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DECLARATION OF CONDOMINIUM

of

THE INLETS, A CONDOMINIUM

SECTION THREE

O. R. 1607 PG 1347

TARTAN GULF COAST DEVELOPMENT CORPORATION, a Florida corporation ("Developer"), being the owner of the fee simple title to the property described in Exhibit "A", attached hereto, for itself, its successors, grantees and assigns, hereby submits said property, improvements thereon and appurtenances thereto to condominium ownership pursuant to Chapter 718 of the Florida Statutes ("Condominium Act"), as enacted upon the date of recordation hereof.

All the restrictions, reservations, covenants, conditions, easements and limitations of record contained herein shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, shall run perpetually unless terminated as provided herein, and shall be binding upon all Unit Owners as hereinafter defined. In consideration of receiving and by acceptance of a grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions hereof, the Articles of Incorporation and the Bylaws of the Association hereinafter defined. Both the benefits provided and the burdens imposed shall run with each Unit and the interests in Common Elements as defined herein.

ARTICLE I
DEFINITIONS

As used in this Declaration, in the Articles of Incorporation and in the Bylaws attached hereto, and in all amendments thereto, unless the context requires otherwise:

A. "Articles" and "Bylaws" means the Articles of Incorporation and the Bylaws of the Association as they exist from time to time.

B. "Assessment" means a share of the funds required for the payment of Common Expenses which from time to time are assessed against any Unit Owner.

C. "Association" or "Corporation" means THE INLETS CONDOMINIUM ASSOCIATION, INC., the nonprofit Florida corporation responsible for the operation of the Condominium.

D. "Board of Administration" or "Board of Directors" means the board of directors or other representative body responsible for the administration of the Association.

E. "Common Elements" means that portion of the Condominium Property not included in the Units. Common Elements shall include the tangible personal property required for the maintenance of the Common Elements even though owned by the Association.

F. "Common Expenses" means the expenses of administration, maintenance, operation, repair and replacement of the Condominium Property, other expenses declared by the Association or this Declaration to be Common Expenses and any other valid expenses or debts of the Condominium as a whole or the Association which are assessed against the Unit Owners.

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G. "Common Surplus" means the excess of all receipts of the Association, including but not limited to Assessments, rents, profits and revenues on account of the Common Elements, over the amount of the Common Expenses.

H. "Condominium" is that form of ownership of Condominium Property under which Units in the Condominium are subject to ownership by one or more owners, and there is appurtenant to each Unit as part thereof an undivided share in the Common Elements.

I. "Condominium Documents" means this Declaration of Condominium and exhibits thereto, the Articles of Incorporation and ByLaws of THE INLETS CONDOMINIUM ASSOCIATION, INC., all as amended from time to time.

J. "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to the Unit.

K. "Condominium Property" means and includes all lands that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon, and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

L. "Declaration" or "Declaration of Condominium" means this instrument as it may from time to time be amended.

M. "Developer" means TARTAN GULF COAST DEVELOPMENT CORPORATION, a Florida corporation, and its successors and assigns.

N. "Institutional Mortgagee" means a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional type lender or its loan correspondent, or agency of the United States Government, which owns or holds a mortgage encumbering a Condominium Parcel.

O. "Limited Common Elements" means and includes those Common Elements, if any, which are reserved for the use of a certain Unit or Units to the exclusion of other Units.

P. "Occupant" shall mean a person or persons in lawful possession of a Unit other than the owner or owners thereof.

Q. "Operation" or "Operation of the Condominium" means and includes the operation, administration and management of the Condominium Property.

R. "The Condominium" or "this Condominium" means THE INLETS, A CONDOMINIUM, SECTION THREE, as well as where applicable, all Condominium Sections of THE INLETS, A CONDOMINIUM.

S. "The Inlets Common Facilities Corporation", means The Inlets Common Facilities Corporation, Inc., a non-profit corporation organized to manage certain areas that are common to The Inlets Project.

T. "Unit" means a part of the Condominium Property which is to be subject to private ownership, as designated in this Declaration.

U. "Unit Owner", or "Owner of a Unit" means the owner of a Condominium Parcel.

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V. "Utility Service" as used in the Condominium Act, construed with reference to this Condominium, and as used in this Declaration, the Articles and the Bylaws shall include, but not be limited to, electric power, gas, hot and cold water, trash and sewage disposal, cable TV and telephone.

ARTICLE II
DESCRIPTION OF CONDOMINIUM
AND THE INLETS PROJECT

A. The name of this Condominium shall be THE INLETS, A CONDOMINIUM, SECTION THREE.

B. This Condominium is a part of a planned development which will, if fully developed, contain a maximum of three hundred fifteen (315) residential dwellings, together with other amenities. The entire development is sometimes hereinafter described as "The Inlets Project". The residential development within The Inlets Project may consist entirely of condominiums, or such mixture of condominiums, platted subdivisions and other forms of land ownership and use as Developer, in its sole discretion, shall determine.

C. Condominium documents creating THE INLETS, A CONDOMINIUM SECTION ONE and THE INLETS, A CONDOMINIUM, SECTION TWO, have heretofore been recorded in the Public Records of Sarasota County, Florida, wherein the right to create additional sections on THE INLETS, A CONDOMINIUM, was reserved. Developer does hereby create an additional section of THE INLETS, A CONDOMINIUM, on the lands described in Exhibit "A".

D. Developer may, but is not obligated to, create additional sections of THE INLETS from time to time on lands adjacent to or near those of this Condominium, which said additional sections, if any, may, if Developer elects, be operated and managed in conjunction with this Condominium through that certain non-profit organization known as THE INLETS CONDOMINIUM ASSOCIATION, INC. (the "Association"). The creation of such additional sections of THE INLETS will not merge the Common Elements of this Condominium with the Common Elements of such additional sections. Each such section will be and remain a separate condominium under the laws of Florida, but may be operated and managed, as aforesaid, by the Association in conjunction with other sections of THE INLETS, collectively, in order that there may be common control, unity of policy, procedure, management and purpose of the said sections of THE INLETS and the Owners of Units in the same. Unless prohibited by law, the income and common expenses with respect to any such Condominium may be commingled with those of other Condominiums operated by the Association in the sole discretion of the Board of Directors. The Association and the Unit Owners in each section shall have a perpetual non-exclusive easement for utilities, drainage and ingress and egress, under and through the common areas of each of the other sections, and such easement shall survive the termination of any other sections. All grantees, mortgagees, assignees and their successors and assigns of Unit Parcels in THE INLETS, A CONDOMINIUM, SECTION THREE, do hereby agree to the foregoing.

E. Developer agrees to construct and develop certain recreational facilities and other improvements on the lands described in Exhibit "E" attached hereto, for the use and enjoyment of all residents in The Inlets Project. These recreational facilities and improvements shall include a swimming pool, at least four (4) tennis courts and club house facility. The recreational facilities shall be part of "The Inlets Common

Facilities" described in the Declaration of Covenants and Restrictions for The Inlets, as described in greater detail herein. In addition, Developer may, but is under no obligation to, provide other recreational facilities and amenities within The Inlets Project.

F. Provided that Developer shall obtain all required approvals and permits from all local, state and/or federal departments and agencies for construction of a proposed marina facility, Developer may, but is not obligated to, construct a marina facility within The Inlets Project. This facility will not be a portion of this Condominium or any other condominium or residential development within the Inlets Project. If constructed, the marina facility (and related amenities that Developer may elect to construct) may either be public or private, as Developer, in its sole discretion, determines. No Unit Owner shall be obligated to join or use the marina or related facilities, but rather all be entitled to use same at the same cost and on the same basis as the use is offered to others. While Developer reserves the right, at its option, to construct such marina facilities, Developer has no present plans to construct the marina facilities.

ARTICLE III
IDENTIFICATION OF CONDOMINIUM UNITS

A. A Survey of the land being submitted to condominium ownership and a Plot Plan thereof identifying each Condominium Unit and the Common Elements and their respective locations and approximate dimensions is attached hereto as Exhibit "B". The locations, dimensions, identification and numbering or lettering of the respective Condominium Units shall be as set forth in said Exhibit and any subsequent amendments thereto, as hereinafter provided.

B. Each Unit shall include that part of the Condominium Property which lies within the boundaries of the Unit, which boundaries shall be determined in the following manner:

1. Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the same as the upper and lower boundaries of a parcel of real estate owned in fee simple and shall be determined in the same manner and under the same laws which establish the upper and lower boundaries of such a parcel of real estate.

2. Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be as shown on the "Survey and Plot Plan", attached as Exhibit "B" (wherein each Unit is identified and the perimetrical boundaries of each Unit are indicated by four (4) or more intersecting solid lines) extended to intersections with each other and with the upper and lower boundaries.

C. Each Unit, together with all appurtenances thereto, shall for all purposes constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property subject only to the provisions of the Condominium Documents.

ARTICLE IV
APPURTENANCES, POSSESSION AND ENJOYMENT

A. There shall pass with each Unit as appurtenances thereto:

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1. An undivided share in the Common Elements, including Limited Common Elements when applicable.
2. An undivided share in the Common Surplus.
3. Membership of the Unit Owner in the Association.
4. Membership of the Unit Owner in The Inlets Common Facilities Corporation.

B. Each Unit Owner is entitled to the exclusive possession of his Unit subject to other provisions of this Declaration. He shall be entitled to the use of the Common Elements, in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of other Unit Owners.

ARTICLE V
RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

A. The undivided share in the Common Elements which is appurtenant to a Unit shall not be separated therefrom and shall pass with the title to the Unit, whether or not separately described.

B. A share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Unit.

C. The shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements shall lie.

ARTICLE VI
COMMON ELEMENTS

A. There shall be appurtenant to each of the Units an undivided one tenth (1/10) ownership of the Common Elements. The Common Elements of the Condominium shall include the following:

1. The land described above and all improvements thereon, except for Units as shown on the aforementioned Survey and Plot Plan.
2. Easements, as may be necessary, through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to other Units or Common Elements.
3. Installations for furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing installations.
4. The property and installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements.
5. Easements for maintenance of Common Elements.

B. The Limited Common Elements of this Condominium shall include:

1. Those Common Elements so designated by this Declaration.

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2. Those Common Elements so designated by the Survey and Plot Plan attached as Exhibit "B".

ARTICLE VII
COMMON EXPENSES AND SURPLUS

A. The Common Expenses of the Condominium shall be assessed and the Common Surplus of the Condominium divided and apportioned among the Units in the same proportions as ownership of the Common Elements as set forth in Article VI above.

B. Specifically included as Common Expenses are:

1. The premiums of all insurance policies obtained by the Association, as provided herein.

2. The costs of all utilities which are not separately metered to the individual Condominium Units.

3. All costs and expenses incurred by the Association regarding the maintenance of lawns and landscaping within this Condominium, including lawns and landscaping located within the boundaries of Units.

4. All costs and expenses incurred by the Association in roof cleaning and painting of trim on the dwellings constructed on the Units in this Condominium.

C. Included in the Common Expenses of this Condominium may be an appropriate share as determined by the Association of the costs and expenses of providing and maintaining facilities and/or improvements on, in or as part of the Common Elements of other sections of THE INLETS, A CONDOMINIUM, which such facilities and improvements are for the mutual benefit of this Condominium and other sections of THE INLETS, A CONDOMINIUM.

D. The Common Expenses shall also include the costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by the Condominium Act, this Declaration or the Bylaws.

E. Certain expenses relative to the Units or improvements (houses or villas) ultimately constructed on the Units may not be Common Expenses. These expenses, however, as a matter of convenience and economy may be billed to Unit Owners by the Association, collected by the Association and remitted to the appropriate parties furnishing the service or services. Even though these expenses are not Common Expenses, due to the fact that the Association may contract on behalf of Unit Owners for them and be responsible for payment in full, it is necessary to provide the Association with enforcement rights concerning the same. Accordingly such expenses shall be collectible by the Association in the same manner as though the same were Common Expenses and shall be subject to collection remedies including lien rights and foreclosure by the Association in the same manner as though the same were Common Expenses pursuant to the provisions of this Declaration and the Act as amended from time to time. The Association shall have the right to determine which expenses are to be collected as provided hereinabove.

F. No Common Expenses or Surplus shall accrue relative to a Unit until such time as construction of the residential dwelling to be located within the Unit boundaries is complete.

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ARTICLE VIII
EASEMENTS

A. All of the following easements are hereby reserved in perpetuity and otherwise created, granted and conveyed in favor of Developer, its grantees, substitutes, successors and assigns, the Association, and the Unit Owners, and are covenants running with the land of the Condominium:

1. Perpetual easements for the installation, construction and repair of private and public utility lines and services of all kinds under and over the surface of the Condominium Property which is not occupied by buildings or other structures. Utility easements may be granted by the Developer or the Association to any public or private utilities as may be necessary or desirable to provide utility services to any of the foregoing. All public and private utility companies rendering utility services to this Condominium shall have a perpetual, non-exclusive easement over, across, under and through all of the Condominium Property which is not occupied by buildings or other structures for the purpose of construction, installation, maintenance, repair and replacement of the utilities servicing this Condominium and for the purpose of reading meters in connection therewith.

2. Pedestrian and vehicular traffic easements for pedestrian traffic over, through and across any sidewalks, parking areas, paths, walks, roads, streets, and lanes, as the same may from time to time exist, upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as may be from time to time intended for such purposes, but the same shall not give or create in any person the right to drive or park upon any portions of the Condominium property not intended for such use or not so designated by the Association.

3. If any improvements constructed on a Unit or if any Unit shall encroach upon any Common Element or upon any other Unit by reason of original construction or by the non-purposeful or non-negligent act of the Unit Owner, then an easement appurtenant to such encroaching improvements, to the extent of such encroachment shall exist so long as such encroachment shall exist. If any Common Element shall encroach upon any Unit by reason of original construction or the non-purposeful or non-negligent act of the Association, then an easement appurtenant to such Common Element, to the extent of such encroachment, shall exist so long as such encroachment shall exist.

4. The right to enter over, through and upon all the Condominium Property for the purpose of maintaining, repairing and replacing any portions of the Condominium that are the responsibility of the Association; provided, however, that entry into the dwelling constructed within the Unit boundaries shall be permitted only with the consent of the Unit Owner or pursuant to legal process.

5. Other easements, if any, shown on the Survey and Plot Plan attached as Exhibit "B".

B. All of the following easements are hereby created and preserved in perpetuity in favor of Developer, its grantees, substitutes, successors and assigns for the benefit of the Association, for the benefit of Unit Owners in other sections of The Inlets, for the benefit of The Inlets Common Facilities Corporation, and for the benefit of all future property owners in

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other lands owned by the Developer in Section 36, Township 38 South, Range 18 East.

1. Pedestrian and vehicular traffic easements for pedestrian traffic over, through and across any sidewalks, parking areas, paths, walks, roads, streets, and lanes, as the same may from time to time exist, upon the Common Elements, and for vehicular traffic over, through and across such portions of the Common Elements as may be from time to time intended for such purposes, but the same shall not give or create in any person the right to drive or park upon any portions of the Condominium property not intended for such use or not so designated by the Association.

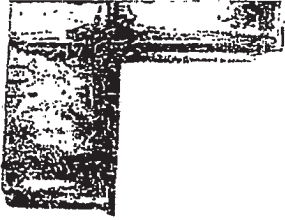
2. Perpetual easements for the installation, construction and repair of private and public utility lines and services of all kinds over, under and across all private roads reflected on the condominium plat of this Condominium.

C. Should any of the intended easements described in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then such grant of easement or reservation deemed not to be so created shall nevertheless be considered as having been granted and created directly to or for the benefit of the Association, or to The Inlets Common Facilities Corporation for the purpose of allowing the original intended party or parties to whom the easement was granted or reserved the benefit of such easement. The Unit Owners designate the Developer and the Association as their lawful attorneys-in-fact to execute any instrument on their behalf as may be hereinafter required or deemed necessary for the purpose of creating such easement.

ARTICLE IX
MANAGEMENT OF THE CONDOMINIUM
AND THE INLETS PROJECT

A. The Association shall administer this Condominium and manage, maintain and repair the Condominium Property (except for the portions of Units to be managed, maintained and repaired by Owners and those areas common to The Inlets Project which are maintained by The Inlets Common Facilities Corporation). All persons owning a vested present interest of record in the fee title to any Condominium Parcel shall automatically be members of the Association and their respective membership shall terminate as their vested interest in the fee title to the Condominium Parcel terminates. Membership in the Association cannot be transferred, assigned or pledged in any manner except as an appurtenance to the respective Unit. All of the affairs of the Association shall be controlled by the Officers and the Board of Directors. A copy of the Articles of Incorporation which has been filed with and certified by the Secretary of State of the State of Florida is attached hereto as Exhibit "C". The Bylaws governing the operation of the Association are attached hereto as Exhibit "D". The powers and duties of the Association shall include those set forth in the Articles, the Bylaws, the Condominium Act, and this Declaration.

B. The Inlets Common Facilities Corporation has been organized for the purpose of owning, operating, maintaining and improving The Inlets Common Facilities and for the purpose of enforcing covenants and restrictions as provided in the Declaration of Covenants and Restrictions for The Inlets as amended by the First Amendment to Declaration of Covenants and Restrictions for The Inlets. All Unit Owners in this Condominium shall be members of The Inlets Common Facilities Corporation.



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ARTICLE X
VOTING RIGHTS IN THE ASSOCIATION

Each Owner shall be entitled to one (1) vote in the Association for each Condominium Parcel owned by him, which shall be exercised only by that Owner or his proxy. If a person owns more than one (1) Unit, he shall be entitled to one (1) vote for each Unit owned.

ARTICLE XI
BOAT DOCKS

A. Provided that Developer shall obtain all requisite approvals and permits from all local, state and/or federal departments and agencies for construction of the proposed dock improvements and boat mooring facilities ("boat docks"), as reflected on sheet 2 of the Survey and Plot Plan, Developer reserves the exclusive right and privilege to construct said docks.

B. Upon construction each boat dock shall be a Limited Common Element appurtenant to the contiguous Condominium Unit.

C. A boat dock shall not be transferred or assigned by a Unit Owner except in connection with the sale of the Condominium Unit, and such transfer shall be automatic, even though reference to the boat dock is not contained in the deed of conveyance.

D. Once constructed, the boat docks may not thereafter be assigned by the Association, but shall remain at all times Limited Common Elements appurtenant to the contiguous Condominium Units.

E. It is specifically acknowledged that Developer may make an additional charge or increase the purchase price of a Condominium Unit in consideration of constructing a boat dock.

F. No Unit Owner, lessee or other occupant of a Unit shall:

1. Anchor, dock or moor a boat the size, design and appearance of which has not been approved by the Association.

2. Construct any davits or other mechanism used to raise, hold or lower a boat out of and into the water other than davits and other mechanisms specifically approved by the Association.

3. Use or allow to be used a boat as living quarters or as sleeping quarters.

4. Erect or maintain any reflectors, illuminated signs, placards or posters whatsoever on or within the boat, boat dock or any Common Element without the prior written consent of the Association.

5. Hang any laundry, garments or other unsightly objects which are visible outside of the boat.

6. Permit or suffer anything to be done or kept in a boat moored at a boat dock which will increase insurance rates on any Unit or any Condominium Property.

7. Allow or permit the boats moored at the boat dock to become unsightly, hazardous to health, or become in the opinion of the Association a nuisance.

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8. Operate a boat other than at a safe operating speed at all times in all canals within The Inlets Project, and any and all waterways which may from time to time exist therein.

G. All Unit Owners, lessees or other occupants of a Unit shall comply with all rules and regulations of the Association governing the use, operation and maintenance of boat docks, the boats to be docked and the operation of boats in the canals and waterways serving The Inlets.

H. Each Unit Owner shall be solely responsible for the repair, maintenance and upkeep of the boat dock which is a Limited Common Element appurtenant to his Unit.

I. A Unit Owner may allow another Unit Owner in The Inlets to use his boat dock, which use shall be subject to the above restrictions.

ARTICLE XII
ASSESSMENTS:

LIABILITY, LIENS, PRIORITY, INTEREST AND COLLECTIONS

A. The Association, through its Board of Directors, shall have the power to determine and fix the sums necessary to provide for the Common Expenses, including the expense allocable to services being rendered by a management company with whom the Association may contract. Unless specifically waived by the Association, the Assessments shall include monies required for the payment of hazard and liability insurance premiums. A Unit Owner, regardless of the manner in which he acquired title to his unit including, without limitation, a purchaser at a judicial sale, shall be liable for all Assessments while he is the owner of a Unit. In a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for his share of the Common Expenses up to the time of such voluntary conveyance.

B. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any common facilities, Common Elements, services or recreation facilities, or by abandonment of the Unit against which the Assessment was made.

C. Assessments and installments thereof not paid when due shall bear interest from the due date until paid at the rate of eighteen percent (18%) per annum.

D. The Association shall have a lien upon each Condominium Parcel to secure the personal obligation of each Unit Owner thereof for any unpaid Assessment and interest thereon. Such lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such Assessment or enforcement of such lien. The lien shall be evidenced by a claim recorded among the Public Records of Sarasota County, Florida, in the manner provided by the Condominium Act, and shall be effective from and as of the time of such recording, but such lien shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of the recording of the claim of lien by the Association. The Board of Directors may take such action as is deemed necessary to collect Assessments by either an in personam action or lien foreclosure, or both, and may settle and compromise the same if in the best interest of the Association. Said liens shall have the priorities established by the Condominium Act.

E. Liens for Assessments may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure, the court, in its discretion, may require the Unit Owner to pay a reasonable rental for the Condominium Parcel and the court may appoint a receiver to collect the Assessments which are the subject of said proceeding. The Association may bid for the Condominium Parcel at foreclosure sale and apply as a cash credit against its bid all sums due the Association secured by the lien being enforced, and the Association may acquire and hold, lease, mortgage and convey any Condominium Parcel so acquired.

F. Any Institutional Mortgagee holding a first mortgage of record or other purchaser of a Condominium Unit obtaining title to the Condominium Parcel as a result of foreclosure of the first mortgage or as a result of a deed given in lieu of foreclosure shall not be liable for the share of Common Expenses or Assessments by the Association pertaining to such Condominium Parcel or chargeable to a former Unit Owner of such parcel which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless such share of Common Expenses and Assessments is secured by a Claim of Lien for the same that is recorded prior to the recording of the said first mortgage. Any such unpaid share of Common Expenses or Assessments shall be deemed to be a Common Expense, collectible from all Unit Owners, including such acquirer, his successors and assigns. A mortgagee or other purchaser acquiring title to a Condominium Parcel as a result of foreclosure or a deed in lieu of foreclosure may not, during the period of its ownership of such Parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership.

G. Any person who acquires an interest in a Unit except as specifically provided in the preceding subparagraph shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid Assessments due and owing from the former owner have been paid.

H. The Association, acting by and through its Board of Directors, shall have the right to assign its claim for any unpaid Assessments and the lien securing said claim to the Developer or to any Unit Owners, group of Unit Owners or any third party.

I. Nothing contained herein shall abridge or limit the rights or responsibilities of mortgagees of Units as set forth in the Condominium Act.

ARTICLE XIII
RESTRICTIONS: USE, SALE AND LEASE

The following restrictions shall constitute covenants running with the land or equitable servitudes upon the land, as the case may be, and shall run perpetually unless terminated as provided herein, and shall be binding upon all Unit Owners, their heirs, personal representatives, successors, assigns, grantees and mortgagees, who by acceptance of a grant, devise or mortgage agree to be bound by the provisions hereof, and shall also apply to and bind the Condominium, the Condominium Property, the Condominium Units, and the Condominium Parcels:

A. All improvements constructed upon Condominium Units shall be and remain of like exterior design, shape, color and appearance as the original construction by Developer. The Developer hereby reserves the right to change from time to time

the original construction design, color, shape and appearance of the improvements during the course of development of this Condominium and all sections of The Inlets.

B. No Unit Owner shall modify or change the appearance or design of any portion of the exterior of any improvements located on or within the Unit boundaries without the approval of the Association, except for the addition of Developer-approved improvements.

C. No Unit Owner shall modify or alter the lawns, landscaping or landscaped areas within the Unit boundaries without the approval of the Association, except for Developer-approved modifications or alterations and except for landscaped areas within a Unit Owner's privacy court.

D. Occupants of Condominium Units shall not suffer, permit or maintain in or on their premises conditions or activities which interfere with peaceful and quiet occupancy by other Unit Owners of their Units.

E. Only small household pets shall be permitted or maintained in a Unit or on the Common Elements, subject to rules and regulations of the Association concerning their care and maintenance.

F. No Unit Owner shall keep or park on the Common Elements or Unit or the leased area any trailers, campers, boats, trucks, motorbikes or motorcycles, it being intended that the only vehicles permitted to be kept on the Condominium Property by Unit Owners, their guests, licensees, invitees or assigns will be customary private passenger vehicles. This restriction shall not preclude the entry on the Common Elements of necessary service or development related vehicles.

G. Each Condominium Unit shall be used exclusively as a one-family residential dwelling, and no business or trade shall be permitted to be conducted therein or thereon, except for Units used by Developer for models, sales offices, construction offices, storage or related use.

H. The Association shall have the option to purchase or lease any Unit upon the same terms and conditions as are offered by the Unit Owner to any third person.

1. Prior to the sale, rental, lease or transfer of any Unit to any person other than the transferor's spouse or member of his immediate family or wholly owned corporation, the Unit Owner shall notify the Board of Directors in writing of the name and address of the person to whom the proposed sale, rental, lease, or transfer is to be made, the terms and conditions thereof together with a copy of the purchase agreement or lease and such other information as may reasonably be required by the Board of Directors. Failure to do so shall be deemed a breach hereof, and any sale, rental, lease or transfer in contravention of this Article shall be null and void and confer no right, title or interest to the intended purchaser, lessee or transferee.

2. Within twenty (20) days after its receipt of said notice and such supplemental information as it may reasonably require, the Board of Directors shall either approve or disapprove the proposed sale, rental, lease or transfer, in writing, and shall promptly notify the Unit Owner of its decision. Failure of the Board to act within said twenty (20) day period shall be the equivalent of its consent and may be established by means of an affidavit attached to the

deed conveying the Unit being sold. Approval of the sale, rental, lease or transfer shall be stated in a certificate executed by the President or Vice President of the Association, which shall be recorded in the Public Records of Sarasota County, Florida, by and at the expense of the purchaser, lessee or transferee and if there be any other expenses reasonably incurred by the Association in connection with such transaction, said expense shall also be borne and paid to the Association by the purchaser, lessee or transferee.

I. If the proposed sale is bona fide but the Board of Directors disapproves the same, when the Board notifies the Unit Owner of its disapproval, it shall deliver to the Unit Owner the deposit required under the terms of the proposed sale and shall then be obligated to close the sale of the Unit in accordance with the terms and conditions of the proposed sale previously furnished to it. If the Board furnishes the Unit Owner with written notice of its disapproval but fails to deliver the required deposit, such action shall be the equivalent of its consent which may be established as provided in the preceding subparagraph H.

1. If the Board notifies the Unit Owner of its disapproval and accompanies its notice of disapproval with the required deposit, the Association's obligation to purchase the Unit as provided herein may be assigned to any member or members of the Association. The member or members to whom the Association's obligation to purchase may be assigned shall be determined solely by the Association.

2. Thereupon, the selling Unit Owner may either close the proposed sale of his Unit with the Association or a member or members to whom its obligation to purchase the Unit has been assigned or withdraw the offer specified in his notice to the Board. If neither the Association nor an assignee member or members close the proposed sale under the terms and conditions of said notice, the deposit previously delivered by the Association to the Unit Owner shall be forfeited by the Association and retained by the Unit Owner who may then consummate the transaction with the party who made the original bona fide offer. To perfect title in his transferee, an affidavit executed by the selling Unit Owner specifying the manner in which the terms hereof have been complied with shall be recorded with the deed conveying title to the Unit being sold.

J. In the event that the sales price to the proposed purchaser exceeds the fair market value of the property, the Association shall have the right, if the Unit Owner refuses to sell the Unit to the Association for the Unit's fair market value, to require a determination of the fair market value by arbitration proceedings. In such event, the Association's right to deliver the deposit to the Unit Owner shall be extended until ten (10) days after the report of the arbitrators. The arbitration shall be accomplished by the Association appointing an arbitrator, who shall be a registered M.A.I. or its equivalent, the Unit Owner appointing another registered M.A.I. arbitrator within five (5) days after notice of the appointment by the Association, and the two (2) appointed arbitrators appointing a third arbitrator with the same qualifications within ten (10) days of the first appointment. The arbitrators shall then meet and make their determination of the fair market value of the Unit within ten (10) days from the appointment of the third arbitrator and shall advise the parties of their determination. The decision of the arbitrators shall be binding on all parties.

K. Units shall not be leased without the prior written approval of the Board of Directors. The Board shall have the right to require that a substantially uniform form of lease be used. No lease shall be for a period of less than thirty (30) days; the proposed lessees shall consist of not more than two (2) persons per bedroom in the Unit to be leased; and no pets shall be permitted in leased Units except in connection with leases for periods exceeding six (6) months. Notwithstanding the lease of his Unit, the liability of the Unit Owner under this Declaration shall continue.

The Board must either approve or disapprove a lease within twenty (20) days after its receipt of a request for such approval, which request shall be accompanied by such information as the Board may reasonably require. If approved, a recordable Certificate of Approval shall be executed by the Association at the expense of the lessee. If the Board fails to give the Unit Owner written notice of its approval of the proposed lease within the foregoing twenty (20) day period, its failure to give such notice shall be the equivalent of its consent. If the proposed lease is disapproved by the Board, the Unit shall not be so leased.

L. Should any Condominium Parcel at any time become subject to an Institutional First Mortgage, the holder thereof, upon becoming the owner of said Condominium Parcel through foreclosure, deed in lieu of foreclosure or other means, shall have the unqualified right to sell, lease or otherwise transfer said Unit, including the fee ownership thereof, without prior offer to or approval of the Board of Directors, the provisions of the foregoing subparagraphs being inapplicable thereto, except that the Association shall be advised in writing of the closing date or effective date and term of the lease and shall also be provided with the name(s) of the purchaser or lessee.

M. The provisions of this Article shall not be applicable to the Developer who is hereby irrevocably empowered without any limitation at all times, whether for permanent or temporary occupancy, to sell, lease, rent or transfer Units owned by Developer for any period and under any terms to any lessees, purchasers or transferees without the consent of the Association. The Developer shall have the right to take any action necessary to consummate the sale, rental or transfer of said Units, including, but not limited to, the right to maintain model units on the Condominium Property, post signs, have employees in the offices maintained in the Condominium Property, use the Common Elements and show Units to prospective purchasers. Sales office signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer. The provisions of this subparagraph M shall not be amended without the prior written approval of the Developer.

N. The Occupants and Owners of each Unit shall keep and obey all laws, ordinances, regulations, requirements and rules of all governmental bodies, divisions or subdivisions, insofar as the same pertain to the control or use of such Unit, and shall promptly pay each Unit's share of all Common Expenses and Special Assessments and shall further pay any and all late charges, penalties or interest relating to the same as properly established by uniform rules and regulations of the Association.

O. No Condominium Parcel or Unit shall be divided or subdivided. No structural alterations or changes shall be made to the dwelling located on said Unit without prior approval of the Board of Directors of the Association.