Association, the Association, Owners and all other affected parties.

C. Insurance. The premiums on the policy or policies of insurance which the Master Association, in its sole discretion, determines to obtain, provided, however, that the Master Association shall obtain and maintain the following insurance coverage:

1. Property insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all buildings and improvements now or hereafter located upon the Common Areas and such insurance shall afford protection against at least the following:
 - (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and
 - (b) such other risks as shall customarily be covered with respect to areas similar to the Common Areas in developments similar to Sapphire Lakes in construction, location and use.
2. A comprehensive policy of public liability insurance and, if appropriate, owners, landlord and tenant policies naming the Master Association as named insured thereof, insuring against any and all claims or demand made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Common Areas and any improvements and buildings located thereon, and for any other risks insured against by such policies with limits of not less than One Million (\$1,000,000) Dollars for damages incurred or claimed by any one person for any one occurrence and not less than Five Million (\$5,000,000) Dollars for damages incurred or claimed for any one occurrence and for not less than One Hundred Thousand (\$100,000) Dollars property damage per occurrence with no separate limits stated for the number of claims. Such coverage shall include as appropriate, without limitation, protection against water damage liability, liability for nonowned and hired automobiles, liability for property of others, host liquor liability and such other risks as are customarily covered with respect to areas similar to the Common Areas in developments similar to Sapphire Lakes in construction, location and use.
3. Adequate fidelity coverage to protect against dishonest acts on the part of officers, the Board and employees of the Master Association and all others who handle or are

responsible for handling funds of the Master Association, such coverage to be in the form of fidelity bonds which meet the following requirements:

- (a) Such bonds shall name the Master Association as an obligee;
 - (b) Such bonds shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual Operating Expenses;
 - (c) Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employees" or similar expression.
4. Such other forms of insurances or fidelity bonds required to be obtained by the Master Association pursuant to this Paragraph VII C shall provide that they may not be cancelled or substantially modified by any party without at least ten (10) days prior written notice to the Master Association.
- D. Reconstruction of Buildings or Improvements.
- 1. Any and all sums necessary to repair, replace, construct or reconstruct any building or improvements upon the Common Areas damaged by any casualty not covered in whole or in part by insurance. Any difference between the amount of insurance proceeds received with respect to such damage and the amount of funds necessary to repair, replace, construct or reconstruct the building or improvement so damaged shall be the subject of a Special Assessment. The Board shall levy a Special Assessment ninety (90) days from the date such damage was incurred or as soon thereafter as the Board can reasonably determine the amount to be assessed. The Master Association shall pay into an account with a federal or state commercial or savings bank located in Collier County, any such funds collected by Special Assessment and all insurance proceeds collected by the Master Association so that the funds on deposit will equal the cost of repair, replacement, construction or reconstruction of the damaged improvements, and the Master Association shall go forward with all deliberate speed so that such repair, replacement, construction or reconstruction shall be completed as soon as is reasonably possible after the date of the damage.
 - 2. Should the insurance proceeds be sufficient to repair, replace or reconstruct the building or improvement so damaged and there remains an excess after payment for repair, replacement and reconstruction, then any excess shall be held by the Master Association for the use of the Master Association, unless the Directors, by a vote of at least two-thirds (2/3) of the Directors, shall vote in favor of a distribution of such proceeds to the Contributing Unit Owners. After the requisite vote of the Directors, such excess shall be distributed to the Contributing Units contributing thereto and the Institutional Mortgagees holding mortgages encumbering the said Contributing Units, as their respective interests may appear, in the same ratio as the Assessment. The Master Association, as a condition of distribution of the excess insurance proceeds, may require any Contributing Unit

Owner and/or Institutional Mortgagee holding a mortgage encumbering any Contributing Unit to execute an instrument indemnifying the Master Association from any damage, loss, liability, costs and expenses (including, but not limited to, court costs and reasonable attorneys' fees for the services of the Master Association attorneys through and including all appeals and whether or not suit be instituted) arising from any claim or damage suffered in connection with such distribution and any and all actions undertaken in respect thereof.

3. In the event that repairs and replacements were paid for by any Special Assessment as well as insurance proceeds, then, if after the completion of and payment for the repair, replacement or reconstruction there shall remain any excess in the hands of the Master Association, it shall be presumed that the monies disbursed in payment of any repair, replacement and reconstruction were first disbursed from insurance proceeds and any remaining funds shall be deemed to be remaining Special Assessments which shall be considered as common surplus and may, at the discretion of the Board of Directors, either be returned to the Contributing Unit Owner or applied as a credit toward future assessments.

E. Maintenance, Repair, Replacement and Operation. Any and all expenses necessary to (a) maintain and preserve the open and landscaped areas, as well as any grassed and natural portions of the Common Areas, including such expenses as grass cutting, tree trimming, sprinkling, fertilizing, spraying and the like; and (b) operate, maintain, preserve and protect the Waterway and any other portions of the Common Areas designated or used for water drainage purposes and to maintain and operate any improvements and amenities established within any such areas; and (c) keep, maintain, operate, repair and replace any and all buildings, recreation area, roadways, parking, perimeter borders, entrance areas, lighting, fences, enclosures, improvements, personal property and furniture, fixtures and equipment upon the Common Areas in a manner consistent with the development of Sapphire Lakes and in accordance with the covenants and restrictions contained herein, and in conformity with all applicable federal, state, county or municipal laws, statutes, ordinances, orders, rulings and regulations; and (d) expenses associated with maintaining the Waterway, including, but not limited to, those required by the terms of the Sapphire Lakes Master Covenants; and (e) maintain, repair and replace all street signs installed or placed on any part of the Common Areas by the Master Association which are not maintained, repaired and replaced by an applicable governmental body or agency; and (f) maintain, repair and replace all signs, decorative walls, fences and other structures installed, placed or erected by the Master Association within the Committed Property and any signs and Entrance Area features for Sapphire Lakes or any part thereof and whether on land owned by or dedicated to the Master Association or on land whereon the Master Association has an easement for such purposes; and (g) maintain and operate any street lights within or adjacent to the roadways, parking or entrance areas, including, but not limited to, all charges of any utility company providing electric service for such street lights and costs for repair or replacement of damaged street lights to the extent any of such costs and charges are not paid for by governmental agencies or the utility company providing service with respect thereto; and (h) maintain and preserve the Common Areas.

F. Condominium Property. Certain portions of the Committed Property have been submitted to the condominium form of ownership by a Condominium Declaration. Portions of the Condominium Property established thereby surrounding the residential apartment building located thereon have been grassed, planted or otherwise landscaped by the Developer, who has also installed equipment to irrigate same ("Condominium Landscaping and Irrigating"). The Condominium Landscaping and Irrigating shall be maintained, repaired and replaced by the Master Association and the expense of same shall be an Operating Expense, notwithstanding the fact that the same has been submitted to condominium ownership pursuant to a Condominium Declaration and, the Condominium Landscaping and Irrigating shall not be maintained, repaired or replaced by the Association operating such Sapphire Lakes Condominium. It is the intent of this paragraph to help provide for the uniform appearance of Sapphire Lakes and for the maintenance of the proper aesthetics thereof as well as for the reduction of expenses paid for by the Residential Unit Owners.

G. Administrative and Operating Expenses. The costs of administration for the Master Association in the performance of its functions and duties under the Sapphire Lakes Documents, including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. In addition, the Master Association may retain a management company or companies or contractors to assist in the operation of the Common Areas, Condominium Landscaping and Irrigating, or portions thereof, and to perform or assist in the performance of certain obligations of the Master Association under the Sapphire Lakes Documents and the fees or costs of any management company or contractor so retained shall be deemed to be part of the Operating Expenses. Further, the Master Association may employ the necessary personnel and contract with the necessary persons or entities to carry out the obligations hereunder, including maintenance and security functions.

H. Compliance with Laws. The Master Association shall take such action as it determines necessary or appropriate in order for the Common Areas, the Condominium Landscaping and Irrigating and the improvements thereon to be in compliance with all laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Master Association shall be an Operating Expense.

I. Failure or Refusal of Contributing Unit Owners or Association to Pay Assessments. Funds needed for Operating Expenses due to the failure or refusal of Contributing Unit Owners or an Association to pay Assessments levied shall, themselves, be deemed to be Operating Expenses and properly the subject of an Assessment; provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Contributing Unit Owners or an Association to pay an Assessment shall be deemed to be a Special Assessment.

J. Extraordinary Items. Extraordinary items of expenses under the Sapphire Lakes Documents, such as expenses due to casualty losses and other extraordinary circumstances, shall be the subject of a Special Assessment.

K. Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation, replacement and/or deferred maintenance of the Common Areas and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Board from time to time shall be an Operating Expense. The Reserves shall be deposited in a separate account to provide such funds and the reserves. The monies collected by the Master Association on account of Reserves shall be and shall remain the exclusive property of the Master Association and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same. The Reserves shall be deposited in a separate interest bearing account, certificate of deposit or money market fund investing only in U.S. Treasury Bills, Notes and other obligations issued or guaranteed by the United States Government, its agencies or instrumentalities, and repurchase agreements pertaining to such securities.

L. Miscellaneous Expenses. The cost of all items of costs or expense pertaining to or for the benefit of the Master Association or the Common Areas or the Condominium Landscaping and Irrigating or any part thereof not herein specifically enumerated and which is determined to be an appropriate item of Operating Expense by the Board shall be an Operating Expense.

M. Matters of Special Assessments Generally. Amounts in excess of Twenty-Five Thousand and 00/100 (\$25,000.00) Dollars needed for capital improvements to the Common Areas or the Condominium Landscaping and Irrigating, as hereinbefore set forth, which are not inconsistent with the terms of any of the Sapphire Lakes Documents, must also be approved by the affirmative vote (at any meeting thereof having a quorum) of a majority of the Residential Unit Owners in accordance with Section 7.02.2 of the By-Laws, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Common Areas or the Condominium Landscaping and Irrigating which was destroyed or damaged, it being recognized that the sums needed for such capital expenditures shall be the subject of a Special Assessment.

ARTICLE VIII **GENERAL PROVISIONS**

A. Encumbrance of Common Areas. The Master Association may grant all such easements as are reasonably necessary and appropriate for the development and use of the Common Areas in a manner consistent with the provisions of the Sapphire Lakes Documents. Further, the Master Association may encumber the Common Areas, provided such encumbrances are subordinate to the provisions of these Sapphire Lakes Master Covenants and the funds so loaned are used for improving the Common Areas.

B. Lawful Use of Committed Property. Each portion of the Committed Property will be subject to and the Master Association and each Owner will conform to and observe all laws, statutes, ordinances, rules and regulations of the United States of America, the State of Florida, Collier County, the City of Naples and any and all other governmental and public authorities and boards or officers of the same relating to such Committed Property, any improvements thereon, or the use thereof, and no illegal or immoral purpose or use shall be permitted on such Committed Property.

C. Incorporation of Sapphire Lakes Documents. Any and all deeds conveying a Residential Unit or any other portion of the Committed Property shall be conclusively presumed to have incorporated therein all of the terms and conditions of the Sapphire Lakes Documents, including, but not limited to, these Sapphire Lakes Master Covenants, whether or not the incorporation of the terms and conditions of the Sapphire Lakes Documents is specifically set forth by reference in such deed, and acceptance by the grantee of such deed shall be deemed to be acceptance by such grantee of all of the terms and conditions of the Sapphire Lakes Documents.

D. Notices. Any notice or other communication required or permitted to be given or delivered hereunder to the Master Association, any Owner or Association shall be deemed properly given and delivered three (3) days after the mailing thereof by United States mail, postage prepaid to: (a) any Owner, at the address of the person whose name appears as said Owner on the records of the Master Association at the time of such mailing and, in the absence of any specific address, at the address of any Residential Unit owned by such Residential Unit Owner; (b) the Master Association at such address as the Master Association shall notify the Owners of in writing; and (c) an Association at the address that the Association notifies the Master Association of in writing.

E. Notices to Institutional Mortgagees. Upon receipt by the Master Association from any Institutional Mortgagee of a copy of the mortgage held by such Institutional Mortgagee on a Residential Unit, together with written request from such Institutional Mortgagee specifying the address to which the following items are to be sent, the Master Association shall timely send to such Institutional Mortgagee the following (until the Master Association receives a written request from such Institutional Mortgagee to discontinue sending the following items or until the mortgage is discharged of record):

- (i) A copy of any notice of a meeting of the Master Association or of the Board which is thereafter sent to the Owner of such Residential Unit; and
- (ii) A copy of any financial statement of the Master Association which is thereafter sent to the Owner of such Residential Unit; and
- (iii) Ten (10) days prior written notice of the cancellation or termination by the Master Association of any policies of insurance covering the Common Areas or any improvements thereon, or any fidelity bonds of the Master Association for its officers, Governors or employees, as well as copies of any notices of cancellation by others received by the Master Association with respect thereto; and
- (iv) Written notice of any damage or destruction to the improvements located on the Common Areas which affects a material portion of the Common Areas; and
- (v) Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Areas; and

- (vi) Written notice of any material amendment to, or the abandonment or termination of, these Sapphire Lakes Covenants in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and
- (vii) Written notice of any failure by an Owner owning a Residential Unit encumbered by a first mortgage held by such Institutional Mortgagee to perform his obligations under the Sapphire Lakes Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of sixty (60) days.

The failure of the Master Association to send any such notice to any such Institutional Mortgagees shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof.

F. Enforcement. The covenants and restrictions herein contained or contained in any of the Sapphire Lakes Documents may only be enforced by the following parties in the following descending order: (1) the Master Association; (2) an Association; (3) the Owners of not less than twenty-five (25) Residential Units. In the event that a party with a lesser priority desires to so enforce, then that party must first give thirty (30) days written notice to the parties with higher priority and if, during such period, the parties of the higher priority do not initiate enforcement procedures then the party of lesser priority may so initiate such enforcement procedures. In the event enforcement procedures are initiated within the aforesaid thirty (30) day period and thereafter terminated prior to the correction of such violation, then the party with lesser priority who gave notice may initiate enforcement procedures. A party not initiating enforcement procedures shall incur no liability for such nonenforcement. These Sapphire Lakes Covenants, the Articles, By-Laws or Rules adopted by the Master Association may be enforced as aforesaid in any judicial proceedings seeking any remedy recognizable at law or equity including damages, injunction or other forms of relief against any person, firm or entity violating or attempting to violate any covenants, restrictions or provisions hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such dispute or litigation shall be entitled to all costs thereof, including, but not limited to, reasonable attorneys' fees.

G. Fining. The Directors may, pursuant to Section 718.303, Florida Statutes, impose fines against a unit not to exceed the maximum permissible by law, for failure to comply with the provisions of the Master Declaration, Articles of Incorporation, By-Laws and Rules and Regulations by Owners, family members, guests, occupants, licensees, tenants and invitees. A fine may be imposed for each day of continuing violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed \$1,000.00 or such maximum amount as is permissible by law.

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days. Notice shall be deemed effective when deposited in the United States Mail, certified, return receipt requested, to the

address of the Unit Owner listed in the official records of the Master Association, and as to tenants, to the mailing address for the unit. Said notice shall include:

1. A statement of the date, time and place of the hearing;
2. A statement of the provisions of the Master Declaration, Articles of Incorporation, By-Laws, or Rules and Regulations which have allegedly been violated;
3. A short and plain statement of the matters asserted by the Master Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Master Association. The hearing shall be held before a Committee of other unit owners. If the Committee does not agree with the fine, the fine may not be levied. Should the Master Association be required to initiate legal proceedings to collect a duly levied fine, the prevailing party in an action to collect said fine shall be entitled to an award of costs, and a reasonable attorney's fee incurred before trial, at trial, and on appeal. The payment of fines shall be the ultimate responsibility of the unit owner, even when the violations for which fines have been levied arise out of the conduct of family members, guests, occupants, licensees, invitees and tenants.

H. Captions, Headings and Titles. Articles, Paragraph and subparagraph captions, headings and titles inserted throughout these Sapphire Lakes Master Covenants are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter of any of the terms and provisions of these Sapphire Lakes Master Covenants.

I. Context. Whenever the context so requires or admits, any pronouns used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

J. Attorneys' Fees. Any provision in these Sapphire Lakes Covenants for the collection or recovery of attorneys' fees shall be deemed to include, but not be limited to, attorneys' fees for the attorneys' services at all trial and appellate levels and, unless the context clearly indicates a contrary intention, whether or not suit is instituted.

K. Severability. In the event any of the provisions of these Sapphire Lakes Covenants 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, and any provisions of these Sapphire Lakes Covenants deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. Further, the invalidation of any of the covenants or restrictions or

terms and conditions of these Sapphire Lakes Covenants or reduction in the scope or term of the same by reason of judicial application of the legal rules against perpetuities or otherwise shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

L. Amendment and Modification. The process of amending or modifying these Sapphire Lakes Covenants shall be as follows:

1. These Sapphire Lakes Covenants may be amended by the consent of two-thirds (2/3) of all Directors. The aforementioned consent of the Directors may be evidenced by a writing signed by the required number thereof or by the certificate of the Secretary or assistant secretary of the Master Association certifying that a majority of the Directors consented thereto at a meeting of the Board duly called and held in accordance with the By-Laws.
2. Amendments for corrections of scrivener's error or other non-material changes may be made by the Board alone upon the affirmative vote of a majority of the Board of Directors evidenced by a writing signed by the majority thereof or by the certificate of the Secretary or assistant secretary of the Master Association certifying that a majority of the Directors consented thereto at a meeting of the Board duly called and held in accordance with the By-Laws.
3. A true copy of any amendment to these Sapphire Lakes Master Covenants shall be sent certified mail by the Master Association to all institutional Mortgagees requesting notice pursuant to Paragraph E hereinabove of this Article.
4. Notwithstanding the foregoing provisions of this Paragraph L, no amendment to the Sapphire Lakes Master Covenants shall be effective which shall impair or prejudice the rights or priorities of the Master Association under these Sapphire Lakes Master Covenants or any other of the Sapphire Lakes Documents without the specific written approval of the Master Association.

M. Easements. The Committed Property shall be subject to easements in favor of the Master Association, any Association, Residential Unit Owners, utility companies, governmental and quasi-governmental agencies and other service companies to provide water, sewer, electric, drainage, telephone, television transmission facilities, cable, security services and facilities in connection therewith, and the like. The Committed Property shall further be subject to easements for ingress and egress to and from, over and upon all portions thereof in favor of the Master Association, Associations, Residential Unit Owners, their lessees, family members and invitees to all publicly dedicated rights-of-way and the Committed Property, including such easements as may be required under Section 718.104(4)(n) of the Condominium Act. The Master Association shall grant, execute, deliver and impose from time to time such easements and cross-easements for any of the foregoing purposes and over such portions of Sapphire Lakes as and when the Master Association, in its sole discretion, shall determine.

The Master Association, a utility company, a governmental and quasi-governmental agency or other service company may install equipment permitting the provision of certain cable television service.

N. Condemnation. In the event the Master Association receives any award or payment arising from any taking of the Common Areas or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Common Areas and improvements thereon to the extent deemed advisable by the Master Association and the remaining balance of such net proceeds, if any, shall then be divided into equal shares representing the total number of Residential Units and one (1) of such shares shall be made payable jointly to each Residential Unit Owner and to the holder of any mortgage encumbering the Residential Unit as its respective interest may appear.

O. Term. These Sapphire Lakes Master Covenants and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens, benefits and liens contained herein, including, without limitation, the provisions for assessment of the Operating Expenses, shall run with and bind the Committed Property and inure to the benefit of the Master Association, Owners, Associations, Institutional Mortgagees and their respective legal representatives, heirs, successors and assigns for a term of ninety-nine (99) years from the date of the recording of these Amended and Restated Sapphire Lakes Master Covenants amongst the Public Records of Collier County, Florida, after which time these Sapphire Lakes Covenants 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 ninety-nine (99) year term or any such ten (10) year extension there is recorded amongst the Public Records of Collier County, an instrument (the "Termination Instrument") signed by the Contributing Unit Owners of at least two-thirds (2/3) of all Contributing Units, upon which event these Sapphire Lakes Master Covenants shall be terminated upon the expiration of the ninety-nine (99) year term or the ten (10) year extension thereof during which the Termination Instrument is recorded. Notwithstanding the foregoing, unless specifically otherwise provided in the Termination Instrument, the easements granted hereunder shall be perpetual and shall not terminate.

P. Conflict. In the event of a conflict between the provisions of these Sapphire Lakes Covenants and the Articles or By-Laws, the provisions hereof shall prevail.

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**AMENDED AND RESTATED
ARTICLES OF INCORPORATION**

OF

SAPPHIRE LAKES MASTER ASSOCIATION, INC.

**SUBSTANTIAL REWORDING OF ARTICLES OF INCORPORATION –
SEE CURRENT ARTICLES OF INCORPORATION FOR CURRENT TEXT**

These are the Amended and Restated Articles of Incorporation for the SAPPHIRE LAKES MASTER ASSOCIATION, INC., originally filed with the Florida Department of State the 5th day of June, 1991, under Charter Number N43703. Matters of only historical interest have been omitted. Amendments included have been added pursuant to Chapter 617, Florida Statutes (2002).

1. NAME. The name of the corporation shall be SAPPHIRE LAKES MASTER ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Master Association", the Master Declaration of Covenants and Restrictions for Sapphire Lakes as "Master Declaration", these Articles of Incorporation as the "Articles", and the By-Laws of the Association as the "By-Laws".

2. PURPOSE. The purpose for which the Master Association is organized is to provide an entity pursuant to Chapter 617, Florida Statutes, and Chapter 718, Florida Statutes, the "Florida Condominium Act" (the "Act"), for the operation, ownership and maintenance of the Common Areas in the Sapphire Lakes Community located in Collier County, Florida, in accordance with the Master Declaration.

3. DEFINITIONS. The terms used in these Articles shall have the same definitions and meaning as those set forth in the Master Declaration recorded in the Public Records of Collier County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

4. POWERS. The powers of the Master Association shall include and be governed by the following:

4.1 General. The Master Association shall have all of the common-law and statutory powers of a corporation not for profit under the Laws of Florida that are not in conflict with the provisions of these Articles or of the Act.

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4.2 Enumeration. The Master Association shall have all the powers and duties set forth in the Act and as it may be amended from time to time, except as limited by these Articles and as they may be amended from time to time, the By-Laws and as they may be amended from time to time, and all of the powers and duties reasonably necessary to operate the Common Areas pursuant to the Master Declaration and as it may be amended from time to time including but not limited to the following:

4.2.1 To make and collect assessments and other charges against members of the Master Association, and to use the proceeds thereof in the exercise of its powers and duties.

4.2.2 To buy, own, operate, lease, sell and trade both real and personal property as may be necessary or convenient in the administration of the Committed Property.

4.2.3 To maintain, repair, replace, reconstruct, add to, and operate the Common Areas and other property acquired or leased by the Master Association for use by the members.

4.2.4 To purchase insurance upon the Common Areas and insurance for the protection of the Master Association, its officers, Directors, and members.

4.2.5 To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Committed Property and for the health, comfort, safety and welfare of the members.

4.2.6 To enforce by legal means the provisions of the Act, the Master Declaration, these Articles, the By-Laws, and the Rules and Regulations for the use of the Committed Property.

4.2.7 To contract for the management of the Common Areas and any facilities used by the members, and to delegate to the party with whom such contract has been entered into all of the powers and duties of the Master Association except those which require specific approval of the Board of Directors or the membership of the Master Association.

4.2.8 To employ personnel to perform the services required for proper performance of the obligations, services and duties required of or to be performed by the Master Association.

4.2.9 To operate and maintain the surface water management and drainage system for the Committed Property as permitted by the Southwest Florida Water Management District, including all lakes, retention areas, culverts, and related appurtenances.

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4.2.10 To do all acts required to be performed by it in accordance with the Sapphire Lakes Master Covenants.

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

4.4 Distribution of Income. The Master Association shall make no distribution of income to its members, Directors or officers.

4.5 Limitation. The powers of the Master Association shall be subject to and shall be exercised in accordance with the provisions of the Master Declaration and the By-Laws.

5. MEMBERS.

5.1 The members of the Master Association shall consist of the following fifteen (15) Condominium Associations:

<u>Condominium Associations</u>	<u>Number of Units</u>
Amber at Sapphire Lakes Condominium Association, Inc.	44 units
Amethyst at Sapphire Lakes Condominium Association, Inc.	24 units
Diamond at Sapphire Lakes Condominium Association, Inc.	40 units
Emerald at Sapphire Lakes Condominium Association, Inc.	48 units
Garnet at Sapphire Lakes Condominium Association, Inc.	38 units
Hematite at Sapphire Lakes Condominium Association, Inc.	32 units
Jade at Sapphire Lakes Condominium Association, Inc.	38 units
Jasper at Sapphire Lakes Condominium Association, Inc.	36 units
Malachite at Sapphire Lakes Condominium Association, Inc.	38 units
Opal at Sapphire Lakes Condominium Association, Inc.	40 units

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Quartz at Sapphire Lakes Condominium Association, Inc.	36 units
Spinel at Sapphire Lakes Condominium Association, Inc.	44 units
Topaz at Sapphire Lakes Condominium Association, Inc.	44 units
Tourmaline at Sapphire Lakes Condominium Association, Inc.	44 units
Turquoise at Sapphire Lakes Condominium Association, Inc.	44 units
	<hr/>
Total	590 units

5.2 Assignment. The share of a member in the funds and assets of the Master Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Property associated with the membership of the member.

5.3 Members' Voting Rights. The total number of members' votes shall be equal to the total number of Residential Units within the Committed Property from time to time. On all matters upon which the membership shall be entitled to vote, there shall be one (1) vote for each Residential Unit.

5.3.1 Each Association Member shall have the number of votes equal to the number of Residential Units within the Committed Property operated by, or subject to the jurisdiction of that Association at the time of such vote. An Association Member shall cast its votes in the manner provided by the By-Laws.

5.4 Meetings. The By-Laws shall provide for an annual meeting of members, and may make provision for regular and special meetings of members other than the annual meeting.

6. TERM OF EXISTENCE. The Master Association shall have perpetual existence.

7. OFFICERS. The affairs of the Master Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors of the Master Association at its first meeting following the annual meeting of the members of the Master Association and shall serve at the pleasure of the Board of Directors. The By-Laws may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers.

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8. DIRECTORS.

8.1 Number and Qualification. The property, business and affairs of the Master Association shall be managed by a board consisting of fifteen (15) Directors determined by the By-Laws. Directors must be members of an Association which is a member of the Master Association.

8.2 Duties and Powers. All of the duties and powers of the Master Association existing under the Act, the Master Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by the members when such approval is specifically required.

8.3 Election; Removal. Directors of the Master Association shall be seated at the annual meeting of the members in the manner determined by the By-Laws, and shall consist of one (1) Director from each Member Association. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

9. BY-LAWS. The By-Laws of the Master Association may be altered, amended or repealed in the manner provided in the By-Laws.

10. AMENDMENTS. These Articles may be amended in the following manner:

10.1 Proposal of Amendments. An amendment may be proposed by a majority of the Directors.

10.2 Proposed Amendment Format. Proposals to amend existing Articles of Incorporation shall contain the full text of the Article to be amended. New words shall be underlined and words to be deleted shall be ~~lined through~~ with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF ARTICLE. SEE ARTICLE NUMBER FOR PRESENT TEXT."

10.3. Notice. Copies of proposed amendments shall be included in the notice of any meeting at which a proposed amendment is to be considered or in connection with documentation for action without a meeting.

10.4 Adoption of Amendments. A resolution for the adoption of a proposed amendment may be adopted by the affirmative vote of Members having not less than two-thirds (2/3rds) of the votes of the entire membership of the Master Association. Amendments correcting errors,

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omissions or scrivener's errors may be executed by the officers of the Master Association, upon Board approval, without need for Association membership vote.

10.5 Effective Date. An amendment when adopted shall become effective after being recorded in the Collier County Public Records according to law and filed with the Secretary of State according to law.

10.6 Automatic Amendment. These Articles shall be deemed amended, if necessary, so as to make the same consistent with the provisions of the Master Declaration. Whenever Chapters 607, 617, or 718, Florida Statutes, or other applicable statutes or administrative regulations, as amended from time to time, are amended to impose procedural requirements less stringent than set forth in these Articles, the Board may operate the Master Association pursuant to the less stringent requirements. The Board of Directors, without a vote of the owners, may adopt by majority vote, amendments to these Articles as the Board deems necessary to comply with such operational changes as may be enacted by future amendments to Chapters 607, 617, and 718 of the Florida Statutes, or such other statutes or administrative regulations as required for the operation of the Master Association, all as amended from time to time.

11. REGISTERED OFFICE ADDRESS AND NAME OF REGISTERED AGENT. The registered office address and the name of the registered agent of the Master Association shall be as determined by the Board of Directors from time to time.

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AMENDED AND RESTATED**BY-LAWS****OF****SAPPHIRE LAKES MASTER ASSOCIATION, INC.****1. GENERAL**

1.01 Identity. These are the By-Laws of Sapphire Lakes Master Association, Inc., hereinafter referred to as the "Master Association," a corporation not-for-profit formed under the laws of the State of Florida. The Master Association has been organized for the purposes stated in the Articles of Incorporation, and shall have all of the powers provided in these By-Laws, the Articles of Incorporation, the Sapphire Lakes Master Declaration (hereinafter referred to as the "Master Declaration"), and any other statute or law of the State of Florida, or any other power incident to any of the above powers.

1.02 Principal Office. The principal office of the Master Association shall be at such place as the Board may determine from time to time.

1.03 Fiscal Year. The fiscal year of the Master Association shall be the calendar year.

1.04 Seal. The seal of the Master Association shall have inscribed upon it the name of the Master Association, the year of its incorporation and the words "Corporation Not-for-Profit." Said seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the Master Association.

1.05 Inspection Books and Records. The records of the Master Association shall be open to inspection by the Members, the owner of any Property, and all holders, insurers, or guarantors of any first mortgage encumbering any Property, upon request, during normal business hours or under other reasonable circumstances. Such records of the Master Association shall include current copies of the Master Declaration, Articles, By-Laws, any Rules and Regulations of the Master Association, and any amendments thereto, any contracts entered into by the Master Association, and the books, records and financial statements of the Master Association. The Master Association shall be required to make available to perspective purchasers of any Property or Residential Unit current

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copies of the Master Declaration, Articles and By-Laws, and the most recent annual financial statement of the Master Association.

1.06 Definitions. Unless the context otherwise requires, all terms used in these By-Laws shall have the same meaning as are attributed to them in the Master Declaration and the Articles.

2. MEMBERSHIP IN GENERAL

2.01 Qualification. 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.

2.02 Changes in Members. Change of membership in the Master Association shall be as provided in the Articles.

2.03 Member Register. The secretary of the Master Association shall maintain a register in the office of the Master Association showing the names and addresses of the Members of the Master Association. Each Association Member shall at all times advise the secretary of the names of the officers and directors of the Association Member, and of the number of Units within the Property subject to the jurisdiction of the Association Member. Furthermore, upon request from the Master Association, the Association Member shall supply the Master Association with a current list of the names and addresses of Owners of Residential Units or Property subject to the jurisdiction of the Association. Each Association Member shall at all times advise the secretary of any change of address of the Member, of any change of ownership of the Member's Residential Units, and of an change in the Residential Units within the Member's Property. The Master Association shall not be responsible for reflecting any changes, until notified of such changes in writing. Any mortgagee of any Property may register by notifying the Master Association in writing of its mortgage. In the event the Association files a claim of lien which affects any Property encumbered by the mortgage of a registered mortgagee, a copy of the claim of lien shall be mailed to the registered mortgagee.

3. MEMBERSHIP VOTING

3.01 Voting Rights. There shall be one vote for each Residential Unit as provided in the Master Declaration and the Articles.

3.02 Majority Vote and Quorum Requirements. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be

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binding upon all Members and Residential Unit Owners for all purposes, except where otherwise provided by law, in the Master Declaration, the Articles or in these By-Laws. Unless otherwise so provided, at any regular or special meeting, the presence in person or by proxy of persons entitled to cast thirty-three and one-third (33 1/3%) percent of the votes of the entire membership at the time of such vote shall constitute a quorum.

3.03 Determination as to Voting Rights. There are a total of five hundred ninety (590) units in the fifteen (15) Member Associations. At every meeting, the designated representative or substitute representative of each of the fifteen (15) Member Associations, as appointed per Section 5.01, shall be entitled to cast one vote for the Member Association represented; except for resolutions covering the election of officers, adoption of budget, adoption of amendments to the Master Declaration, or where specifically required by other sections of the Declaration, By-Laws or Articles of Incorporation, each designated representative shall be entitled to cast one vote for each unit in the Member Association represented. The total votes so tabulated shall be five hundred ninety (590). A majority of the votes cast, in person or by proxy, unless otherwise prescribed in the Articles of Incorporation or these By-Laws, shall be required to pass a resolution.

3.04 Proxies. Every Representative of an Association Member entitled to vote at a meeting of the Members, or to express consent or dissent without a meeting, may authorize another person to act on the Representative's behalf by a proxy signed by such Representative or their respective attorney-in-fact. Any such proxy shall be delivered to the Secretary of the Master Association, or the person acting as secretary at the meeting, at or prior to the time designated in the order of business for so delivering such proxies. Proxies shall be valid only for the particular meeting designated therein and, if so stated in the proxy, any adjournments thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at any time at the pleasure of the Representative executing it. Any proxy issued by a Representative of an Association Member may only authorize a director or officer of the Member Association to act on the Representative's behalf.

4. MEMBERSHIP MEETINGS

4.01 Who May Attend. As to an Association Member, its Representative and any of its directors or officers, may attend any meeting of the Members. However, the votes of any Member shall be cast in accordance with the provisions of Article 3 above. Any person not expressly authorized to attend a meeting of the Members, as set forth above, may be excluded from any meeting of the Members by the presiding officer of the meeting.

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4.02 Place. All meetings of the Members shall be held at the principal office of the Master Association or at such other place and at such time as shall be designated by the Board and stated in the notice of meeting.

4.03 Notices. Written notice stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each Member not less than 7 nor more than 30 days before the date of the meeting, by or at the direction of the President, the Secretary or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at the Member's address as it appears on the records of the Master Association, unless such Member shall have filed a written request with the Secretary of the Master Association stating that notices to him be mailed to some other address. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members of the Master Association, or in order to make a determination of the Members for any other purpose, the Board shall be entitled to rely upon the Member register as same exists ten days prior to the giving of the notice of any meeting, and the Board shall not be required to take into account any changes in Membership occurring after that date but may, in their sole and absolute discretion, do so. Notwithstanding the foregoing, if the Property of an Association Member is owned by more than one person or by an entity, only one notice shall be required to be sent with respect to the Association Member, which shall be made to the person designated in the certificate, referred to in Paragraph 3.03.01, and in the absence of such certificate, may be made to any one co-owner as defined in Paragraph 3.03.01 of these By-Laws. Notice of Association Member shall be made to its Representative, and in the absence of a Representative shall be sent to the president of the Association Member.

4.04 Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of the Articles or these By-Laws, or as otherwise provided by law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.05 Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business shall be held at 7:00 p.m. on such date in the month of March of each year, or at such other time in the months of March or April of each year as shall be selected by the Board and as is contained in the notice of such meeting; provided, however, that such day shall not be a legal holiday. If the Board fails to call such

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meeting by the end of March of any year, then within thirty (30) days after the written request of any Member, Officer or Director of the Master Association, the Secretary shall call an annual meeting.

4.06 Special Meetings. Special meetings of the Members may be requested at any time by written notice to the Secretary by any Director, the President, or any Member(s) having not less than 25% of the votes of the entire membership, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given by the Secretary, or other officer of the Master Association, to all of the Members within thirty (30) days after same is duly requested, and the meeting shall be held within fourteen (14) days after same is duly requested.

4.07 Adjournments. Any meeting may be adjourned or continued by a majority of the votes present at the meeting in person or by proxy, regardless of a quorum, or if no Member entitled to vote is present at a meeting, then any officer of the Master Association, may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to Members not present at the original meeting, without giving notice to the Members which were present at such meeting.

4.08 Organization. At each meeting of the Members, the President, the Vice President, or any person chosen by a majority of the Members present, in that order, shall act as chairman of the meeting. The Secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting shall act as Secretary of the meeting.

4.09 Order of Business. The order of business at the annual meetings of the Members shall be:

- 4.09.1 Determination of chairman of the meeting;
- 4.09.2 Calling of the roll and certifying of proxies;
- 4.09.3 Proof of notice of meeting or waiver of notice;

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- 4.09.4 Reading and disposal of any unapproved minutes;
- 4.09.5 Election of inspectors of election;
- 4.09.6 Reports of Directors, officers or committees;
- 4.09.7 Old business;
- 4.09.8 New business;
- 4.09.9 Questions or comments from Members; and;
- 4.09.10 Adjournment

4.10 Minutes. The minutes of all meetings of the Members shall be kept in a book available for inspection by the Members or their authorized Representatives, and the members of the Board, at any reasonable time. The Master Association shall retain these minutes for a period of not less than seven (7) years.

4.11 Actions, without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the Members of the Master Association, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. As to an Association Member, such consent may be signed by the Representative or by the President of the Association Member.

5. BOARD

5.01 Number of Directors. The affairs of the Master Association shall be managed by a Board comprised of fifteen (15) Directors. Each Member Association shall appoint in writing a representative who may be the President of each Member Association or a Residential Unit Owner in the Member Association to serve on the Board of Directors of the Master Association. The Member Association may designate a person other than the President of the Member Association to serve on the Board, if designated in writing by

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the President of the Member Association. A substitute representative shall also be appointed to act for the Member in the absence of the Director-representative. The term of each Director's service shall extend until a successor is duly appointed and qualified or until the Director is recalled in the manner provided in the Condominium Act, or resigns.

5.02 Organizational Meeting. The Board shall meet for the purposes or organization, the election of officers and the transaction of other business immediately after the Annual Meeting or within ten (10) days of same at such place and time as shall be fixed by the Directors at the Annual Meeting, and no further notice of the organizational meeting shall be necessary.

5.03 Regular Meeting. Regular meetings of the Board shall be held on the third (3rd) Wednesday of each month at 10 a.m., or at such time and place as shall be determined, from time to time, by a majority of the Directors.

5.04 Special Meetings. Special meetings of the Board may be called by any Director, or by the President, at any time.

5.05 Notice of Meetings. Written notice stating the place, day and hour of any meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member not less than seven (7) nor more than thirty (30) days before the date of the meeting by or at the direction of the President, the Secretary or the Officer or persons calling the meeting. Notice of such meeting shall be delivered to each Director / Association Representative either personally or by telephone, e-mail or facsimile message. Meeting notices will also be posted on each Member Association's bulletin board at least forty-eight (48) hours before the time at which such meeting is to be held. Notice of a meeting of the Board need not be given to any Director or Member who signs a waiver of notice either before or after the meeting. Attendance of a Director or Member at a meeting shall constitute a waiver of notice of such meeting and waiver any and all objections to the place, the time or the manner in which the meeting has been called or conveyed, except when a Director or a Member stated, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or conveyed. Neither business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any notice of waiver of notice of such meeting.

5.06 Quorum and Manner of Acting. A majority of the Board determined in the manner provided in these By-Laws shall constitute a quorum for the transaction of any business at a meeting of the Directors. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a

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greater number of Directors is required by statute, the Master Declaration, the Articles or by these By-Laws.

5.07 Adjourned Meetings. A majority of the Directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board to another place and time. Notice of any such adjourned meeting shall be given to the Directors and Members who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors and Members. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

5.08 Presiding Officer. The presiding officer of the Directors' meetings shall be the Chairman of the Board if such an officer is elected; and if none, the President of the Master Association shall preside if the President is a Director. In the absence of the presiding officer, the Directors shall designate one of their members to preside.

5.09 Order of Business. The order of business at a Directors' meeting shall be:

- 5.09.1 Calling of role;
- 5.09.2 Proof of due notice of meeting;
- 5.09.3 Reading and disposal of any unapproved minutes;
- 5.09.4 Reports of officers and committees;
- 5.09.5 Old business;
- 5.09.6 New business;
- 5.09.7 Membership questions or comments; and
- 5.09.8 Adjournment.

5.10 Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book available for inspection by the Members of the Master Association, or their authorized Representatives, and the Directors at any reasonable time.

5.11 Standing Committees. The Standing Committees may consist of the following: By-Laws; Communications; Governing Documents; Grounds; Activities; Recreation;

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Neighborhood Watch; Finance; Property Management Liaison; Pools & Spa; Long Range Planning and Projects; Traffic and Rules Regulation Infractions.

5.12 Other Committees. The Board of Directors shall appoint any other Committee that may be required to accomplish the needs of the Master Association.

5.13 Resignation. Any Director of the Master Association may resign at any time by giving written notice of his resignation to the Board or Chairman of the Board or the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.14 Removal of Directors. Any Director or alternate representative may be removed by majority vote of the remaining Directors, if such Director has been absent for the last three (3) consecutive Directors' Meetings, and/or adjournments and continuances of such meetings.

5.16 Compensation. The Director shall not be entitled to any compensation for serving as Directors unless the Members approve such compensation, provided however the Master Association may reimburse any Director for expenses incurred on behalf of the Master Association without approval by the Members.

5.17 Powers and Duties. The Directors shall have the right to exercise all of the powers and duties of the Master Association, expressed or implied, existing under these By-Laws, the Articles, the Master Declaration, or as otherwise provided by statute or law. Such powers and duties of the Directors shall include, without limitation (except as limited elsewhere herein), the following:

5.17.1 The operation, care, upkeep and maintenance of the Common Areas and any other portion of the Committed Property determined to be maintained by the Board.

5.17.2 The determination of the expenses required for the operation of the Master Association.

5.17.3 The collection of Assessments for Common Expenses from Master Association Members required to pay same.

5.17.4 The employment and dismissal of personnel.

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5.17.5 The adoption and amendment of rules and regulations covering the details for the operation and use of Property owned and/or maintained by the Master Association.

5.17.6 Maintaining bank accounts on behalf of the Master Association and designating signatories required therefor.

5.17.7 Obtaining and reviewing insurance for Property owned and/or maintained by the Master Association.

5.17.8 The making of repairs, additions and improvements to, or alterations of, Property owned and/or maintained by the Master Association.

5.17.9 Borrowing money on behalf of the Master Association; provided, however, that (i) the consent of the Members having at least two-thirds (2/3) of the votes of the entire membership, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$25,000.00; and (ii) no lien to secure repayment of any such borrowed money may be created on any Property without the consent of the Owner of such Property.

5.17.10 Contracting for the management and maintenance of Property owned and/or maintained by the Master Association authorizing a management agent or company to assist the Master Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of Common Areas with funds as shall be made available by the Master Association for such purposes. The Master Association and its officers shall, however, retain at all times the powers and duties granted by all Master Association documents and the Master Declaration, including, but not limited to, the making of Assessments, promulgation of rules, and execution of contracts on behalf of the Master Association.

5.17.11 Exercising all powers specifically set forth in the Master Declaration, the Articles, these By-Laws, and as otherwise provided by statute or law, and all powers incidental thereto or implied therefrom.

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5.17.12 Entering into and upon any portion of the Committed Property, including Residential Units, when necessary to maintain, care and preserve any Property in the event the respective Association, or Residential Owner fails to do so.

5.17.13 Collecting delinquent Assessments by suit or otherwise, abating nuisances, enjoining or seeking damages from the Members and/or Residential Unit Owners for violations of these By-Laws and the terms and conditions of the Master Declaration or of the Rules and Regulations of the Master Association.

5.17.14 Acquiring and entering into agreements whereby the Master Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, whether or not contiguous to the lands operated by the Master Association, intended to provide for the enjoyment, recreation, or other use and benefit of the Members and/or Residential Owners and declaring expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the Board to be in the best interest of the Master Association; and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

5.17.15 The Board shall have legal representation which will be reviewed and approved on an annual basis. Contact with the legal representative shall be by the President and any other Board member approved by the Board.

6. OFFICERS

6.01 Members and Qualifications. The officers of the Master Association shall include a President, a Vice President, a Treasurer, a Secretary and an Officer at Large, all of whom shall be elected by the Directors of the Master Association and may be preemptively removed from office with or without cause by vote of the Directors at any meeting by concurrence of a majority of the Directors. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be appropriate to manage the affairs of the Master Association from time to time. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned, or until he shall have been removed, as provided in these By-Laws.

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6.02 Resignations. Any officer of the Master Association may resign at anytime by giving written notice of his resignation to any Director, the President or the Secretary. Any such resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.03 Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these By-Laws for the regular election or appointment of such office.

6.04 The President. The President shall be the chief executive officer of the Master Association. The President shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power to appoint committees from among the Members from time to time, as the President may in his discretion deem appropriate to assist in the conduct of the affairs of the Master Association.

6.05 The Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. The Vice-President shall also assist the President generally and exercise such other powers and perform such other duties as may be prescribed by the Board. The Vice-President shall also be the Chairperson of the Property Management Liaison Committee.

6.06 The Secretary. The Secretary shall prepare and keep the minutes of all proceedings of the Board of Directors. The Secretary shall attend to the giving and serving of all notices to the Members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Master Association and affix the same to instruments requiring a seal when duly executed. The Secretary shall keep the records of the Master Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association, and as may be required by the Board or the President. In cooperation with the Property Manager, minutes of meetings, an agenda, and any proposed contracts or major Board action, must be provided to all Master Association Board Members at least forty-eight (48) hours prior to any regular scheduled Board Meeting.

6.07 The Treasurer. The Treasurer shall have custody of all property of the Master Association, including funds, securities, and evidences of indebtedness. The Treasurer shall keep books of account for the Master Association in accordance with good

accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. The Treasurer shall submit a Treasurer's Report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. The Treasurer shall collect all Assessments and shall report promptly to the Board the status of collections.

6.08 Compensation. The officers of the Master Association shall not be entitled to compensation unless the Board specifically votes to compensate them.

6.09 Additional Appointments. The Board may from time to time appoint persons to positions with designated powers and duties (such as, but not limited to, Recording Secretary and Assistant Treasurer) to assist the Board. These positions will report to the appropriate officer of the Board.

7. FINANCES AND ASSESSMENTS

7.01 Adopting of the Budget.

7.02.1 Not less than thirty (30) days prior to the commencement of any fiscal year of the Master Association, the Board shall adopt a budget for such fiscal year, necessary to defray the Common Expenses of the Master Association for such fiscal year. The Common Expenses of the Master Association shall include all expenses of any kind or nature whatsoever incurred, or to be incurred, by the Master Association for the operation of the Property owned and/or operated by the Master Association, and for the proper operation of the Master Association itself, including, but not limited to, the expenses of the operation, maintenance, repair, or replacement of the Common Areas; costs of carrying out the powers and duties of the Master Association; all insurance premiums and expenses, including fire insurance and extended coverage; reasonable reserves for purchases, deferred maintenance, replacements, betterments, and unknown contingencies and all other expenses designated as Common Expenses by these By-Laws, the Master Declaration, the Articles, or any other applicable statute or law of the State of Florida. If pursuant to any agreement entered into by the Master Association, any expense of the Master Association is to be shared with any Person(s), then the annual budget of the Master Association shall contain a separate classification for such expense(s). In the event the Board fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

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7.01.2 If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the Common Expenses of the Master Association for the fiscal year in which the adopted budget applies to, the Board may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

7.02 Assessments and Assessment Roll.

7.02.1 As soon as practicable after the adoption of a budget, or an amended budget, the Board shall fix and determine the amount and frequency of the Members' Assessments for Common Expenses, pursuant to the Master Declaration, the Articles and these By-Laws. Such Assessments shall be due not more frequently than monthly, and shall each be in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Any periodic Assessments for Common Expenses, whether quarterly, monthly or otherwise, shall be equal unless the Board determines unequal Assessments are required to provide funds in advance for the expenses of the Master Association, or unless the Board changes the number of assessment units assigned to the Members as provided in the Master Declaration. As soon as practical after the determination of the Assessments for Common Expenses, the Master Association shall notify each Member, in writing, of the amount, frequency and due date of such Member's Assessments, provided, however, that no Assessment shall be due in less than ten (10) days from the date of such notification.

7.02.2 Any assessment not provided for and funded in the budget or amended budget in excess of Twenty-Five Thousand Dollars (\$25,000.00) shall require the prior approval by Residential Unit Owners in accordance with the following procedure. Notice of the Board meeting at which such assessments shall be considered shall be posted and mailed to each Director at least thirty (30) days prior to the date of that meeting. At the time a copy of such notice shall be mailed to each Residential Unit Owner together with: (1) an explanation of the proposed expenditure in reasonably sufficient detail to enable each such owner to evaluate such expenditure, and (2) a ballot form upon which the Residential Unit Owner may initiate, with respect to each Residential Unit owned by that Owner, how that Owner's vote may be recorded at the proposed meeting. In order to be validly tabulated, each such ballot shall be returned to the Secretary of the Master Association and must be received by said Secretary on or before the date shown on the ballot form. Ballots not so received shall be tabulated as abstentions and

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not counted either in favor or against the proposition to be voted upon. At the time and place of the Board meeting, each Board Member shall, with respect to the Residential Units in the Member's Association, cast one vote for each Residential Unit in accordance with the ballots validly received and tabulated. A simple majority of such Residential Unit votes cast shall be required to pass a resolution for such special assessments.

7.02.3 The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus and may, at the discretion of the Board, either be returned to the members or applied as a credit towards future assessments.

7.02.4 The Master Association shall maintain an Assessment roll for each Member, designating the name and current mailing address of the Member, the amount of each Assessment payable by each member, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the Member, and the balance due.

7.03 Depositories. The funds of the Master Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, Directors or other persons as may be designated by the Board.

7.04 Application of Payments and Commingling of Funds. All sums collected by the Master Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board.

7.05 Accounting Records and Reports. The Master Association shall maintain accounting records according to good accounting practices. The records shall be open to inspection by Members and all Institutional Lenders, or their authorized representatives, at reasonable times. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) the assessment roll of the Members referred to above. The Board may, and upon the vote of a majority of the Members shall, conduct a review of the accounts of the Master Association by a public accountant, and if such a review is made, a copy of the report shall be made available to each Member and Institutional Lender, upon written request to the Master Association.

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7.06 Signatures on Checks. All checks issued on behalf of the Master Association shall have two (2) signatures. Authority to sign checks is given to the Master Board Treasurer, the Property Management Company and one additional Board member appointed by the Board.

7.07 Undefined Expenditures. Any expenditure that is not provided for in the annual budget that will exceed \$1000 must be presented to the Board for review and approval before such expenditure can be made.

7.08 Bids Presented for Approval. All bids for Board approval that are required for designated expenditures must be in the hands of the Board members or their alternates at least 48 hours prior to the Board meeting.

8. PARLIAMENTARY RULES Robert's Rules of Order (latest edition) shall govern the conduct of the Master Association meetings when not in conflict with the Master Declaration, the Articles or these By-Laws.

9. AMENDMENTS Except as otherwise provided, these By-Laws may be amended in the following manner:

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

9.02 Initiation. A resolution to amend these By-Laws may be proposed by any Director, or by one or more of the Members or their authorized representatives.

9.03 Adoption of Amendments. A resolution for the adoption of the proposed amendment shall be adopted by Members having not less than two-thirds (2/3rds) of the votes of the entire membership of the Master Association.

9.04 No amendment shall be made that is in conflict with the Master Declaration, the Articles or these Bylaws.

9.05 Execution and Recording. No modification of, or amendment to, these By-Laws shall be valid unless recorded in the public records of Collier County, Florida.

10. RULES AND REGULATIONS. The Board may, from time to time, adopt, or amend previously adopted Rules and Regulations concerning the use of the Common Areas and concerning the use, operation and maintenance of other portions of the Committed Property in order to further implement and carry out the intent of the Master Declaration, the Articles, and

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these By-Laws. The Board shall make available to any Member, upon request, a copy of the Rules and Regulations adopted from time to time by the Board.

11. MISCELLANEOUS.

11.01 Tenses and Genders. The use of any gender or of any tense in these By-Laws shall refer to all genders or to all tenses, wherever the context so requires.

11.02 Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

11.03 Conflicts. In the event of any conflict, any applicable Florida statute, the Master Declaration, the Articles, these By-Laws, and the Rules and Regulations of the Master Association shall govern, in that order.

11.04 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

11.05 Waiver of Objections. The failure of the Board or any officers of the Master Association to comply with any terms and provisions of the Master Declaration, the Articles, or these By-Laws which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such defect shall be waived if it is not objected to by a Member of the Master Association within thirty (30) days after the Member is notified, or becomes aware, of the defect. Furthermore, if such defect occurs at a general or special meeting, the defect shall be waived as to all Members who received notice of the meeting and failed to object to such defect at the meeting.

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