

AQUALEA RULES & REGULATIONS

5. CERTAIN USE AND OTHER RESTRICTIONS.

5.1 Applicability. The provisions of this Section 5 shall be applicable to all of the Properties but shall not be applicable to Declarant or any of its Affiliates or Units owned by them, or to the Hotel Unit Owner or to any Units owned by it, or the Condominium Units or other portion of the Properties while owned by Declarant or its Affiliates or by the Hotel Unit Owner.

5.2 Condominium Restrictions. The declaration of condominium for the Commercial Condominium, the Residential Condominium, and the Resort Condominium contains various occupancy and use restrictions. Such restrictions are hereby incorporated herein by this reference as they exist on the date hereof and

are restated herein in their entirety and may be enforced by Hotel Unit Owner with respect to the applicable Condominium as if the restrictions were included herein in their entirety, provided, however, such restrictions apply to and burden only the applicable condominium and restrictions may be enforced, hereunder, only by the Hotel Unit Owner. Any subsequent amendments to the occupancy and use restrictions contained in the various condominium declarations are not incorporated herein unless an amendment to this Declaration is recorded.

5.3 Parking and Vehicular Restrictions. Parking in or on any portion of the Properties other than on the Garage Unit shall only be as permitted by the Hotel Unit Owner, if at all, and shall in all cases be subject to the rules and regulations of the Declarant, prior to the Sellout Date, and thereafter, the Hotel Unit Owner, as enacted and/or amended from time to time. Parking in the Garage Unit is subject to the provisions of Section 12.

5.4 Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties and/or the Shared Facilities without the prior written consent of the Hotel Unit Owner, except signs, regardless of size, used by Declarant, its Affiliates, successors or assigns prior to the Sellout Date, and the Hotel Unit Owner.

5.5 Animal Restriction. The maintenance, keeping, boarding and/or raising of dogs, cats, pot belly pigs, reptiles, rodents (i.e., mice, gerbils, hamsters) and/or any other animals, livestock, or poultry of any kind, regardless of number, is expressly prohibited in any portion of the Properties, except as permitted by the Hotel Unit Owner; provided, however, Residential Unit Owners and their tenants, shall be entitled to keep (during their period of occupancy) one orderly domesticated animal (which shall consist solely of a dog or cat), which shall not exceed forty (40) pounds in weight, and provided aquarium fish and orderly caged birds may be kept as pets. Any pets permitted hereunder shall only be allowed to remain in a Condominium Unit if such pet is (i) permitted to be so kept by applicable laws and regulations including the declaration of condominium and other condominium documents applicable to the condominium, (ii) not left unattended on balconies or in lanai areas, (iii) not kept or maintained for commercial purposes or breeding, and (iv) generally not a nuisance or disturbance to residents or Occupants of other Condominium Units. Pets shall not be permitted outside of their Owner's Condominium Unit unless attended by an adult and on a leash not more than six (6) feet long or otherwise carried. Pets shall only be taken upon the Residential Condominium and not any other portion of the Properties. Condominium Unit Owners shall pick up all solid wastes from their pets and dispose of same appropriately. Each Condominium Unit Owner shall be responsible for all damage caused by pets kept in his or her Unit, whether such pet belongs to such Condominium Unit Owner. Upon request of any building resident, a Condominium Unit Owner and Occupant shall be deemed to agree to leave any building elevator with his or her pet or wait for another elevator. Pets may not play or exercise in the corridors, stairwells, roof, laundry rooms or other portions of the Properties, other than the Condominium Unit occupied by the Occupant to which the pet belongs. Each Condominium Unit Owner agrees to underwrite the cost of necessary exterminator measures in any portion of the Properties and improvements thereon if the Condominium Unit Owner's or its Occupant's pet is responsible for the infestation of the building or portions thereof. Each Condominium Unit Owner and Occupant agrees to restrain its pet in an appropriate manner should it be requested either for cause or the result of a justifiable request from the Hotel Unit Owner or the governing condominium association (i.e., muzzled when going through public areas). Guests of Condominium Unit Owners or of Occupants are not permitted to keep or maintain any pets or animals within Condominium Units or bring any pets or animals upon the Properties, unless otherwise permitted by the Hotel Unit Owner. Any Owner and its Occupants who keeps or maintains (or whose tenant or guest keeps or maintains) a pet within the Properties agrees to indemnify and hold harmless Declarant, the Hotel Unit Owner and all other Owners from and against any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet within the Properties. The Hotel Unit Owner may require (a) pets to enter and leave portions of the Properties from designated access points, (b) registration of all pets and may establish reasonable fees in connection with same and (c) may require pet owners to place with the Hotel Unit Owner a reasonable security deposit. Without limiting the generality of the other provisions hereof, a violation of the provisions of this Section shall entitle the Hotel Unit Owner to all of its rights and remedies, including, but not limited to, the right to fine Condominium Unit Owners and/or to require any pet to be permanently removed from the Properties.

5.6 Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted on the Shared Facilities, except in those areas expressly designed for same or as otherwise approved by the Hotel Unit Owner, and no odor shall be permitted to arise from portions of the Properties so as to render the Properties, the Shared Facilities or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its Occupants; provided, however, that this provision shall not be deemed to preclude the ordinary course of operations of a hotel, restaurant or spa. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk material, scrap, refuse or trash shall be kept.

5.7 Limitations on Alterations. No Owner or any other party, other than the Hotel Unit Owner and the Declarant prior to the Sellout Date, and thereafter the Hotel Unit Owner, shall make any addition, alteration or improvements to their Condominium Unit or any other portion of the Properties that may: (i) alter, modify, and/or otherwise affect the uniform exterior of any Structure, the building, the Shared Facilities and/or the Hotel Unit constructed upon the Properties (including, without limitation, any windows and/or exterior lighting schemes) or are or may be visible from the Shared Facilities, the Hotel Unit, any other Unit or the exterior of any Structure or the building; (ii) affect the structural integrity of the Hotel Unit or any other Unit or of the building; (iii) affect any electrical, mechanical, HVAC, plumbing, Life Safety Systems, monitoring, information or other systems of the Hotel Unit; or (iv) modify any portion of the Unit which would adversely impact the compliance of the Unit, Hotel or Properties, or compliance by the Hotel Unit Owner or Hotel operator as described in Section 14.23, with the American with Disabilities Act ("ADA"), it being understood that any and all improvements made by the Declarant in order to comply with ADA are intended and shall remain as permanent improvements of the Properties; in any such event without the prior written approval of the Declarant prior to the Sellout Date, and thereafter the Hotel Unit Owner, which approval may be withheld for any reason or for no reason whatsoever in the

sole and absolute discretion of the Declarant or the Hotel Unit Owner as the case may be. Further, no alteration, addition or modification may in any manner affect any portion of any other Unit without the prior written consent of the applicable Unit Owner. Any approval granted by the Declarant or the Hotel Unit Owner may be conditioned in any manner, including, without limitation, by (a) restricting the hours during which work may be performed and restricting access of contractors to certain areas; (b) requiring that all persons performing any alterations have all necessary licenses and permits to perform the work; (c) requiring that all persons performing any alterations have adequate insurance coverage and that the Declarant and/or the Hotel Owner is a named additional insured on such policy(ies); (d) requiring a security deposit or other collateral to protect against damage that may be caused during such alteration; (e) requiring Declarant and/or Hotel Unit Owner to review and approve plans and specifications; (f) restricting use of elevators; and (g) limiting the placing or temporary storage of materials. Any additions, alterations and improvements approved hereunder shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, with the plans and specifications (and other construction and/or design documentation) approved by the Declarant and/or the Hotel Owner hereunder and with any conditions imposed by the Declarant and/or the Hotel Owner.

An Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his or her heirs, personal representatives, successors and assigns, as appropriate, to hold the Declarant, the Hotel Unit Owner, the other Owners, and their respective officers, directors, employees, managers, agents, contractors, consultants and attorneys, harmless from and to indemnify them for any liability, damage (to persons or property) and expenses arising therefrom (including, without limitation, reasonable attorneys' fees and paralegals' and court costs at all trial and appellate levels), and shall be solely responsible for the maintenance, repair and insurance thereof from and after the date of installation or construction thereof as may be required by the Declarant, prior to the Sellout Date, and thereafter the Hotel Unit Owner. The Declarant's and the Hotel Unit Owner's rights of review and approval of plans and other submissions under this Declaration are intended solely for the benefit of the Declarant and the Hotel Unit Owner. Neither the Declarant, the Hotel Unit Owner nor any of their respective officers, directors, employees, managers, agents, contractors, consultants or attorneys shall be liable to any Owner or any other person by reason of mistake in judgment, failure to point out or correct deficiencies in any plans or other submissions, negligence, or any other misfeasance, malfeasance or non-feasance arising out of or in connection with the approval or disapproval of any plans or submissions. Anyone submitting plans under this Declaration, by the submission of same, and any Owner, by acquiring title to same, agrees not to seek damages from the Declarant and/or the Hotel Unit Owner arising out of the review of any plans pursuant to this Declaration. Without limiting the generality of the foregoing, the Declarant and the Hotel Unit Owner shall not be responsible for reviewing, nor shall its or their review of any plans be deemed approval of, any plans from the standpoint of structural safety, soundness, workmanship, materials, usefulness, conformity with building or other codes or industry standards, or compliance with governmental requirements. Further, each Owner (including its successors and assigns) agrees to indemnify and hold the Declarant, the Hotel Unit Owner, and their respective officers, directors, employees, managers, agents, contractors, consultants and attorneys, harmless from and against any and all costs, claims (whether rightfully or wrongfully asserted), damages, expenses or liabilities whatsoever (including, without limitation, reasonable attorneys' and paralegals' fees and court costs at all trial and appellate levels), arising out of any review of plans pursuant to this Declaration. The foregoing provisions shall not be applicable to the Hotel Unit and/or to any Condominium Unit owned by the Declarant.

Without limiting the generality of the foregoing, inasmuch as the Structure may be constructed with post tension steel cabling, absolutely no penetration shall be made to any floor, roof or ceiling slabs without the prior written consent of the Declarant prior to the Sellout Date and thereafter the Hotel Unit Owner, which consent may be withheld in their sole and absolute discretion, and review of the as-built plans and specifications for the Structure to confirm the approximate location of the post tension steel cabling. The plans and specifications for the Hotel Unit shall be maintained by the Hotel Unit Owner. Each Owner, by accepting a deed or otherwise acquiring title to a Condominium Unit shall be deemed to: (i) have assumed the risks associated with post tension steel cabling construction, and (ii) agree that the penetration of any post tension steel cabling or steel reinforcing bars may threaten the structural integrity of the Structure. Each Owner hereby releases the Declarant, the Hotel Unit Owner, its and their contractors, architects, engineers and its and their officers, directors, shareholders, employees and agents from and against any and all liability that may result from Owner's penetration of any of the post tension steel cabling or steel reinforcing bars.

5.8 Hurricane Evacuation Procedures. Upon notice of approaching hurricanes, all furniture, plants and other objects shall be removed from any balconies or terraces. The Hotel Unit Owner shall have the right to enter the Units during emergency events, including when a Hurricane Watch is issued for Clearwater Beach, to insure that furniture is removed from the patios and balconies of the Units, and perform other actions which are reasonable to protect the integrity of the Property and the safety of owners and guests, including removal of all persons from the Property and the Units. Prior to the Sellout Date, Declarant, and thereafter, the Hotel Unit Owner shall have the right from time to time to establish hurricane preparedness and evacuation policies, and each Owner shall fully comply with same. By accepting a deed all Owners acknowledge that the Properties are subject to a Covenant Regarding Hurricane Watch Closure which provides as follows:

Closure of Improvements and Evacuation. The Hotel developed on the Real Property shall be closed as soon as practicable up the issuance of a hurricane watch by the National Hurricane Center, which hurricane watch includes Clearwater Beach, and all unit owners and their guests and invitees and all hotel guests, visitors and employees other than emergency and security personnel required to protect the resort Hotel (as designated by the Developer and/or its hotel operator), shall be evacuated from the Hotel as soon as practicable following the issuance of said hurricane watch. In the event that the National Hurricane Center shall modify the terminology employed to warn of the approach of hurricane force winds, the closure and evacuation provisions of this Declaration shall be governed by the level or warning employed by the National Hurricane Center which

precedes the issuance of a forecast of probable landfall in order to insure that all unit owners and their guests and invitees and all hotel guests, visitors and employees will be evacuated in advance to the issuance of a forecast of probable landfall.

5.9 Variances. Prior to the Sellout Date, Declarant (in its sole and absolute discretion) and thereafter the Hotel Unit Owner (in its sole and absolute discretion) shall have the right and power to grant variances from the provisions of this Section 5 (as they may relate to the Shared Facilities and the Hotel Unit) and from the Declarant's or Hotel Unit Owner's rules and regulations (as they may relate to the Shared Facilities and Hotel Unit) for good cause shown as determined in the sole and absolute discretion of the Declarant or the Hotel Unit Owner, as applicable. No variance granted as aforesaid shall alter, waive or impact the operation or effect of the provisions of this Section 5.14 in any instance in which such variance is not granted.

5.10 Occupant Compliance. Each tenant of a Residential Unit or Occupant shall comply, and all leases shall provide, and if they do not, shall be deemed to provide the agreement of the tenant to comply with the covenants, terms, conditions and restrictions of this Declaration and with any and all rules and regulations adopted and/or amended by the Declarant (prior to the Sellout Date) or the Hotel Unit Owner (after the Sellout Date) from time to time, including, without limitation, any and all regulations and/or procedures adopted regarding mandatory check-in for Condominium Unit Owners and residents, coordination of any charging privileges which the Hotel Unit Owner may elect to afford Condominium Unit Owners, their guests, invitees or tenants and other matters reasonably necessary to allow Residential Unit Owners and hotel guests to be well integrated into a unified structure and operation. A violation of any of the terms of any of the foregoing documents shall constitute a material breach of the lease and shall constitute grounds for damages, termination and eviction. The lease may be enforced by the Declarant (until the Sellout Date) and thereafter by the Hotel Unit Owner. Each Condominium Unit Owner as the case may be will be jointly and severally liable with its tenant to the Hotel Unit Owner for any amount which is required by the Hotel Unit Owner to repair any damage to the Shared Facilities and Hotel Unit resulting from acts or omissions of such Owner's tenants and to pay any claim for injury or damage to property caused by the negligence of the tenant and special charges may be levied against the Condominium Unit therefore. This Declaration and the rules and regulations then in effect must be provided to the Residential Unit tenant by or on behalf of the Residential Unit Owner at or before the commencement of the lease term; provided, however; that such tenant's obligations under this Section 5.10 shall not be affected by the failure to provide such notice. All tenancies are hereby made subordinate to any lien filed by the Hotel Unit Owner, whether prior or subsequent to such lease. During the time a Condominium Unit is leased or occupied by others, the Owner(s) of such Condominium Unit shall not have the right to use the Shared Facilities, except as a guest of another Owner or the lessee, or as a landlord to enforce its rights (including access to the Condominium Unit) as landlord pursuant to Chapter 83 of the Florida Statutes.

5.11 No Time Sharing. De facto time sharing of Condominium Units is not permitted. A Condominium Unit Owner may not convey or sell a Condominium Unit or an interest in a Condominium Unit to multiple persons and/or entities who may or will split occupancy of the Condominium Unit into different time periods during a year. For purposes of this subsection, the term "time sharing" means and refers to the use of occupancy of Condominium Units under (a) timeshare, fractional ownership or interest, vacation plan, equity or non equity club, travel club, interval exchange (whether the program is based on direct exchange of occupancy rights, cash payments, reward programs or other point or accrual systems), shared use or other membership plans, agreements, regimes, programs or arrangements through which a participant in the plan, agreement, regime, program or arrangement acquires an ownership interest in the Condominium Unit(s) with attendant rights of periodic use and occupancy or acquires contract rights to such periodic use and occupancy of the Condominium Unit(s) or a portfolio of accommodations, including the Condominium Unit(s), or (b) any other arrangement or use which the Declarant (until the Sellout Date) and thereafter the Hotel Unit Owner believe (in their respective sole and absolute discretion) to be similar or related to any of the foregoing. This provision shall not prohibit or limit the ability to operate a beach club and/or spa within a portion of the Commercial Condominium.

5.12 Administrative Fee. The Hotel Unit Owner sustains significant overhead, direct and indirect costs inherent to its ability of providing and maintaining hotel style services (including staff recruiting, procurement, training, oversight, supervision, and scheduling, overall human resources and benefits management) and having hotel style amenities and facilities which may from time to time be made available to all Occupants and in furtherance to the rights of the Hotel Unit Owner to establish and implement (i) charging privileges procedures which the Hotel Unit Owner may afford, (ii) Shared Facilities and Hotel security and access procedures, and (iii) other rules, regulations and procedures for the orderly use of the Shared Facilities and the Hotel for purposes of integrating Resort Unit Owners and their guests, tenants and invitees with the Hotel Unit, and (among other things) in order to offset the economic burden to be incurred by the Hotel Unit Owner in establishing and implementing those procedures, each purchaser of a Resort Unit, by acceptance of a deed or other conveyance of a Resort Unit, shall be deemed to agree to pay a daily Administrative Fee, which shall be imposed and paid to the Hotel Unit Owner as part of the Condominium Shared Facilities Expenses, any time a Resort Unit is occupied. The payment of the Administrative Fee shall be a precondition to permitted use of a Resort Unit (or any other portion of the Properties) or access to any Hotel services. The amount of the Administrative Fee shall be determined by the Hotel Unit Owner, in its sole and absolute discretion, on an annual basis and may increase from year to year.

The Administrative Fee shall be charged against the applicable Resort Unit and its Owner. The Hotel Unit Owner shall be permitted to exercise any and all rights available at law and/or in equity to enforce payment of, and to collect, the Administrative Fees and shall be permitted to deny access to the Hotel Unit and any Resort Unit by any one while the Administrative Fee is not paid. Any outstanding Administrative Fee shall be paid prior to use and/or check-in to the Resort Unit. The Administrative Fee shall be paid on a daily basis whenever a Resort Unit is occupied, whether by the Resort Unit Owner, hotel guest, invitee of the Unit Owner, or any other guest or Occupant.

5.13 Life Safety Systems. No Owner or its members, tenants, Occupants or guests, shall make any additions, alterations or improvements to the Life Safety Systems, and/or to any other portion of the Properties which may impair the Life Safety Systems or access to the Life Safety Systems, without first receiving the prior written approval of the Declarant prior to the Sellout Date and thereafter the Hotel Unit Owner, which approval may be withheld in their sole and absolute discretion. In that regard, no lock, chain or other device or combination thereof shall be installed or maintained at any time on or in connection with any door on which panic hardware or fire exit hardware is required. Stairwell identification and emergency signage shall not be altered or removed by any Owner whatsoever. No barrier, including, but not limited to, personality, shall impede the free movement of ingress and egress to and from all emergency ingress and egress passageways.

5.14 Exterior Improvements. Without limiting the generality of Section 5.12 or of other provisions of this Declaration, no Owner shall cause or permit anything to be affixed or attached to, hung, displayed, maintained, stored or placed on the exterior walls, doors, balconies, terraces or windows of the building (including, but not limited to, awnings, signs, storm shutters, screens, window tinting, towels, clothing, bicycles, planters, plants, furniture, fixtures and equipment), without the prior written consent of the Hotel Unit Owner (which may be withheld in its sole and absolute discretion). Curtains or drapes (or linings thereof) which face the exterior windows or glass doors of Condominium Units shall be white in color, unless otherwise approved by the Hotel Unit Owner. In the event that they are not white and are not approved by the Hotel Unit Owner, they shall be removed and replaced with acceptable items.

5.15 Antennas; Satellite Dishes. Owners shall not install any antenna, satellite dish or other transmitting or receiving apparatus in or upon any terraces or balconies without the prior written consent of the Hotel Unit Owner which consent may be withheld in its sole and absolute discretion, except to the extent applicable law requires otherwise. Hotel Unit Owner shall have the right to place antennas and dishes within and attached to portions of the Hotel Unit.