

Rules and Regulations

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the Units and provided these Rules and Regulations shall not be used to permit or sanction unlawful discrimination or other violation of laws, the use of the Condominium Property shall be restricted to and shall be in accordance with the following provisions:

A. Occupancy Restrictions.

1. Permitted Occupants. Each Unit shall be used only for the construction, maintenance, repair and replacement of a Residence, which Residence shall be used only by the Unit Owner, members of his family and social guests, except as otherwise expressly provided herein, and in accordance with all applicable county and state codes, ordinances and regulations. A Unit owned or leased under an approved lease by an individual, corporation, partnership, limited liability company, trust or other fiduciary or entity may only be occupied by the following persons, and such persons' families, provided that the Owner or other permitted occupant must reside with his/her family: (i) the individual Unit Owner or lessee; (ii) an officer, director, stockholder, employee or designee of a corporation; (iii) a partner, employee or designee of a partnership; (iv) the fiduciary or beneficiary of a trust; (v) the manager or managing member of a limited liability company; or (vi) the duly appointed designee of any other entity. Under no circumstances may more than one (1) family reside in a Residence at one time. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. The Board of Directors shall have the power to authorize occupancy of a Residence by persons in addition to those set forth above.

2. Notice. If a Unit is owned or leased by a corporation, partnership, trust or other fiduciary or entity, the individual permitted occupant of the Residence constructed thereon and their family members, as defined in this Section, shall be designated in writing to the Board of Directors prior to occupancy of any such Residence. Thereafter, only the individual permitted occupant of such Residence and their designated family members may occupy the Residence. In order to change the permitted occupant and the designated family members, the corporate or entity owner of the Unit must redesignate the permitted occupant and their family members in writing to the Board of Directors. Such re-designation shall only be permitted twelve (12) times in a single year. In the event the Unit Owner is a corporation, the Unit may be occupied and used by those stockholders, officers and directors of the corporation as may have been approved by the Board of Directors of the Association. A Unit shall not be leased for a term of less than one (1) month. If such Unit is leased, the Unit Owner shall be subject to the lease restrictions in the Declaration. In no event shall a Unit be leased until construction of a Residence has been completed thereon and the Unit Owner has received a certificate of occupancy from the applicable governing authority for such Residence. In all cases, the party leasing the Residence shall also lease the Unit,

and such requirement shall be noted in the lease documents.

3. Definitions. As used herein, "family" or words of similar import shall be deemed to include a spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting in the Residence together with the Owner or permitted occupant thereof. As used herein, "guests" or words of similar import shall include only those persons who have a principal residence other than the Residence. Unless otherwise determined by the Board of Directors of the Association, a person(s) occupying a Residence for more than one (1) month without the Owner or a member of his family being present shall not be deemed a guest but, rather, shall be deemed a lessee for purposes of the Declaration (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of the Declaration which apply to lessees. The purpose of this Paragraph is to prohibit the circumvention of the provisions and intent of this Section requiring the Association's approval of all lessees.

4. Children. Children shall be permitted to be occupants of Residences. Children shall be the direct responsibility of their parents or legal guardians who must supervise them and assure that their respective children shall comply with the rules, regulations and restrictions of the Association while they are within the Condominium Property. All children under twelve (12) years of age shall be accompanied by a responsible adult when entering and/or utilizing the recreational facilities and Marina.

5. Pet Restrictions. No Owner or occupant of a Residence, including lessees and guests, shall be permitted to maintain any animals in their Residence or Unit or on the Condominium Property except as provided herein. Each Owner or occupant of a Residence (regardless of the number of joint owners or occupants) may maintain two (2) household pets in his/her Unit, to be limited to dogs (not exceeding fifty (50) pounds) and/or cats, provided each such dog and/or cat (i) has been registered with the Association, (ii) is not kept, bred or maintained for any commercial purposes, (iii) does not become a nuisance or annoyance to neighbors, and (iv) is not a pit bull or other breed considered to be dangerous by the Association; provided that neither the Board nor the Association shall be liable for any personal injury, death or property damage resulting from a violation of the foregoing and any occupant of a Unit committing such violation shall fully indemnify and hold harmless the Board, each Unit Owner and the Association in such regard. Each Owner or occupant who is permitted to maintain a properly registered dog or cat shall comply with all of the Monroe County registration and vaccination requirements and such additional restrictions as are set forth in this Paragraph governing pets. Any dog or cat that has been properly registered may be replaced upon their death or removal from the Residence. No reptiles or other wildlife shall be kept in or on the Condominium Property (including in Residences). Unit Owners must pick-up all solid wastes of their pets and dispose of such wastes appropriately. All pets must be kept on a leash no more than six (6) feet in length at all times when outside the Residence, unless the Unit contains a fenced area in which case the pet may remain off the leash in the fenced area. No pets may be kept outside

of the Residence when the Owner is not present, even if the Unit contains a fenced area. Violations of the provisions of this Paragraph shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Owners and/or to require any pet to be permanently removed from the Condominium Property. This Paragraph shall not prohibit the keeping of fish or a caged household-type bird(s) in a Residence, provided that a bird(s) is not kept outside of the Residence and does not become a nuisance or annoyance to neighbors. Further this Paragraph shall not prohibit a Unit Owner from keeping a service/support animal, provided the Unit Owner is disabled, as that term is defined by federal law, and that the animal is a reasonable or necessary accommodation to his/her disability. Proof of disability must come in the form of a detailed statement from a medical doctor explaining (1) the disability of the Unit Owner and (2) the nature of the life function of the pet which is necessary to assist the Unit Owner with the disability.

B. Use Restrictions. The Unit Owner shall not permit or suffer anything to be done or kept in or on his Unit which will increase the rate of insurance on the Condominium Property or which will obstruct or interfere with the rights of other Unit Owners or annoy them by unreasonable noises or otherwise; nor shall the Unit Owner commit or permit any nuisance, immoral or illegal act in or about the Condominium Property.

1. Nuisances. No nuisances shall be allowed upon the Condominium Property, nor shall any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents be permitted. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. All garbage and refuse shall be deposited in plastic bags or containers intended for such purposes at such times and in such manner and at such locations as the Board of Directors shall direct. Hazardous or flammable materials shall not be kept in any storage facilities located within the Condominium, if any. Landscape and plant debris shall be tied in bundles no longer than three (3) feet or contained in plastic bags. Units shall be kept free of landscape debris and other rubbish, refuse, or garbage that could provide a haven for rodents, insects or other animals. If any such condition is violated and not corrected within fifteen (15) days of written notice, the Association shall have the right to clean up such area as necessary and the Unit Owner shall be billed the associated costs. Additional charges may be billed according to services provided.

2. Toxic or Noxious Matter. No person shall discharge into the property's sewer system or storm drain any toxic or noxious matter in such concentrations as to be detrimental to or endanger the public health, safety, or welfare; violate any law; subject any Owner or occupant to liability under state and federal law for any clean-up; or cause injury or damage to neighboring property or businesses.

3. No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Condominium Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. Violations of laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction, relating to any portion of the Condominium Property, shall be corrected by, and at the sole expense of, the party violating any such provisions.

4. Noise. No Owner shall make or permit any disturbing noises in the Condominium by himself or his family, servants, employees, agents, visitors, or licensees, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Unit Owners. No Owner shall play or permit to be played any musical instrument, nor operate or permit to be operated a phonograph, television, radio, sound amplifier or other electronic equipment in a Unit in such a manner as to disturb or annoy other residents.

5. No Commercial Uses. In order to preserve the residential character of the Condominium, no business, trade or profession of any type shall be operated from within any Residence or Unit. Notwithstanding the foregoing, residents shall not be restricted from utilizing home computers, fax machines and telephones for personal or business use, provided such practice does not violate the residential character of the Condominium.

6. Common Elements. No person shall use the Common Elements, or any part thereof, or a Unit, or the Condominium Property, or any part thereof, in any manner contrary to or not in accordance with such Rules and Regulations pertaining thereto, as from time to time promulgated by the Association. No Owner shall permit any use of his Unit or make any use of the Common Elements that will increase the cost of insurance upon the Condominium Property.

7. Access and Use. The rights of access and use established with respect to the Condominium Property shall be subject to security checks and restrictions. In the event the Association hires security personnel, such personnel shall have the right to stop and question persons and to require satisfactory evidence of any such person's right to be where such person is stopped. Persons not establishing such rights to the satisfaction of the security personnel may be required to leave the Condominium Property. Unless specifically authorized by the Board, no solicitation for any cause, charity or any other purpose shall be permitted on the Condominium Property.

8. Condominium Property. No carts, bicycles, carriages, garbage cans, equipment, supplies or any other objects shall be stored or kept in or on the Common Elements. The personal property of Owners must be stored in or on their respective Units in accordance with the requirements of the Building Restrictions.

9. Storage on Balconies/Terraces. No equipment, materials or other items shall be kept or stored on any balcony or terrace area of the

Condominium, including, but not limited to, towels, clothing, plants, pots, receptacles, bicycles and other movable objects. No cloth, clothing, rugs or mops shall be hung open or shaken from windows, doors, balconies or terrace areas. Cigars, cigarettes and other objects shall not be thrown or allowed to fall from windows, doors, balconies or terrace areas. No sweepings or other substances shall be permitted to escape to the exterior of any building from windows, doors, balconies or terrace areas. The foregoing shall not prevent, however, placing and using patio-type furniture, and other items in such areas if same are normally and customarily used for a residential balcony or terrace area, and in accordance with Article XI of the Declaration.

10. Clotheslines. No clotheslines or similar devices shall be allowed on any portion of the Condominium Property.

11. Signs, Advertisements and Notices. No Unit Owner shall show signs, advertisements, or notices of any type on the Common Elements or in or on his Unit or within his Residence which said signs, advertisements, or notices are visible from the exterior of the Unit without the prior written consent of the Association.

12. Hurricane Preparation. An Owner who plans to be absent during the hurricane season must prepare his Unit prior to his departure by designating a responsible firm or individual to care for his Unit and Residence should the Unit and/or Residence suffer hurricane damage and furnishing the Association with the name(s) of such firm(s) or individual(s).

13. Drainage. There shall be no interference with the established drainage pattern over the property unless an adequate alternative provision is made for proper drainage with the prior written approval of the Association. Each Owner shall have the duty and obligation to maintain the drainage situated within its Unit and used exclusively by a Unit and keep such areas free of debris and any other material which may impede the flow of water and to clean such drainage as may be necessary. No Owner shall dispose of any hazardous materials in any drains. If such Owner fails to maintain such drainage and, as a result, imminent danger or damage to person or property may result to the other Owners, then the Association shall have the right of access onto such area for the purpose of clearing debris and other material so as to not impede the flow of water. This right of access shall be exercised only for the purpose of preventing damage to persons and property and the Association shall use reasonable care so as to not cause any damage to such areas. The Owner shall reimburse the Association for any costs and expenses incurred in clearing such debris.

14. Parking. Owners' automobiles and watercraft (and their associated trailers) shall be parked within their Units as provided in the Building Restrictions. No vehicles of any nature shall be parked on any portion of the Condominium Property except on a surfaced parking space as shown on plans approved by the Association. No vehicle which cannot operate on its own power

shall remain on the Condominium Property for more than forty-eight (48) hours. No maintenance or repair of vehicles shall be made on the Condominium Property. No commercial vehicles, recreational vehicles (RVs), limousines, motor homes, boats, trailers of any type, including but not limited to boat trailers or house trailers, or campers, may be kept on the Condominium Property except as specifically permitted herein, in the Declaration, in the Building Restrictions, or in that certain Development Agreement between Monroe County and Key Largo Ocean Resorts Co-op, Inc., approved by the Monroe County Board of County Commissioners on June 21, 2006, by Resolution Number 242-2006, as amended ("Development Agreement"). Pursuant to the terms of the Development Agreement, road ready recreational vehicles may be temporarily placed on individual Units for a period of five (5) years from the effective date of the Site Redevelopment Plan, as defined in the Development Agreement. Following such period, only homes as permitted by the Development Agreement and the Building Restrictions shall be authorized to be placed on any of the Units. Violators will have their vehicles or other property towed or otherwise removed at the expense of the respective owner and/or Unit Owner.

15. Association Employees. No Owner shall interfere with or direct any employees of the Association. Employees of the Association are not to be utilized for personal errands. The Board of Directors shall be solely responsible for directing and supervising employees of the Association, except to the extent such responsibility may be delegated to the Association's manager.

16. Assessments. Every Unit Owner shall promptly pay the Assessments levied by the Association.

17. Maintenance. Every Unit Owner shall maintain in a clean and sanitary manner and repair his Unit, Residence and other improvements in or on the Unit and the Limited Common Elements which are appurtenant to the Unit and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit, Residence and other improvements.

18. Window Coverings. Owners shall not hang any laundry, garments or other objects which are visible from the outside of the Unit, except for draperies, blinds, shades, or other suitable window coverings. Decorative window coverings shall not include any type of reflective film on any glass windows or doors.

19. Alterations. Without limiting the generality of Article XI of the Declaration, but subject to Article VI of the Declaration, no Owner shall make any additions, alterations or improvements in or to the Common Elements, the Limited Common Elements, or the Unit, including, but not limited to, the construction of new improvements, installation of screens, sliding glass doors, enclosures, awnings, hot tubs, trellises, window tinting, painting or other decorating of any nature visible from the exterior of the Residence, without the prior written consent of the Board of Directors and, if approved, same shall be in accordance with the Building Restrictions. In the event a Unit Owner wishes to

install or replace hurricane shutters, only those shutters which comply with applicable code and the Association's approved specifications, as established by the Board of Directors, shall be permitted. In the event a Unit Owner violates the terms of this Paragraph, the Board of Directors shall have the right to require the Unit Owner to return the Unit to its previous condition.

20. Exterior Improvements. Notwithstanding anything contained herein to the contrary, an Owner may display one (1) portable, removable United States flag in a respectful manner on the exterior of the Unit, and portable, removable official armed services flags (not to exceed 4 2 feet by 6 feet) that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard may likewise be displayed on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day. In addition, the Association may not refuse the request of a Unit Owner for a reasonable accommodation for the attachment on the mantel or frame of the door of the Unit Owner of a religious object not to exceed three (3) inches wide, six (6) inches high, and one and one-half (1 ½) inches deep.

21. Pool. If the Condominium Property shall include a swimming pool, in order to provide for proper safety, food or beverages shall be consumed at the pool only in the area designated by the Association and in no event within four (4) feet of the pool. In addition:

a. Normal hours of operation shall be 7:00 a.m. to 9:00 p.m. At the discretion of the Association, pool hours may be altered based on weather and maintenance conditions and to maximize the efficiency of the solar heating system.

b. There shall be no life guard on duty. Any persons using the pool do so at their own risk.

c. No persons with contagious diseases or open sores shall be allowed in the pool.

d. Children in diapers or who are not toilet-trained are not permitted in the pool.

e. Children under 12 years of age shall be accompanied by an adult.

f. Showers are required before entering the pool. Suntan lotion and sunscreen must be washed off before entering the pool.

g. Glass objects are prohibited on the pool deck.

h. Pets are prohibited on the pool deck.

i. Swim suits are required in the pool.

j. Running in the pool area and diving or jumping into the pool is prohibited.

k. No radios or other music device may be played without headphones at the pool by any resident or guests.

l. Pool chairs, if any, may not be removed from the pool deck.

m. All residents must provide proper identification to gain access to the pool.

n. No parties may be held on the pool deck or other Common Element without the approval of the Association.

o. The pool is reserved for the use of Owners and their guests. Owners must accompany their guests to the pool at all times. No more than two (2) guests are permitted at any time.

22. Golf Carts. Only battery-powered electric golf carts are permitted. Gasoline-powered golf carts are not allowed within the Condominium Property. To the extent applicable, the following rules relating to the operation of golf carts shall apply equally to the operation of any motorized vehicles on the Condominium Property's roads notwithstanding that only golf carts are specified:

a. Golf carts without current, valid Key Largo Ocean Resort registration are not allowed to be operated on the private roads in the Condominium Property.

b. Only persons of valid driving age and having a valid motor vehicle driver's license may operate a golf cart, and drivers must carry their licenses with them at all times. An unlicensed driver may not occupy the driver's seat nor have even partial control of any golf cart at any time.

c. Only the driver of the golf cart may occupy the driver's seat. No other person may sit on the lap of the driver.

d. Children shall not play on or operate golf carts.

e. Children, including infants, shall be secured at all times that the golf cart is in motion.

f. Passengers on golf carts shall occupy seating surfaces only and the total number of persons on the cart must never exceed the seating capacity of the cart. No person shall stand on the golf cart while the golf cart is in motion.

g. All golf carts shall be operated in a manner as if they were automobiles being operated on public roads. All rules of the road, traffic signs and other safety measures shall be followed at all times.

h. Each party desiring to operate a golf cart within the Condominium Property shall sign a golf cart registration agreement as provided by the Association.

i. Golf Carts shall be equipped with a horn or other sounding device, at least one (1) front light and one (1) red rear light (or two (2) red rear reflectors), and the Unit number shall be clearly displayed on the rear of the golf cart in numbers at least three (3) inches high. All other self-propelled vehicles shall be equipped with front and rear lights and a horn or other sounding device as are required by Florida law.

j. Proof of ownership shall be required for all golf carts and other permitted vehicles, and all shall have current license tags.

k. No other motorized vehicles shall be permitted on the Condominium Property without Board approval.

23. Wetland Mitigation and Monitoring. The Association shall be responsible to carry out all wetland mitigation and monitoring required by the South Florida Water Management District. It shall be the Association's responsibility to complete the task successfully, including meeting all permit conditions associated with the wetland mitigation, maintenance and monitoring.

24. Relief by Association. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in Subparagraphs A and B of this Section.