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DECLARATION OF COVENANTS
FOR
STONE HARBOUR
COMMONS

This Declaration is made this 11 day of JULY, 2005, by U.S. Home Corporation, a Delaware corporation authorized to do business in the State of Florida, for itself and its successors, grantees and assigns.

PREMISES:

WHEREAS, Declarant owns certain real property located in Manatee County, Florida, described in Exhibit "A" attached hereto, hereinafter referred to as ("Stone Harbour Communities"), and intends to create thereon a residential condominium and multifamily development consisting of distinct and separate condominiums each of which are intended to share certain recreational and other common facilities and landscaped areas to be known as Stone Harbour Commons; and

WHEREAS, Declarant desires to promote the general health, safety and welfare of residents, provide for the maintenance of the land comprising the Stone Harbour Communities, and the improvements thereon, and to provide for preservation of the property values and the amenities, and to this end desires to subject the Properties to the protective covenants, conditions, restrictions and other provisions hereinafter set forth; and

WHEREAS, to provide a means for meeting the purposes and intents herein set forth, the Declarant has incorporated Stone Harbour Commons Association, Inc., a Florida corporation not for profit; and

WHEREAS, Declarant may, in its sole discretion, from time to time, convey, lease or grant a license or other use right to lands within the Stone Harbour Communities by deed, easement, or otherwise to the Commons Association, for the purpose of maintenance, landscaping, drainage, recreation or other purposes for the use and benefit of Owners and their families, tenants, guests and invitees.

STONE HARBOUR COMMONS - DECLARATION

NOW, THEREFORE, the Declarant, and any other person who joins in the making of this Declaration, or whose signature appears hereinafter indicating that their interest in the Land be subjected to this Declaration, hereby declares that the land described in Exhibit "A" (the "Land"), together with such improvements as may hereafter be made thereto, are and shall be owned, used and conveyed subject to the easements, covenants, conditions, restrictions, and all other provisions of this Declaration as it may lawfully be amended from time to time, which shall run with the Land, bind all parties having any right, title or interest in the Land or any part thereof, and their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

1. DEFINITIONS. The following definitions shall apply to terms used in this Declaration and its recorded Exhibits, unless the context clearly requires another meaning.

1.1 "Assessment" means any charge imposed by the Commons Association against its Members, including without limitation, annual assessments and special assessments, as authorized in this Declaration.

1.2 "Association" means any Condominium Association operating a residential condominium neighborhood within Stone Harbour Communities.

1.3 "Board" means the Board of Directors of the Commons Association.

1.4 "Common Areas" means the real property owned by, leased to, or reserved to the Commons Association, and all improvements thereon, as described in Exhibit "A" to this Declaration, as amended from time to time.

1.5 "Commons Association" or the **"Corporation"** means Stone Harbour Commons Association, Inc., a Florida corporation not for profit, and its successors and assigns.

1.6 "Commons Documents" means this Declaration and all recorded Exhibits to it, as amended from time to time.

1.7 "County" or **"the County"** means all references in the Commons Documents to "a County" or "the County" or to a specific Florida County are intended to refer to Manatee County, Florida, and shall be construed to do so.

1.8 "Declaration" or **"Declaration of Covenants"** means this document, entitled "Declaration of Covenants for Stone Harbour Commons", as it may lawfully be amended from time to time.

1.9 "Declarant" means U.S. Home Corporation, and the successors and assigns (if any) of its development rights in the Stone Harbour Communities.

1.10 "Living Unit" or "Unit" means a residential structure located in the Stone Harbour Communities, including villas, townhomes, or detached homes, which is intended for occupancy by one family or household, as its place of residence.

1.11 "Member" or "Member Association" means any or all of the Associations referred to in Section 5.4 below.

1.12 "Owner" means the record Owner of legal title to a Living Unit located within the Stone Harbour Communities.

1.13 "Stone Harbour Communities" means the real property described in Exhibit "A" to this Declaration.

1.14 "Structure" means that which is built or constructed, or any piece of work artificially built up or composed of parts joined together in some definite manner, the use of which requires a more or less permanent location on the ground, or which is attached to something having a permanent location on the ground. The term shall be construed as if followed by the words "Or part thereof." The term includes, without limitation, Living Units, all parking areas, garages, swimming pools, fences and outside antenna.

2. GENERAL PROVISIONS; COVENANTS, RESTRICTIONS AND RESERVATIONS RUN WITH LAND. The Declarant has organized the Commons Association primarily to enforce the restrictive covenants and ensure that the Common Areas will be maintained in a manner that will contribute to the comfort and enjoyment of the Owners of all residential Living Units in the Stone Harbour Communities. The Commons Association shall hold title to, operate, maintain and repair the Common Areas, including, without limitation, recreation facilities, waste disposal facilities, irrigation systems, roadways and parking areas, within the Communities; and shall pay the costs incident to these responsibilities and the costs of street lighting for the Common Areas, if any; and take such other action as the Commons Association is authorized to take with regard to the Common Areas pursuant to the Commons Documents. The Commons Association shall operate, maintain and repair all property designated by Declarant as Common Areas of the Stone Harbour Communities, regardless of whether the property has been formally conveyed to the Commons Association.

2.1 Right to Use Common Areas. The non-exclusive right to use the Common Areas shall be appurtenant to and shall run with each Owner's membership in a Member Association, subject to this Declaration and its recorded Exhibits.

2.2 Owner and Member Compliance. The protective covenants, conditions, restrictions and other provisions of this Declaration shall apply not only to Owners, and persons to whom an Owner has delegated his right of use in and to the Common Areas, but also to any other person occupying an Owner's Living Unit under lease from the Owner, or by permission or invitation, expressed or implied, of the Owner or his tenants, licensees, invitees or guests. Failure of an Owner to notify any

person of the existence of the easements, covenants, conditions, restrictions, and other provisions of this Declaration shall not in any way act to limit or divest the right of Declarant or Commons Association of enforcement of these provisions and, in addition, the Owner shall be responsible for any and all violations of these provisions by his tenants, licensees, invitees or guests, and by the guests, licensees and invitees of his tenants at any time.

2.3 Members' Rights and Easements.

(A) Every member of an Association which is a Member of the Commons Association shall have a non-exclusive right and easement for access to and the use and enjoyment of the Common Areas. The right and easement shall be appurtenant to and shall pass with the title to every Living Unit, subject to any limitation set forth in this Declaration, including without limitation:

- (1) The right of the Commons Association to determine the annual and special assessments to be paid by the Members;
- (2) The right of the Commons Association to dedicate or transfer all or any part of the Common Areas to any governmental agency, public authority, or utility;
- (3) The right of the Commons Association to grant easements over, across or through the Common Area or any part thereof;
- (4) The right of the Commons Association to borrow money for the accomplishment of its purposes of improving the Common Areas, and in aid thereof, to mortgage Common Areas;
- (5) The right to take such steps as are reasonably necessary to protect Common Areas against foreclosure; and
- (6) The Articles of Incorporation and Bylaws of the Commons Association; and any Rules and Regulations governing use and enjoyment of the Common Areas adopted by the Commons Association.

2.4 Delegation of Rights. Each Owner may temporarily delegate his right of use in and to the Common Areas to his non-resident guests (if the guests are accompanied by the Owner) or to tenants who reside in the Living Unit of the Owner, but only to the extent and subject to conditions, limitations and restrictions as may be provided for in the Commons Documents. Each Owner of a Living Unit shall be financially and legally responsible for the actions of any person to whom the Owner has delegated his right to use the Commons Areas.

2.5 Conveyance and Use.

(A) Any real property conveyed, leased, or the use of which has been granted by Declarant or any third party to the Commons Association as Common Areas is not and shall not be deemed dedicated for use by the general public but is, and shall be, deemed restricted for the common use and enjoyment of members of the Association which are Members of the Commons Association.

(B) Declarant may convey property to the Commons Association in either an improved or an unimproved condition, with or without any specific restrictions on its use, and the Commons Association must accept such property. The Commons Association shall not accept the conveyance of real property from any third party, in either an improved or unimproved condition, without the prior written consent of Declarant, so long as Declarant owns any property in the Stone Harbour Communities.

2.6 Commons Association's Rights and Powers.

(A) Subject to this Declaration and any other applicable recorded instrument, the Commons Association shall have the right and the power to develop, promulgate and enforce reasonable Rules and Regulations for the use and enjoyment of Common Areas.

(B) No Common Areas shall be used in violation of any rule or regulation adopted by the Commons Association pursuant to Section 6 of the Bylaws.

3. USE RESTRICTIONS. The following restrictions, in addition to the Rules and Regulations hereafter promulgated by the Board of Directors, shall govern the use of the Common Areas and the conduct of the users.

3.1 Compliance with Laws; Nuisance. The use of the Common Areas shall be consistent with existing law, the Commons Documents, and the governing documents of the Member Associations. No person shall engage in any obnoxious, unpleasant or offensive activity, nor any other activity which would be a reasonable source of nuisance or annoyance to residents of the Stone Harbour Communities. The Common Areas shall not be obstructed, littered, defaced or misused in any manner.

3.2 Litter. No garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon the Properties except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Board, or in proper-sized, closed plastic bags for curbside pickup as required. All containers, dumpsters and other garbage collection facilities shall be kept in designated areas and kept in a clean condition with no noxious or offensive odors emanating therefrom.

3.3 Pets. No animals or pets are allowed on the Common Areas unless they are hand carried or restrained on a leash while on the Common Areas.

3.4 Correction of Health and Safety Hazards. Any conditions which are deemed by the Commons Association to be a hazard to the public health or safety may be corrected immediately as an emergency matter by the Commons Association and the cost thereof shall be charged to the responsible Owner or Association (if any), and payment may be enforced by a lien against the Living Unit with the same force and effect as if the charge were part of the Commons Association=s assessments.

3.5 Lighting. All exterior lighting, if any, shall be accomplished in accordance with lighting plans approved in writing by Declarant.

3.6 Alterations of Common Areas. No Member Association or its respective Owners or occupants shall make any alteration or improvement of Common Areas, except as authorized, in writing, by the majority of the Board of Directors.

3.7 Outdoor Cooking. No barbecuing or outdoor cooking of any type shall be permitted on Commons Association Property, except where the Commons Association may, in its discretion, designate a place or provide facilities for cooking, and then such activity may be undertaken only in conformity with the Rules established for the use of such facilities.

3.8 Camping. No tents or camping facilities shall be permitted on the Common Areas.

3.9 Signs; advertisements. No Member or its respective Owners or occupants shall post any advertisement, signs or posters of any kind in or on the Common Areas, unless authorized by the Board of Directors.

3.10 Landscaping; Sprinkler Systems. Areas not covered by structures, walkways, parking facilities or recreation facilities shall be maintained as lawn or landscaped areas to the pavement edge of any abutting streets and to the waterline of any abutting lakes, canals, or water management areas. No stone, gravel, or paving of any type shall be used as a substitute for grass in a lawn. Certain areas as determined by the Declarant may remain in a natural or unimproved state. All lawns, landscaping and sprinkler systems within the Common Areas shall be maintained by the Commons Association.

3.11 Sidewalks. Declarant may construct sidewalks in Common Areas. Sidewalks shall be maintained by the Commons Association.

3.12 Underground Utilities. All electric, telephone, gas and other utility lines shall be installed underground to the extent possible.

4. EASEMENTS.

4.1 Utility and Other Easements.

(A) Declarant hereby grants and declares that a non-exclusive easement for access, ingress and egress shall exist over all portions of the Stone Harbour Communities which are subsequently developed and improved for the purpose of utilities, common parking areas, streets, water management and drainage, driveways, ingress and egress, so that the integrity of the Stone Harbour Communities shall be maintained. Such easements shall exist for the benefit of each Owner (and their respective family members, mortgagees, tenants, guests, employees, contractors and agents).

(B) Declarant reserves the right, so long as Declarant is offering any Living Units within the Stone Harbour Communities for sale in the ordinary course of business, to create easements for the purpose of installing, operating and maintaining governmental, public or private utility facilities, and for any and all other purposes incidental to the development of the Properties known as Stone Harbour Communities, and there are also reserved such easements and rights-of-way for any other purposes as Declarant in its sole discretion may in the future determine.

(C) Declarant and the Commons Association hereby grant and declare that an easement is created and reserved over, across and upon the Common Areas to and for the benefit of the Member Associations and the Owners of Living Units for an to the extent that any structure or building or appurtenance thereto, such as, but not limited to, sidewalks or staircases, constructed upon Association Property encroaches upon any properties of the Commons Association. The easement shall exist to the extent of any such encroachment as long as the encroachment exists and is a covenant running with the land and may not be revoked. Any lien encumbering these easements shall automatically be subordinate to such easements.

4.2 Service Easement. Declarant hereby grants to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television, and other utilities that service the Properties, and to such other persons as the Declarant or Commons Association may from time to time designate, the non-exclusive, perpetual right of ingress and egress over and across the Properties for the purpose of performing their authorized services.

4.3 Easement for Construction, Maintenance. Declarant (including its designees and contractors) shall have the right to enter any part of the Common Areas and take any action reasonably necessary or convenient for the purpose of completing the construction thereof, or any part thereon, and for repair, replacement and maintenance purposes provided such activity does not prevent or unreasonably interfere with the use or enjoyment of the facilities.

5. ASSOCIATION. The operation of the Common Areas is by Stone Harbour Commons Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:

5.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association are attached as Exhibit "C".

5.2 Bylaws. The Bylaws of the Association shall be the Bylaws attached as Exhibit "D", as they may be amended from time to time.

5.3 Delegation of Management. The Association may contract for the management and maintenance of the Common Areas and employ a licensed manager or management company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessment, keeping of records, enforcement of rules and maintenance, repair and replacement of the Common Areas with funds made available by the Association for such purposes.

5.4 Membership. The members of the Commons Association shall be all the Florida non-profit corporations ("Associations" or "Member Associations") which are actually created for the purpose of operating residential developments within the Stone Harbour Communities. The Owners of the individual Living Units are not Members of the Commons Association. If any Member Association is voluntarily dissolved (except incident to a merger with the Commons Association), that Member Association's rights to membership shall be transferred to another corporation, or to a trustee, which shall have and exercise such Association's membership rights, obligations and privileges as long as the Commons Association exists.

5.5 Acts of the Association. Unless the approval or affirmative vote of the Owners is specifically made necessary by some provision of the law or the Commons Documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the Owners or the Member Associations and the Owners. An Owner of a Living Unit does not have the authority to act for the Association by reason of being an Owner.

5.6 Powers and Duties. The powers and duties of the Association include those set forth in the Chapter 720, Florida Statutes, particularly Sections 720.301 through 720.312, as modified or limited by the Commons Documents. The Association may contract, sue or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management and operation of the Common Areas. The Association has the power to enter into agreements to acquire leaseholds, memberships and other Ownership, possessory or use interests in lands or facilities, regardless of whether the lands or facilities are contiguous to the Common Areas.

5.7 Official Records. The Association shall maintain its official records as required by law. The records shall be open to inspection by members or their authorized representatives at all reasonable times. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

5.8 Acquisition of Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. The power to acquire Ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the voting interests.

5.9 Disposition of Property. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased or otherwise encumbered or disposed of by the same authority as would be required to acquire it under Section 5.8 above.

5.10 Limitation on Liability. Notwithstanding its duty to maintain and repair the Common Areas, the Association shall not be liable to individual Owners for personal injury or property damage caused by any latent condition of the Common Areas, or caused by the elements or by Owners or other persons.

5.11 Maintenance. The Commons Association shall be responsible for the maintenance, repair, replacement and control of all Common Areas, and shall keep the same in good, safe clean attractive and sanitary condition, and in good working order at all times.

5.12 Partition Prohibited. There shall be no judicial partition of the Common Areas, except as expressly provided elsewhere herein, nor shall Declarant, or any Owner or any other person acquiring any interest in the Stone Harbour Communities, or any part thereof, seek judicial partition thereof except in connection with a dissolution of the Commons Association.

6. ASSESSMENTS AND FEES.

6.1 Method of Establishing Assessments. In accordance with Section 5.5 of the Bylaws, before the first day of December each year, the Board of Directors shall consider and adopt an annual operating budget sufficient to enable the Commons Association to perform its functions for the ensuing year. The Board of Directors shall assess against each Member Association its proportionate share of the total amount budgeted, such proportionate share being determined by the ratio which the number of Living Units operated by the particular Member Association bears to the total number of Living Units in the Stone Harbour Communities. During the period of Developer control, the total number of Living Units in the Stone Harbour Communities shall be presumed to be 120. Each Member Association's share shall, as provided for in the governing documents pertaining to such Member, become part of the common expenses of the Member Association.

6.2 Payment of Annual Assessments. Annual assessments shall be billed in quarterly installments, payable in advance on the tenth (10th) day of January, April, July and October of each year.

6.3 Limitation of Changes in Assessments. The Board of Directors may not increase a Member Association's annual assessment by more than twenty percent (20%) over and above the respective Member Association's annual assessment for the preceding year without the unanimous approval of the Board of Directors of the Commons Association.

6.4 Collection of Assessments. The Board of Directors may adopt and promulgate rules and regulations for the collection of all assessments, and the determination and collection of assessments against the Members shall be subject to the following provisions:

(A) Assessments or installments thereof remaining unpaid longer than ten (10) days after the due date shall bear interest from the due date at the highest rate allowed by law; all payments on account shall be first applied to interest and then to the assessment payment first due.

(B) No member may exempt itself from liability for its assessment hereunder by waiver of the use and enjoyment of any of the Common Areas.

6.5 Subsidy of Commons Association Expenses. During the period of Developer control, the Developer will fund the difference, if any, between Commons Association revenues from all sources and the actual expenses incurred. The foregoing shall not, however, obligate the Developer to contribute to the funding of any reserve account for capital expenditures or deferred maintenance.

7. INSURANCE; RECONSTRUCTION AFTER CASUALTY.

7.1 Required Coverage. The Board of Directors shall obtain and maintain at all times the insurance listed below. The named insured on all insurance policies upon the Common Areas shall be the Commons Association, individually and as agent for each Member and their respective unit Owners, without naming them.

(A) **Liability Insurance:** Public liability insurance covering all of the Common Areas and insuring the Commons Association, the members and their respective Owners as their interests appear, in such amounts as the Board of Directors may determine from time to time. Premiums for such insurance are chargeable as an expense of the Commons Association, and shall be assessed and paid for by each of the Members as provided for in Section 6 above. The Commons Association shall not be responsible for purchasing liability insurance to cover accidents occurring outside the Commons Association Property.

(B) **Property Insurance:** Insurance against vandalism, malicious mischief, fire, windstorm and other perils normally covered by what is commonly called an All-risk property contract, insuring all of the insurable improvements upon the land owned (and to be owned) by the Commons Association and all personal property of the Commons Association, for a minimum of eighty percent (80%) of the full replacement value, together with such other insurance as the Commons Association may deem necessary. Premiums for insurance shall be chargeable as an expense of the Commons Association and shall be assessed against and paid by each of the Members as provided for in Section 6 above. The Commons Association shall annually make an analysis to determine replacement costs for insurance purposes for all of the then existing improvements for the ensuing year.

(C) Such other insurance as the Board of Directors shall determine from time to time to be desirable. Premiums for such insurance shall be an expense of the Commons Association and shall be assessed against and paid by each of the members as provided for in Section 6 above.

7.2 Distribution of Proceeds. If a loss occurs for which the proceeds of insurance policies are received, payments under the policies shall be disbursed and expended in the following manner:

(A) If the damage for which the proceeds are paid is to be repaired or reconstructed, the Commons Association shall pay the proceeds to defray the costs thereof as elsewhere provided. Any proceeds remaining after the defraying of such costs shall become part of the common surplus.

(B) If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall become part of the common surplus.

7.3 Commons Association as Agent. The Commons Association is irrevocably appointed agent for each Member Association, the respective Owners, and for each holder of a mortgage or other lien upon a dwelling unit, and for each Owner of any other interest in the Commons Association property to adjust all claims arising under insurance policies purchased by the Commons Association and to execute and deliver releases for payment of claims.

7.4 Other Property. Each of the Members and their respective Owners shall obtain insurance coverage at their own expense upon their own property and for their own personal liability and living expense.

7.5 Reconstruction or Repair After Casualty. If any part of the Commons Association Property shall be damaged by casualty, a decision as to whether or not it shall be reconstructed or repaired shall be made by the Board of Directors of the Commons Association. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair, and if the Board

of Directors has determined to proceed to reconstruct and repair, the Board may make a special assessment against each Member in order to obtain funds sufficient for payment of such costs. Special assessments shall be levied against each Member as provided in Section 6.1 above.

8. COVENANT AND RULE ENFORCEMENT; DISPUTE RESOLUTION. The Commons Association has the power to enforce all covenants, conditions and restrictions set forth in this Declaration, and to promulgate and enforce administrative rules and regulations governing the use of the Common Areas. Enforcement actions for damages, or for injunctive relief, or both, may be brought by any Member, the Declarant, or the Commons Association against:

- (A) The Commons Association
- (B) The Owner of any Living Unit
- (C) Any occupant of a Living Unit
- (D) Any Member which fails to make a reasonable effort to enforce any restrictive covenants or affirmative obligations under provisions of the Declaration or the Association's own governing documents, where such failure has a material, adverse impact on the appearance of the Stone Harbour Communities or the operation of the Commons Association.

The enforcement of covenants, conditions, restrictions and agreements applicable to the specific Neighborhoods within the Stone Harbour Communities is primarily the function and duty of the Member Associations. The enforcement of the provisions of this Declaration is primarily the responsibility of the Commons Association.

8.1 Damages and Attorney's Fees. Damages shall not be conclusively deemed adequate relief for any breach or violation of any provisions hereof. Any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction, as well as any other available relief either at law or in equity. Any party to a proceeding who succeeds in enforcing any provision of this Declaration, or in enjoining violation or breach of any provision hereof, or recovers damages on account of such breach, against an Owner, an Association, or the Commons Association, shall be entitled to reimbursement of reasonable attorney's fees and court costs (including those resulting from appellate proceedings) incurred by such Owner or Association.

8.2 Non-Liability of Declarant. The Declarant shall not be liable or responsible for any violation of these covenants, conditions, restrictions or other provisions by any person other than itself.

9. PROVISIONS RELATED TO DEVELOPER.

9.1 Appointment of Directors. As the Developer of the Stone Harbour Communities, the Declarant shall have the right to appoint all of the Directors of the Commons Association until control of all Member Associations in the Communities has been turned over to Owners other than the Developer. At that time, each Member Association shall designate to the Commons Association in writing one (1) or two (2) persons to serve as Directors of the Commons Association, as further provided in Section 3.2 of the Bylaws.

9.2 Title to Common Areas. The Declarant will initially retain the legal title to the Common Areas. On or before the date when Members other than the Declarant first select the members of the Board of Directors, as provided in Section 9.1 above, the Declarant will convey the Common Areas to the Commons Association by special warranty deed, and the Association shall accept such conveyance, subject to taxes for the year of conveyance and to restrictions, limitations, conditions, reservations and easements of record. Beginning on the date the Declaration of Covenants for the first residential neighborhood are recorded in the Public Records of the County, the Commons Association shall be responsible for maintenance and operation of the Common Areas, and for payment of any ad valorem taxes assessed against the Common Areas. The Developer shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent properties, and for the purpose of construction of any facilities on the Common Areas that Developer elects to build. The Declarant reserves the right, in its sole discretion, to add or withdraw property from the submission to this Declaration, except that property may not be withdrawn after it has been conveyed to the Commons Association.

9.3 Subdivision and Regulation of Land. No Owner or Association shall inaugurate or implement or seek any variation from, modification to, or amendment of any governmental plans, land development regulations, development orders or development permits applicable to the Common Areas, or to the Properties, without the prior written approval of Declarant.

9.4 Declarant's Exculpation. Declarant may grant, withhold or deny its permission or approval in any instance where its permission or approval is permitted or required without any liability of any nature or kind to any Owner or an Association or any other person for any reason whatsoever, and any permission or approval granted shall be binding upon all persons. The use restrictions of Section 3 above shall not apply to any property owned by Declarant before it is sold to a purchaser other than a Developer.

9.5 Sales Activity. While Declarant holds one or more Living Units for sale in the ordinary course of business or holds Property within the Stone Harbour Communities as defined herein, Declarant and its designees shall have the right to use the Common Areas (including, but not limited to, all recreational facilities) to establish, modify, maintain and utilize, as it and they deem appropriate, model units, sales facilities, sales offices or other offices for use in selling any part of the Stone Harbour Communities. Without limiting the generality of the foregoing, the Declarant and

its designees may show model units or the Common Areas to prospective purchasers or tenant, erect signs and other promotional material to advertise and take all other action helpful for sales, leases and promotion of the Stone Harbour Communities.

9.6 Assignment of Rights to a Subsequent Developer. Except as otherwise specifically provided herein, Declarant reserves the right and the power to delegate or assign, either exclusively or non-exclusively, partially or completely, to any person or entity, any or all of its development rights, powers, duties, privileges created or provided for by this Declaration or by an other recorded instrument. Such assignments shall not in any way lessen the Developer's rights herein.

9.7 Enforcement.

(A) Declarant reserves the right and the power to:

(1) To enforce the Covenants, Conditions, Restrictions and other provisions of this Declaration ; and

(2) To delegate or assign, either exclusively or non-exclusively, any or all of its rights, powers, duties or privileges hereunder to the Commons Association, or to an Association, or to any other person or entity.

(B) The Declarant shall have the right and the power to enforce the Covenants, Conditions, Restrictions and other provisions imposed by this Declaration by any proceeding at law or in equity against any person violating or attempting to violate any such provisions, to restrain any violation or attempted violation of such provisions, to require specific performance of such provisions, to recover damages for violations of such provisions, and against the land to enforce any lien created by this Declaration. Failure by Declarant, the Commons Association or an Association, or any other person, to enforce any such provisions shall in no event be deemed a waiver of their right to do so thereafter.

9.8 Other Rights and Powers of Declarant.

(A) Declarant shall have the right and the power to regulate and control the external design and appearance of Common Areas in such a manner as to:

(1) Promote a quality environment which will preserve the value of the Living Units within the Stone Harbour Communities; and

(2) Foster the attractiveness and functional utility of Stone Harbour Communities as a place to live and play, including a harmonious relationship among structure, vegetation and topography.

(B) No nuisance or obnoxious or offensive activity shall be conducted or permitted on any Common Areas. The Declarant shall have the right and the power in the exercise of its reasonable discretion to determine the activities or the uses which constitute nuisances or obnoxious or offensive activity.

(C) Any use of Common Areas other than the uses intended pursuant to this Declaration shall be subject to the prior written approval of the Declarant so long as it holds any unit for sale in the ordinary course of business within the Stone Harbour Communities.

10. DURATION OF COVENANTS; AMENDMENTS.

10.1 Duration of Covenants. The Covenants, Conditions, Easements and Restrictions in this Declaration shall run with and bind the property within the Community, and shall inure to the benefit of and be enforceable by the Commons Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for an initial period to expire on the ninety-ninth (99th) anniversary of the date of recording in the Public Records of Manatee County, Florida. Upon the expiration of said initial period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited, with this Declaration as amended being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period, until terminated as provided below.

10.2 Termination. This Declaration may be terminated at any time after the initial period of not less than eighty percent (80%) of the voting interests of the Members of each of the Member Associations vote in favor of terminating this Declaration. Written notice of any meeting at which a proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least forty-five (45) days in advance of said meeting. If the members vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination so adopted, the date of the meeting of the Association at which the resolution was adopted, the date that notice of the meeting was given, the total number of votes cast in favor of the resolution, and the total number of votes cast against the resolution. The certificate shall be recorded in the public records of Manatee County, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. The termination shall be effective on the date the certificate is recorded in the Public Records.

10.3 Amendments. This Declaration may be amended. Except as otherwise specifically provided, amendments to this Declaration may be proposed by the Board of Directors or by written request of at least two (2) of the Member Associations.

10.4 Amendment of Provision Relating to Developer. As long as the Developer holds any Property for sale in the ordinary course of business within the Stone Harbour Communities, no

amendment shall have the effect of changing any provision relating specifically to the Developer without the Developer's written consent.

10.5 Procedure. If an amendment to this Declaration is proposed, the appropriate notices and copies of the full text of the proposed amendments shall be mailed to all Member Associations with notice of a Board Meeting at which the amendments will be voted on.

10.6 Vote Required. Except as otherwise provided, this Declaration may be amended if a proposed amendment is approved by at least two-thirds (2/3rds) of the Directors of the Commons Association at any Board Meeting called for the purpose.

10.7 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be executed by an officer of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of the County. The certificate must set forth the location in the Public Records of the County where this Declaration was originally recorded.

11. GENERAL AND PROCEDURAL PROVISIONS.

11.1 Other Documents. Declarant and the Commons Association provided for herein or in any applicable recorded instrument shall have such rights, powers, duties and privileges as set forth herein or in the Articles of Incorporation, Bylaws and other constituent documents of such entity; however, no such entity may have rights, duties, powers or privileges that are in conflict with the provisions of this Declaration, and this Declaration shall prevail in all events of conflict.

11.2 Severability. If any Covenant, Condition or Restriction or other provision of this Declaration is held to be invalid in whole or in part by any court of competent jurisdiction, then such holding shall in no way affect the validity of the remaining provisions of this Declaration, all of which shall remain in full force and effect.

11.3 Dissolution. In the event of dissolution of the Commons Association, each Member Association shall continue to be subject to the annual assessment specified in Section 8 and each Owner shall continue to be personally obligated to Declarant or the successor or assigns of the Commons Association as the case may be for such assessment to the extent that such assessments are required to enable Declarant or any such successors or assigns acquiring any real property previously owned by the Commons Association to properly maintain, operate and preserve it.

11.4 Gender and Number. Wherever in this Declaration the context so requires the singular number shall include the plural, and the converse, and the use of any gender shall be deemed to include all genders.

11.5 Construction. The provisions of this Declaration shall be liberally interpreted and construed to provide maximum flexibility consistent with the general development plan for the Stone Harbour Communities and the purposes set forth herein.

11.6 Captions, Headings, Typeface and Titles. Captions, headings and titles inserted throughout this Declaration are for convenience of reference and ease of reading only, and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter, content or interpretation of the terms and provisions of this Declaration.

11.7 Interpretation. The Board of Directors of the Commons Association shall be responsible for interpreting the provisions of this Declaration and of any of the exhibits attached hereto. Their interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by Association legal counsel that an interpretation adopted by the Board is not wholly unreasonable shall conclusively establish the validity of such interpretation.

11.8 Applicable Statutes. The validity, application and construction of this Declaration and its exhibits shall be governed by the Laws of Florida as they exist on the date of the recording of this Declaration.

IN WITNESS WHEREOF, U.S. Home Corporation, a, Delaware Corporation authorized to do business in the State of Florida, hereby executes this Declaration.

Witnesses:

Witness Signature

Printed Name of Witness

Witness Signature

Printed Name of Witness

U.S. Home Corporation,
a Delaware corporation

By:

Print Name: Robert T. Allegra
Title: Division President

STATE OF FLORIDA)

COUNTY OF Sarasota)

The foregoing instrument was executed before me this 12th day of July, 2005, by Robert T. Allegra, Division President of U.S. Home Corporation, a Delaware corporation, on behalf of the corporation. He/She is personally known to me or did produce _____ as identification.

Print, Type, or Stamp Commissioned Name
of Notary Public (Affix Notarial Seal)

Signature of Notary Public

Printed Name of Notary Public



Cathy Collier
Commission #DD361562
Expires: OCT. 16, 2008
Bonded Thru
Atlantic Bonding Co., Inc.

H:\Docs\STONE HARBOUR COMMONS\Declaration of Covenants Restrictions.doc10/28/04

STONE HARBOUR COMMONS - DECLARATION

STONE HARBOUR COMMONS

A PARCEL OF LAND IN SECTION 25, TOWNSHIP 34 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA

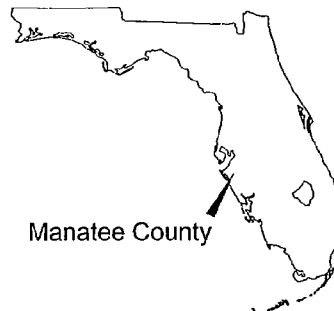
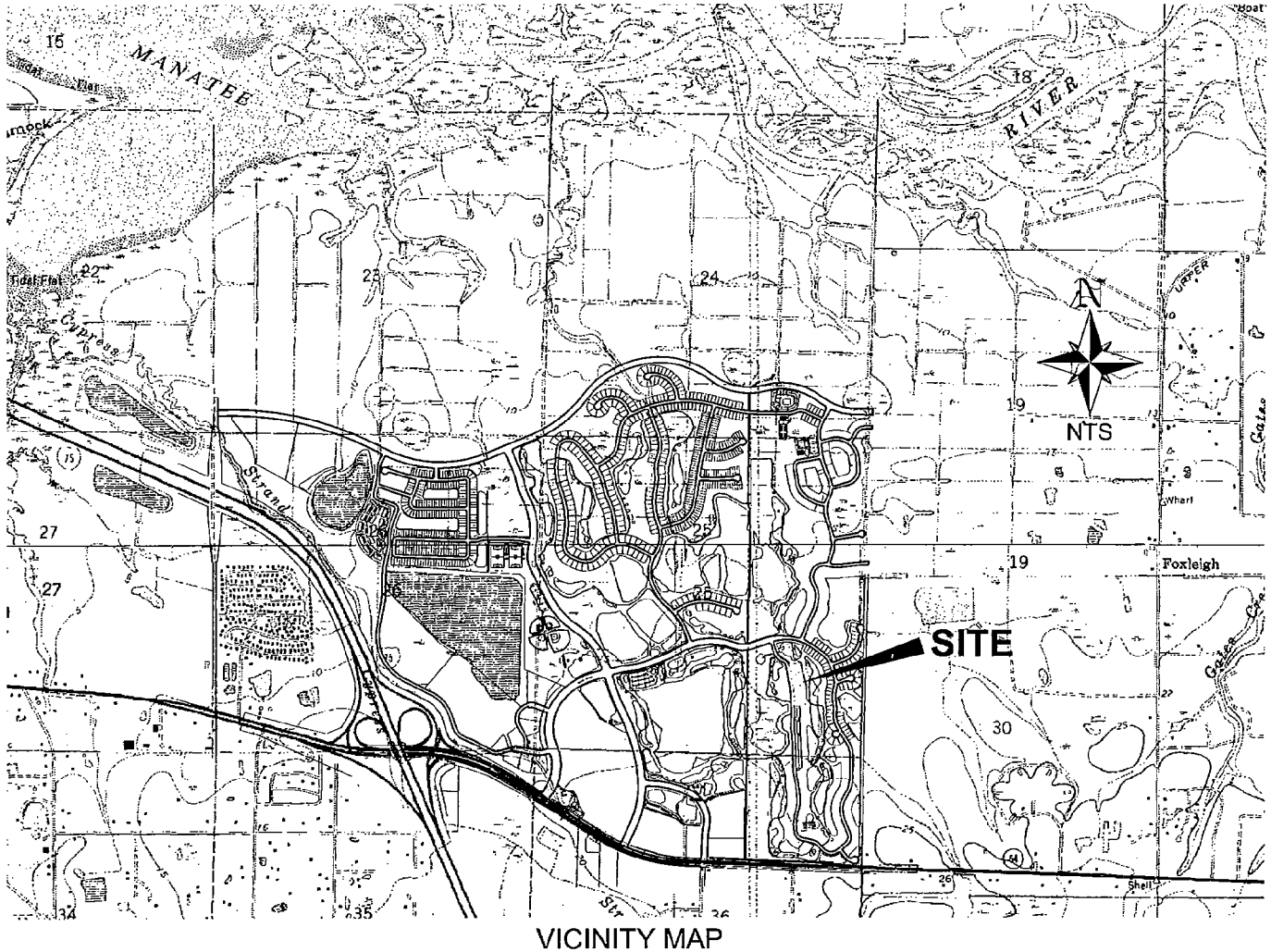


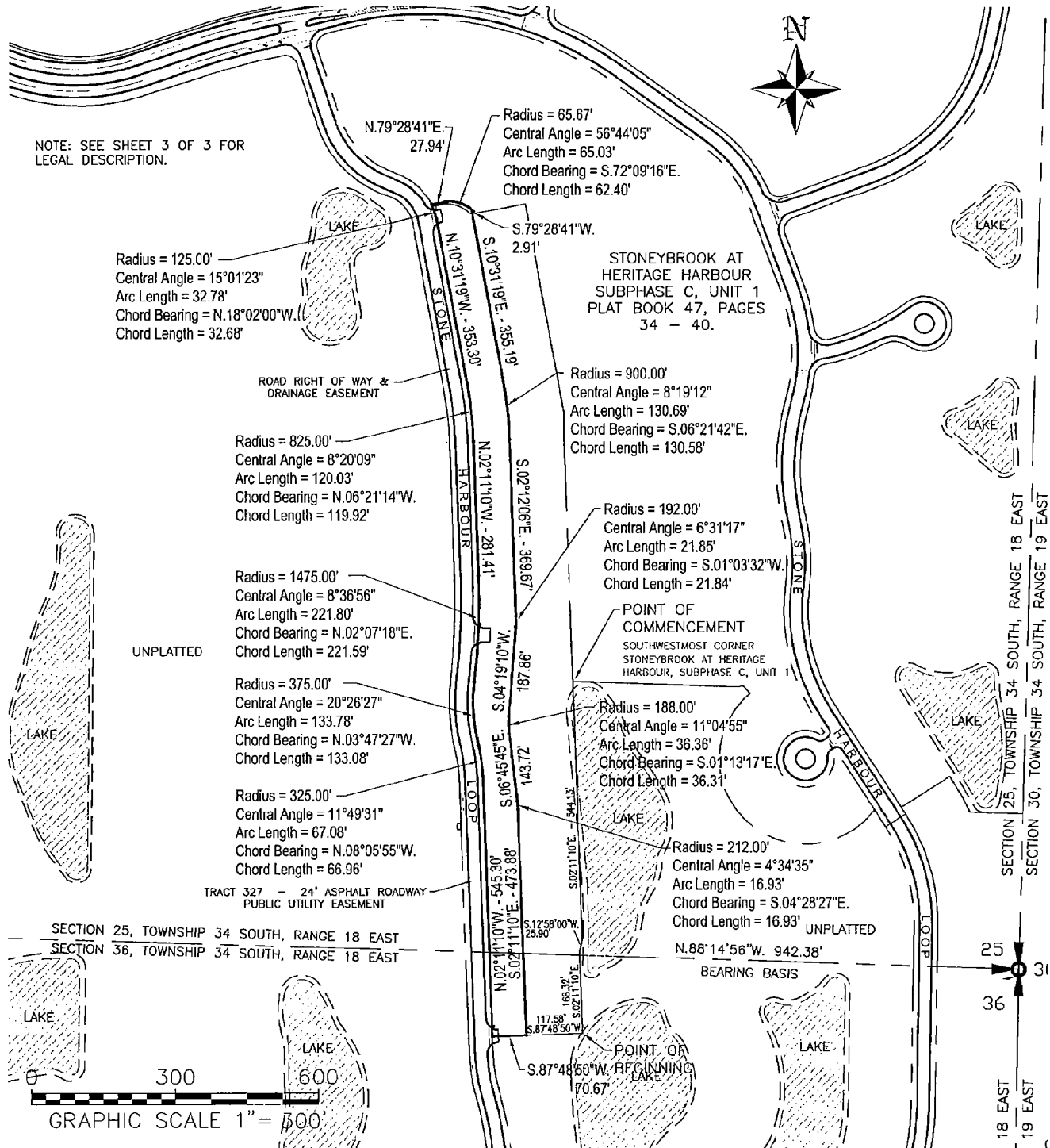
EXHIBIT "A"

Banks Engineering, Inc.

Professional Engineers, Planners & Land Surveyors
ANNA MARIA ISLAND ♦ SARASOTA ♦ FORT MYERS ♦ NAPLES
5350 GULF DRIVE, HOLMES BEACH, FLORIDA 34217 (941)778-6503 FAX (941)778-8497

STONE HARBOUR COMMONS

A PARCEL OF LAND IN SECTION 25, TOWNSHIP 34 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA



SKETCH OF PARCEL DESCRIPTION (NOT A SURVEY)

Banks Engineering, Inc.

Professional Engineers, Planners & Land Surveyors
ANNA MARIA ISLAND ♦ SARASOTA ♦ FORT MYERS ♦ NAPLES
5350 GULF DRIVE, HOLMES BEACH, FLORIDA 34217 (941)778-6503 FAX (941)778-8497

EXHIBIT "A"

OFFICIAL RECORDS BOOK _____, PAGE _____

SHEET 2 OF 3

DATE:
10/15/04
PROJECT NO:
6130

STONE HARBOUR COMMONS

A PARCEL OF LAND IN SECTION 25, TOWNSHIP 34 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA

LEGAL DESCRIPTION:

COMMENCING AT THE SOUTHWESTMOST CORNER OF STONEYBROOK AT HERITAGE HARBOUR, SUBPHASE C, UNIT 1, PER PLAT THEREOF RECORDED IN PLAT BOOK 47, PAGES 34 THROUGH 40 OF THE PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA;; THENCE S.02°11'10"E. FOR A DISTANCE OF 544.13 FEET ; THENCE S.12°58'00"W. FOR A DISTANCE OF 25.90 FEET; THENCE S.02°11'10"E. FOR A DISTANCE OF 168.32 FEET; THENCE S.87°48'50"W. FOR A DISTANCE OF 117.58 FEET TO A POINT OF BEGINNING; THENCE CONTINUE S.87°48'50"W. FOR A DISTANCE OF 70.67 FEET TO THE EASTERLY RIGHT OF WAY LINE OF STONE HARBOUR LOOP, A PROPOSED 50 FOOT WIDE PRIVATE RIGHT OF WAY; THENCE, ALONG SAID EASTERLY RIGHT OF WAY, N.02°11'10"W. FOR A DISTANCE OF 545.30 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 325.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°49'31" FOR A DISTANCE OF 67.08 FEET TO A POINT OF REVERSE CURVE HAVING A RADIUS OF 375.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°26'27" FOR A DISTANCE OF 133.78 FEET TO A POINT OF REVERSE CURVE HAVING A RADIUS OF 1475.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°36'56" FOR A DISTANCE OF 221.80 FEET; THENCE N.02°11'10"W. FOR A DISTANCE OF 281.41 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 825.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°20'09" FOR A DISTANCE OF 120.03 FEET; THENCE N.10°31'19"W. FOR A DISTANCE OF 353.30 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 125.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°01'23" FOR A DISTANCE OF 32.78 FEET; THENCE , LEAVING SAID EASTERLY RIGHT OF WAY LINE, N.79°28'41"E. FOR A DISTANCE OF 27.94 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 65.67 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 56°44'05" FOR A DISTANCE OF 65.03 FEET; THENCE S.79°28'41"W. FOR A DISTANCE OF 2.91 FEET; THENCE S.10°31'19"E. FOR A DISTANCE OF 355.19 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 900.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°19'12" FOR A DISTANCE OF 130.69 FEET; THENCE S.02°12'06"E. FOR A DISTANCE OF 369.67 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 192.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6°31'17" FOR A DISTANCE OF 21.85 FEET; THENCE S.04°19'10"W. FOR A DISTANCE OF 187.86 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 188.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°04'55" FOR A DISTANCE OF 36.36 FEET; THENCE S.06°45'45"E. FOR A DISTANCE OF 143.72 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 212.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°34'35" FOR A DISTANCE OF 16.93 FEET; THENCE S.02°11'10"E. FOR A DISTANCE OF 473.88 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION OF PARCEL

Banks Engineering, Inc.

Professional Engineers, Planners & Land Surveyors

ANNA MARIA ISLAND ♦ SARASOTA ♦ FORT MYERS ♦ NAPLES

5350 GULF DRIVE, HOLMES BEACH, FLORIDA 34217 (941)778-6503 FAX (941)778-8497

DATE:
10/15/04
PROJECT NO:
6130

EXHIBIT "A"

OFFICIAL RECORDS BOOK

, PAGE
SHEET 3 OF 3

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of STONE HARBOUR COMMONS ASSOCIATION, INC., a Florida corporation, filed on November 5, 2004, as shown by the records of this office.

The document number of this corporation is N04000010526.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Ninth day of November, 2004



CR2EO22 (2-03)

EXHIBIT "C"

Glenda E. Hood

Glenda E. Hood
Secretary of State

**ARTICLES OF INCORPORATION
OF
STONE HARBOUR
COMMONS ASSOCIATION, INC.**

FILED
04 NOV -5 PM 2:31
SECRETARY OF STATE
TALLAHASSEE FLORIDA

Pursuant to Section 617.01201, Florida Statutes (2004), these Articles of Incorporation are created by Christopher J. Shields, 1833 Hendry Street, Fort Myers, Florida 33901, as sole incorporator, for the purpose set forth below.

ARTICLE I

NAME: The name of the corporation is Stone Harbour Commons Association, Inc., sometimes hereinafter referred to as the "Association".

ARTICLE II

PRINCIPAL OFFICE: The initial principal office of the corporation is located at 551 N. Cattlemen Rd., Suite 202, Sarasota, FL 34232.

ARTICLE III

PURPOSE AND POWERS: This Association will not permit pecuniary gain or profit nor distribution of its income to its members, officers or Directors. It is a corporation not for profit organized on a non-stock basis for the purpose of providing an entity for the ownership, maintenance and operation of certain recreational and other common facilities serving the Members with Stone Harbour. For the accomplishment of its purpose, the Association shall have all of the common law and statutory powers and duties of a corporation not for profit, except as limited or modified by these Articles and a Declaration of Covenants to be recorded in the Public Records of Manatee County, Florida, and shall have all of the powers and authority reasonably necessary or appropriate to the operation and regulation subject to the said recorded Declaration, as it may from time to time be amended, including but not limited to the power to:

- (A) To own, acquire and convey land, and to operate, maintain and manage those lands owned or to be owned by the Commons Association and such other lands which the Commons Association is responsible to maintain, including the land described in Exhibit "A" to the Declaration of Covenants.
- (B) To operate, maintain, manage and keep in good repair, improvements and amenities upon lands owned by the Commons Association and upon lands which the Commons

STONE HARBOUR COMMONS - ARTICLES

Exhibit "C"

Association is responsible to maintain for the use of the Commons Association's Members and their respective unit owners.

(C) To make available to the Members of the Commons Association and their respective unit owners, services and facilities for the enjoyment of the properties herein mentioned, and to promote the social welfare, security, pleasure, recreation, entertainment, and common good of the Members and their respective unit owners.

(D) To assess against the Members of the Commons Association, fees for the operation and maintenance of the Commons Association property in order to enable the Commons Association to perform its purposes as set forth in the Declaration of Covenants herein and in the Bylaws of the Commons Association, and such other purposes as may be allowed by law.

(E) To borrow or raise money for any of the purposes of the Commons Association and from time to time without limit as to amount; to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness; and to secure the payment of any thereof, and of the interest thereon, by mortgage, pledge, conveyance or assignment in trust, of the whole or any part of the rights or property of the Commons Association.

(F) To participate in mergers and consolidations with other non-profit corporations organized for the operation of property within or without the Stone Harbour Communities, or annex additional property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of all of the Members.

ARTICLE IV

MEMBERSHIP:

(A) The Members of this Commons Association shall be any and every Florida corporation not for profit which is created for the purpose of operating any residential neighborhood located within the Stone Harbour Communities. If any Member is voluntarily dissolved, that Association's membership shall be transferred to another corporation, or to a trustee, which shall have and exercise such Association's membership rights, obligations and privileges as long as this Commons Association exists.

(B) Whenever a vote of the Members is required, each Member shall be entitled to one (1) vote in Commons Association matters for each dwelling unit it operates. The manner of exercising voting rights shall be as set forth in the Bylaws.

(C) The share of a Member in the funds and assets of the Commons Association cannot be assigned, withdrawn or transferred in any manner except as an appurtenance to the property the Association operates.

ARTICLE V

TERM: The term of the Association shall be perpetual.

ARTICLE VI

BYLAWS: The Bylaws of the Association may be altered, amended or rescinded in the manner provided therein.

ARTICLE VII

AMENDMENTS: Amendments to these Articles shall be proposed and adopted in the following manner:

(A) Proposal. Amendments to these Articles may be proposed by a majority of the Board or by petition to the Board signed by at least one-fourth (1/4) of the voting interests. and shall be

(B) Procedure. A proposed amendment must be submitted to a vote of the members not later than the next annual meeting for which proper notice can still be given.

(C) Vote Required. Except as otherwise required by Florida law, a proposed amendment to these Articles of Incorporation shall be adopted if it is approved at any annual or special meeting called for the purpose by at least a majority of the voting interests of the Association, or if it is approved in writing by a majority of the voting interests without a meeting, as authorized in Section 3.8 of the Bylaws, provided that notice of any proposed amendment must be given to the members of the Association, and the notice must contain the full text of the proposed amendment.

(D) Effective Date. An amendment becomes effective upon filing with the Secretary of State and retarding a certified copy in the Public Records of Manatee County, Florida, with the same formalities as are required in the Declaration for recording amendments to the Declaration.

ARTICLE VIII

DIRECTORS AND OFFICERS:

STONE HARBOUR COMMONS - ARTICLES

(A) The affairs of the Association will be administered by a Board of Directors consisting of the number of Directors set in the Bylaws, but never less than three (3), and in the absence of a Bylaw provision shall consist of three (3) Directors.

(B) Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of directors shall be filled in the manner provided by the Bylaws.

(C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting after the annual meeting of the Members and shall serve at the pleasure of the Board.

ARTICLE IX

INITIAL DIRECTORS:

The initial Directors of the Association shall be:

President	Charles A. Danna, Jr. 551 N. Cattlemen Rd., Suite 202 Sarasota, Florida 34232
Vice President	Robert T. Allegra 551 N. Cattlemen Rd., Suite 202 Sarasota, Florida 34232
Secretary/Treasurer	Anthony J. Squitieri 551 N. Cattlemen Rd., Suite 202 Sarasota, Florida 34232

ARTICLE X

INITIAL REGISTERED AGENT:

The initial registered office of the Association shall be:

1833 Hendry Street
Fort Myers, Florida 33901

The initial registered agent at said address shall be:

STONE HARBOUR COMMONS - ARTICLES

Christopher J. Shields

ARTICLE XI

INDEMNIFICATION: To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director and every officer of the Association against all expenses and liabilities, including attorney's fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be available if a judgment or other final adjudication establishes that his actions or omissions to act were material to the cause adjudicated and involved:

(A) Willful misconduct or a conscious disregard for the best interests of the Association, in a proceeding by or in the right of the Association to procure a judgment in its favor.

(B) A violation of criminal law, unless the Director or officer had no reasonable cause to believe his action was unlawful or had reasonable cause to believe it was lawful.

(C) A transaction from which the Director or officer derived or sought to derive an improper personal benefit.

(D) Recklessness, or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and wilful disregard for human rights, safety or property, in an action by or in the right of someone other than the association or a member.

(E) Wrongful conduct by Directors or officers appointed by the Developer, in a proceeding brought by or on behalf of the Association.

In the event of a settlement, there is no right to indemnification unless a majority of the disinterested Directors approve such settlement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to, and not exclusive of, all other rights to which a Director or officer may be entitled.

WHEREFORE the incorporator has caused these presents to be executed this 2nd day of November, 2004

By: 

Christopher J. Shields

STONE HARBOUR COMMONS - ARTICLES

5

Exhibit "C"

STATE OF FLORIDA)
COUNTY OF LEE)

The foregoing instrument was acknowledged before me this 2nd day of November, 2004, by Christopher J. Shields, who is personally known to me and did not take an oath.

(Seal)



Donna IPP
Print Name: Donna IPP
My Commission Expires: _____

ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for Stone Harbour Commons Association, Inc., at the place designated in these Articles of Incorporation, I hereby accept the appointment to act in this capacity and agree to comply with the laws of the State of Florida in keeping open said office.

Christopher J. Shields
Christopher J. Shields

F:\WPDATA\CJS\USHOME\Stone Harbour\Commons\Articles.wpd
10/28/04

STONE HARBOUR COMMONS - ARTICLES

**BYLAWS
OF
STONE HARBOUR
COMMONS ASSOCIATION, INC.**

1. GENERAL. These are the Bylaws of Stone Harbour Commons Association, Inc., hereinafter the "Commons Association", a Florida corporation not for profit.

1.2 Principal Office. The principal office of the Commons Association shall initially be at 551 N. Cattlemen Rd., Suite 202, Sarasota, Florida 34232 and shall subsequently be at such location as may be determined by the Board of Directors.

1.3 Seal. The seal of the Commons Association shall be inscribed with the name of the Commons Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document where a seal is required.

1.4 Definitions. The definitions for various terms used in these Bylaws shall be as set forth in Section 1 of the Declaration of Covenants for Stone Harbour Commons (the "Declaration"), to which these Bylaws are attached as Exhibit "D".

2. MEMBERS; VOTING RIGHTS. The respective condominium multi-family associations created within lands known as Stone Harbour shall be the only members of the Commons Association. If a Lot is subject to an agreement for deed, whether recorded or not, the purchaser in possession shall be treated as the owner solely for purposes of determining voting and use rights. Membership is appurtenant to, runs with, and may not be separated from, the real property interest upon which membership is based. The owners of a Living Unit within Stone Harbour are not members of this Commons Association. Rather, only their respective condominium associations shall be members of this Commons Association.

2.1 Voting Interests. When a vote of the members is required herein or by law, each Member Association shall be entitled to one (1) vote in the affairs of the Commons Association for each Living Unit which it represents. Such votes shall be cast by the members of this Commons Association, who are appointed by each Board of Directors of the respective Member Associations. The term a Majority of the voting interests, in cases of membership votes, shall mean the number of votes equal to one-half (2) of the total number of Living Units in all of Stone Harbour, plus one (1) vote.

STONE HARBOUR COMMONS - BYLAWS

1

EXHIBIT "D"

2.2 Meetings of Members. Inasmuch of the affairs of the Commons Association shall largely be governed and managed by the Board of Directors of the Commons Association, and in recognition of the fact that the members are not natural persons, there shall be no separate meetings of the members related to the activity of this Commons Association. The members shall exercise their voting rights, when a vote of the members is required, through their representatives on the Board of Directors, who shall hold annual organizational meetings, regular meetings and special meetings, in the manner prescribed in Section 3 of these Bylaws.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The annual meeting of the members shall be held in Manatee County, Florida, each year during the first three months of each calendar year, at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members. The annual meeting is a general meeting, and unless the law or the governing documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

3.2 Selection of Directors. Except as otherwise provided in Section 9.1 of the Commons Declaration, not later than March 31st of each year, each Member Association shall designate, in writing, one (1) natural person who shall serve as a Director of this Commons Association from the next annual organizational meeting of the Board of Directors until the following annual organizational meeting, or until their earlier death, resignation or removal. Each such designee shall be a member of the Member Association he represents, and may be an Officer or Director thereof.

3.3 Board Meetings. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Commons Association business. Notices of all Board meetings must be provided to each Member Association at least forty-eight (48) hours in advance of every meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessment. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. Any Member Association may tape-record or videotape meetings of the Board of Directors and meetings of the members. The Board of Directors may adopt reasonable rules governing the taping of meetings of the Board and the membership.

3.4 Waiver of Notice by Directors. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

3.5 Quorum of Directors. A quorum at a Board meeting shall exist only when a majority of all Directors are present in person. Directors may participate in any meeting of the Board, or meeting of an executive or other committee by means of a conference telephone call or other similar

communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means is deemed equivalent to presence in person at a meeting.

3.6 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a later time. When the meeting is reconvened, provided a quorum is then present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

3.7 Presiding Officer. The President of the Commons Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

3.8 Vote Required. The acts approved by a majority of those Directors who are present and voting at a Board meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Governing Documents or by law. A Director who is present at a meeting of the Board shall be deemed to have voted with the majority on any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest.

3.9 Directors' Fees and Reimbursement of Expenses. No compensation or fees shall be paid to Directors for their service as Directors. Directors may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

3.10 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Commons Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. If at any time the law requires that meetings of a committee, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the Commons Association be noticed and conducted with the same formalities as required for meetings of the Board, such requirement shall apply only to the least extent required or permitted by law, it being the intent hereof to exempt as many committees as possible from such a law.

3.11 Removal, Filling of Vacancies. Any Director (except those appointed by the Developer) may be removed with or without cause by the Board of Directors of the Member Association that appointed him/her. Such removal shall be evidenced by the presentation of a duly adopted resolution of the Board of Directors of that Member Association. The vacancy shall be filled by the Board of Directors of the Member Association.

3.12 Emergency Powers. In the event of any "emergency" as defined in Section 3.12(G) below, the Board of Directors may exercise the emergency powers described in this Section, and any other

emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes, as amended from time to time.

(A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Commons Association.

(B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Commons Association shall bind the Commons Association; and shall have the rebuttable presumption of being reasonable and necessary.

(E) Any officer, director, or employee of the Commons Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(F) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(G) For purposes of this Section 3.12, an "emergency" may be found to exist only when the Commons Association, or a larger geographic area in which the Commons Association is located, is subjected to:

- (1) a state of emergency declared by law enforcement authorities;
- (2) a hurricane warning;
- (3) a partial or complete evacuation order;
- (4) designation by federal or state government as a "disaster area;" or

(5) a catastrophic occurrence, whether natural or man-made, which seriously damages or threatens serious damage to the Neighborhood, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or acts of terrorism.

4. OFFICERS. Officers are elected by vote of a majority of the entire Board, and serve at the pleasure of the Board. The executive officers of the Commons Association shall be a President, and a Vice-president, who must be Directors, and a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed from office with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be necessary or desirable to manage the affairs of the Commons Association. If the Board so determines, there may be more than one Vice-President.

4.1 President. The President is the chief executive officer of the Commons Association; presides at all meetings of the members and Directors, is ex-officio a member of all standing committees, has general and active management of the business of the Commons Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring the seal of the Commons Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Commons Association.

4.2 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall prescribe.

4.3 Secretary. The Secretary shall attend all meetings of the board of Directors and all meetings of the members and shall be responsible for the recording of all votes, and the minutes of all proceedings, in a book to be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Commons Association and when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one is designated.

4.4 Treasurer. The Treasurer shall be responsible for the safekeeping of Commons Association funds and assets, budget preparation, and the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Commons Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Commons Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Commons Association, making proper vouchers for such disbursements, and shall render to the

President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Commons Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

4.5 Compensation of Officers. No compensation shall be paid to any member for services as an officer of the Commons Association. This provision does not preclude the Board of Directors from employing officers in other capacities as employees of the Commons Association.

5. FISCAL MATTERS. The provisions for fiscal management of the Commons Association set forth in the Declaration shall be supplemented by the following provisions:

5.1 Depository. The Commons Association shall maintain its funds in accounts in federally insured accounts at financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Commons Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

5.2 Accounts and Accounting Procedures. The financial and accounting records of the Commons Association, must be kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

- (A) Accurate, itemized, and detailed records of all receipts and expenditures.
- (B) A current account and a period statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
- (C) All tax returns, financial statements, and financial reports of the Commons Association.
- (D) Any other records that identify, measure, record or communicate financial information.

5.3 Budget. The Board of Directors shall adopt in advance an annual budget of common expenses for each fiscal year. The budget must reflect the estimated revenues and expenses for the next fiscal year, and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Commons Association, the Developer, or another person. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be considered shall be mailed to or served on Member Association not less than fourteen (14) days prior to that meeting.

The proposed budget shall be detailed and shall show the amounts budgeted by income accounts and expense classifications. The minutes of the Commons Association shall reflect the adoption of the budget, and a copy of the proposed and adopted budgets shall be maintained as part of the financial records of the Commons Association. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Member Association=s next due quarterly installment.

5.4 Reserves. The Board may establish one or more reserve accounts for contingencies, cash flow shortfalls, capital expenditures, and deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

5.5 Assessments. Regular annual assessments based on the adopted budget shall be payable in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to each Member Association at least ten (10) days prior to the due date. Failure to send or receive the notice does not excuse the obligation to pay.

5.6 Special Assessments. Special assessments may be imposed by the board of Directors whenever necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses, or for such other purposes as are authorized by the Declaration and these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or credited back to the members' accounts.

5.7 Fidelity Bonds. The President, Secretary, Treasurer, and any persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or by the Board of Directors. The premiums on such bonds shall be a common expense.

5.8 Financial Reporting. The Commons Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Commons Association shall, within ten (10) business days after the report is prepared, provide each member with a copy of the report, or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

- (A) Financial statements presented in conformity with generally accepted accounting principles; or

(B) A financial report of actual receipts and expenditures, cash basis, which report must show:

(1) The amount of receipts and expenditures by classification; and

(2) The beginning and ending cash balances of the Commons Association.

5.9 Audit. A formal, certified audit of the accounts of the Commons Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Board of Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all owners.

5.10 Application of Payments. All payments on account by an owner shall be applied first to interest, then to late payment fees, then to attorney's fees and costs, then to other charges, and finally to unpaid regular and special assessments, in the order they first came due.

5.11 Fiscal Year. The fiscal year for the Commons Association shall begin on the first day of January of each year.

6. RULES AND REGULATIONS; USE AND RESTRICTIONS. The Board of Directors may, from time to time adopt and amend reasonable rules and regulations governing the operation, use, maintenance, management and control of the Neighborhood Common Areas and the operation of the Commons Association.

7. COMPLIANCE AND DEFAULT; REMEDIES. In addition to any other remedies provided by law or in the Commons Declaration, the following provisions shall apply:

7.1 Fines. The Board of Directors may levy reasonable fines against Members who Owners commit violations of the Rules and Regulations, or condone such violations by their family members, guests or lessees. Each fine shall be in an amount deemed necessary by the Board to deter future violations, but no fine may exceed the maximum amount prescribed by law. The procedure for imposing fines shall be as follows:

(A) **Notice:** 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, and the notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A specific designation of the provisions of the Declaration, Bylaws or Rules which are alleged to have been violated;

(3) A short and plain statement of the facts giving rise to the alleged violation(s);
and

(4) The possible amount of any proposed fine.

(B) Hearing: At the hearing, the party against whom the fine may be levied shall have a reasonable opportunity to present evidence, to provide written and oral argument on all issues, and to review, challenge, and respond to any evidence or testimony presented by the Commons Association. The hearing shall be conducted before a panel of three (3) disinterested Owners appointed by the Board, none of whom may then be serving as Officers or Directors, and may not be related by blood, adoption or marriage to any Officer or Director of the Commons Association. If the panel, by majority vote, does not agree with the fine, it may not be levied.

7.2 Suspension of Use Rights. The Board of Directors may suspend the right of any Owner, or his guests, tenants, or family members, to use Commons Association property during any period of time the Owner shall have failed to pay any fine levied under Section 7.1 above, or for a reasonable time as punishment for failure to pay assessments, and infractions of Commons Association Rules and Regulations by the Owner, his family, guests or tenants. No such suspension shall affect the Owner=s right to have reasonable access to his unit.

8. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner.

8.1 Proposal. Amendments to these Bylaws may be proposed by the President or any two (2) Board Members.

8.2 Procedure. Upon any amendment to these Bylaws being so proposed by the Board or Member Association, such proposed amendment shall be submitted to a vote of the Board of Directors with notice of the meeting where amendments will be voted on for which proper notice can be given.

8.3 Vote Required. Except as otherwise provided by law, these Bylaws may be amended by concurrence of at least two-thirds (2/3rds) of the Directors at any meeting called for such purpose.

8.4 Effective Date, Recording. A copy of each amendment shall be attached to a certificate reciting that the amendment was duly adopted, and executed by an officer of the Commons Association. The certificate must also identify the book and page or instrument number of the Public Records where the Declaration was originally recorded. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Official Records of Manatee County, Florida.

9. MISCELLANEOUS.

9.1 Gender. Whenever a masculine or singular pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

9.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

9.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration or Articles of Incorporation, the provisions of the Declaration and the Articles of Incorporation shall prevail over the provisions of the Bylaws.

The foregoing constitute the first Bylaws of Stone Harbour Commons Association, Inc., and were duly adopted at the first meeting of the Board of Directors held on _____, 20____.

Date: _____, 20____.

STONE HARBOUR COMMONS
ASSOCIATION, INC.

Secretary

Attest:

(CORPORATE SEAL)

President

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STONE HARBOUR COMMONS - BYLAWS

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EXHIBIT "D"