

File # 2007027130, OR BK 2914 Page 1837, Recorded 04/24/2007 at 11:39 AM,
Harold Bazzel, Clerk Bay County, Florida Deputy Clerk GC Trans # 810627

REFLECTIONS

A CONDOMINIUM

THESE DOCUMENTS PREPARED BY:

HALL & RUNNELS, P.A.
4399 COMMONS DRIVE EAST
SUITE 300
DESTIN, FL 32541
(850) 837-9166
WWW.HRHLAWFIRM.COM

REFLECTIONS, A CONDOMINIUM

Table of Contents

	<u>Pages</u>
DECLARATION OF CONDOMINIUM	1
JOINDER OF MORTGAGEE- AmSouth	31
JOINDER OF MORTGAGEE-People's First	32
SURVEYOR'S CERTIFICATE	33
Exhibit A - Site Plan and Graphic Description of Property	34
Exhibit B - Percentage of ownership in common elements, share in common expenses and share of common surplus	97
Exhibit C - Articles of Incorporation - Reflections Owners Association, Inc.	98
Exhibit D - Bylaws of Reflections Owners Association, Inc.	103
Exhibit E - Rules and Regulations	116
Exhibit F - Estimated Operating Budget	119
Exhibit G - Associated Commercial Parcel Easement and Reservation	122
Exhibit H - Parking Easement and Agreement	125

**“DECLARATION OF CONDOMINIUM FOR
REFLECTIONS, A CONDOMINIUM”**

THIS DECLARATION OF CONDOMINIUM (“Declaration”) is made, pursuant to Chapter 718, Florida Statutes, for the purpose of submitting the land herein described and improvements constructed thereon to a condominium form of ownership to be known as Reflections, a Condominium (“Reflections”). This Declaration is made by Reflections Spa & Resort, LLC, a Florida limited liability company (the “Developer”) as of the date set forth on the signature page hereof.

ARTICLE I. DEFINITION OF TERMS.

The terms used herein and within the Articles of Incorporation, Bylaws and Rules and Regulations of Reflections Owners Association, Inc., shall have the meaning stated in the Condominium Act in relation to this condominium and as follows, unless the context otherwise requires. Where these definitions conflict with the Act, the definition expressly provided in the Act shall control in interpreting this Declaration.

1.1 **Associated Commercial Parcels**: Means the parcels identified and described in Exhibits A and G to this Declaration. Said Associated Commercial Parcels are excepted from the land submitted to condominium ownership.

1.2 **Associated Commercial Parcels Easement and Reservation**: Means the instrument attached as Exhibit G which provides for easements and shared use of the common elements in favor of the Associated Commercial Parcels.

1.3 **Association**: Association, as the term is used in these condominium documents, refers to Reflections Owners Association, Inc., a Florida corporation not for profit, and its successors and assigns, as provided in the Condominium Act.

1.4 **Board of Directors or Board**: The board of directors for the Association.

1.5 **Bylaws**: Bylaws of the Association specified above, as they exist from time to time.

1.6 **Common Expenses**: Common expenses, as the term is used in these condominium documents, means the expense for which the Unit Owners are liable to the Association and shall include, but not be limited to, expenses of administration of Reflections Spa & Resort, LLC; expense of maintenance, operation and repair or replacement of the Common Property; any valid charge against the condominium as a whole; taxes imposed upon the Common Property by governmental bodies having jurisdiction over Reflections Spa & Resort, LLC; and the expenses declared to be common expenses by the provisions of the Condominium Documents, as same may be amended, from time to time, in accordance with the provisions thereof.

1.7 Common Property: Common Property is that which Florida Statutes defines as "common elements" and which paragraph 1.18 below defines as Limited Common Elements and shall mean and comprise all the real property, improvements and facilities to Reflections, A Condominium, including all parts of the buildings other than the Units and the Associated Commercial Parcels as same are herein defined, and shall include easements through Units and the Associated Commercial Parcels for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility service to Units and the Associated Commercial Parcels, easements of support in every portion of the Units and the Associated Commercial Parcels which contribute to the support of the improvements and shall further include all personal property held and maintained for the joint use and enjoyment of all of the owners of all Units.

1.8 Common Surplus: Common surplus, as the term is used in these condominium documents, means the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the common expense.

1.9 Community Agreement or Master Agreement: The Master Agreement between the Association and the Bay Point Community Association, Inc. recorded in Book ____ at Page ____ of the Official Records of Bay County, Florida.

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

1.11 Condominium Documents: Condominium documents are comprised of this Declaration establishing Reflections, A Condominium and all exhibits thereto.

1.12 Condominium Parcel: Condominium parcel, as the term is used in these condominium documents, means a Unit together with an undivided share in the Common Property which is appurtenant to the Unit.

1.13 Condominium Property: Condominium property, as the term is used in these condominium documents, is comprised of the land dedicated to condominium ownership and all improvements located thereon intended for use in connection with the Condominium.

1.14 Condominium unit or Unit: Condominium unit or "Unit", as the term is used in these Condominium Documents, refers to that part of the Condominium Property which is subject to private ownership. Excluded, however, from condominium Units are all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors and above the undecorated and/or unfinished inner surfaces of all interior and exterior bearing walls and/or bearing partitions, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior or exterior wall or partition of balcony for the furnishing of utility services to Units and Common Property. All air conditioning equipment serving a Unit is considered to be a part of that Unit; any such equipment outside the

for the furnishing of utility services to Units and Common Property. All air conditioning equipment serving a Unit is considered to be a part of that Unit; any such equipment outside the boundaries of the Unit shall be Limited Common Elements reserved for the use of said Unit to the exclusion of the other Units. The balcony or patio adjacent to each Unit, the windows, front doors and sliding glass doors shall be Limited Common Elements reserved for the use of said Unit to the exclusion of the other Units.

1.15 Declaration of Condominium: Declaration of Condominium means this Declaration as it may, from time to time, be amended.

1.16 Developer: As used in the Condominium Documents, Developer means Reflections Spa & Resort, LLC, a Florida limited liability company.

1.17 Institutional Mortgagee: Institutional mortgagee or mortgagee means a bank, savings and loan association, insurance company, an agency of the United States Government, a real estate investment trust, or a lender generally recognized in a community as an institutional lender. Such term shall also include the Developer in the event Developer shall accept a purchase money mortgage in connection with the sale of a Unit or Units.

1.18 Limited Common Elements: Those common elements which are reserved for the use of a certain Condominium Unit or Units to the exclusion of other Units as described in paragraph above and as depicted in Exhibit A to the Declaration.

1.19 Master Association: The Bay Point Improvement Association, Inc.

1.20 Unit Owner: Unit Owner, or owner of a Unit, or parcel owner, or private dwelling owner, means the owner of a Condominium Parcel.

ARTICLE II. SUBMISSION OF PROPERTY AND IMPROVEMENTS TO CONDOMINIUM OWNERSHIP.

2.1 Reflections Spa & Resort, LLC is the owner of fee simple property described in Exhibit A to this Declaration. Evidence of said ownership in the property is provided in this booklet. Developer has acquired the property prior to the sale of Units, subject to a mortgage obligation to a construction lender for construction of the Condominium, and such other financing obligations as may be appropriate. The real property with the improvements thereon, which Developer submits to condominium ownership in accordance with Chapter 718, Florida Statutes, is described in Exhibit A. This Condominium shall be operated and managed through that certain non-profit corporation known as Reflections Owners Association, Inc., and hereinafter referred to as the "Association".

2.2 The Developer will construct a project on the Property which includes eighty six (86) Units. The size of said Units will range from approximately nine hundred thirty (930) square feet to two thousand five hundred (2500) square feet. Developer does hereby submit the above-

REFLECTIONS, A CONDOMINIUM

referenced real property and improvements to condominium ownership to be known and identified as Reflections, A Condominium which shall consist of Units and Common Property, as said terms have been herein defined and described, which Units are further identified and designated in the site plan of this Condominium, a reduced copy of which is attached hereto and marked Exhibit A.

2.3 Time share estates may not be created with respect to Units.

2.4 All buildings, Common Property and recreational facilities will be completed, recorded, and ready for occupancy as early as June 30, 2006 and no later than December 30, 2006, absent circumstances beyond the Declarant's control.

ARTICLE III. IDENTIFICATION OF UNIT

3.1 The Condominium property consists of the land and parking easement rights described in Exhibits A and H and all easements and rights appurtenant thereto, together with the buildings and other improvements constructed thereon, including the Units, Common Elements, and Limited Common Elements.

3.2 The Condominium consists of eighty six (86) Units in one eight story building. Each Unit is declared to be a condominium Unit and subject to private ownership in fee simple and is identified by a three digit number. The first digit of the number will indicate the floor on which the Unit is located. The next two digits indicate the specific Unit on each floor. The legal description of each Unit will be composed of the three digit number designating the specific Unit. The exception to this numbering system is the three penthouse units which will be designated PH 1, PH 2 and PH3.

3.3 All parking facilities shall be part of the Common Property and shall be assigned to Unit owners in accordance with the provisions contained in this Declaration and the Parking Easement and Agreement, as amended, incorporated here as Exhibit H.

3.4 The boundary lines of each numbered Unit shall be as follows:

3.4.1 Perimeter or Vertical Boundaries – The perimeter boundaries will be the interior unfinished surfaces of the perimeter walls of each Unit as shown in the Unit Plans for the Unit shown in Exhibit A. The boundary shall also be defined by the planes of the interior surfaces of the Unit's windows, doors and other openings that abut the exterior of the building, common elements and ACP areas. All load-bearing walls (as determined by the Declarant) located within a Unit constitute part of the Common Elements up to the unfinished surface of said walls.

3.4.2 Horizontal Boundaries – The upper boundary of the Units shall be the plane of the underside of the finished and undecorated ceilings of each Unit, extended to meet the perimeter boundaries. The lower boundary shall be the plane of the finished

REFLECTIONS, A CONDOMINIUM

and undecorated surface of the floors of each Unit, extended to meet the perimeter boundaries.

3.5 Each Condominium parcel includes the undivided interest of each Unit owner in the Common Elements. All conduits and wires up to their outlets and all other utility lines and pipes up to their outlets, regardless of location, are parts of the Common Elements. Each Condominium parcel includes the Condominium Unit and the undivided share in both the Common Elements and Limited Common Elements that are appurtenant to that Unit.

3.6 Balconies, front doors, windows and sliding glass doors are Limited Common Element appurtenant to the Units that they abut and serve.

ARTICLE IV. OWNERSHIP OF CONDOMINIUM UNITS AND UNDIVIDED SHARES IN COMMON PROPERTY; PROHIBITION AGAINST SEPARATE CONVEYANCE OF SAME.

4.1 Each Unit shall have as an appurtenance an undivided share in the Common Elements with the exclusion of Limited Common Elements made appurtenant to one specific Unit as set forth in Exhibit A attached hereto and made part of this Declaration.

4.2 The Common Expenses shall be borne by the Unit owners and those Unit owners shall share in the common surplus in the percentage set forth for the common elements in Exhibit B.

4.3 The undivided interest in the Common Property declared to be appurtenant to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Unit, and the undivided interest in Common Property appurtenant to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any instrument which purports to effect the conveyance, devise or encumbrance or which purports to grant any right, interest, or lien into or upon a Unit shall be null and void and of no effect insofar as the same purports to affect any interest in any Unit and its appurtenant undivided interest in Common Properties, unless the same purports to convey, devise and encumber or otherwise trade or deal with the entire Unit. Except as conditioned above, any instrument conveying, devising, encumbering or otherwise dealing with any Unit which describes said Unit by Unit number, without limitation or exception, shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the Common Property. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the Common Property by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

REFLECTIONS, A CONDOMINIUM

ARTICLE V. COMMON EXPENSES; COMMON SURPLUS.

Common Expenses shall be shared and Common Surplus shall be owned by the owners of all Units on an equal pro-rata basis. Any Common Surplus which exists at the end of a fiscal year shall automatically be reapportioned to the budget of the next fiscal year.

ARTICLE VI. REFLECTIONS OWNERS ASSOCIATION, INC.

6.1 Reflections Owners Association, Inc., a Florida corporation not for profit, shall maintain, manage and operate the Condominium Property.

6.2 All Unit Owners shall automatically become members of the Association after completion of closing of the purchase of a Unit in Reflections, A Condominium.

6.3 The officers and directors of the Association shall have the powers set forth in this Declaration and the Association Bylaws, and shall, at all times, have a fiduciary relationship to the members of the Association and shall operate and manage the Association in the best interest of its members.

6.4 No person except in a capacity as an officer or a duly appointed agent of the Association shall have the authority to act for the Association.

6.5 The Association shall have the irrevocable right to have access to every Unit in Reflections, A Condominium from time to time, during reasonable hours, as may be necessary for the maintenance, repair, or replacement of any Common Property therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Property or to another Unit or Units.

6.6 The Association shall have the power to make and collect assessments, and to maintain, repair and replace the Common Property.

6.7 The Association shall maintain records according to good accounting practices that shall be open to inspection by Unit Owners or their authorized representatives within 5 working days after receipt of written request by the board or its designee. A Unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with a written request for records. The minimum damages shall be \$50 per calendar day up to 10 days, the calculation to begin on the 11th working day after receipt of the written request. Failure of the Association to permit inspection of its accounting records by Unit Owners or their authorized representatives shall entitle any person prevailing in an action for enforcement to recover reasonable attorney's fees from the Association. Such records shall include:

REFLECTIONS, A CONDOMINIUM

1. A record of all receipts and expenditures.
2. An account for each Unit which shall designate the name and address of the Unit Owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

6.8 The Association shall have the power to purchase Units in the Condominium and to acquire and hold, lease, mortgage and convey the same.

6.9 In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall have the right to intervene and defend.

6.10 A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

6.11 The Association shall have all powers granted by Chapters 718 and 617, Florida Statutes.

ARTICLE VII. MEMBERSHIP IN THE ASSOCIATION; VOTING RIGHTS.

7.1 **Condominium Association** - Membership in the Association shall be restricted to all of the record owners of the Units in Reflections, A Condominium. Purchasers shall become members of the Association automatically upon the completion of closing of the purchase of a Unit in Reflections, A Condominium.

7.1.1 On all matters upon which the membership shall be entitled to vote, each member shall be entitled to one vote for each Unit owned in Reflections, A Condominium which vote may be exercised or cast by the owner of each Unit in the manner provided in the Bylaws (Exhibit D) adopted by the Association and as amended, from time to time, and in accordance with applicable provisions of the Florida Statutes.

7.2 **The Master Association.** This Condominium is located within a master planned development known as "Bay Point." This master planned development is governed by the Master Association. The Master Association has entered into a Master Agreement that governs the issues related to their respective rights and responsibilities in relation to Reflections. All Units in this Condominium shall be conveyed and owned subject to the terms of the Master Agreement, and each Unit Owner, by its acceptance of a deed to a Unit, shall be deemed to have agreed to abide by and comply with the Master Agreement. The Master Agreement provides, among other things, that each Unit Owner shall become a member of the Master Association and that the Master Association has the right to assess and collect monetary assessments from all Unit Owners in this Condominium for the common purposes outlined in the Master Agreement. Each Unit Owner, by acceptance of a deed to a Unit in this Condominium, shall be deemed to

REFLECTIONS, A CONDOMINIUM

have covenanted and agreed to pay their pro-rata share of said General Assessments and other assessments in accordance with the requirements of the Master Agreement and to accept the process for the determination and assessment and collection of the General Assessment as defined and established in the Master Agreement.

7.2.1 **Master Association Assessments.** Individual Unit Owners will be responsible for payment of assessments as established by the Master Association pursuant to Section 4 of the Master Agreement. Unless otherwise determined by the Association Board of Directors, Unit Owners shall pay all Master assessments directly to the Master Association and said amounts shall not be considered as a common expense component of the condominium association budget.

ARTICLE VIII. METHOD OF AMENDMENT OF DECLARATION OF CONDOMINIUM.

8.1 Amendments to the Declaration of Condominium shall be in accordance with section 718.110, Florida Statutes.

8.2 Notwithstanding anything to the contrary contained in this Declaration, the Developer expressly reserves the right to amend this Declaration so as to correct any legal descriptions as contained herein which legal description or descriptions may have been incorrect by reason of a scrivener's or surveyor's error. The Developer may amend this Declaration as aforesaid by filing an amended legal description or descriptions as an amendment to the Declaration among the Public Records of Bay County, Florida, which amendment or amendments shall expressly describe that legal description which is being corrected (by reference to the exhibit containing said legal description or otherwise), in addition to the correct legal description. Such amendments need to be executed and acknowledged only by the Developer and need not be approved by the Association, Unit Owners, lienors, or mortgagees of units of the Condominium, whether or not elsewhere required for amendments. However, as part and parcel of any such amendment as provided for in this subparagraph, there shall be attached thereto an affidavit of the individual or individuals responsible for the original incorrect legal description, whether he be scrivener or surveyor, which affidavit shall set forth: (aa) that said individual made an error in the legal description; (bb) that the error is corrected by the description contained in the amendment; and (cc) that it was the intent at the time of the incorrect legal description to make that description such as is contained in the new amendment. Developer reserves the right to correct such other defects by amendment to this Declaration, property executed and acknowledged, without approval of the Association, Unit Owners, lienors or mortgagees of Units provided such amendment does not materially affect the property rights of the above-named persons.

8.3 The powers and authority reserved to the developer in Article II and in this paragraph to amend the Declaration of Condominium shall be construed liberally to allow the Developer to correct and adjust any deviations or errors in the configuration of Units, in the placement of

REFLECTIONS, A CONDOMINIUM

buildings. Any amendments mentioned here shall be effective from and after being recorded. This paragraph shall not be amended without the consent of the Developer.

ARTICLE IX. BYLAWS, ARTICLES OF INCORPORATION, AND RULES AND REGULATIONS OF CONDOMINIUM PROPERTY.

Reflections Owners Association, Inc., has been incorporated as a Florida corporation not for profit, and its Articles of Incorporation, Bylaws, and Rules and Regulations are included within these Condominium Documents and attached hereto as Exhibits C, D and E, respectively.

ARTICLE X. MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS OF CONDOMINIUM PROPERTY.

10.1 The responsibility for the maintenance of the Condominium Property and restrictions upon its alterations and improvements shall be as follows:

- A. By the Association: The Association shall maintain, repair and replace at the Association's own expense:
- i. All Common Property, including Limited Common Property.
 - ii. All air conditioning and heating systems and equipment other than items providing service to an individual Unit.
 - iii. All portions of the Units (except interior wall surfaces) contributing to the support of the building, which portions shall include, but not be limited to, the outside walls, doors and windows of the building and load-bearing columns, but excluding interior non-bearing walls.
 - iv. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of the Unit contributing to the support of the building or within interior boundary walls, and all such facilities contained within a Unit which service part or parts of the Condominium other than the Unit within which contained. Each type of utility service line shall generally be the Association's responsibility to the point where they enter the Unit. The electrical wiring responsibility shall be to the circuit breaker panel in each Unit. The water service pipe responsibility shall be to the individual Unit cut-off valve within the Unit.
 - v. All incidental damage caused to a Unit or its related limited common elements by such work shall be promptly repaired at the expense of the Association.
- B. By the Condominium Unit owner: The responsibility of the Condominium Unit owner shall be as follows:

REFLECTIONS, A CONDOMINIUM

- i. To maintain, repair and replace at his expense, all portions of the Unit except the portions to be maintained, repaired and replaced by the Association. All such maintenance, repairs and replacements shall be done without disturbing the rights of other Unit Owners.
- ii. Within the Unit, to maintain, repair and replace at his expense, the circuit breaker panel and all service lines from the panel into the unit, all fans and air conditioning and heating equipment, stove, refrigerator, or other appliances or equipment, electrical fixtures, water heaters, or built-in cabinets, including any fixtures and/or their connections required to provide water, light, power, telephone, sewerage and sanitary service to his Unit. The Owner shall maintain, repair and replace all carpet and floor coverings, door and window hardware and locks, shower pans, all windows, screens and window glass and all doors within or affording access to the Unit. The Unit floors and interior walls and the floor and interior wall of any balcony attached to Units shall be maintained by the Unit Owner thereof at his own expense.
- iii. In relation to balconies, patios and porches, the Association and Unit Owners shall share responsibilities as follows: The Unit Owner who has the exclusive use shall be responsible for the day to day cleaning and care of the walls floors and ceilings bounding these areas. They shall maintain any fixed or sliding glass doors and screening in portions of the entryway into these spaces and all wiring, electrical outlets and fixtures related to these features, including the replacement of light bulbs in all fixtures. The Association is responsible for the maintenance, repair and replacement of all exterior walls, screening and the concrete slabs which form the ceiling and floor of these areas. If an Owner is approved for outdoor floor covering or additions to these areas in the form of enclosures, they shall be responsible for the maintenance, repair and replacement and insurance of these approved extra items.
- iv. To promptly report to the Association any defects or need for repairs, the responsibility for the remedy of which is that of the Association.
- v. No Unit Owner other than the Developer shall make any alterations in the portions of the building which are to be maintained by the Association or remove any portion thereof or make any addition thereto or do any work which would jeopardize the safety or soundness of the building or impair any easement without first obtaining approval from the Board of Directors.

10.2 Alteration and Improvement:

A. Common Property - There shall be no material alterations or substantial additions to Common Property, except as the same are authorized by the Board of Directors and ratified by

REFLECTIONS, A CONDOMINIUM

the affirmative vote of voting members casting not less than sixty-six and 2/3 percent (66-2/3%) of the total votes of the members of the Association present at any regular or special meeting of the Unit Owners called for that purpose and approved by the institutional mortgagee holding the greatest dollar volume of mortgages on the Condominium. The cost of the foregoing shall be assessed as Common Expenses of this Condominium.

B. Benefit of Owners - Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Unit Owner(s) requesting same, then, the cost of such alterations or additions shall be charged against and collected solely from the Unit Owners exclusively or substantially exclusively benefiting, and the charge shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors of the Association. Where such alterations or additions exclusively or substantially benefit Unit Owners requesting same, said alterations or additions shall be made only when authorized by the Board of Directors and ratified by not less than sixty-six and 2/3 percent (66-2/3%) of the total votes of the Unit Owners exclusively or substantially exclusively benefiting therefrom and where said Unit Owners are ten or less, the approval of all but one shall be required.

C. Emergency - Alterations and improvements or repairs of an emergency nature may be made upon authorization by a vote of a majority of the directors available for consultation, if same is necessitated, and in the best interests of the Unit Owners.

ARTICLE XI. ENFORCEMENT OF MAINTENANCE.

In the event the a Unit Owner fails to maintain such Unit as required above, the Association, Developer, or any other Unit Owners shall have the right to seek compliance with the foregoing provisions and any and all remedies available by law.

ARTICLE XII. PURCHASER'S CONDOMINIUM FUND AND TRANSFER FEES.

12.1 At the time the Developer sells and closes a Condominium Unit to a purchaser, purchaser thereby becoming a Unit Owner to this Condominium, such purchaser shall deposit the equivalent of three (3) times the purchaser's estimated monthly condominium assessment as determined at the time of closing, which amounts shall be deposited to the Association to pay advance utility deposits, insurance trustee fees, advance premiums on casualty, workmen's compensation and liability policies and for the purpose of defraying such capital expenses as may arise during the initial period of Association operations. This deposit is not a regular contribution of, nor is it in lieu of, the monthly maintenance fee. The balance of such funds shall be used by the Association for future operating expenses.

12.2 The Association shall approve all sales of Units other than sales in which the Developer is the seller. A fee for such approval may be charged, and the amount thereof shall be determined by the Board in accordance with the Florida Condominium Act, as amended from time to time. In no event may such fee exceed the per applicant cap set forth in F.S.

REFLECTIONS, A CONDOMINIUM

§718.112.(2)(i). The initial amount of the fee shall be \$50 until otherwise determined by the Board.

ARTICLE XIII. RESIDENTIAL USE RESTRICTIONS APPLICABLE TO CONDOMINIUM UNITS.

13.1 In order to provide for a congenial and compatible occupancy of the Condominium building and to provide for the protection of the value of the Units, the use of the Condominium Property shall be restricted to and be in accordance with the following:

A. Each Unit is hereby restricted to residential or rental use by only the owner thereof, his immediate family, guests, invitees or lessees. No Unit may be divided or subdivided into smaller Units nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the Unit to be affected. However, while the Developer is still selling Units, unsold Units may be used in the Developer's sales program as model Units, sales offices or for any purpose deemed appropriate by the Developer in his sales promotion efforts.

B. The use of Common Property by the owners or lessees of all Units and all other parties authorized to use same shall be at all times subject to such rules and regulations as may be prescribed and established in the Condominium Documents governing such use or which may be hereafter prescribed and established in the Condominium Documents by the Association. The Association shall have the specific authority to assign use of parking spaces to individual Unit Owners.

C. No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Property or of any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over Reflections, A Condominium shall be observed.

D. Nothing shall be done or kept in any Unit or in the Common Property that will increase the cost of insurance paid by the Association, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Property which will result in the cancellation of insurance in the Condominium Property or contents thereof, or which would be in violation of any law. No wasting of Condominium Property will be permitted.

E. No nuisance shall be allowed upon the Condominium Property, nor shall any use or practice be allowed which is an unreasonable source of annoyance to Unit Owners or which interferes with the peaceful and proper use of the Condominium Property by any Unit Owner, including but not limited to, repairs made within a Unit before 8:00 a.m. or after 5:00 p.m.

F. Common household pets are permitted to be kept by Unit Owners (and shall not be kept by guests or tenants) but shall not be kept in such number as to be an annoyance to other Unit Owners. All pets must be held, or kept leashed and under the control of a responsible party at all

REFLECTIONS, A CONDOMINIUM

times that they are in the Common Property. All owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of their pets. Should a Unit Owner fail to clean up after his pet, the Association shall perform that service and bill the Unit Owner accordingly. The Association reserves the right to designate specific areas within the Common Property, if any, where pets may be walked on leashes by their owners. The Association further reserves the right to adopt and enforce additional pet regulations necessary to ensure that pets are not and do not become a nuisance, and demand that a member permanently remove any and all pets which create disturbances and annoyances from the Condominium Property.

G. In order to preserve the aesthetic qualities of the Condominium, no Unit owner shall decorate any part of his unit or the building so as to change the appearance of any balconies with the exception of the floor area. This precludes the painting of any balconies except floors, illumination of the exterior of the building, display of plants or other objects upon balconies or railings or exterior window sills or ledges, without prior written approval of the Board of Directors. However, in accordance with the provisions of F.S. §718.113, any unit owner may, without prior written approval of the Board of Directors, display on the exterior of, or visible from the exterior of the unit, one portable, removable United States flag in a respectful way, and on designated days, other specified types of U.S. Military flags.

H. In case of an emergency originating in or threatening any Unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors, or any person authorized by it, or the building superintendent or managing agent, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate and to facilitate entry in the event of any such emergency, the owner of each Unit, as required by the Association, shall deposit a key with the Association.

I. The Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for maintenance, repair or replacement of any Common Property or any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Property or to a Unit or Units.

J. Whenever it shall be necessary to enter any Unit for the purpose of performing any maintenance, alteration, or repair to any portion of the Common Property, the owner of each Unit shall permit the duly constituted and authorized agent of the Association, to enter such Unit for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

K. No owner of a Unit shall permit any structural modification or alterations to be made within such Unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors determines, in its sole discretion, that such structural modifications or alterations would affect or in any manner endanger the Condominium in part or in its entirety. If the modification or alteration desired by the owner of any Unit involves the removal of any permanent interior partition, the Association

REFLECTIONS, A CONDOMINIUM

shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition and so long as the removal thereof would be in no manner an interference with the providing of utility services constituting Common Property located therein.

L. The Association shall not have the right to make or cause to be made such alterations or improvements to the Common Property which prejudice the rights of the owner of any Unit in the use and enjoyment of his Unit, unless, in each instance, such owner's written consent has been obtained. The making of such alterations and improvements must be approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be assessed as Common Expense to be assessed and collected from all of the owners of Units. However, where any alterations and improvements are exclusively or substantially exclusively for the benefit of the owner of a Unit requesting the same, then the cost of such alterations and improvements shall be charged against and collected from the Unit Owner exclusively or substantially benefited. Such charge is to be levied in such proportion as may be determined by the Board of Directors.

M. The Common Property shall be used only for the purposes for which they are intended in the furnishing of said services and facilities for the enjoyment of the Units. However, while the Developer is still selling Units, the Common Property may be used by the Developer's marketing program in the manner Developer sees appropriate to use such Common Property.

ARTICLE XIV. INSURANCE.

14.1 The owner of each Unit may, at his expense, obtain insurance coverage for loss or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner, and may, at his expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's Unit or upon the Common Property. All such insurance obtained by the owner of each Unit shall, whenever such provisions are available, provide that the insurer waives its right of subrogation as to any claims against other owners of Units, the Association or Developer, and their respective servants, agents and guests. Risk of loss or of damage to any furniture, furnishings and personal property (constituting a portion of the Common Property) belonging to or carried on the person of the owner of each Unit, or which may be stored in any Unit, or in, to, or upon Common Property, shall be borne by the owner of each Unit. All furniture, furnishings and personal property constituting a portion of the Common Property and held for the joint use and benefit of the Unit Owners shall be covered by such insurance as shall be maintained in force and effect by the Association as hereafter provided. The owner of a Unit shall be liable for injuries or damage resulting from an accident within his own Unit, to the same extent as for an accident occurring within his residence. Any and all insurance or reinsurance placed or contracted for by any owners having an interest in any Unit must be so placed with an insurer licensed and authorized to do business in the State of Florida and maintaining a licensed agent in the State of Florida.

REFLECTIONS, A CONDOMINIUM

14.2 The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium:

A. Casualty insurance covering all of the Common Property and the building, as that term is defined in Section 718.111(11)(b) F.S. 2002, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carriers; such coverage to afford protection against:

- (i) loss of damage by fire or other hazards, including windstorm, covered by the standard extended coverage or other perils endorsements, subject to such deductible provision as the Board of Directors may approve from time to time; and
- (ii) such other risks of a similar or dissimilar nature as are, or shall be, customarily covered with respect to buildings similar in construction, location and use to the Condominium, including, but not limited to, vandalism, malicious mischief, windstorm, flood water damage and war risk insurance if available.

B. Public liability and property damage insurance in such amount and in such form as shall be required by the Association to protect said Association and its members for common risks not addressed in Section 14.1.

C. Worker's compensation to meet the requirements of the law.

D. Employee Honesty Insurance and/or fidelity bonding for all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time. The association shall bear the cost of bonding.

E. Such other insurance coverage the Board of Directors, in its sole discretion, may determine from time to time to be in the best interests of the Association and each Unit Owner individually.

14.3 All liability insurance maintained by the Association shall contain cross liability endorsements to cover liability by all owners of Units as a group and each Unit Owner individually.

14.4 All insurance coverage authorized to be purchased shall be purchased by the Association. The cost of obtaining the insurance coverage authorized in Section 14.2 is declared to be a Common Expense, as are any other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

14.5 All policies of fire and casualty insurance covering the Condominium shall provide for the insurance proceeds covering any loss to be payable to the insurance trustee hereinafter

REFLECTIONS, A CONDOMINIUM

named, or to its successor, and the insurance proceeds from any fire and casualty loss shall be held for the use and benefit of the Association and all owners of all Units and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. The Association is hereby declared to be and is appointed as authorized agent for all owners of all Units for the purpose of filing such proof of loss as may be required under the policy of fire and casualty insurance and negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy of casualty insurance and resulting in loss of or damage to insured property.

14.6 The Board of Directors shall have the right to select the insurance company or companies with whom insurance coverage may be placed and shall have the right to designate the insurance trustee, and all parties beneficially interested in such insurance coverage shall be bound by the selection so made from time to time, but the foregoing shall not be to the exclusion of the rights reserved unto institutional lenders herein.

14.7 The insurance trustee can be a banking institution having trust powers and doing business in the State of Florida. The insurance trustee shall not be liable for the payment of premiums nor for the renewal of any policy of fire insurance and casualty insurance, nor for the sufficiency of coverage, nor for the form or content of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the insurance trustee shall be to receive such proceeds of fire and casualty insurance as are paid and to hold the same in trust for the purposes herein stated for the benefit of the Association and the owners of all Units and their respective mortgagees. Such insurance proceeds are to be disbursed and paid by the insurance trustee as herein provided. The Association, as a Common Expense, shall pay a reasonable fee to said insurance trustee for its services rendered hereunder, and shall pay such costs and expenses as said insurance trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said insurance trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said insurance trustee. Whenever the insurance trustee may be required to make distribution of insurance proceeds to owners of Units and their mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the insurance trustee may rely upon a certificate of the president and secretary of the Association, executed under oath, which certificate will be provided to said insurance trustee upon request of said insurance trustee made to the Association. Such certificate is to certify unto said insurance trustee the name of the owner of each Unit, the name of the mortgagee who may hold a mortgage encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the owner of any Unit, and his respective mortgagee, as their respective interest may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of property. In the event any insurance proceeds are paid to the insurance trustee for any fire or casualty loss, the holder of any mortgage encumbering a Unit shall not have the right, absent authorization in its loan documents, to elect to apply insurance proceeds to the reduction of any mortgage, unless such insurance proceeds represent a

REFLECTIONS, A CONDOMINIUM

distribution to the owner of any Unit and his respective mortgagee, by reason of loss of or damage to personal property constituting a part of the Common Property and as to which a determination is made not to repair, replace or restore such personal property.

14.8 In the event of the loss or damage to only Common Property, real or personal, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the insurance trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Property, then such excess insurance proceeds paid to the owner of each Unit and his mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in Common Property appurtenant to each Unit bears to the total undivided interest in Common Property appurtenant to all Units. If it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the insurance trustee are not sufficient to pay for the repair, replacement, or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall deposit with the insurance trustee a sum which, together with the insurance proceeds received or to be received, will enable said insurance trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be deposited by the Association with the insurance trustee, in said latter event, may be paid by the Association from its reserve for replacement fund, and if the amount in such reserve for replacement fund is not sufficient, or if the Board of Directors determines not to use such fund for said purpose, then the Association shall levy and collect an assessment against the owners of all Units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

14.9 If it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the insurance trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the Board of Directors shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the different elements of the Common Property sustaining any loss or damage.

14.10 If the fire and casualty insurance proceeds payable to the insurance trustee in the event of the loss of or damage to Common Property are not in an amount which will pay for the complete repair, replacement or reconstruction of the Common Property, then the cost to repair, replace or reconstruct said Common Property in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from all of the owners of all Units.

14.11 In the event of loss of or damage to property covered by such fire and casualty insurance, the Association shall, within 60 days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. Such estimates shall contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors may deem to be in the

REFLECTIONS, A CONDOMINIUM

best interests of the membership of the Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, whether to be paid by all of the owners of Units or only by the owners of Units sustaining loss or damage, or both, shall be deposited with said insurance trustee not later than 30 days from the date on which said insurance trustee shall receive monies payable under the policies of fire and casualty insurance.

14.12 In the event of the loss of or damage to personal property belonging to the Association, the insurance proceeds, when received by the insurance trustee, shall be paid to the Association. Should the Board of Directors determine not to replace lost or damaged property constituting a portion of the Common Property, the insurance proceeds received by the insurance trustee shall be paid to owners of Units and their respective mortgagees, as their interest may appear, in the manner and in the proportions herein provided for the distribution of excess insurance proceeds.

14.13 Contracts for repair, replacement or reconstruction of loss or damage shall be let by the Board of Directors in the name of the Association and said Board of Directors shall authorize payments to be made thereunder by the insurance trustee. The Board of Directors may enter into such agreements with the insurance trustee as it may deem in the best interest of the Association for the purpose of effectuating the intent hereof.

14.14 Any and all of the above stated or any other insurance including re-insurance placed or contracted for by the Association must be placed with an insurer licensed and authorized to do business in the State of Florida, which maintains a licensed agent in the State of Florida.

ARTICLE XV. EASEMENTS

15.1 The Units and Common Property shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium documents and Master Covenants governing the use of said Units and Common Property and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Property. Said Units and Common Property are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the real property and improvements of the Condominium, including, but not limited to the Associated Commercial Parcel Easement and Reservation.

15.2 Utility easements are reserved throughout the whole of the Condominium Property, including Units, as may be required for utility services in order to adequately serve the Condominium; provided, however, such easements through a Unit shall be only in accordance with the plans and specifications of the Condominium Property, or as the building is constructed, unless changes thereto are approved in writing by the Unit Owner.

REFLECTIONS, A CONDOMINIUM

15.3 The Common Property shall be, and the same is hereby declared to be, subject to the perpetual non-exclusive easements of way over all roads and walkways in favor of all Unit Owners, for all property and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Unit Owners, subject to all restrictions in the Condominium Documents, including the Associated Commercial Parcel Easement and Reservation.

15.4 In the event that any Unit shall encroach upon any Common Property for any reason not caused by the purposeful or negligent act of the Unit Owner, or agents of such owner, then an easement appurtenant to such Unit shall exist for the continuance of such encroachment upon the Common Property, for so long as such encroachment shall naturally exist; and in the event that any portion of the Common Property shall encroach upon any Unit then an easement shall exist for the continuance of such encroachment of the Common Property upon any Unit for so long as such encroachment shall naturally exist.

15.5 General easements of ingress and egress are reserved over and upon all of the Common Property of the Condominium for the Developer, its agents, guests, designees, successors and assigns for so long as Developer is constructing improvements on Condominium Property or Developer owns a Unit or the Associated Commercial Parcel.

15.6 Developer, its successors, assigns, agents, invitees and guests shall have in addition to all easements granted to Unit Owners, a perpetual easement throughout the Condominium property and any office thereon for the purpose of engaging in resort operations and administration, real estate sales, rental management, and all similar and related activities, and for such other activities that do not unreasonably interfere with the use of the Condominium Property by the Owners. While such activities are anticipated to be generally related to the benefit of the Unit Owners and their guests, there is no requirement that they be so related. Specifically, and to avoid dispute, Developer and its successors, assigns, invitees and guests have a perpetual easement and right, for the purpose of maid service, laundry service, food preparation and service, retailing and utility and telephone service and any other purpose reasonably related to its permitted activities throughout the Condominium Property, whether or not the provision of said services utilizes any of the Common Property, or whether such services, or any portion thereof, are partially or completely assessed as a Common Expense.

REFLECTIONS, A CONDOMINIUM

15.7 The Developer, its successors, assigns, agents shall have a perpetual easement to maintain the landscaping and architectural features in the Common Area surrounding and adjacent to the foundations of the building. This area is specifically designated for the purpose of landscaped enhancements to the base of the building, including seasonal color, and the maintenance by the Developer of a high quality of landscaping is determined to be in the mutual interest of the Owners and the Developer. The specific landscape plan and maintenance schedule shall not be subject to the approval of the Association, but the Developer will provide the Board, or Association manager, with written reports detailing any planned changes to the plan or maintenance schedule in advance for review and comment.

ARTICLE XVI. TERMINATION.

16.1 Notwithstanding anything to the contrary contained in this Declaration, in the event of fire or other casualty or disaster which shall totally demolish the Condominium, or which shall destroy the Condominium so as to require more than two-thirds (2/3) of said buildings and improvements, as determined by the Board of Directors of the Association, to be reconstructed, then this Declaration and the plan of condominium ownership established herein shall terminate, unless 70% of all owners of Units agree that said Condominium be reconstructed, or unless any policy of casualty insurance which may cover the damage or destruction of said buildings requires the reconstruction thereof as a condition precedent to the payment of insurance proceeds under such policy, notwithstanding the fact that the owners of 70% of all Units agree not to reconstruct the building. If such policy of casualty insurance requires the same to be reconstructed, this Declaration and the plan of condominium ownership established herein shall be terminated if there exists any regulation or order of any governmental authority having jurisdiction of the property which may then prevent the reconstruction of said Condominium, although nothing herein contained shall be construed as releasing or in any manner changing any obligation which may be owed to the Association, for itself and for the benefit of the owners of all Units, under any insurance policy then existing.

16.2 If, as above provided, this Declaration and the plan of condominium ownership established herein is to be terminated, then a certificate of resolution of the Board of Directors to said effect, and notice of the cancellation and termination hereof, shall be executed by the president and secretary of the Association in recordable form and such instrument shall be recorded in the Public Records of Bay County, Florida. The Association shall be responsible for providing notice of termination to the Division in conformance with Section 718.117(1), F.S. within 30 business days of recordation of the election document.

Upon termination of this Declaration and the plan of Condominium ownership established herein, all of the owners of Units shall be and become tenants in common as to ownership of the real property herein described, and any then remaining improvements thereon. The undivided

REFLECTIONS, A CONDOMINIUM

interest in such Unit shall be the same as the undivided interest in Common Property which was formerly appurtenant to such Unit, and the lien of any mortgage or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the owner of a Unit in the property and then remaining improvements as above provided. Upon termination of this Declaration and the plan of condominium ownership established herein, the owners of all Units still inhabitable shall, within sixty (60) days from the date of recording of said certificate of resolution, deliver possession of their respective Units to the Association. Upon such delivery of possession, the owners of habitable Units and their respective mortgagees as their interests may appear shall become entitled to participate proportionately together with all owners of inhabitable Units in the distribution of the proceeds in the possession of the insurance trustee. Upon termination of this Declaration and the plan of condominium ownership established herein, the insurance trustee shall distribute any insurance indemnity which may be due under any policy of casualty insurance to the owners of the Units and their mortgagees, as their respective interests may appear, such distribution to be made to the owner of each Unit in accordance with his then undivided interest in the real property and remaining improvements as herein provided. The assets of the Association upon termination of the plan of Condominium ownership created hereby shall then be distributed to the owner of each Unit and his mortgagee, as their respective interests may appear, in the same manner as was provided for the distribution of any final insurance indemnity.

16.3 Except in the event of this Declaration and the plan of condominium ownership being terminated as herein provided, this Declaration and said plan of condominium ownership may only be otherwise terminated by the unanimous consent of all owners of all Units and all parties holding mortgages, liens, or other encumbrances against any of said Units, in which event, the termination of the Condominium shall be by such plans as may be then adopted by said owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Declaration and the plans of condominium ownership established herein shall be executed in writing by all of the forenamed parties, and such instrument shall be recorded in the Public Records of Bay County, Florida. The Association shall be responsible for providing notice of termination to the Division in conformance with Section 718.117(1), F.S. within 30 business days of recordation of the election document.

ARTICLE XVII. PROHIBITION AGAINST SUBDIVIDING OF UNITS; PROHIBITION AGAINST PARTITION OF COMMON PROPERTY.

17.1 No Unit may be divided or subdivided into a smaller Unit, nor shall any Unit or portion thereof be added to or incorporated into any other Unit unless the record owner of the unit and all record owners of liens on the unit join in the execution of an amendment and the amendment is approved by a majority of the entire membership of the Association.

17.2 Recognizing the proper use of a Unit by an owner is dependent upon the use and enjoyment of the Common Property in common with others of all other Units, and that it is in the interest of all owners of the Units that the ownership of the Common Property be retained in common by the owners of Units, it is declared that the percentage of the undivided interest in the

REFLECTIONS, A CONDOMINIUM

Common Property appurtenant to each Unit shall remain undivided and no owner of any Unit shall bring or have any right to bring any action for partition or division thereof.

ARTICLE XVIII. ASSESSMENTS.

18.1 Liability, Lien and Enforcement: The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all Units. To properly administer the operation and management of the Condominium, the Association will incur costs and expenses for the mutual benefit of all of the Unit Owners, which will be continuing and/or recurring costs, as the case may be. To provide the funds necessary for such proper operation, the Association has heretofore been granted the right to make, levy and collect assessments against the owners of all Units and said Units. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium, the following provisions shall be effective and binding upon all Unit Owners:

A. All assessments levied against all the Unit Owners and said Units shall be uniform and unless specifically otherwise provided for in this Declaration of Condominium, the assessments made by the Association shall be in proportion so that the amount of assessment levied against each Unit Owner and his Unit shall bear the same ratio to the total assessment made against all Unit Owners and their Units as does the undivided interest in Common Property appurtenant to all Units.

B. The assessment levied against each of the Unit Owners and his Unit shall be payable in monthly installments, or in such other installments and at such times as may be determined by the Board of Directors.

C. The Board of Directors shall establish an annual budget, in advance, for each fiscal year which shall correspond to the calendar year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies, reserves, insurance, etc. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Upon adoption of such annual budget by the Board of Directors, copies of said budget shall be delivered to each Unit Owner and the assessment for said year shall be established based upon such budget, although the failure to deliver a copy of said budget to each Unit Owner shall not affect the liability of any Unit Owner for such assessment. Should the Board of Directors at any time determine, in its sole discretion that assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessments as it shall deem necessary in accordance with the applicable Condominium Document provisions.

REFLECTIONS, A CONDOMINIUM

D. All monies collected by the Association shall be treated as the separate property of said Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium by virtue of this Declaration and exhibits attached hereto and as monies for any assessments that are paid to the Association by the owner of a Unit, the same may be commingled with monies paid to said Association by the other Unit Owners. In accordance with the provisions of section 718.111(14), F.S., all funds shall be maintained separately in the association's name. Reserve and operating funds of the association shall not be commingled unless combined for investment purposes. If commingled, reserve funds will be accounted for pursuant to section 718.111(14), F.S. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom, shall be held for the benefit of members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit. When the owner of a Unit shall cease to be a member of the Association by reason of the divestment or loss of his ownership of such Unit, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association, or which may have been paid to said Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of said Association which may be used in the operation and management of the Condominium.

E. The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due to the Association shall bear interest at the maximum legal rate until such delinquent assessment or installment and all interest due thereon, has been paid in full. In addition, the Association shall charge an administrative late fee, in an amount of Twenty Five Dollars (\$25) or five percent (5%) of the assessment, whichever is greater, for each delinquent installment that the payment is late.

F. Each Unit Owner shall be personally liable to the Association, jointly and severally, as the case may be, for the payment of all assessments, regular and special, which may be levied by the Association against such party or parties as owners of a Unit in this Condominium. In the event that any owner is in default in the payment of any assessment or installment owed to the Association, such owner shall be personally liable, jointly and severally, for interest and late fees on such delinquent assessment or installment as above provided, and for all costs of collecting such assessment or installment and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

G. No Unit Owner may exempt himself from liability for any assessment levied against such owner and his Unit by waiver of the use of enjoyment of any of the Common Property, or by abandonment of the Unit, or in any other way.

REFLECTIONS, A CONDOMINIUM

H. Recognizing the necessity for providing proper operation and management of the Condominium entails the continuing payment of costs and expenses therefore, which results in benefits to all the Unit Owners, and that the payment of such Common Expenses by the Association is necessary in order to preserve and protect the investment of the owner and his appurtenant undivided interest in the Common Property, the Association shall be entitled to a lien against Units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each Unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing the Association. Said lien shall also secure all costs and expenses, including a reasonable attorney's fee incurred by the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in the Common Property. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Florida. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquired a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to lien.

I. The lien herein granted to the Association shall be effective from and after the time of recording in the Public Records of Bay County, Florida, a claim of lien stating the description of the Unit encumbered thereby, the name of the record owner, the name and address of the Association, the amount due, and the date when due. Such claims of lien shall include only assessments, interest, costs and attorney's fees, which are due, and which may accrue after the claim of lien has been recorded. Such claims of lien shall be signed by an officer or agent of the Association. No lien shall continue for a longer period than one year after recording, unless an action to enforce the lien is commenced. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the Unit Owner's cost. The claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the recording of the Association's claim of lien. The Association's claim of lien for collection of such portion of any tax or special assessment shall specifically designate that the same secures an assessment levied pursuant to this Article.

J. The liability of a first mortgagee who acquires title to the Unit by foreclosure or by deed in lieu of foreclosure for the share of Common Expenses or assessments attributable to the Condominium parcel or chargeable to the former Unit Owner shall be only as specified in Section 718.116, Florida Statutes.

K. Whenever any purchaser of a Unit (other than a first mortgagee as set forth above) obtains title to the Unit, such acquirer of title and his successors and assigns shall be liable for unpaid assessments on the Unit that became due prior to receipt of title.

L. Whenever any Unit may be sold or mortgaged by the owner thereof, which shall be concluded only upon compliance with other provisions of this Declaration, the Association upon written request of the owner of such Unit shall furnish to the property purchaser or mortgagee, a

REFLECTIONS, A CONDOMINIUM

statement verifying the status of payment of any assessment which shall be due and payable to the Association by the owner of such Unit. Such statement shall be executed by an officer of the Association. Any purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement.

M. In any voluntary conveyance of a Unit, the grantor shall be jointly and severally liable with grantee for all unpaid assessments against grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of grantee to recover from the grantor the amount paid by grantee therefore.

N. Institution of a suit at law to attempt to effect collection of payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of a suit at law to attempt to effect collection of any sum then remaining owing to it.

18.2 Payment of Personal Property Taxes on Association Property: All personal property taxes levied or assessed against personal property owned by the Association shall be paid by such Association and shall be included as a Common Expense in the annual budget of the Association.

ARTICLE XIX. REMEDIES IN EVENT OF DEFAULT.

19.1 Each Unit Owner shall be governed by and shall comply with the provisions of the Condominium Documents as any of the same are now constituted or as they may be amended from time to time. A default by any Unit Owner shall entitle the Association or other Unit Owners to the following relief:

A. Failure to comply with any of the terms of the Condominium Documents as they may be amended shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of a lien, fines as permitted by Florida law, disapproval of a proposed lease of a Unit, or, if appropriate, suit by an aggrieved owner of a Condominium Unit. The procedure for fines is set forth in the Rules and Regulations (Exhibit E).

B. Presently, termination of utility and similar services by the Association is not permitted under Florida law; however, if such action is permitted by Florida law in the future, failure of a Unit Owner to comply with any of the terms of this Declaration or its exhibits, as they may be amended shall permit the Association to terminate utility and similar services to the Unit(s) owned.

REFLECTIONS, A CONDOMINIUM

C. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expenses are not met by the proceeds of insurance carried by the Association. However, nothing herein contained shall be construed to modify any waiver by insurance companies or rights of subrogation.

D. In any proceeding arising because of an alleged default by any Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court.

E. The failure of the Association or of the Unit Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or other above-mentioned documents shall not constitute a waiver of the right of the Association or of the Unit Owner to enforce such right, provisions, covenant or condition in the future.

F. All rights, remedies and privileges granted to the Association or a Unit Owner pursuant to any terms, provisions, covenants, or conditions of these Condominium Documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

G. The failure of the Developer and/or the Association to enforce any right, privilege, covenant or condition which may be granted to it by these Condominium Documents shall not constitute a waiver of this right to thereafter enforce such right, provisions, covenant or condition in the future.

H. The failure of an institutional lender, as said term is defined herein, to enforce any right, provision, privilege, covenant or condition which may be granted or reserved to it by these Condominium Documents shall not constitute a waiver of the right of said party to thereafter enforce such right, privilege, covenant or condition in the future.

ARTICLE XX. NOTICE TO THIRD PARTIES.

All natural persons, corporations and other business associations who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereof, are hereby placed on notice of all rights granted and/or reserved unto the Association and/or Reflections, A Condominium and other rights and restrictions contained under the provisions of the Condominium Documents, and shall acquire such interest in any Unit expressly subject thereto.

REFLECTIONS, A CONDOMINIUM

ARTICLE XXI. RIGHT OF UNIT OWNERS OTHER THAN DEVELOPER TO REPRESENTATION ON THE BOARD OF DIRECTORS OF THE ASSOCIATION.

21.1 When Unit Owners other than the Developer own 15% or more of the Units within the Condominium that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third of the members of the Board of Directors. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors:

- A. three years after 50% of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
- B. three months after 90% of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
- C. when all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;
- D. when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or
- E. seven (7) years after recordation of the Declaration;

whichever occurs first. The Developer shall be entitled to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least 5% of the Units within the Condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

21.2 Within seventy-five (75) days after the owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call and give not less than sixty (60) days' notice of an election for this purpose. The notice may be given by any owner if the Association fails to do so.

21.3 If the Developer holds Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

- A. Assessment of the Developer as a Unit Owner for capital improvements.

REFLECTIONS, A CONDOMINIUM

B. Any action taken by the Association that would be detrimental to the sales of Units by the Developer. However, an increase in assessments for Common Expenses without discrimination against the Developer shall not be deemed detrimental to the sales of Units.

21.4 Whenever the Developer shall be entitled to designate and select any person to serve on any Board of Directors, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association, and the Developer shall have the right to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any director so removed for the remainder of the unexpired term of any director so removed. Any director designated and selected by the Developer need not be an owner of a Unit.

ARTICLE XXII. SIGNS, SALES OFFICE, MODEL UNITS.

With the exception of the sign originally constructed to designate this Condominium and the activities to be conducted within such Condominium, no "sold" or "for sale" or "for rent" signs or other advertising shall be maintained or permitted on Units in the Condominium. The Developer, its successors and assigns, may make such use of the unsold Units, the Associated Commercial Parcel and Common Elements as may facilitate such completion and sale, including but not limited to, the maintenance of a sales office and model Units and display of signs on the premises and to advertise, sell, mortgage or otherwise deal with any Unit owned by it without the necessity of obtaining approval of the Board of Directors.

ARTICLE XXIII. SPECIAL AMENDMENT.

In addition to any other method of amending this Declaration provided for elsewhere herein, the Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration: (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Units, (iii) to bring this Declaration into compliance with the Florida Condominium Act, or (iv) to correct clerical or typographical errors in this Declaration or any exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer to make, execute and record Special Amendments. The reserved rights of the Developer under this Article shall terminate three (3) years from the date of recording of the Declaration.

REFLECTIONS, A CONDOMINIUM

ARTICLE XXIV. TELEPHONE, CABLE AND TELECOMMUNICATIONS SYSTEMS

The Developer reserves unto itself, the power and authority, but not the obligation, to contract for, construct or install over, through, under, across and upon any portion of the Condominium Property for the use of the Unit Owners and the Developer, its successors and assigns, one or more telephone, cable and/or telecommunications receiving and distributions systems, electronics surveillance systems, emergency, medical or surveillance monitoring or alarm systems, and all associated equipment, lines, antennae, or satellites (hereinafter the "Equipment Systems"), together with the non-exclusive license right and privilege of (1) ingress and egress to and upon, and use of, the Condominium Property, subject to prior notice to the Association, for installing, constructing, inspecting, repairing, maintaining, altering, moving, improving and replacing the Equipment Systems, and (2) distribution of signals and transmissions of whatever type. The Equipment Systems shall be owned and exclusively controlled by the Developer, its successors and assigns. The Developer, its successors and assigns shall have a non-exclusive license right and privilege to use portions of the Condominium Property for the Equipment Systems as well as for the services to be provided thereby, subject to and in accordance with the provisions of Section 718.302, F.S.

ARTICLE XXV. ACQUISITION OF TITLE TO REAL PROPERTY.

The Association may acquire title to real property, either in fee or as lessee upon the approval of the acquisition by not less than 66-2/3% of the votes of the entire membership of the Association.

Singular/Plural; Genders: Whenever the context of the Condominium Documents so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

REFLECTIONS, A CONDOMINIUM

IN WITNESS WHEREOF, the Developer has executed this Declaration the ___ day of April, 2007.

Signed, sealed and delivered in the presence of:

Stefanie F. LoBue
Print Name: Stefanie F. LoBue

Steven K. Hall
Print Name: STEVEN K. HALL

REFLECTIONS SPA & RESORT, LLC, a Florida limited liability company

By: FLAUTT CORNERSTONE MANAGERS, LLC, a Florida limited liability company
Its: Manager

By: Cornerstone Development Group, Inc., a Florida Corporation
Its: Manager

By: *J. Garrett McNeil*
J. Garrett McNeil, Vice President

STATE OF FLORIDA)
COUNTY OF OKALOOSA)

The foregoing instrument was acknowledged before me this 20 day of April, 2007, by J. Garrett McNeil, as Authorized Representative of Flautt Cornerstone Managers, LLC, a Florida limited liability company, as manager of Reflections Spa & Resort, LLC, A Florida limited liability company. He is personally known to me or produced _____ as identification and did not take an oath.



Stefanie F. LoBue
Notary Public
My Commission Expires: April 29, 2009

THIS INSTRUMENT PREPARED BY:

Steven K. Hall
Hall & Runnels, P.A.
4399 Commons Drive East, Suite 300
Destin, Florida 32541

REFLECTIONS, A CONDOMINIUM

ADDENDUM TO DECLARATION
JOINDER OF MORTGAGEE

Regions Bank successor by merger to AmSouth Bank, an Alabama banking corporation hereinafter called "Lender", the owner and holder of a mortgage encumbering the property described in Exhibit A of this Declaration of Condominium, which mortgage is that certain mortgage dated the 10th day of August, 2005 and recorded in Official Records Book 2662, Page 1218, of the Public Records of Bay County, Florida, to the extent it is required to do so under the laws of the State of Florida, join in the making of the foregoing Declaration of Condominium and agree that the lien of said mortgage shall hereafter encumber each and every of the units as set forth in said Declaration, including, but not limited to, all of the undivided shares of the common elements.

WITNESSES:

Regions Bank, successor by merger to AmSouth Bank, an Alabama banking corporation

Pamela L. Austin
Print Name PAMELA L. AUSTIN

By: William C. Hart, Jr.

Ruby G. Boothe
Print Name Ruby G. Boothe

Its: Vice President

STATE OF FLORIDA

COUNTY OF ESCAMBIA

BEFORE ME, the undersigned authority, this day personally appeared William C. Hart, Jr., as Vice-President, of Regions Bank, successor by merger to AmSouth Bank, an Alabama banking corporation who is personally know to me or who produced PERSONALLY KNOWN as proof of identification and who did not take oath, to be the person(s) described in the foregoing instrument, and he/she/they acknowledge the execution thereof to be his/her/ their free act and deed for the uses and purposes therein expressed, on behalf of said corporation.

WITNESS my hand and official seal this 4th day of April, 2007.

Pamela L. Austin
NOTARY PUBLIC



ADDENDUM TO DECLARATION
JOINDER OF MORTGAGEE

Peoples First Community Bank, a Florida corporation hereinafter called "Lender", the owner and holder of a mortgage encumbering the property described in Exhibit A of this Declaration of Condominium, which mortgage is that certain mortgage dated the 10th day of August, 2005 and recorded in Official Records Book 2662, Page 1278, of the Public Records of Bay County, Florida, to the extent it is required to do so under the laws of the State of Florida, join in the making of the foregoing Declaration of Condominium and agree that the lien of said mortgage shall hereafter encumber each and every of the units as set forth in said Declaration, including, but not limited to, all of the undivided shares of the common elements.

WITNESSES:

Peoples First Community Bank
a Florida corporation

Marjorie S. White
Print Name **Marjorie S. White**

By: [Signature]

Lorne W. Schwenke
Print Name Lorne W. Schwenke

Its: Executive Vice President

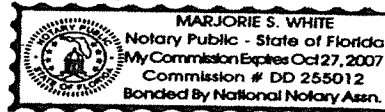
STATE OF FLORIDA

COUNTY OF Bay

BEFORE ME, the undersigned authority, this day personally appeared John W Lewis, as Executive Vice President, of Peoples First Community Bank, a Florida corporation who is personally know to me or who produced [Signature] as proof of identification and who did not take oath, to be the person(s) described in the foregoing instrument, and he/she/they acknowledge the execution thereof to be his/her/ their free act and deed for the uses and purposes therein expressed, on behalf of said corporation.

WITNESS my hand and official seal this 4th day of April, 2007.

Marjorie S. White
NOTARY PUBLIC



REFLECTIONS, A CONDOMINIUM**EXHIBIT C TO THE DECLARATION OF CONDOMINIUM****ARTICLES OF INCORPORATION FOR
REFLECTIONS OWNERS ASSOCIATION, INC.
A NOT FOR PROFIT CORPORATION****ARTICLE I. NAME AND PRINCIPAL PLACE OF BUSINESS**

The name of this corporation is Reflections Owners Association, Inc., hereinafter called "Association", and its principal place of business initially will be 4393 Commons Drive East, Destin, Florida 32541.

ARTICLE II. PURPOSE

This corporation is organized for the purpose of providing an entity pursuant to Section 718.111, Florida Statutes, for the operation of Reflections, A Condominium located in Bay County, Florida. The Corporation shall operate as a corporation not for profit. Further, the Association shall operate and maintain any stormwater management system and any stormwater discharge facility exempted or permitted by the Florida Department of Environmental Protection or other state agency on the property of the Association, and shall have all powers necessary to establish rules and regulations, assess members, and contract for services for the maintenance and operation thereof.

ARTICLE III. TERM

The term of the Association shall be the life of the condominium, unless the Association is terminated by the termination of the condominium in accordance with the provisions of the Declaration of Condominium for Reflections that created this condominium. Upon any such termination, any stormwater management system or discharge facility for which the Association is responsible shall be maintained by local government units, including Bay County or any municipality, a municipal service taxing unit, an active water control district, a drainage district created by special act, a community development district created under Chapter 190, Florida Statutes, a special assessment district created under Chapter 170, Florida Statutes, a state or federal agency, any duly constituted communication, water, sewer, electrical or other public utility, or any entity acceptable to the Department of Environmental Protection or its successor under its rules and regulations.

REFLECTIONS, A CONDOMINIUM

ARTICLE IV. INCORPORATOR

Incorporator. The name and address of the subscriber to these Articles of Incorporation is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Steven K. Hall	4399 Commons Drive East, Suite 300, Destin, Florida 32541

ARTICLE V. DIRECTORS

1. The affairs of the Association will be managed by a board consisting of the number of directors as shall be determined by the Bylaws, but not less than three directors and in the absence of such determination shall consist of three directors.

2. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the Bylaws. Directors may be removed and vacancies of the Board of Directors shall be filled in the manner provided in the Bylaws.

3. The Developer shall have the right to appoint all the members of the Board of Directors until Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors upon the earlier of: (a) Three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all the Units that will be operated ultimately by the Association have been completed, some of them having been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven years after recordation of the declaration of condominium, or in the case of an association which may ultimately operate more than one condominium, seven (7) years after recordation of the declaration for the first condominium it operates. The Developer is entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the Units operated by the Association. The Developer may, in its sole discretion, turn over control of the Association to Unit Owners other than the Developer prior to such dates by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect directors and assume control of the Association. Regardless of the basis for the turn over of control, the Developer

REFLECTIONS, A CONDOMINIUM

shall comply with the requirements of Section 718.301(4), F.S. in timing and substance of relinquishing control of Association records.

Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board of Directors. The election shall proceed as provided in §718.112(2)(d) Florida Statutes. The notice may be given by any Unit owner if the association fails to do so. Upon election of the first Unit owner other than the Developer to the Board of Directors, the Developer shall forward to the Division the name and mailing address of the Unit owner board member. Directors appointed by the Developer need not be Unit Owners.

4. The names of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

NAME

Garrett McNeil
Victor Anderson
Robert J. Smither

ARTICLE VI OFFICERS

The affairs of the Association shall be administered by the officers elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, which officers shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

NAME

Garrett McNeil
Victor Anderson
Robert J. Smither

TITLE

President
Vice-President
Sec./Treasurer

ARTICLE VII INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful

REFLECTIONS, A CONDOMINIUM

misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors' and officers' liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE VIII. BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the Bylaws.

ARTICLE IX. AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

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

(B) A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Limited proxies shall be used by Directors and Members not present in person for votes taken to amend the Articles of Incorporation and may be used for the purpose of creating a quorum. Members not present in person or by limited proxy at the meeting considering the amendment may express their approval or disapproval in writing provided such approval is delivered to the secretary or assistant secretary at or prior to the meeting. However, the written approval or disapproval submitted by a Director or Member may not be used as a vote for or against the proposed amendment and may not be used for the purpose of creating a quorum. Except as elsewhere provided, approvals of proposed amendments to the Articles of Incorporation must be by not less than two-thirds (2/3) of the vote of the entire membership of the Association;

(C) Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium operated by the Association.

(D) Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to Reflection, A Condominium, or its developer, Reflections Spa & Resort, LLC, a Florida limited liability company, its successors or assigns, or any successor developer, by these Articles or By-Laws without the prior written consent of Sterling Resorts, LLC, a Florida limited liability company, its successors or assigns, or a successor developer.

(E) A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Bay County, Florida.

REFLECTIONS, A CONDOMINIUM

ARTICLE X. RESIDENT AGENT

The Association has named Steven K. Hall, whose address is 4399 Commons Drive East, Suite 300, Destin, Florida 32541, as its resident agent to accept service of process within this State.

IN WITNESS WHEREOF, the incorporator has affixed his signature this 30th day of November, 2004




Steven K. Hall

STATE OF FLORIDA)
COUNTY OF OKALOOSA)

The foregoing instrument was acknowledged before me this 30 th day of November, 2004 by Steven K. Hall, who is personally known to me, and who did not take an oath.





Notary Public
My Commission Expires: _____

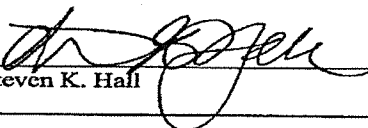
CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

First, that Reflections Owners Association, Inc., desiring to organize under the laws of the State of Florida with its principal office, as indicated in Article I hereof at 4393 Commons Drive East, Destin, Florida 32541, has named Steven K. Hall, as its agent to accept service of process within this state.

ACKNOWLEDGMENT:

Having been named to accept service of process for the above-stated corporation, at the place designated in this Certificate, I hereby accept the Act in this capacity, and agree to comply with the provisions of said Act relative to keeping open said office.



Steven K. Hall

REFLECTIONS, A CONDOMINIUM

REFLECTIONS, A CONDOMINIUM
EXHIBIT D TO THE DECLARATION OF CONDOMINIUM
BYLAWS
OF
REFLECTIONS OWNERS ASSOCIATION, INC.

ARTICLE I

1.1 **Name.** These are the Bylaws of Reflections Owners Association, Inc., called "Association" in these Bylaws, a corporation not for profit under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these Bylaws.

1.2 **Principal Office.** The office of the Association shall be 4393 Commons Drive East, Destin, Florida 32541

1.3. **Fiscal Year.** The fiscal year of the Association shall be the calendar year.

1.4 **Seal.** The seal of the Association shall bear its name, the word, "Florida", the words, "corporation not for profit", and the year of its incorporation.

1.5 **Definitions.** The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Condominium for Reflections, A Condominium ("Declaration"), filed in the Office of the Clerk of the Circuit Court, Bay County, Florida (the "Official Records"), as it may be amended, unless the context indicates otherwise.

ARTICLE II
ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING PROXIES

2.1. **Membership.** All Unit Owners in Reflection, A Condominium shall be members of the Association.

2.2 **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board, either within the Properties or as convenient as possible and practical.

2.3. **Annual Meetings.** The annual members' meeting shall be held at a location determined by the Board in March, April, or May of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that if the day is a legal holiday, the meeting shall be held on the next day that is not a holiday.

REFLECTIONS, A CONDOMINIUM

The time and day of all meetings shall be set by the Board. The Board by a majority vote may change the date of the annual meeting.

2.4 Special Meetings. Special members' meetings shall be held whenever called by the president and vice-president or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership. Special meetings for approval of assessments which exceed 115% of assessments for a prior year and for recall of a Board member may be called as set forth in Sections 718.112(2)(e) and (j), Florida Statutes, respectively.

2.5 Notice of Meetings.

(1) Notice of all members' meetings stating the time and place and an identification of agenda items, shall be given by the president or vice-president or secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings. Adequate notice of members' meetings shall also be posted in a conspicuous place on the Condominium Property at least fourteen (14) continuous days preceding said meeting, except in emergency.

(2) Notice of any meeting where assessments against Unit Owners are to be considered for any reason shall specifically contain the statement that the assessments will be considered and the nature of such assessments.

2.6 Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration, the Articles of Incorporation or these Bylaws.

2.7 Voting.

(1) The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference.

(2) If a Unit is owned by one person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the president or vice-president and attested by the secretary of the corporation and filed with the secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned.

REFLECTIONS, A CONDOMINIUM

A certificate designating the person entitled to cast the vote of a Unit may be revoked by any owner of a Unit. If such a certificate is not of file, the vote of such owners shall not be considered in determining the requirement of a quorum nor for any other purpose.

2.8 Proxies. The use of limited and general proxies shall be permitted as set forth by Florida law. Votes may be cast in person or by proxy. Any proxy given shall be effective only for the specific meeting for which originally given. In no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it. A proxy must be filed with the secretary before the appointed time of the meeting or any adjournment of the meeting for that proxy to be valid.

2.9 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting for time to time until a quorum is present.

2.10 Order of Business. The order of business at annual meetings and as far as practical at other members' meetings shall be:

- (1) Collection of election ballots.
- (2) Election of chairman of the meeting.
- (3) Calling of the roll and certifying of proxies.
- (4) Proof of notice of meeting or waiver of notice.
- (5) Reading and disposal of any unapproved minutes.
- (6) Reports of officers.
- (7) Reports of committees.
- (8) Election of Directors.
- (9) Unfinished business.
- (10) New business.
- (11) Adjournment.

2.11 Parliamentary Rules. "Roberts' Rules of Order" (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation and these Bylaws.

ARTICLE III BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

3.1 Purpose and Composition of the Board. The affairs of the Association shall be managed by a Board of Directors of not less than three, nor more than nine, directors, the exact number to be determined by the Board of Directors from time to time. The term of office for all directors elected at each annual meeting shall be two year terms. At each annual meeting, elections shall be held to elect directors to replace those whose terms have expired, with an odd number of directors being elected in odd years, and an even number of directors elected in even

REFLECTIONS, A CONDOMINIUM

years. All directors shall continue in office after the expiration of their terms until the director's successor is duly elected and qualified, except in the event of earlier resignation, removal or disqualification.

The term of each director's service shall extend for two years until the annual meeting of the members at which his term expires and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.2 Nomination, Election and Removal of Directors. Election of directors shall be conducted in the following manner:

(a) Election of directors shall be held at the annual members' meeting.

(b) The election shall be written ballot or voting machine. Proxies shall in no event be used in electing the Board of Directors in general elections. However, limited proxies may be used pursuant to the provisions of Rule 61B-23.0026(2)(d), F.A.C. for elections to fill vacancies caused by recall. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Unit Owner entitled to vote, a first notice of the date of the election. Any Unit Owner desiring to be a candidate for the Board of Directors shall give written notice to the secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda for the annual meeting, the Association shall then mail or deliver a second notice of the meeting to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8.5 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement. However, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors.

(c) Vacancies Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(d) Removal. Any director may be removed by concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose, or by agreement in writing as provided for in Section 718.112(2)(j), F.S. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meetings. The initial directors named in the Articles or any director elected by the Developer may be removed only by the Developer.

REFLECTIONS, A CONDOMINIUM

3.3 Directors During Developer Control Period. Notwithstanding anything to the contrary contained in this Article, the Board shall consist of three (3) directors during the period that the Developer is entitled to appoint a majority of the directors, as hereinafter provided. The first Board as appointed by the Developer shall hold office and serve until their successors have been elected and qualified as hereinafter provided, and the first Board shall consist of those persons set forth in the Articles of Incorporation. The Developer shall have the right to appoint all the members of the Board until Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board upon the earlier of: (a) three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been completed, some of them having been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (d) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or (e) seven (7) years after recordation of the Declaration . The Developer is entitled to elect at least one (1) member of the Board as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the Units operated by the Association. The Developer may, in its sole discretion, turn over control of the Association to Unit Owners other than the Developer prior to such dates by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect directors and assume control of the Association. Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board. The election shall proceed as provided in §718.112(2)(d) Florida Statutes. The notice may be given by any Unit Owner if the Association fails to do so. Upon election of the first Unit Owner other than the Developer to the Board, the Developer shall forward to the Division the name and mailing address of the Unit Owner Board member. Directors appointed by the Developer need not be Unit Owners.

3.4 Organizational Meeting. The organizational meeting of the newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Board at the meeting at which they were elected. Adequate notice of this meeting date, including an identification of agenda items, shall be conspicuously posted on the condominium property at least forty-eight (48) continuous hours prior to the meetings.

REFLECTIONS, A CONDOMINIUM

3.5 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or facsimile transmission, at least forty-eight (48) hours prior to the day named for the meeting.

3.6 Special Meeting. Special meetings of the Board of Directors may be called by the president and must be called by the secretary at the written request of one-third (1/3) of the directors. Not less than forty-eight (48) hours notice of the meeting shall be given personally, or by mail, telephone or facsimile transmission, which notice shall state the time, place and purpose of the meeting.

3.7 Notice of Meetings. All meetings are open to all Unit Owners. Except in emergencies, notice shall be conspicuously posted at least forty-eight (48) continuous hours prior to the meetings. Any meeting regarding assessments against Unit Owners shall specifically state said fact on this notice. Written notice of any meetings where non-emergency special assessments or amendments to regulations relating to the use of Units are to be considered shall be mailed or delivered to all Unit owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. All meeting notices shall comply with the provisions of Section 718.112(2)(c), F.S.

3.8 Waiver of Notice. 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.

3.9 Quorum. A quorum at a Board meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except when approval by a greater number of directors is required by the Declaration, the Articles of Incorporation or these Bylaws.

3.10 Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted.

3.11 Joinder in a Meeting By Approval of Minutes. The written joinder of a board member may not be utilized as a vote for or against any action taken at a meeting that the member did not attend and may not be used for the purpose of establishing a quorum.

3.12 Conduct of Meetings.

(a) The presiding officer of Board meetings shall be the chairman of the Board if such an officer has been elected; and if none, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

REFLECTIONS, A CONDOMINIUM

(b) The order of business at directors' meetings shall be:

- (1) Calling of the roll.
- (2) Proof of due notice of meeting.
- (3) Reading and disposal of any unapproved minutes.
- (4) Reports of officers and committees.
- (5) Election of officers.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

(c) Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.13 Compensation of Directors. Directors' fees, if any, shall be determined by the members.

3.14 Powers and Duties of the Board of Directors.

(a) Powers. All of the powers and duties of the Association existing under the Condominium Act, Declaration, Articles of Incorporation and these Bylaws shall be exercised exclusively by the Board, its agents, contractor or employees, subject only to approval by Unit Owners when such is specifically required.

(b) Duties. The duties of the Board shall include, without limitation:

(i) preparation and adoption, in accordance with the Declaration, of an annual budget establishing each Owner's share of the Common Expenses;

(ii) levying and collecting such assessments from the Owners;

(iii) providing for the operation, care, upkeep and maintenance of the Common Property;

(iv) designating, hiring and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

REFLECTIONS, A CONDOMINIUM

(v) depositing all funds received on behalf of the Association in a bank account which it shall approve and using such funds to operate the Association; provided, any reserve fund may be deposited, in the Board's best business judgment, in depositories other than banks;

(vi) making and amending use restrictions and rules in accordance with the Declaration ;

(vii) opening of bank accounts on behalf of the Association and designating the signatories required;

(viii) making or contracting for the making of repairs, additions and improvements to or alternations of the Common Property in accordance with the Declaration and these Bylaws;

(ix) enforcing by legal means the provisions of the Declaration , these Bylaws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Unit Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule;

(x) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof and filing and adjusting claims, as appropriate;

(xi) paying the cost of all services rendered to the Association;

(xii) keeping books with detailed accounts of the receipts and expenditures of the Association;

(xiii) making available to any prospective purchaser of a Unit, any Owner and the holders, insurers and guarantors of any Mortgage of any Unit, current copies of the Declaration , the Articles of Incorporation, the Bylaws, rules and all other books, records and financial statements of the Association, as provided in Section 6.4;

(xiv) permitting utility suppliers to use portions of the Common Property reasonably necessary to the ongoing development or operation of the Properties;

(xv) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required under Florida law, the Articles of Incorporation, the Declaration ; and

REFLECTIONS, A CONDOMINIUM

(xvi) assisting in the resolution of disputes between Owners and other without litigation, as set forth in the Declaration .

ARTICLE IV
OFFICERS

4.1 Officers. The executive officers of the Association shall be a president, who shall be a director, a vice-president, who shall be a director, a treasurer and secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold one or more offices except that the president shall not be also the secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(a) President. The president shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of a president of an association, including but not limited to the power to appoint committees from among the members, from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the corporation.

(b) Vice President. The vice president in the absence or disability of the president, shall exercise the powers and perform the duties of the president. He also shall assist the president generally and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

(c) Secretary. The secretary shall keep the minutes of all proceedings of directors and members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer. He shall perform all other duties incident to the office of secretary of an Association, and as may be required by the Board of Directors or the president.

(d) Treasurer. The treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices. He shall perform all other duties incident to the office of treasurer.

REFLECTIONS, A CONDOMINIUM

4.2 Indemnification. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or settlement of any proceeding to which he may be a part or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE V
FISCAL MANAGEMENT

5.1 Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

(a) The receipt and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:

(i) Current expense, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in the fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

(ii) Reserve for capital expenditures and deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually, including but not limited to roof replacement, building painting, and resurfacing of paved areas.

(iii) Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(iv) Property improvements, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the Common Property.

(v) Operations, which shall include the gross revenue from the use of the common property. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from such operation shall be used to reduce the assessments for current expense in the year following the year in which the surplus is realized.

REFLECTIONS, A CONDOMINIUM

Losses from such operations shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

5.2 Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 2 preceeding the year for which the budget is made. If the budget is amended substantially, a copy of the amended budget shall be furnished to each member.

5.3. Assessments. Assessments against the Unit Owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due in quarterly or monthly installments, as may be determined by the Board of Directors. If an assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and payments on such assessment shall be due and payable in the same manner as the prior assessment. In the event the annual assessment proves to be insufficient, the Board may amend the budget and assessments at any time.

5.4 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an assessment, the Board may accelerate the remaining installments of the assessment upon the filing of a lien.

5.5 Assessments for Emergencies. A special assessment for Common Expenses for emergencies that cannot be paid from the annual assessments for common expenses due to the unavailability of funds shall be made only after notice to the Unit Owners of a regular or special Board meeting to address the need for such special assessment. After such notice and upon approval of the special assessment by a majority of the Board present at a meeting at which a quorum is present, the special assessment shall become effective, and it shall be due after thirty (30) days notice in such manner as the Board may require in the notice of assessment.

5.6 Depository of the Association. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall only be by checks signed by such persons as are authorized by the Board of Directors.

ARTICLE VI AMENDMENTS

These Bylaws may be amended in the same manner as is provided in the Articles for the amendment to said Articles. No amendment shall be made which will conflict with the Declaration. No amendment shall be effective until a copy certified by the Association as having been properly adopted has been recorded in the public records of the county in which the Condominium is located.

REFLECTIONS, A CONDOMINIUM

ARTICLE VII
DISPUTE RESOLUTION

As required by Florida law, the Association shall participate in mandatory non-binding arbitration as provided for in Section 718.1255, Florida Statutes, as it may be amended.

ARTICLE VIII
ENFORCEMENT

8.1 Generally. The Association is empowered to exercise all such rights to impose sanctions for violations of the Declaration, these Bylaws and the Rules of the Association as are described in the Declaration.

8.2 Fines. In the event the Association shall at any time decide to impose a fine against the owner of a Unit, or its occupant, licensee or invitee, from failure to abide by any provision of the Declaration, these By-Laws, or rules of the Association, the following shall be applicable:

(a) No fine will become a lien against a Unit.

(b) No fine may exceed One Hundred Dollars (\$100) per violation, however, a fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed One Thousand Dollars (\$1,000).

(c) 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 said notice shall include:

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

(ii) A statement of the provisions of the Declaration, Association By-Laws, or Association Rules which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Association.

(d) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

(e) The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

(f) The provisions of this section do not apply to unoccupied Units.


REFLECTIONS, A CONDOMINIUM

**ARTICLE IX
MISCELLANEOUS**

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of compliance on the Units with the Condominium Fire and Life Safety Code.

The Board of Directors shall comply with the administrative process for receiving and responding to inquiries from Unit Owners which is provided in Section 718.112(2)(a)(2), F.S.

The foregoing were adopted as the Bylaws of Reflections Owners Association, Inc., a corporation not for profit under the laws of the State of Florida at the first meeting of the Board of Directors on this 27 day of April, 2007.

 for _____ (Seal)
Ken Mullins, Secretary

Approved:
 _____ (Seal)
J. Garrett McNeil, President

REFLECTIONS, A CONDOMINIUM

REFLECTIONS, A CONDOMINIUM**EXHIBIT E TO THE DECLARATION OF CONDOMINIUM****RULES AND REGULATIONS**

1. Automobiles may be parked only in the areas provided or assigned for that purpose.
2. Use of recreational facilities and Common Property will be in such manner as to respect the rights of other Unit Owners. Use of particular recreational facilities will be controlled by regulations to be issued from time to time, but in general, such use will be prohibited between the hours of 10:00 p.m. and 8:00 a.m.
3. No radio or television antenna or any wiring for any purpose shall be installed on the exterior of a building without the written consent of the Association.
4. Any owner may identify his Unit with a name plate of a type and size approved by the Association and mounted in a place and manner approved by the Association. No other signs may be displayed except signs of the Developer pending construction and sale of the Units.
5. The balconies, terraces and exterior stairways shall be used only for the purpose intended and shall not be used for hanging garments or other objects, or for cleaning of rugs and other household items. One exception to this prohibition is that an Owner may display certain flags in some of these areas subject to the provisions of Section 718.113(4), F.S., in the manner described in that section.
6. Unit Owners are reminded that alteration and repair of buildings is the responsibility of the Association except for the interior of Units. No work of any kind is to be done upon exterior building walls or upon interior boundary walls without first obtaining the approval required by the Supplement.
7. Common household pets are permitted to be kept by Unit Owners (and shall not be kept by guests or tenants) but shall not be kept in such number as to be an annoyance to other Unit Owners. All pets must be held, or kept leashed and under the control of a responsible party at all times that they are in the Common Property. All owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of their pets. Should a Unit Owner fail to clean up after his pet, the Association shall perform that service and bill the Unit Owner accordingly. The Association reserves the right to designate specific areas within the Common Property, if any, where pets may be walked on leashes by their owners. The Association further reserves the right to adopt and enforce additional pet regulations necessary to ensure that pets are not and do not become a nuisance, and demand that a member permanently remove any and all pets which create disturbances and annoyances from the Condominium Property.

REFLECTIONS, A CONDOMINIUM

8. No owner may make or permit any disturbing noises in the building whether made by himself, his family, friends or servants, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other tenants. No owner may play or suffer to be played any musical instrument, phonograph, radio or television set in his Unit between the hours of 10:00 p.m. and the following 8:00 a.m. if the same shall disturb or annoy other occupants of the Condominium.

Notwithstanding the above, the Developer shall retain the right to use a Unit as a sales office and to erect signs, have sales persons and access to the property as may be required for sales purposes. These rights are set forth in Article XXI of the Declaration.

9. Each residential Unit is restricted to residential use by only the owner thereof, his immediate family, guests, invitees or lessees. Such Unit may be rented on a daily or longer basis.

FINES

10. In the event the Association shall at any time decide to impose a fine against the owner of a Unit, or its occupant, licensee or invitee, from failure to abide by any provision of the Declaration, these By-Laws, or rules of the Association, the following shall be applicable:

- (a) No fine will become a lien against a Unit.
- (b) No fine may exceed \$100 per violation, however, a fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.
- (c) 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 said notice shall include:
 - (i) A statement of the date, time and place of the hearing;
 - (ii) A statement of the provisions of the Declaration, Association By-Laws, or Association rules which have allegedly been violated; and
 - (iii) A short and plain statement of the matters asserted by the Association.
- (d) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.
- (e) The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

REFLECTIONS, A CONDOMINIUM

(f) The provisions of this section do not apply to unoccupied Units.

11. The Association reserves the right to change, amend, delete and/or waive any of the rules set forth herein.

REFLECTIONS, A CONDOMINIUM

REFLECTIONS, A CONDOMINIUM**EXHIBIT F TO THE DECLARATION OF CONDOMINIUM****JAN. 1, 2007 – DEC. 31, 2007 ESTIMATED OPERATING BUDGET**

86	2007	2007
	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>INCOME</u>		
ASSESSMENTS - OPERATING	23,200.06	278,400.70
ASSESSMENTS - PAINT RESERVES	1,250.00	15,000.00
ASSESSMENTS - RESERVES	1,263.89	15,166.67
BEACH SERVICE COMMISSION		N/A
MAINTENANCE REIMBURSEMENT - LABOR		N/A
MAINTENANCE REIMBURSEMENT - MATERIAL		N/A
VENDING COMMISSIONS	92.00	1,104.00
LATE FEES	33.33	400.00
MISCELLANEOUS INCOME	-	-
TOTAL INCOME		\$310,071.37
<u>EXPENSES</u>		
<u>ADMINISTRATION OF ASSOCIATION</u>		
ACCOUNTING	520.83	6,250.00
PROFESSIONAL FEES	275.00	3,300.00
FEES PAYABLE TO THE DIVISION	28.67	344.00
CORPORATE FILING FEES	5.13	61.50
OFFICE SUPPLIES	100.00	1,200.00
BANK CHARGES	6.25	75.00
POSTAGE	41.67	500.00
LICENSE & TAX	91.67	1,100.00
MANAGEMENT FEES	2,580.00	30,960.00
RENT FOR RECREATIONAL/COMMON FACILITIES	0.00	0.00
TOTAL ADMINISTRATION		43,790.50
<u>COMMON UTILITIES</u>		
UTILITIES - GAS	0.00	0.00
UTILITIES - ELECTRICITY	1,250.00	15,000.00
UTILITIES - GARBAGE	708.33	8,500.00
UTILITIES - TELEPHONE	166.67	2,000.00
UTILITIES - WATER/SEWER	100.00	1,200.00
UTILITIES - CABLE TELEVISION	1,333.33	16,000.00
COURTESY PATROL	0.00	0.00
TAXES UPON ASSOCIATION PROPERTY	n/a	n/a
TAXES UPON LEASED AREAS	n/a	n/a
MISCELLANEOUS	169.58	2,000.00
OPERATING CAPITAL (CONTINGENCY)	291.67	3,500.00

REFLECTIONS, A CONDOMINIUM

TOTAL UTILITIES		48,200.00
<u>MAINTENANCE</u>		
ELEVATOR - CONTRACT	1,000.00	12,000.00
ELEVATOR MAINTENANCE	100.00	1,200.00
ELEVATOR/COMMON AREA - CLEANING	458.33	5,500.00
GENERATOR - CONTRACT	75.00	900.00
FIRE SAFETY INSPECTION	416.67	5,000.00
LAWN - CONTRACT	100.00	1,200.00
LAWN SEASONAL COLOR	100.00	1,200.00
LAWN SPRINKLER SUPPLIES	21.25	255.00
LAWN PLANT REPLACEMENT	-	-
PEST CONTROL - CONTRACT	216.67	2,600.00
POOL - CONTRACT	-	-
POOL - CHEMICALS	-	-
POOL MAINTENANCE	-	-
MAINTENANCE SUPPLIES	416.67	5,000.00
BUILDING REPAIR & MAINTENANCE	333.33	4,000.00
SMALL TOOLS & EQUIPMENT	83.33	1,000.00
BLDG. MAINTENANCE CONTRACT	2,416.67	29,000.00
TOTAL MAINTENANCE		<u>68,855.00</u>
<u>INSURANCE</u>		
INSURANCE	9,360.00	112,320.00
INSURANCE INTEREST	561.60	<u>6,739.20</u>
TOTAL INSURANCE		119,059.20
<u>EXPENSES FOR A UNIT OWNER</u>	N/A	N/A
<u>DEFERRED MAINTENANCE RESERVES</u>		
RESERVES - PAINT/WATERPROOF EXTERIOR	1,250.00	15,000.00
<u>CAPITAL EXPENDITURE RESERVES</u>		
RESERVES - MECHANICAL	375.00	4,500.00
RESERVES - PAVEMENT	166.67	2,000.00
RESERVES - ROOF	555.56	6,666.67
RESERVES - SITE FENCES	166.67	2,000.00
RESERVES - SWIMMING POOL	N/A	N/A
SUBTOTAL	<u>1,263.89</u>	<u>15,166.67</u>
TOTAL RESERVES	3,777.78	30,166.67
TOTAL CASH EXPENSES		<u>\$310,071.37</u>
DIFFERENCE		-

REFLECTIONS, A CONDOMINIUM