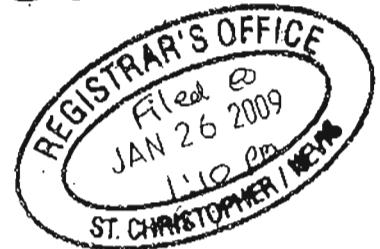

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DECLARATION OF

COVENANTS,



CONDITIONS, AND

RESTRICTIONS

FOR

CHRISTOPHE HARBOUR

registered this 26th day of January, 2009
as Planned Community No. 1



CHRISTOPHE HARBOUR
ST. KITTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHRISTOPHE HARBOUR

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHRISTOPHE HARBOUR

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List of Exhibits

- Exhibit "A" - Description of the Sandy Bank Bay Property
- Exhibit "B" - Boundary Plan of the Sandy Bank Bay Property
- Exhibit "C" - Formula for Allocating General Assessments
- Exhibit "D" - By-Laws of Christophe Harbour Master Owners' Association
- Exhibit "E" - Master Owners' Association's Address for Service in the Federation

* * * * *

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHRISTOPHE HARBOUR

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHRISTOPHE HARBOUR (this “**Declaration**” and/or these “**Master Covenants**”) is made this 29th day of December, 2008, by CHRISTOPHE HARBOUR DEVELOPMENT COMPANY LIMITED, a private ordinary company limited by shares formed under the laws of the Federation of St. Christopher and Nevis (the “**Declarant**” and/or the “**Master Developer**”). Capitalized terms used but not otherwise defined herein have the meanings given them in Chapter 2 of these Master Covenants.

The Master Developer is the owner of the real property described in Exhibit “A” attached hereto (the “**Sandy Bank Bay Property**”), which property is delineated on the Plan thereof attached hereto as Exhibit “B”. It is contemplated that the Sandy Bank Bay Property, together with such Additional Property as may be subjected to these Master Covenants in accordance with Chapter 12 herein, will be developed as a mixed-use resort known as “Christophe Harbour” and may include various residential and commercial uses, including single-family dwellings, multi-family residential, retail, hotels and other permitted uses allowed under these Master Covenants and the other Governing Documents. These Master Covenants impose upon Christophe Harbour mutually beneficial restrictions under a general plan of development for the benefit of the Owners of each portion of Christophe Harbour and establish a flexible and reasonable procedure for the overall development, administration, maintenance, protection, conservation, preservation and expansion of Christophe Harbour, and, to this end, the Master Developer desires to subject Christophe Harbour to the covenants, conditions, restrictions, easements, and liens hereinafter set forth. In furtherance of such plan, these Master Covenants provide for the creation of and do hereby create the Christophe Harbour Master Owners’ Association (the “**Master Owners’ Association**”) to own, operate and maintain the Common Elements, provide services to the Members, and to administer and enforce the provisions of these Master Covenants, the By-Laws, the Rules and the other Governing Documents described in Section 1.1 and elsewhere herein.

The Master Developer hereby declares that all of the Sandy Bank Bay Property described in Exhibit “A” attached hereto and delineated on the Plan thereof attached hereto as Exhibit “B”, together with any Additional Property subjected to these Master Covenants by Supplement or otherwise in accordance with Chapter 12 herein, shall be held, sold, used, and transferred subject to the following covenants, conditions, restrictions, easements, obligations and limitations, which shall run with the title to the real property subjected to these Master Covenants. These Master Covenants shall be binding upon all parties having any right, title, or interest in or to any portion of Christophe Harbour, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner of any portion of Christophe Harbour.

This Declaration and all of the covenants, conditions, restrictions, easements, obligations and limitations contained herein are intended to and do hereby create a planned community under the St. Kitts Peninsula Resort District (Planned Community) Act, 2008 (No. 21 of 2008), as amended.

CHAPTER 1: GOVERNING DOCUMENTS

1.1 Scope and Applicability. Christophe Harbour has been established and is governed by and administered pursuant to these Master Covenants, the Act and various other documents that have a legal and binding effect on all Owners and Occupants of property in Christophe Harbour, as well as on anyone else that may now or in the future have an interest in any portion of the property comprising Christophe Harbour. Such documents, referred to in these Master Covenants as the Governing Documents, include these Master Covenants, the Act and the other documents described in **Table 1.1** below, as they may be modified, amended and/or supplemented from time to time. All Owners and Occupants, as well as their tenants, guests, licensees, and invitees, are required to comply with the Governing Documents.

TABLE 1.1

GOVERNING DOCUMENTS	
Declaration of Covenants, Conditions, and Restrictions for Christophe Harbour: (Registered or to be Registered)	This Declaration of Covenants, Conditions, and Restrictions for Christophe Harbour, as it may be modified, amended and/or supplemented from time to time, creates, among other things, covenants, conditions, restrictions, easements, obligations and limitations that are binding upon the Master Owners' Association and all present and future Owners of property in Christophe Harbour.
Supplement: (to be Registered)	A Registered Supplement to these Master Covenants, which may, among other things, submit Additional Property to these Master Covenants, create easements over the property described in the Master Covenants or the Supplement, impose additional covenants, conditions, restrictions, obligations and/or limitations on all or a portion of the property described in the Master Covenants or the Supplement, and designate Neighborhoods or Districts as described in Chapter 11 herein, or any of the foregoing.
Act:	St. Kitts Peninsula Resort District (Planned Community) Act, 2008 (No. 21 of 2008), as it may be modified, amended and/or supplemented from time to time.
By-Laws:	The By-Laws of Christophe Harbour Master Owners' Association, adopted by its Board of Directors, as they

(attached as <u>Exhibit "D"</u>)	may be modified, amended and/or supplemented from time to time, which govern the Master Owners' Association's internal affairs, such as voting, elections, and meetings.
Design Guidelines: (Master Developer and/or Board adopts)	The design standards and architectural and aesthetics guidelines adopted pursuant to <u>Chapter 4</u> herein, as they may be modified, amended and/or supplemented from time to time, that govern, among other things, new construction and modifications to Units, including structures, landscaping, and other items on Units.
Rules:	The use restrictions, rules and regulations of Christophe Harbour adopted by the Master Developer (or the Board, as the case may be) pursuant to <u>Chapter 3</u> herein, as they may be amended from time to time, which regulate, among other things, the use of property, activities, and conduct within Christophe Harbour.
Board Resolutions: (Board adopts)	The resolutions which the Board adopts to establish rules, policies, and procedures for internal governance and Master Owners' Association activities and to regulate, among other things, the operation and use of property which the Master Owners' Association owns or controls.
Christophe Harbour Club Documents: (Christophe Harbour Club Owner adopts)	The Membership Plan and related documents, as they may be modified, amended and/or supplemented from time to time, which shall govern the membership and activities of the Christophe Harbour Club.

1.2 Additional Covenants. The Master Developer may impose additional covenants, conditions, restrictions, easements, obligations and limitations on any portion of Christophe Harbour, which additional covenants, conditions, restrictions, easements, obligations and limitations shall be registered in the manner set forth in the Act and the Regulations. If the provisions of any such additional covenants, conditions, restrictions, easements, obligations and limitations are more restrictive than the provisions of these Master Covenants, the more restrictive provisions shall control. The Master Owners' Association shall have standing and the power, but not the obligation, to enforce any such additional covenants, conditions, restrictions, easements, obligations and limitations.

1.3 Conflicts. During the Master Developer Control Period, to the extent permitted by applicable law, the Master Developer shall have the right to determine all questions arising in connection with these Master Covenants and the Governing Documents and to construe and interpret its provisions. The Master Developer's determination, construction, or interpretation shall be final and binding upon all Owners. After the expiration of the Master Developer Control

Period, to the extent permitted by applicable law, the Board shall have the right to determine all questions arising in connection with these Master Covenants and the Governing Documents and to construe and interpret its provisions, and its determination, construction, or interpretation shall be final and binding upon all Owners.

If there are conflicts between any of the Governing Documents and applicable law, the Governing Documents shall control to the extent permitted by applicable law. Subject to the Master Developer's and Board's aforesaid determination, construction and interpretation rights, if there are conflicts between or among any of the Governing Documents, then the Master Covenants and By-Laws (in that order) shall control. Except where a provision or provisions may be more restrictive as set forth in Section 1.2 herein, if there is a conflict between the Governing Documents and any additional covenants conditions, restrictions, obligations or limitations Registered on any property within Christophe Harbour, the Governing Documents shall control. If any court determines that any provision of these Master Covenants is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances. By acceptance of an Instrument of Transfer for a Unit, each Owner acknowledges that the provisions of these Master Covenants, any Supplement, the Rules and the other Governing Documents may be more restrictive than applicable law, and each Owner agrees to abide by the determination, construction and interpretation of the Master Developer and Board.

CHAPTER 2: DEFINITIONS

The following words and terms, when used in this Declaration or any of the other Governing Documents (unless the context shall clearly indicate otherwise) shall have the meanings set forth below, and all definitions are applicable to the singular and plural forms of any such words and terms. Other definitions may appear throughout these Master Covenants and/or in the other Governing Documents, and, in such case shall have the meanings more particularly set forth therein.

2.1 "Act" means the St. Kitts Peninsula Resort District (Planned Community) Act, 2008 (No. 21 of 2008), as it may be modified, amended and/or supplemented from time to time.

2.2 "Additional Property(ies)" means such additional lands, structures and/or phases of development, if any, as may become subject to these Master Covenants pursuant to Chapter 12 herein.

2.3 "Affiliate" means any Person which (either directly or indirectly, through one or more intermediaries) controls, is in common control with, or is controlled by, another Person, and any Person that is a director, trustee, officer, employee, independent contractor, shareholder, member, manager, partner, agent, co-venturer, subsidiary, personal representative, or attorney of any of the foregoing. For the purposes of this definition, the term "control" means the direct or indirect power to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.

2.4 “**Application for Club Membership**” or “**Application for Membership Privileges**” means the application required to be completed and submitted for consideration for a Club Membership.

2.5 “**Area(s) of Common Responsibility**” means the Common Elements, together with such other areas, if any, for which the Master Owners’ Association has or assumes responsibility pursuant to the terms of these Master Covenants, any Supplement, any Covenant to Share Costs or other applicable covenant, contract, or agreement.

2.6 “**Assessment(s)**” means the portion of the Common Expenses or any other charges from time to time assessed against an Owner or others by the Master Owners’ Association in the manner provided in these Master Covenants. The term “Assessments” may also sometimes mean and refer to, collectively, General Assessments, Neighborhood Assessments, District Assessments, Special Assessments, Specific Assessments, Community Enhancement Assessments and any other charges from time to time assessed against an Owner or others by the Master Owners’ Association in the manner provided in these Master Covenants, as the context therein shall so indicate.

2.7 “**Board of Directors**” or “**Board**” means the body responsible for the general governance and administration of the Master Owners’ Association, selected as provided in these Master Covenants and the By-Laws and serving as the board of directors under applicable law.

2.8 “**Building(s)**” means any Improvement constructed or to be constructed on any Unit or any other improvement for which a building permit must be obtained from the DRB and/or the applicable governmental authority prior to the commencement of construction or occupancy. The Building shall encompass the entire vertical structure of the improvements from the foundation to the roof and including all exterior walls and surfaces.

2.9 “**By-Laws**” means the By-Laws of Christophe Harbour Master Owners’ Association, attached to these Master Covenants as Exhibit “D”, as they may be modified, amended and/or supplemented from time to time.

2.10 “**Christophe Harbour,**” “**Community**” or “**Property**” means all of the real property described in Exhibit “A” attached hereto and delineated on the Plan thereof attached hereto as Exhibit “B”, and any Additional Property hereinafter subjected to these Master Covenants by Supplement in accordance with Chapter 12 herein, or any portion thereof, including any Unit located thereon.

2.11 “**Christophe Harbour Club**” or “**Club**” means The Christophe Harbour Club, LLC, a Delaware limited liability company doing business as The Christophe Harbour Club and/or Affiliates or subsidiaries of the Club whose purpose is to own, lease and/or license and operate the Club Facilities in accordance with the terms and conditions of the Club Documents.

2.12 “**Christophe Harbour Club Documents**” or “**Club Documents**” means the Club Membership Plan and other membership documents which control the use, enjoyment and administration of the Christophe Harbour Club.

2.13 “Club Facilities” means the real and personal property operated as a golf, tennis, and social club by the Club as the same may evolve, change, or exist from time to time.

2.14 “Club Member” means the Person designated as the member in the Application for Membership Privileges, and who is permitted to use the membership privileges of such classifications of memberships as may be approved and issued by the Club from time to time in accordance with the terms and conditions of the Club Membership Plan and the other Club Documents.

2.15 “Club Membership(s)” means such classifications of memberships, either equity or non-equity, as may be established by and/or available at the Club from time to time.

2.16 “Club Membership Agreement” means the agreement that must be executed by an applicant for membership and submitted to the Club along with the Application for Membership Privileges and which may modify certain provisions of the Club Membership Plan as they apply to such applicant. There may be separate forms of Club Membership Agreements for each classification of Club membership and for those Club Members who own Units within Christophe Harbour.

2.17 “Club Membership Plan” means The Christophe Harbour Club Membership Plan, as its may be modified, amended and/supplemented from time to time.

2.18 “Common Elements” means all real and personal property, including easements, which the Master Owners’ Association may now or hereafter own, lease or otherwise have a right to possess or use for the common use and enjoyment of the Owners. The term also shall include the Limited Common Elements, as defined below.

2.19 “Common Expenses” means the actual and estimated expenses incurred, or anticipated to be incurred, by the Master Owners’ Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to these Master Covenants, the By-Laws or otherwise.

2.20 “Community Enhancement Assessment” means an assessment or assessments levied in accordance with Section 8.7 herein.

2.21 “Community Internet” means the Community-wide internet system, if any, established by the Master Developer which may serve as a site and repository of correspondence and procedures.

2.22 “Community-Wide Standard” means the standard of conduct, maintenance, or other activity generally prevailing throughout Christophe Harbour, or the minimum standards established pursuant to these Master Covenants, the Design Guidelines, the Rules and the other Governing Documents, whichever is the highest standard. Such standard may be more specifically determined and established by the Master Developer during the Master Developer Control Period, and thereafter, by the Board of Directors and the DRB. The Community-Wide Standard may contain objective elements, such as specific landscaping or building maintenance requirements and subjective elements, such as matters subject to the Master Developer’s, the

Board's or the DRB's discretion. The Community-Wide Standard may or may not be set out in writing. The Community-Wide Standard may evolve as development progresses and as Christophe Harbour changes and may be modified and amended at any time and from time to time by the Master Developer during the Master Developer Control Period, and thereafter, by the Board of Directors and the DRB.

2.23 "Covenant to Share Costs" means any agreement, contract or covenant between the Master Developer (or the Master Owners' Association) and an owner or operator of any property adjacent to, in the vicinity of, or within Christophe Harbour, including any Private Amenity, for the allocation of expenses that benefit both the Master Owners' Association and the owner or operator of such property.

2.24 "Design Guidelines" means the architectural, design and construction guidelines and requirements, and application and review procedures applicable to all or any portion of Christophe Harbour promulgated and administered pursuant to **Chapter 4** herein.

2.25 "Design Review Board" or "DRB" means the architectural and design review board described in **Chapter 4** herein.

2.26 "Declarant Control Period" or "Master Developer Control Period" means the period of time which shall begin upon the Registration of these Master Covenants in the Registry and shall end upon the first to occur of the following dates or events:

(a) December 31, 2058; or

(b) when, in its discretion, the Master Developer so determines and declares in an instrument Registered in the Public Records.

2.27 "Declaration" or "Master Covenants" means this Declaration of Covenants, Conditions and Restrictions for Christophe Harbour, as it may be modified, amended and/or supplemented from time to time.

2.28 "Development Parcel(s)" means those parcels or tracts of land located within Christophe Harbour transferred by the Master Developer to third parties under covenants and restrictions permitting the further division of land(s) into smaller parcels or tracts of land such as Residential Lots, Multiple-Family Tracts, or Public or Commercial Sites.

2.29 "Director" means a member of the Board of Directors.

2.30 "Dwelling Unit" means any improved property located within Christophe Harbour Intended for Use and/or development as a single-family attached or detached dwelling, including, but not limited to, any single-family attached or detached townhouse, garden home, patio home, cottage, courtyard home, townhouse unit, duplex unit, condominium unit, or apartment unit. The term "Dwelling Unit" shall also include dockominium units. For the purposes of these Master Covenants, and except as may otherwise be expressly provided in **Section 6.2(a)(ii)**, **Section 8.9(b)** or elsewhere in these Master Covenants, (a) a Residential Lot shall be deemed to be an improved property and classified as a "Dwelling Unit" at such time that the DRB has issued a building permit or other permit allowing the construction of any such

dwelling or any other improvements on such property, (b) any townhouse unit, duplex unit, condominium unit, apartment unit or other type dwelling unit constructed on a Multiple-Family Tract shall be deemed to be an improved property and classified as a "Dwelling Unit" at such time that the particular unit being constructed thereon has been, in the DRB's reasonable determination, substantially completed, and (c) any dockominium unit shall be deemed to be an improved property and classified as a "Dwelling Unit" at such time that the particular unit has been, in the DRB's reasonable determination, substantially completed.

2.31 "Environmental Management Plan" means the environmental management plan for Christophe Harbour, if any, as it may be created and amended from time to time.

2.32 "Federation" means the Federation of Saint Christopher and Nevis.

2.33 "Foundation" means the Christophe Harbour Foundation, an ordinary foundation organized under the laws of the Federation of Saint Christopher and Nevis as more fully described in Chapter 9.6 herein.

2.34 "Functionally Complete" has the meaning assigned thereto in Section 7.4(a) herein.

2.35 "General Assessment" means an assessment or assessments levied on all Units to fund Common Expenses as determined in accordance with Chapter 8 herein.

2.36 "Governing Documents" means these Master Covenants, all Supplements, the Act, the By-Laws, the Design Guidelines, the Rules, all Board Resolutions, the Christophe Harbour Club Documents, any Covenants to Share Costs and the Master Plan, or any of the above, as each may be modified, amended and/or supplemented from time to time.

2.37 "Improvement" means any structure, thing, object or physical change or addition to or upon any portion of Christophe Harbour, including by way of illustration and not limitation, any Building or part thereof, signs, shed, mailbox, covered or uncovered patio, siding, doors, fixtures, equipment, and appliances (including, without limitation, the heating and air-conditioning system for the Building), furniture, glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, screens or glass-enclosed porches, balconies, decks, chutes, flues, ducts, conduits, wires, pipes, plumbing, and other like apparatus, fence, curbing, paving, driveways, walkways, loading docks, wall or hedge, radio, television, wireless cable, or video antenna, satellite dishes, lawn, landscaping, trees, shrubs, bushes, grass, well, septic system, sign, appurtenance, or signboard, whether temporary or permanent; any cell towers or antenna on a Unit or Building; any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of waters from, through, under or across any portion of Christophe Harbour, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any portion of Christophe Harbour; and any change in the grade of any portion of Christophe Harbour of more than six (6) inches.

2.38 "Institutional Mortgage" means a first lien Mortgage (meaning any Registered Mortgage with first priority over other Mortgage) held by a bank, trust company, insurance

company, or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation. Such term shall also mean and refer to the holder of any Mortgage securing a loan made by the Master Developer, its Affiliates, subsidiaries, successors, or assigns.

2.39 “Instrument of Transfer” means any deed of conveyance, memorandum of transfer, certificate of title, lease, license, easement, assignment or other instrument (other than a Mortgage) transferring any interest in a Unit.

2.40 “Intended for Use” means the use designated or intended for various parcels of land within Christophe Harbour as shown on the Master Plan, or as shown on a Plan Registered by the Master Developer in the Public Records, or the use to which any particular parcel of land is restricted by these Master Covenants or by any other covenants expressly set forth or incorporated by reference in Supplements or in Instruments of Transfer by which the Master Developer has transferred the property.

2.41 “Lessee” means the lessee under any lease of a Unit, or any space or portion therein.

2.42 “Limited Common Elements” means a portion of the Common Elements, if any, intended for the exclusive use or primary benefit of one or more Units or Neighborhoods (or Districts, as the case may be) but less than all of the Community as more particularly described in Chapter 7 herein.

2.43 “Live/Work Structures” means Dwelling Units in which certain limited commercial and business activities may occur in accordance with the terms and conditions of Section 3.4 herein.

2.44 “Master Developer” means Christophe Harbour Development Company Limited, a St. Kitts private ordinary company limited by shares, or its successors, assigns or such other entity or entities designated by the Master Developer in a Registered instrument executed by the Master Developer. The Master Developer may make partial or multiple assignments of its rights under these Master Covenants. All such assignees shall be deemed to be the Master Developer only as to those rights which may have been assigned to them.

2.45 “Master Owners’ Association” means Christophe Harbour Master Owners’ Association, a community corporation established under the Act and designated in and created by these Master Covenants to govern and administer the affairs of Christophe Harbour and Owners pursuant to these Master Covenants and the other Governing Documents, its successors and assigns.

2.46 “Master Plan” means the drawing, sketch, map, or planned unit development plan that represents the conceptual land plan for the future development of Christophe Harbour, as modified, amended or restated from time to time. Since the concept of the future development of the undeveloped portions of Christophe Harbour, including, without limitation, the Units, streets or road right-of-ways and any Common Elements, are subject to continuing revision and

change at the discretion of the Master Developer, present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants or obligation to develop shall arise with respect to lands that have been retained by the Master Developer for future development. Inclusion of property on the Master Plan shall not, under any circumstances, obligate the Master Developer to subject such property to these Master Covenants, nor shall the exclusion of Additional Property from the Master Plan bar its later annexation in accordance with **Chapter 12** herein. THE MASTER DEVELOPER SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY IN ITS SOLE DISCRETION AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN, AND/OR DEVELOP OR NOT DEVELOP THE REMAINING UNDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES SHOWN ON ANY MASTER PLAN.

2.47 "Member" or "Association Member" means a Person subject to membership in the Master Owners' Association pursuant to **Section 6.1** herein.

2.48 "Mortgage" means a mortgage, deed of trust, deed to secure debt, or any other form of security instrument affecting title to any Unit.

2.49 "Mortgagee" means the mortgagee, beneficiary, trustee or other holder of a Mortgage.

2.50 "Multiple-Family Tract" means any unimproved property located within Christophe Harbour which is Intended for Use and/or development of attached residential units, including, but not limited to, townhouse units, duplex units, condominium units and apartment units. For the purposes of these Master Covenants, a property shall be deemed to be and classified as a "Multiple-Family Tract" at such time as a Plan thereof identifying or designating such property as a multiple-family tract and delineating its exact metes and bounds is approved in writing by the Master Developer and Registered in the Public Records, and, further, shall be deemed to be unimproved property until such time that the units or other improvements being constructed thereon have been, in the DRB's reasonable determination, substantially completed.

2.51 "Neighborhood" (or "District") means a separately developed area within Christophe Harbour, whether or not governed by a Neighborhood Association (or a District Association, the case may be) in which the Owners of Units within such separately developed area as such may be designated hereunder may have common interests other than those common to all Members of the Master Owners' Association. For example, and by way of illustration and not limitation, each single-family attached or detached housing development may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one housing type with other features in common. Further, for example, and by way of illustration and not limitation, an office complex comprised of several Units surrounding a common plaza, or a medical park comprised of several Units sharing an entry feature or other common public areas, or a retail/commercial center comprised of various Units sharing common public areas, or a business condominium, each might be designated as separate Districts. Neighborhood boundaries (or District boundaries, as the case may be) may be established and modified as provided in **Chapter 11** herein.

2.52 “Neighborhood Assessments” (or “District Assessments”) means an assessment or assessments levied against the Units in a particular Neighborhood (or District, as the case may be) or Neighborhoods (or Districts, as the case may be) to fund Neighborhood Expenses (or District Expenses, as the case may be), as described in Section 8.3 herein.

2.53 “Neighborhood Association” (or “District Association”) means any condominium association or other owners association having concurrent jurisdiction with the Master Owners’ Association over any Neighborhood (or District, as the case may be), including, but not limited to, any community corporation (in addition to the Master Owners’ Association) now or hereafter established under the Act, or any condominium corporation now or hereafter established under the Condominium Act, 1976 (No. 20 of 1976).

2.54 “Neighborhood Expenses” (or “District Expenses”) means the actual and estimated expenses incurred, or anticipated to be incurred, by the Master Owners’ Association for the benefit of Owners of Units within a particular Neighborhood (or District, as the case may be) or Neighborhoods (or Districts, as the case may be), which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize from time to time and as may be authorized herein or in Supplements applicable to such Neighborhood(s) (or District(s), as the case may be).

2.55 “Occupant” means any Person, including, without limitation, any Owner or Lessee, occupying, renting or otherwise using a Unit within the Property, and their respective employees, agents, tenants, independent contractors, invitees, families, guests and licensees or any other Person who either lawfully or unlawfully occupies or comes upon such Unit. All acts or omissions of any Occupant shall be deemed the action or omission of the Owner or Lessee of such Unit.

2.56 “Owner” means the Registered owner (whether one or more Persons) of the fee simple title to any Unit subject to these Master Covenants, including the Master Developer; notwithstanding any applicable theory of a mortgage or otherwise, the term “Owner” shall not mean or refer to a Mortgagee or any other party holding an interest merely as security for the performance of an obligation unless and until such Mortgagee or other party has acquired fee simple title pursuant to foreclosure proceedings or any proceeding or instrument in lieu of foreclosure; nor shall the term “Owner” mean or refer to any lessee or tenant of an Owner. In the event that there is a Registered deed or other Registered Instrument of Transfer granting one or more parties life estate interests in any Unit, the Owner of such Unit shall be the holder or holders of the life estate interest, regardless of who holds the fee interest or remainder. In the event that there is a Registered long-term contract of sale covering any Unit, the Owner of such Unit shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made, but the purchaser is given the use of said property.

2.57 “Parcel,” “Tract” or “Lot” means those portions of Christophe Harbour, whether improved or unimproved, which may be independently owned and transferred, including, without limitation, lots, blocks, tracts, and easement areas, the location and

dimensions of which may be established, modified or adjusted by the Master Developer while still owned by the Master Developer, shown as a "Parcel," "Tract" or "Lot" on any Plan of Christophe Harbour, or portion thereof, Registered by the Master Developer, or so designated in any transfer of a portion of Christophe Harbour by the Master Developer, and the Improvements thereon, if any. The term shall refer to the land, if any, which is part of the Parcel as well as any Improvements on the Parcel.

2.58 "Person" shall mean a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity, or any combination thereof.

2.59 "Plan" means any Registered plan of survey or plat of survey for all or any portion of Christophe Harbour.

2.60 "Private Amenity" means any real property and/or any improvements and facilities thereon located adjacent to, in the vicinity of, or within Christophe Harbour, designated by the Master Developer as a private amenity and which is or are privately owned and operated in whole or in part, by Persons other than the Master Owners' Association for recreational or other related purposes, on a club membership, daily fee, use fee, public, or private basis or otherwise, and may include, without limitation, any golf course(s) located thereon and all related and supporting facilities and improvements.

2.61 "Public or Commercial Site" means any unimproved property located within Christophe Harbour which is Intended for Use and/or development as a site for improvements designed to accommodate commercial or business enterprises to serve residents of Christophe Harbour and/or the public, including, but not limited to: rental apartments; business and professional offices; facilities for the retail sale of goods and services; banks and other financial institutions; social clubs; restaurants; hotels and inns; theaters; lounges; indoor recreational facilities; marinas; transportation terminals or stations; automobile parking facilities; and gasoline stations. For the purposes of these Master Covenants, a property shall be deemed to be and classified as a "Public or Commercial Site" at such time as a Plan thereof identifying or designating such property as a public or commercial site and delineating its exact metes and bounds is approved in writing by the Master Developer and Registered in the Public Records, and, further, shall be deemed to be unimproved property until such time that the improvements being constructed thereon have been, in the DRB's reasonable determination, substantially completed.

2.62 "Public or Commercial Unit" means any improved property located within Christophe Harbour which is Intended for Use and/or designated to accommodate public, commercial or business enterprises to serve residents of Christophe Harbour and/or the public, including, but not limited to, all those enterprises enumerated in Section 2.61 herein. For the purposes of these Master Covenants, and except as may otherwise be expressly provided in Section 6.2(c)(i), Section 8.9(c) or elsewhere in these Master Covenants, a property shall be deemed to be improved property and classified as a "Public or Commercial Unit" at such time that the improvements being constructed thereon have been, in the DRB's reasonable determination, substantially completed.

2.63 “Public Records” means the planned community register established for the Saint Christopher Circuit pursuant to the Act and described in the Regulations.

2.64 “Register,” “Registration,” or “Registered” shall mean to register, file or record a legal instrument in the Public Records, the registration, filing or recording of a legal instrument in the Public Records, or a registered, filed or recorded legal instrument in the Public Records.

2.65 “Regulations” means the St. Kitts Peninsula Resort District (Planned Community) Regulations 2008, as they may be modified, amended and/or supplemented from time to time.

2.66 “Residential Lot” means any subdivided but unimproved property located within Christophe Harbour which is Intended for Use and/or development as a site for a single-family detached dwelling, including, but not limited to, a townhouse, garden home, patio home, cottage or courtyard home. For the purposes of these Master Covenants, and except as may otherwise be expressly provided in Section 6.2(a)(i), Section 8.9(a) or elsewhere in these Master Covenants, a property shall be deemed to be and classified as a “Residential Lot” at such time as a Plan thereof identifying or designating such property as a residential lot and delineating its exact metes and bounds is approved in writing by the Master Developer and Registered in the Public Records, and, further, shall be deemed to be unimproved property until such time that the DRB has issued a building permit or other permit allowing the construction of any such dwelling or any other improvements on such property.

2.67 “Rules” means the Rules established by the Master Developer (or the Board, as the case may be) in accordance with Chapter 3 herein, as the same may be modified, amended and/or supplemented from time to time.

2.68 “Special Assessment” means an assessment or assessments levied in accordance with Section 8.5 herein.

2.69 “Specific Assessment” means an assessment or assessments levied in accordance with Section 8.6 herein.

2.70 “Supplement” means an instrument, including, but not limited to, a written modification, amendment or supplement to these Master Covenants, Registered in the Public Records which may, among other things, subject additional property to these Master Covenants in accordance with Chapter 12 herein, designate Neighborhoods (or Districts, as the case may be), designate Common Elements, and/or impose, expressly or by reference, additional covenants, conditions, restrictions, easements, obligations and/or limitations on the land described in such instrument. The term shall also refer to any supplemental declaration of covenants, conditions and restrictions (in addition to the Master Covenants) Registered in the Public Records by the Master Developer, and any declaration of condominium Registered in the Public Records by the Master Developer.

2.71 “Unit” means those portions of Christophe Harbour, whether improved or unimproved, which may be independently owned and transferred, including, without limitation, a

Dwelling Unit, a Multiple-Family Tract, a Public or Commercial Site, a Public or Commercial Unit, Unsubdivided Land, a Development Parcel, a Residential Lot or any other Parcel, or to any one of them. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon.

2.72 “Unsubdivided Land” means all land described in Exhibit “A” attached hereto or delineated on the Plan thereof attached hereto as Exhibit “B”, and any additional property subjected to these Master Covenants by Supplement in accordance with Chapter 12 herein, which has not been subdivided into or otherwise designated as herein provided as Residential Lots, Multiple-Family Tracts, Public or Commercial Sites, or a Development Parcel, through metes and bounds subdivision plans of survey approved by the Master Developer in writing and Registered in the Public Records. For the purposes of these Master Covenants, the following classifications of property shall not be deemed “Unsubdivided Land” and shall be expressly excepted and excluded from the definition thereof:

(a) All lands committed to the Master Owners’ Association through express, written notification by the Master Developer to the Master Owners’ Association of intent to transfer to the Master Owners’ Association;

(b) All lands designated on a plan of survey Registered by Master Developer in the Public Records for intended use, or by actual use, for outdoor recreational facilities; woodland, marsh and swamp conservancies; places of worship; community, civic and cultural clubs; libraries; nursery and other schools and instructional centers, and charitable institutions; maintenance areas; road right of ways, and drainage easements; and

(c) All lands designated, in any way, as Common Elements or Limited Common Elements.

CHAPTER 3: USE AND CONDUCT

3.1 Plan of Development.

(a) General. The Master Developer has established a general plan of development for Christophe Harbour as a master planned mixed-use resort development in order to enhance all Owners’ quality of life and collective interests, the aesthetics and environment within Christophe Harbour, and the vitality of and sense of community within Christophe Harbour, all subject to the ability of the Master Developer to respond to changes in circumstances, conditions, needs and desires within Christophe Harbour and to regulate and control Christophe Harbour. Christophe Harbour and each Unit therein is subject to the Master Plan, the Design Guidelines, the land development, architectural and design provisions described in Chapter 4 herein, the other provisions of these Master Covenants governing individual conduct and uses of and conduct upon and within Christophe Harbour, any other applicable Governing Documents, and the Rules promulgated pursuant to these Master Covenants, all of which establish affirmative and negative covenants, easements, and restrictions on Christophe Harbour, and which are enforceable by the Master Developer, the Board and the DRB as set forth in these Master Covenants and the other Governing Documents.

(b) Designation of Each Parcel's or Unit's Intended for Use. Each Parcel (or Unit, as the case may be) within Christophe Harbour will be designated by the Master Developer either on the Plan therefor, in these Master Covenants, in a Supplement, or in another instrument signed by the Master Developer and Registered in the Public Records, as a Development Parcel, a Multi-Family Tract, a Public or Commercial Site, a Residential Lot, or another type of Unit designated by the Master Developer, as the case may be. During the Master Developer Control Period, the designation and use of a Parcel (or a Unit, as the case may be) may not be modified or amended without the prior written consent of the Master Developer pursuant to **Sections 3.1 and 3.2** herein, which consent may be withheld in the Master Developer's sole and absolute discretion, and which consent, if granted, must be evidenced by a written instrument signed by the Master Developer and Registered in the Public Records in order to be effective. After the expiration of the Master Developer Control Period, the designation and use of a Parcel (or a Unit, as the case may be) may not be modified or amended without the prior written consent of the Board pursuant to **Sections 3.1 and 3.2** herein, which consent may be withheld in the Board's sole and absolute discretion, and which consent, if granted, must be evidenced by a written instrument signed by the Board and Registered in the Public Records in order to be effective. Prior to the transfer of a Parcel (or a Unit, as the case may be) to a Person other than the Master Developer, the Master Developer shall have the right, in its sole and absolute discretion, to change the designation of a Parcel (or a Unit, as the case may be).

(c) Right to Approve Permitted Uses. Christophe Harbour and the Units therein shall be used only for such purposes permitted by these Master Covenants and the other Governing Documents, and specifically approved by the Master Developer or the Board, as the case may be. As set forth in **Section 3.1(c)(i)** herein, during the Master Developer Control Period, the Master Developer retains the right, in its discretion, to specifically determine, limit and otherwise review and designate the uses permitted for any Unit or group of Units to one or more of the uses permitted in Christophe Harbour, as described in the Master Plan, these Master Covenants and the other Governing Documents. Such specific permitted use designations may be amended only as provided in **Section 3.1(c)(i)** herein. The Master Developer's rights with respect to approval, limitation, and designation of specific uses for any of the Units shall be fully assignable or delegable, in whole or in part, by the Master Developer to the Board, the DRB or any other Person at any time and from time to time during the Master Developer Control Period. During the Master Developer Control Period, the Master Developer may further, in its discretion, establish such rules, regulations and procedures for initial and continuing review and approval of the use or uses for all Units on a case by case basis. After the expiration of the Master Developer Control Period, the Board, in its discretion, shall have the right to specifically determine, limit and otherwise review and designate the uses permitted for any Unit or group of Units in Christophe Harbour. The Board's rights with respect to approval, limitation, and designation of specific uses for any of the Units shall be fully assignable or delegable, in whole or in part, by the Board to the DRB at any time and from time to time. After the expiration of the Master Developer Control Period, the Board may further, in its discretion, establish such rules, regulations and procedures for initial and continuing review and approval of the use or uses for all Units on a case by case basis.

(i) During the Master Developer Control Period, the Master Developer, acting in its sole and absolute discretion (and after the Master Developer Control Period, the Board, acting in its sole and absolute discretion), retains the right, but not the

obligation, to limit the use of any portion of Christophe Harbour, including any one Unit or group of Units, to one or more, but less than all, of the permitted uses within Christophe Harbour. By way of example only and solely for purposes of illustration and not limitation, the Master Developer (or the Board, as the case may be) may limit the use of certain Units to residential use, or the use of a certain Residential Lot may be further limited to a specific residential use such as residential single-family detached home or patio home. In the alternative, and by way of example only and solely for purposes of illustration and not limitation, the use of a certain Unit may be limited to a non-residential use permitted under these Master Covenants or the other Governing Documents, or the use of a certain Public or Commercial Site may be further limited to a specific non-residential use such as a hotel or a specific non-food service retail use, or the use of certain Units in Christophe Harbour may be restricted against a use already being carried out by an Owner of a Unit within Christophe Harbour. The limitations on use imposed by the Master Developer may not be changed without the written consent of the Master Developer during the Master Developer Control Period. Thereafter, or at such time as the Master Developer assigns its rights in this regard to the Board, any change in the limitations on use shall require the consent of the Board and the Owner(s) of the affected Unit or Units set forth in a written instrument Registered in the Public Records. During the Master Developer Control Period, the Master Developer may further, in its discretion, establish such rules, regulations and procedures for initial and continuing review and approval of the use or uses for all Units on a case by case basis.

(d) All provisions of these Master Covenants and the Use Restrictions and Rules shall apply to all Owners and Occupants of any Unit.

3.2 Procedures for Review and Enforcement of Unit Specific Uses. In order to carry out the general plan of development, create enhancements to Christophe Harbour and maintain the values thereof, the Master Developer (or the Board, as the case may be) has been given and retains in its discretion, as provided in this **Chapter 3** and throughout these Master Covenants and the other Governing Documents, the specific right and authority to limit the specific use or uses of any portion of Christophe Harbour, including any one Unit or portion thereof or group of Units, and to negatively restrict any Unit or portions thereof or group of Unit from being used for a certain use or uses. Accordingly, no placement, erection, installation, construction or alteration of any buildings or other improvements shall commence upon any Unit until an application for approval of the proposed use or uses for the specific Unit or Units or other portion of Christophe Harbour in question, has been submitted to and approved in writing by the Master Developer (or the Board, as the case may be). Thereafter, the use for all or any portion of a specific Unit or group of Units shall not be changed from that last approved by the Master Developer (or the Board, as the case may be) in accordance with this **Chapter 3** unless and until an application for such change in use has been submitted to and approved in writing by the Master Developer (or the Board, as the case may be). The Master Developer (or Board, as the case may be), in its discretion, may require the submission by the applicable Owner of an application form and such information as it deems necessary to consider any application for approval of an initial use and/or for the approval of a change in use from one previously approved. If the Master Developer (or the Board, as the case may be) fails to approve or disapprove in writing an application for initial use or for a change in use within thirty (30) days after submission of all requested information and materials, then the application for the specific use for which approval is being sought shall be deemed disapproved unless an extension of such

time period is granted by the Master Developer (or the Board, as the case may be). During the Master Developer Control Period, all such review and approval of the use or uses for any Unit shall be made at the Master Developer's sole and absolute discretion, and thereafter, at the Board's sole and absolute discretion. Any approval of a specific use for a Unit or portion thereof, or for a group of Units shall not be deemed an approval for any other Units nor shall it constitute a waiver of the right to withhold approval as to any similar proposals for use of a specific Unit or of other Units within the same general area or elsewhere within Christophe Harbour. The failure of an Owner to submit and obtain approval for the specific use to be carried out on or within a Unit (whether initial uses or change in use), or to comply with such use after approval thereof, shall be deemed a violation of these Master Covenants and shall be subject to the sanctions set forth in Section 9.3 herein, Section 9.4 herein, and any other enforcement provisions reserved or granted to the Master Developer, the Board, the Master Owners' Association and/or the DRB in these Master Covenants and the other Governing Documents. The Master Developer (or the Board, as the case may be) may delegate all or certain rights and authority under this Section to the DRB.

3.3 Use and Occupancy of Non-Public or Non-Commercial Units/Sites.

(a) Subject to the Master Developer's (or the Board's, as the case may be) specific right and authority, as set forth in Sections 3.1, 3.2 and elsewhere in these Master Covenants, to limit the specific use or uses of any portion of Christophe Harbour, including any one Unit or portion thereof or group of Units, or negatively restrict any Unit or portions thereof or group of Units from being used for a certain use or uses, and except as may otherwise be expressly provided herein, Units which are not Intended for Use or otherwise designated as Public or Commercial Units or Public or Commercial Sites may be used only for residential and related purposes. A business activity shall be considered "related" to a residential use and thus permitted under this section only if conducted by a person or persons residing in the Unit and only if the business activity:

(i) is not apparent or detectable by sight, sound or smell from outside of a permitted structure;

(ii) complies with any applicable zoning requirements;

(iii) does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within Christophe Harbour; and

(iv) is consistent with Christophe Harbour's character and does not constitute a nuisance or a hazardous or offensive use, or threaten or endanger others, as the Board determines in its discretion.

(b) The term "business" shall have its ordinary, generally accepted meaning and shall include any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of

whether (i) such activity is engaged in full or part time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

(c) The leasing of a Unit for residential purposes shall not be considered a “business” within the meaning of this subsection.

(d) Except for Live/Work Structures or as expressly authorized by the Master Developer (or the Board, as the case may be), as provided in Sections 3.1, 3.2 and 3.4 herein, any Dwelling Unit that is leased shall be leased only in its entirety; separate rooms, floors, or other areas within a Dwelling Unit may not be separately leased.

(e) All leases shall be in writing signed by all parties thereto and shall disclose that the tenants and all Occupants of the leased Unit are bound by and obligated to comply with the Governing Documents, which, upon request of the Owner, will be made available by the Master Owners’ Association. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

(f) For all leases that serve to rent a Unit for more than thirty (30) days, the Owner of the leased Unit shall notify the Board in writing of the lease and provide any additional information the Board may require within ten (10) days of a lease being signed. In addition to, but consistent with this subsection, the Master Developer and the Board may adopt rules governing leasing and subleasing.

3.4 Live/Work Structures. The Master Developer reserves the right to allow the construction of Live/Work Structures in certain areas of Christophe Harbour. The designation of an area in which Live/Work Structures are permitted shall be set forth in a Supplement. Upon prior written authorization by the Master Developer, certain limited commercial or business activity may occur within a Dwelling Unit that is considered a Live/Work Structure provided that, during the Master Developer Control Period, such commercial or business activity must be approved in writing by the Master Developer as provided in Sections 3.1 and 3.2 herein. Thereafter, such commercial or business activity must be approved in writing by the Board as provided in Sections 3.1 and 3.2 herein.

Notwithstanding the fact that multiple uses can occur in a Live/Work Structure, each Live/Work Structure shall be deemed a Dwelling Unit for all purposes other than the use restrictions contained within Section 3.3 herein.

3.5 Rental Restrictions. The Master Developer reserves the right to restrict any and all rental, leasing and subleasing activities within Christophe Harbour. The Master Developer and the Board shall have the authority, in their respective discretion, to adopt, modify or rescind any rules governing rental, leasing or subleasing activities within Christophe Harbour.

3.6 Public or Commercial Units/Sites. Subject to the Master Developer’s (or the Board’s, as the case may be) specific right and authority, as set forth in Sections 3.1 and 3.2 and elsewhere in these Master Covenants, to limit the specific use or uses of any portion of Christophe Harbour, including any one Unit or portion thereof or group of Units, or negatively restrict any Unit or portions thereof or group of Units from being used for a certain use or uses,

and except as may otherwise be expressly provided herein, Public or Commercial Units and Public or Commercial Sites shall only be used for public, commercial, business, or other non-residential activities permitted by these Master Covenants with the approval of the Master Developer or Board, as the case may be, and in accordance with applicable zoning requirements. During the Master Developer Control Period, no public, commercial, business or other non-residential activity may take place on or within any Public or Commercial Unit or any Public or Commercial Site without the express written approval of the Master Developer as provided for in Sections 3.1 and 3.2 herein. After the expiration of the Master Developer Control Period, no public, commercial, business, or other non-residential activity may take place on or within any Public or Commercial Unit or on or within any Public or Commercial Site without the express written approval of the Board as provided for in Sections 3.1 and 3.2. Subject to the express written approval of the Master Developer during the Master Developer Control Period as provided for in Sections 3.1 and 3.2 herein, and thereafter, the Board as provided for in Sections 3.1 and 3.2 herein, and notwithstanding anything contained herein to the contrary, the following uses and activities are expressly prohibited within Christophe Harbour, or any portion thereof: industrial and manufacturing activities; a bingo hall; sales of automobiles or other vehicles; funeral parlor; massage parlor; off-track betting establishment; casinos; coin operated laundry; x-rated, pornographic, "adult" or sexually explicit entertainment, books, magazines, newspapers, pictures, movies, videos (whether on tape or disc), films, "adult" entertainment or nudity or other similar representation on or within the Public or Commercial Unit or the Public or Commercial Site.

3.7 Subdivision. No Unit may be subdivided nor its boundary lines changed, and no Units may be combined to constitute one (1) Unit without the express written consent of the Master Developer during the Master Developer Control Period. After the expiration of the Master Developer Control Period, no Unit may be subdivided nor its boundary lines changed, and no Units may be combined to constitute one (1) Unit without the express written consent of the DRB. Any such action that the Master Developer, or, as the case may be, the DRB, approves shall be effective only upon the Registration in the Public Records of a Plan or other legal instrument reflecting the subdivision or new boundaries of the affected Unit(s). In the absence of such Registered Plan or other instrument, any combined Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and assessment, even though such Units may be improved with a single dwelling.

3.8 Rulemaking Authority and Procedures. The Governing Documents establish a framework of covenants and conditions that governs Christophe Harbour. However, within that framework, the Master Developer and the Board must be able to respond to unforeseen issues and changes affecting Christophe Harbour. Therefore, the Master Developer and Board are authorized to establish additional restrictions, rules, regulations, and fee schedules which regulate and govern the use of property, activities, and conduct within Christophe Harbour, and to modify, repeal and/or expand such restrictions, rules, regulations, and fee schedules, in whole or in part, in accordance with the following procedures and subject to the limitations set forth in this Section 3.8 (any and all such restrictions, rules and regulations, as the same may be modified, repealed and/or expanded, in whole or in part, from time to time, being collectively referred to herein as the "Rules"), which Rules shall be binding upon the Owners and all other Persons within Christophe Harbour.

(a) During the Master Developer Control Period, the Master Developer may, in its sole and absolute discretion, establish the initial Rules, adopt new Rules, and modify, expand or repeal existing Rules, in whole or in part, without having to obtain the joinder, consent or approval of the Board, the Owners or any other Person, and without having to give any prior notice to the Board, the Owners or any other Persons. A Rules change adopted under this Section 3.8(a) shall take effect immediately.

(b) After the expiration of the Master Developer Control Period, the Board may, in its sole and absolute discretion, also establish Rules, adopt new Rules and modify, expand or repeal existing Rules, in whole or in part. The Board shall send written notice to all Owners concerning any such proposed Rules changes at least thirty (30) days prior to the effective date of any such Rules changes. This notice requirement does not apply to administrative and operating policies that the Board may adopt relating to the Common Elements, such as, but not limited to, hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, notwithstanding that such policies may be published as part of the Rules. A Rules change adopted under this Section 3.8(b) shall take effect thirty (30) days after the date on which written notice of the Rules change is provided to the Owners.

(c) The Rules do not have to be Registered in the Public Records.

(d) No action taken under this Section 3.8 shall have the effect of modifying or repealing the Design Guidelines or any provision of these Master Covenants or the other Governing Documents other than the Rules. Subject to the Master Developer's and Board's authority to interpret the provisions of the Governing Documents as set forth in Section 1.3 herein, in the event of a conflict between the Design Guidelines and the Rules, the Design Guidelines shall control. Subject to the Master Developer's and Board's authority to interpret the provisions of the Governing Documents as set forth in Section 1.3, in the event of a conflict between the Rules and any provision of these Master Covenants (exclusive of the Rules), the more restrictive of the provisions in favor of the Master Developer and the Board (in that order) shall control.

3.9 Protection of Owners and Others. Subject to the Master Developer's (or the Board's, as the case may be) specific right and authority, as set forth in Sections 3.1 and 3.2 and elsewhere in these Master Covenants, to limit the specific use or uses of any portion of Christophe Harbour, including any one Unit or portion thereof or group of Units, or negatively restrict any Unit or portions thereof or group of Units from being used for a certain use or uses, and except as may otherwise be expressly provided in these Master Covenants (either initially or by amendment), all Rules shall comply with the following provisions:

(a) Similarly situated Units shall be treated similarly; however, the Rules may vary by Neighborhood or District;

(b) No Rules shall interfere with the activities carried on within a Dwelling Unit, except that the Master Developer and Board may prohibit activities not normally associated with residential property. It may also restrict or prohibit activities that create monetary costs for the Master Owners' Association or other Owners, that create a danger to anyone's health or

safety, that generate noise or traffic, that create unsightly conditions visible from outside the dwelling, or that are a source of annoyance;

(c) No Rules may unreasonably interfere with or otherwise impede the Master Developer's ability to develop, market, and sell property in Christophe Harbour; and

(d) No Rules may unreasonably interfere with the exercise of any easement.

3.10 Listings of Units. The Master Developer (or its designated assignee, Affiliate or subsidiary) shall have the exclusive right to handle all listings for all sales and resales of all Units and related ownership or property interests, and improvements thereon, located in Christophe Harbour. By accepting an Instrument of Transfer for a Unit, each Owner acknowledges and agrees that upon the Owner's intent to sell or resell the Unit or related ownership or property interest in such Unit, and/or any improvement located thereon, the Owner will enter into an exclusive listing agreement with the Master Developer (or its designated assignee, Affiliate or subsidiary). This Section shall apply to all Owners, Owner's heirs, assigns, successors, tenants, lessees and any Occupant of a Unit.

3.11 Multiple Ownership/Time Sharing. No Residential Lot or Dwelling Unit may be owned by more than three (3) Owners at one time without the prior written consent of the Master Developer during the Master Developer Control Period, and, after the Master Developer Period, without the prior written consent of the Board and the DRB. For purposes of this **Section 3.11**, a married couple shall collectively constitute a single Owner. Further, no Residential Lot or Dwelling Unit may be used for any type of vacation or other time sharing plan or vacation or other multiple ownership plan without the prior written consent of the Master Developer during the Master Developer Control Period, and, after the Master Developer Period, without the prior written consent of the Board and the DRB.

3.12 Owner's Acknowledgement and Notice to Purchasers. All Owners and occupants of Units and purchasers are given notice that the specific operational use or uses of each Unit is limited by the use review and approval rights of the Master Developer and the Board and the Rules as either of them may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of an Instrument of Transfer or entering into a contract for the purchase of a Unit, acknowledges the rights of the Master Developer and the Board with respect to review and approval of the specific uses of the Units in Christophe Harbour and agrees to abide thereby, and further acknowledges and agrees that the specific use and enjoyment and marketability of a Unit can be affected and that the Rules may change from time to time. All Unit purchasers are hereby notified that the Master Developer and the Board may have adopted changes to the Rules and that such changes may not be set forth in a Registered document. A copy or electronic posting of the current Rules and all administrative policies shall be available from the Master Owners' Association upon request or upon authenticated access to the Community Internet. The Master Owners' Association may charge a reasonable fee to cover its reproduction cost. Each Owner shall include this notice in any transfer or lease of any portion of such Owner's Unit and shall provide the purchaser with a copy of the Governing Documents, but failure to do so shall not effect or reduce the enforceability of the Governing Documents.

CHAPTER 4: ARCHITECTURAL STANDARDS

4.1 General. Except for work done by or on behalf of the Master Developer, no Building or other Improvement shall be placed, erected, installed, constructed, altered or made upon any property or Unit within Christophe Harbour, and no Improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations, or planting or removal of landscaping) shall take place within Christophe Harbour, nor shall a building permit for any such Building or other Improvement be applied for on any property or Unit within Christophe Harbour, except in strict compliance with this Chapter and the Design Guidelines, and until the proposed building plans, materials, specifications, exterior colors or finishes, plot plan (showing the proposed location of such building or structure, drives, and parking areas), landscape plan, tree replacement/supplement plans, construction schedule and other required documents and items for any such Building or other Improvement shall have been approved in writing by both the Master Developer and the DRB.

The Master Developer reserves unto itself, its successors and assigns and the DRB, the right to control absolutely and solely to decide the precise site and location of any Building or other Improvements on any property or Unit in Christophe Harbour for reasons which may in the sole and uncontrolled discretion and judgment of the Master Developer or the DRB seem sufficient. Such location(s) shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site.

No alteration of the exterior appearance of any existing Building or other Improvements shall be made without approval by both the Master Developer and the DRB.

The interior of structures of any Unit may be remodeled, painted or redecorated without approval of the Master Developer or the DRB. Generally, no approval of the Master Developer or the DRB is required for work done to the interior of a structure, however, modifications to the interior of screened porches, patios, and any portion of a Unit visible from outside the structures on the Unit shall be subject to approval of both the Master Developer and the DRB. Each Owner shall also abide by any applicable law requiring approval from the Federation for any such construction activities, and obtain necessary permits from the DRB.

All Buildings and other Improvements, including, but not limited to, Dwelling Units and Public or Commercial Units, constructed (or to be constructed) on any portion of Christophe Harbour shall be designed by and built in accordance with the plans and specifications of a duly licensed architect or other duly qualified building designer acceptable to both the Master Developer and the DRB unless both the Master Developer and the DRB, in their sole and absolute discretion, otherwise approve. The landscaping for each Unit shall be designed and installed in accordance with the plans and specifications of a duly licensed landscape architect or other duly qualified landscape designer acceptable to both the Master Developer and the DRB unless both the Master Developer and the DRB, in their sole and absolute discretion, otherwise approve. Further, all such Buildings and other Improvements shall be built by duly licensed contractors or other duly qualified builders acceptable to both the Master Developer and the DRB unless both the Master Developer and the DRB, in their sole and absolute discretion, otherwise approve. All plans and specifications shall be subject to review as provided herein.

Approval under this Chapter and the Design Guidelines is not a substitute for or in lieu of any approvals or reviews required by any governmental agency or entity having jurisdiction over the Community's architectural or construction matters.

This Chapter shall not apply to restrict or prohibit in any manner any of the activities of the Master Developer.

This Chapter may not be amended during the Master Developer Control Period without the Master Developer's written consent.

4.2 Architectural Review.

(a) By Master Developer and Design Review Board. During the Master Developer Control Period, the Master Developer and the Association, acting through the DRB, shall have exclusive authority to administer and enforce the terms and conditions of this Chapter, the Design Guidelines and other architectural controls, and to review and act upon all applications for architectural and other improvements within Christophe Harbour. The Master Developer's rights under this **Chapter 4** shall continue for the duration of the Master Developer Control Period, unless the Master Developer earlier terminates its rights in a Registered instrument. The Master Developer may designate one or more Persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, the Master Developer or its designee acts solely in the Master Developer's interest and owes no duty to any other Person.

The Master Developer may from time to time delegate or assign all or any portion of its rights under this Chapter to any other Person or committee, including the DRB. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) the Master Developer's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) the Master Developer's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as the Master Developer has any rights under this Chapter, the jurisdiction of other entities shall be limited to such matters as the Master Developer specifically delegates.

Upon the Master Developer's delegation or upon expiration or termination of the Master Developer's rights under this Chapter, the Association, acting through the DRB, shall assume sole and exclusive jurisdiction over all such matters.

When appointed, the DRB shall consist of at least three (3), but not more than five (5), persons. Members of the DRB need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as shall be established from time to time by the Master Developer during the Master Developer Control Period, and thereafter by the Board. During the Master Developer Control Period, the Master Developer retains the right to appoint all but one member of the DRB. Each DRB member appointed by the Master Developer shall serve at the will of the Master Developer and may be removed, with or without cause, and replaced at any time by and in the Master Developer's discretion. The one member of the DRB not appointed by the Master Developer shall be appointed by the Minister of Planning and such

DRB Member shall thereafter serve at the will of the Minister of Planning and may be removed, with or without cause, and replaced at any time by and in the discretion of the Minister of Planning; PROVIDED, however, if the Minister of Planning declines, refuses or otherwise fails to appoint its designated DRB member, then, during the Master Developer Control Period, the Master Developer shall have the right to appoint all members of the DRB and all DRB members so appointed by the Master Developer shall serve at the will of the Master Developer and may be removed, with or without cause, and replaced at any time by and in the Master Developer's discretion. There shall be no surrender of this right prior to the expiration of the Master Developer Control Period except in a written instrument executed by Master Developer and Registered in the Public Records. Upon the expiration of the Master Developer Control Period, the Board shall appoint all but one of the members of the DRB. Each DRB member appointed by the Board shall thereafter serve at the will of the Board and may be removed, with or without cause, and replaced at any time by and in the Board's discretion, and the one member of the DRB not appointed by the Board shall be appointed by the Minister of Planning and such DRB member shall thereafter serve at the will of the Minister of Planning and may be removed, with or without cause, and replaced at any time by and in the discretion of the Minister of Planning; PROVIDED, however, if the Minister of Planning declines, refuses or otherwise fails to appoint its designated DRB member, then, after the expiration of the Master Developer Control Period, the Board shall have the right to appoint all members of the DRB and all DRB members so appointed by the Board shall serve at the will of the Board and may be removed, with or without cause, and replaced at any time by and in the Board's discretion.

The Chairman of the DRB (the "**DRB Chairman**"), or in his or her absence, the member of the DRB designated by the DRB Chairman, shall be the presiding officer at DRB meetings. The DRB Chairman shall be selected and appointed from among the members of the DRB. During the Master Developer Control Period, the DRB Chairman shall be appointed by the Master Developer and shall serve at the will of the Master Developer and may be removed, with or without cause, and replaced at any time by and in the Master Developer's discretion. Upon the expiration of the Master Developer Control Period, the DRB Chairman shall be appointed by the Board and shall thereafter serve at the will of the Board and may be removed, with or without cause, and replaced at any time by and in the Board's discretion. Meetings shall be held upon the call of the DRB Chairman or a majority of the DRB. All meetings shall be held in or around Christophe Harbour, at such time and place as may be determined by the DRB. A majority of members of the DRB shall constitute a quorum for the transaction of business. The affirmative vote of more than fifty percent (50%) of the members of the DRB shall constitute the approval of the DRB on any matter presented at a duly called meeting at which a quorum is present. The DRB shall operate in accordance with rules and regulations established by the Master Developer during the Master Developer Control Period, and thereafter by the Board, as the same may be amended from time to time. A copy of the DRB rules and regulations shall be filed with the Master Owners' Association and maintained in the records of the Master Owners' Association. DRB members may also vote by phone, fax, e-mail, or proxy.

The Board may create and appoint subcommittees of the DRB; PROVIDED, however, during the Master Developer Control Period, the creation or appointment of any such subcommittees shall also require the prior written approval of the Master Developer. Subcommittees may be established to preside over particular areas of review (e.g., landscape

plans) and shall be governed by procedures the Board or the DRB may establish. Any subcommittee's actions are subject to review and approval by the DRB and, until the Master Developer's delegation or upon expiration or termination of the Master Developer's rights under this Chapter. Notwithstanding the above, neither the DRB nor the Master Developer shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

The Master Developer and the Association, acting through the Board, may employ architects, engineers, attorneys, and/or other Persons to assist and advise the DRB in performing the reviews and other functions required under this Chapter and the Design Guidelines.

(b) Reviewer. The Person having jurisdiction in a particular case, whether the Master Developer, its designee, the DRB or a subcommittee of the DRB, shall be referred to as the "Reviewer."

(c) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of plans, specifications, applications and other ancillary documents and items and may require that such fees be paid in full and in advance prior to review of any application. Such fees may include the reasonable costs incurred in having any plans, specifications or applications reviewed by architects, engineers, or other professionals. The Board may include the compensation of such Persons in the Association's annual operating budget.

4.3 Guidelines and Procedures.

(a) Design Guidelines. The Master Developer shall prepare the initial Design Guidelines for Christophe Harbour, which may contain general provisions applicable to all of Christophe Harbour as well as specific provisions which may vary according to land use and from Neighborhood to Neighborhood (or District to District, as the case may be) and from one portion of Christophe Harbour to another depending upon the location, unique characteristics, intended uses and/or product types. The Design Guidelines are intended to provide guidance to Owners, architects, engineers and builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Design Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Design Guidelines does not guarantee approval of any application. Failure to publish any Design Guidelines shall not diminish the architectural control and review authority of the Master Developer or the DRB as set forth in these Master Covenants. By way of example only and solely for purposes of illustration and not limitation, the Design Guidelines may establish and provide for, among other things, architectural, design and construction guidelines and requirements, and application and review procedures applicable to all or any portion of Christophe Harbour. Further, by way of example only and solely for purposes of illustration and not limitation, the Design Guidelines may also establish and provide for, among other things, guidelines, rules, requirements, restrictions and limitations as to the following: improvement envelopes; building envelopes; natural areas; setbacks; building height (including maximum building height restrictions); building coverage (including maximum building coverage restrictions); and building square footage (including maximum square footage restrictions and minimum square footage requirements).

The Master Developer shall have sole and full authority to amend the Design Guidelines during the Master Developer Control Period. The Master Developer's right to amend shall continue even if its reviewing authority is delegated to the DRB, unless the Master Developer also delegates the power to amend to the DRB. Upon termination or delegation of the Master Developer's right to amend, the Board may amend the Design Guidelines. Amendments to the Design Guidelines shall be prospective only. They shall not require modifications to or removal of structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Design Guidelines as amended. Subject to the Community-Wide Standard, there is no limit to the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Reviewer shall make the Design Guidelines available to Owners, architects, engineers and builders who seek to engage in development or construction within Christophe Harbour. In the Master Developer's discretion, the Design Guidelines may be (but are not required to be) Registered, in which event the Registered version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

The failure to publish or Register the Design Guidelines shall not in any manner adversely affect the architectural review authority of the Master Developer, the DRB or any other Reviewer as set forth in these Master Covenants, including, without limitation, the authority to approve or disapprove any of the construction activities or other activities described in **Section 4.1** herein.

(b) Procedures and Basis of Approval. The design review process and procedures and construction guidelines are set forth in detail in the Design Guidelines. No construction activities or other activities described in **Section 4.1** herein may begin on any Unit or other portion of Christophe Harbour until a request is submitted to and approved by the Reviewer, and the specific use for such Unit or other portion of Christophe Harbour has been approved by the Master Developer (or the Board, as the case may be) in accordance with **Chapter 3** herein. The request must be in writing and be accompanied by plans and specifications and such other information the Reviewer or the Design Guidelines may require. The Reviewer may require the submission of application forms and information as its deems necessary to consider any application or request and may require multiple stages of application and review for any use, construction or modification. Plans and specifications shall show, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, other features of proposed construction, and such other information the Reviewer and the Design Guidelines may require.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, maximum and minimum square footage requirements, the quality of workmanship and design, harmony of the proposed exterior design with surrounding structures and environment, and location in relation to surrounding structures, topography, setbacks and finish grade elevation, among other things. Decisions of the Reviewer may be based solely on aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or

attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to review so long as they are made in good faith and in accordance with the required procedures.

Review of the plans and specifications may be based on, among other things, the general adequacy of site dimensions, conformity and harmony of the exterior design, location with neighboring structures and sites, relation of finished grades and elevations to neighboring sites, compatibility with the Community-Wide Standard, and conformity to both the specific and general restrictions and covenants set forth in these Master Covenants and in the Design Guidelines. The Reviewer shall have the right to disapprove any submitted plans and specifications for any Unit or other project if such plans or specifications are not in conformity with the provisions of these Master Covenants or the Design Guidelines, or if the Reviewer, in its discretion, determines that such plans and specifications are not in the best interest of the contemplated development of Christophe Harbour as a master planned mixed-use resort development or otherwise.

Unless the Design Guidelines provide otherwise, the Reviewer shall make a determination on each application within sixty (60) days after receipt of a completed application and other information it requires. The Reviewer may permit or require that an application be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. Approvals, when granted, shall be dated, and shall not be effective for more than six (6) months after such approval.

During the Master Developer Control Period, unless the Master Developer has delegated its rights under this Chapter to the DRB, the DRB shall notify the Master Developer in writing within three (3) business days of any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Chapter or the Design Guidelines. A copy of the application and any additional information that the Master Developer may require shall accompany the notice. During such time, the Master Developer shall have the right, in its sole and absolute discretion, to veto any DRB action; PROVIDED, the Master Developer's right to veto must be exercised within ten (10) business days after it receives notice of the DRB's action. The party submitting the plans for approval shall not be notified of the DRB's action until after the Master Developer's right to veto has been exercised or has expired. If the Master Developer fails to respond in a timely manner, then the application or other action for which approval is being sought shall be deemed disapproved by the Master Developer.

Unless the Design Guidelines provide otherwise, the Reviewer shall notify the applicant in writing of a final determination on any application within five (5) days after such determination is made or, with respect to any DRB determination subject to the Master Developer's veto right, within five (5) days after the earlier of: (i) receipt of notice of the Master Developer's veto or waiver thereof; or (ii) expiration of the ten (10) day period for exercise of the Master Developer's veto. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

If the Reviewer fails to respond in a timely manner, then the application or other action for which approval is being sought shall be deemed disapproved by the Reviewer, subject to the Master Developer's veto right. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Design Guidelines unless a written variance has been granted pursuant to Section 4.7 herein.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or the Design Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Chapter and shall be subject to enforcement action by the Master Developer, or the Association, acting through the Board or the DRB.

The Master Developer or the Board, with the Master Developer's consent during the Master Developer Control Period, by resolution, may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution. For example, Builders may be permitted to submit and receive pre-approval of landscaping or other plans for general application. Such pre-approved plans shall not require resubmission prior to use on a particular Lot.

The Reviewer shall have the complete discretion to withhold review of any and all applications submitted to it from an Owner who is not in good standing as a Member of the Master Owners' Association, including, without limitation, Members who owe past due Assessments on any Unit in Christophe Harbour.

4.4 Easements and Common Area Dedication. As a prerequisite of approval of any plans and specifications, the Reviewer shall have the power to require an Owner who has submitted plans and specifications to grant any reasonable utility and drainage easements as may be required for the enjoyment and benefit of the Master Developer, the Owners or the Master Owners' Association. Where possible, the reviewer shall attempt to locate any such easements along the perimeter of the Unit, within existing or proposed rights-of-way, within other existing or proposed easements, or in such a manner as to not materially impair the proposed use of the Unit.

4.5 Participating Builder Program. The Master Developer and the DRB may establish and the Design Guidelines may provide for a "Participating Builder Program", which Program may limit permissible construction companies or contractors that Owners can use to those approved by the Master Developer or the DRB, and may impose application and approval requirements and additional fees, charges, and commissions on said builders and contractors. The Participating Builder Program, including any fees and charges associated therewith, may be changed from time to time in sole discretion of the Master Developer or the DRB.

4.6 No Waiver of Future Approvals. Each Owner acknowledges that the people reviewing applications under this Chapter will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, at which time, it may or may not be unreasonable to require that such objectionable features be changed. However, the Reviewer may refuse to approve similar proposals in the future. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

4.7 Variances. The Reviewer may authorize variances from compliance with any of the Design Guidelines and any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted Rules and the Design Guidelines. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing signed by the DRB, (b) be contrary to these Master Covenants, or (c) estop or otherwise prevent the Reviewer from denying a variance in other circumstances. A variance requires the Master Developer's written consent during the Master Developer Control Period, and, thereafter, requires the Board's written consent. For purposes of this **Section 4.7**, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.8 Limitation of Liability. This Chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of Christophe Harbour. The standards and procedures do not create any duty to any Person. Review and approval of any application pursuant to this Chapter may be based on purely aesthetic considerations and neither the Master Developer, the Master Owners' Association, the Board, the DRB, any committees of the Board or the DRB, nor any other Reviewer, nor any officer, director, shareholder, partner or member of any of the foregoing, shall bear responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that every Building or other Improvement is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners. Neither the Master Developer, the Master Owners' Association, the Board, the DRB, any committees of the Board or the DRB, nor any other Reviewer, nor any officer, director, shareholder, partner, or member of any of the foregoing, shall be held liable for the approval of, disapproval of, or failure to approve or disapprove any plans; soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not the Master Developer has approved or featured such contractor as a builder in the Community; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters, the Master Developer, the Board, the DRB, any committees of the Board or the DRB, any other Reviewer, and each officer, director, shareholder, partner, and member of any of the foregoing shall be defended and indemnified by the Master Owners' Association.

Approval of plans and specifications by the Reviewer or the issuance by the Reviewer of publications establishing guidelines and architectural standards shall not be construed as a representation or implication that such plans, specifications, or standards, if followed, will result in a well designed or sufficient structure, nor that the improvements contemplated will be completed in a good and workmanlike manner. Neither the Master Developer, the Master Owners' Association, the Board, the DRB, any committees of the Board or the DRB, nor any other Reviewer, nor any officer, director, shareholder, partner, or member of any of the foregoing, shall be held liable for design, construction, or other defects in connection with any plans and specifications submitted pursuant to these Master Covenants and the Design Guidelines.

4.9 Enforcement. Any construction, alteration, or other work done in violation of this Chapter or the Design Guidelines shall be deemed to be nonconforming and is subject to enforcement action. Upon written request from the Board, the DRB or the Master Developer, an Owner shall, at his or her own cost and expense, and within a reasonable time frame identified in the request, cure the violation or restore the property to substantially the same condition as existed before the nonconforming work and violation occurred. Should an Owner fail to cure the violation or otherwise restore the property as required, the Board, the DRB or the Master Developer, or their designees, shall have the right to enter upon the property, remove the violation, and restore the property to substantially the same condition as existed before the nonconforming work and violation occurred. All costs, including fines, attorneys' fees and costs of collection, together with the interest at the rate the Board establishes, may be assessed against the violating Unit and collected as a Specific Assessment. In addition, the Board, the DRB and the Master Developer shall each have the right to exercise any means of enforcement set forth in these Master Covenants or otherwise available at law or in equity.

Any approvals granted under this Chapter are conditioned upon completion of all elements of the approved work, unless approval to modify any application has been obtained in writing. In the event that any Person fails to commence and diligently pursue to completion all approved work by the deadline imposed, the Master Developer, the Board or the DRB may, after notifying the Owner and allowing an opportunity to be heard in accordance with these Master Covenants or the By-Laws, as the case may be, enter upon the Unit and remove or complete any incomplete work and assess all costs incurred against the Unit and its Owner as a Specific Assessment, including fines, attorneys' fees and costs of collection, together with the interest at the rate the Board establishes.

Neither the Master Developer, the Master Owners' Association, the Board, the DRB, any committees of the Board or the DRB, nor any other Reviewer, nor any officer, director, shareholder, partner, or member of any of the foregoing, shall be held liable to any Person for exercising the rights granted by this Chapter. Each Owner shall be responsible for ensuring compliance with the plans and specifications approved by the Master Developer and the DRB. Any act of any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. If any contractor, subcontractor, agent, employee, or other invitee of an Owner continually or intentionally either fails to comply with approved plans and specifications or is determined by the Master Developer or the DRB to be continually negligent or derelict during the approval or construction process, then the Master Developer and the DRB shall each have the right and the power to prohibit such contractor,

subcontractor, agent, employee, or other invitee (any such contractor, subcontractor, agent, employee, or other invitee being referred to herein as a “Violating Party”) from entering and/or otherwise doing business in Christophe Harbour, and, in such event, the Master Developer and the DRB shall each have the right and the power to prohibit all the Owner and all other Owners from doing any further business with any such Violating Party.

The Association, acting through the Board or the DRB, shall be primarily responsible for enforcing this Chapter. If, however, in the Master Developer’s discretion, the Association, acting through the Board or the DRB, fails to take appropriate enforcement action within a reasonable time period, then, during the Master Developer Control Period, the Master Developer may, but shall not be obligated to, exercise the enforcement rights set forth above. In such event, the Master Developer may assess and collect Specific Assessments against the violating Owner and assert the Association’s lien rights pursuant to Chapter 8 herein. The Association hereby assigns to Master Developer such rights and authority, including the right to all funds collected, and no further assignments shall be required.

In addition to the foregoing, the Master Developer and the Master Owners’ Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Chapter and the decisions of the Master Developer and the DRB.

The DRB (with the approval of the Board, and, during the Master Developer Control Period, the approval of the Master Developer) and/or, during the Master Developer Control Period, the Master Developer, may establish and charge fines for violations of this Chapter and the Design Guidelines, which fines shall be assessed against the violating Owner and the violating Unit, secured by the Master Owners’ Association’s lien for assessments as provided in Section 8.8 herein, and collected as a Specific Assessment.

CHAPTER 5: MAINTENANCE

5.1 Master Owners’ Association’s Function and Services.

(a) Ownership, Operation and Maintenance of Common Elements, Limited Common Elements and Other Areas of Common Responsibility. The Master Owners’ Association shall be authorized to own, operate and/or maintain the Common Elements, the Limited Common Elements and other Areas of Common Responsibility, and any other property located within and outside of Christophe Harbour:

- (i) For roads and/or roadways, and parkways along said roads or roadways throughout and outside of Christophe Harbour;
- (ii) For leisure trails, walking paths, and bicycle paths throughout and outside of Christophe Harbour;
- (iii) For transportation facilities throughout and outside of Christophe Harbour and other authorized areas other than privately owned vehicles (*e.g.* buses, vans, and other vehicles);

(iv) For security and fire protection services, including security checkpoints, maintenance buildings and/or guardhouses, police equipment, fire stations and fire fighting equipment and buildings used in connection with maintenance functions;

(v) For emergency health care, including ambulances and emergency medical facilities and the equipment necessary to operate such facilities;

(vi) For providing any of the services which the Master Owners' Association is authorized to provide under Section 5.1(b) or elsewhere herein;

(vii) For purposes set out in deeds, certificates of title, or other Instruments of Transfer by which the Common Elements and Limited Common Elements are transferred or leased to the Master Owners' Association;

(viii) For lakes, playing fields, tennis and golf facilities, historic parks, wildlife areas, fishing facilities, community dock facilities, boat launches, boat storage facilities, and other recreational facilities of any nature;

(ix) For community meeting facilities serving Christophe Harbour; and

(x) For water and sewage storage facilities and any other utilities, if not adequately provided by a private or public utility, or some other public body.

(b) Services. The Master Owners' Association and/or the Master Developer shall be and are each hereby authorized and empowered, but not obligated, to perform any and all of the following acts and services, the costs of which shall be a Common Expense:

(i) Clean-up and maintenance of all Common Elements, Limited Common Elements and other Areas of Common Responsibility (including, but not limited to, roads, roadways, roadway medians, parkways, lakes and lagoons, marshes, leisure trails, walkways, bike paths, boardwalks, observation and viewing areas, residual, conservation, and open space areas), and any other property whether or not owned or leased by The Master Owners' Association or the Master Developer (including, but not limited to, public properties which are located within a reasonable proximity of Christophe Harbour) if such clean-up and maintenance is necessary or desirable to maintain the Community-Wide Standard or their deterioration would affect the appearance of Christophe Harbour as a whole. Such clean-up and maintenance shall include, but is not limited to, the repair, enhancement, and replacement of: improvements thereon, therein, and thereunder, improvements to roads and rights of way, lighting, signage, and landscaping.

(ii) Stocking the lakes and lagoons and maintaining said lakes and lagoons and the banks thereof within Christophe Harbour, including those lakes and lagoons which are part of or adjacent to any golf course, as the same are an integral part of the overall drainage system for Christophe Harbour.

(iii) To maintain, repair, and replace the Christophe Harbour Drainage System (the term "**Drainage System**" includes, but is not limited to any lagoons, drainage easement areas, holding or retention ponds, pipes, pumps, outfall and other structures, drainage

ditches, swales, control devices and other equipment or facility associated with the drainage system for Christophe Harbour).

(iv) To provide, maintain, and control water pollution and shoreline erosion abatement measures and flood control improvements and devices located within or adjacent to Christophe Harbour.

(v) Clean-up, maintenance, improvement, enhancement, and replacement of landscaping on each Unit within Christophe Harbour as otherwise provided in these Master Covenants or the other Governing Documents, or within Christophe Harbour as a whole, including, without limitation, the right to remove unsightly or unsafe overgrowth of vegetation and the right to bush hog and/or perform limited clearing in order to maintain, among other things, filtered views and/or filtered view corridors.

(vi) Planting, maintaining, improving, and replacing the trees and other landscaping within any easement reserved by the Master Developer and the Master Owners' Association over each Unit in Christophe Harbour as set forth in **Chapter 13** of these Master Covenants or in any of the other Governing Documents.

(vii) Contract for insect, pest and animal control, garbage and trash collection and disposal, and such other services which in the discretion of the Master Developer or Board are necessary and essential for Christophe Harbour as a whole.

(viii) Provide or contract for security, including, but not limited to, the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within Christophe Harbour and assistance in the apprehension and prosecution of persons who violate any applicable laws within the Christophe Harbour.

(ix) Provide or contract for fire protection and prevention.

(x) Provide day care and child care services.

(xi) To conduct recreation, sport, craft, and cultural programs of interest to the Members, their children and guests, and provide services devoted to the improvement of such programs.

(xii) Construct improvements on any owned, leased, or licensed residual, conservation, natural, or open space areas, the Common Elements, and such other areas within Christophe Harbour and/or over contiguous lowland areas as the Master Developer or Board deems appropriate, necessary, or useful for Christophe Harbour.

(xiii) Provide or contract for landscaping and managerial services and other administrative services including, but not limited to, legal, accounting, and financial services, property management and maintenance services, security guards for the security gate(s), and communication services informing Members of activities, notice of meetings, referendums and other matters.

(xiv) Provide liability, hazard, or other insurance covering improvements and activities on the Common Elements and Limited Common Elements or any property owned, leased, or maintained by the Master Owners' Association, and providing such liability and errors and omission or similar insurance for the Directors and officers of the Master Owners' Association as the Board may deem appropriate. The Master Owners' Association shall not have any insurance responsibility for any of the Club Facilities.

(xv) Purchase and acquire personal property and equipment as the Board deems necessary for the proper maintenance and operation of Christophe Harbour and the Common Elements and Limited Common Elements.

(xvi) To provide and/or support transportation facilities other than privately owned vehicles (*e.g.* buses and vans, etc.) and transportation services between key points within Christophe Harbour and/or the Club Facilities and the airports, other public transportation terminals, schools, and public centers serving the area surrounding Christophe Harbour.

(xvii) To provide safety equipment and emergency evacuation services for storm and other natural emergencies or catastrophes.

(xviii) To maintain water search and rescue boats for the protection and safety of those in waters located on or adjacent to Christophe Harbour.

(xix) To provide legal and scientific resources for the improvement of air and water quality within and in the immediate vicinity of Christophe Harbour.

(xx) To provide water, sewage, power, and any other necessary utility services not provided by a public body, private utility, or the Master Developer.

(xxi) In the event that the Master Developer or the Board of Directors determines that: (i) any Owner, lessee or Occupant has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, (ii) any Owner fails to repair or renovate any Unit damaged or destroyed by fire or other casualty; or (iii) any Unit is overgrown and/or has accumulated trash or debris so that the same becomes unkempt or unsightly then, in either event, the Master Developer and/or the Master Owners' Association may provide such necessary maintenance, cleaning, repair, renovation or replacement, at the sole cost and expense of such Owner. Such cost will be added to and become a part of the Specific Assessment to which such Owner and his property is subject and will become a lien against such property. In the event that the Master Developer undertakes such maintenance, cleaning, repair, or replacement, the Master Owners' Association will promptly reimburse the Master Developer for the Master Developer's costs and expenses.

(xxii) To establish, maintain and operate an architectural and design review board in the event the Master Owners' Association is designated by the Master Developer as the agent of the Master Developer for such purpose.

(xxiii) Take any and all actions necessary to enforce these Master Covenants and to perform any of the functions or services required or delegated to the Master Owners' Association under these Master Covenants or any other Governing Documents.

(xxiv) In addition to the above, the Master Owners' Association is authorized and empowered to perform or provide any and all other services and to take all steps necessary or desirable in the judgment of the Board to carry out the Master Owners' Association's obligations and duties under the terms and intent of these Master Covenants, the By-Laws and the other Governing Documents.

(xxv) To exercise any rights reserved by the Master Developer in these Master Covenants after such rights have been transferred by the Master Developer to the Master Owners' Association in writing.

(xxvi) To provide any and all of the above listed services to another association of Owners of real property in Christophe Harbour (including, but not limited to, a Neighborhood Association or a District Association) under a contract, the terms of which must be approved by the Board.

Nothing contained in these Master Covenants shall be deemed to mean that the Master Owners' Association or the Master Developer is responsible for the maintenance and/or operation of any portion of the Club Facilities.

(c) Minimum Level of Services. By December 31, 2009, or as soon thereafter as reasonably possible, the Board shall establish and define the minimum level of services which shall be furnished by the Master Owners' Association, and submit the same to the Members at the 2010 annual meeting, or as soon thereafter as reasonably possible. The Master Owners' Association shall not reduce the level of services it furnishes below such minimum level. Such minimum level of services shall expressly include an obligation of the Master Owners' Association to maintain the roadways and the drainage facilities in Christophe Harbour in a functional and acceptable condition.

(d) Obligation of the Master Owners' Association. The Master Owners' Association shall not be obligated to carry out, offer or perform any of the functions and services specified by the provisions of this Section except the Minimum Level of Services as specified in Section 5.1(c) above. The functions and services, if any, to be carried out, offered or performed by the Master Owners' Association at any particular time shall be determined by the Master Developer or the Board taking into consideration the funds available to the Master Owners' Association and the needs of the Members. After the expiration of the Master Developer Control Period and subject to the provisions of Section 5.1(c), the functions and services which the Master Owners' Association is authorized to carry out or to provide may be added to or reduced at any time upon the approval of the Board of Directors. The Area of Common Responsibility shall not be reduced or expanded by amendment of these Master Covenants or any other means during the Master Developer Control Period except with the written consent of the Master Developer.

(e) Common Expense. Except as otherwise specifically provided herein, all costs and expenses associated with the Master Owners' Association's maintenance, repair and replacement responsibilities shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Master Owners' Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to these Master Covenants, any Covenant to Share Costs, or other Registered covenants, or agreements with such owner(s) or other Persons. All maintenance, repair, and replacement of the Area of Common Responsibility shall be consistent with the requirements of these Master Covenants.

(f) Neighborhood Expense; District Expense. All costs and expenses associated with maintenance, repair and replacement of Limited Common Elements shall be a Neighborhood Expense (or District Expense, as the case may be) assessed as a Neighborhood Assessment (or District Assessment, as the case may be) solely against the Units within the Neighborhood(s) (or District(s), as the case may be) to which the Limited Common Elements are assigned, or against the particular Units to which the Limited Common Elements are assigned, notwithstanding that the Master Owners' Association may be responsible for performing such maintenance, repair and replacement hereunder. The maintenance, repair and replacement of the Limited Common Elements shall be consistent with the requirements of these Master Covenants.

5.2 Owner's Responsibility. Each Owner shall maintain such Owner's Unit, together with all landscaping, Buildings, structures, parking areas, and other Improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Master Owners' Association or a Neighborhood Association (or a District Association, as the case may be). In addition to any other enforcement rights, if an Owner fails to properly perform such Owner's maintenance responsibility, the Master Owners' Association may perform such maintenance and assess all costs incurred by the Master Owners' Association against the Unit and the Owner as a Specific Assessment in accordance with Section 8.6 herein. The Master Owners' Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3 Neighborhood's/District's Responsibility. Upon resolution of the Board, the Owners of Units within each Neighborhood (or District, as the case may be) shall be responsible for paying, through Neighborhood Assessments (as District Assessments, as the case may be), the costs of operating, maintaining and insuring their designated Limited Common Elements and portions of the Area of Common Responsibility within or adjacent to such Neighborhood (or District, as the case may be) as determined by the Board. This may include the costs of maintaining any signage, entry features, right-of-way, and green space adjacent to, in the vicinity of, or within the Neighborhood (or District, as the case may be), regardless of ownership and regardless of the fact that such maintenance may be performed by the Master Owners' Association.

Neighborhood Associations (or District Associations, as the case may be), if any, having responsibility for maintenance within a particular Neighborhood (or District, as the case may be) shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If a Neighborhood Association (or District, as the case may be) fails to do so, the

Master Owners' Association may perform such responsibilities and assess the costs as a Specific Assessment against all Units within such Neighborhood (or District, as the case may be) as provided in Section 8.6 herein.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants.

5.5 Covenant to Share Costs. Adjacent to or in the vicinity of property encumbered by these Master Covenants, there may be certain residential, nonresidential, commercial or recreational areas, including residential developments, retail, commercial, or business areas and Private Amenities, which are not subject to these Master Covenants. Except as expressly set forth in these Master Covenants, the owners of such adjacent properties shall not be Members of the Master Owners' Association and shall not be entitled to vote. The Master Developer or Board may enter into agreements with the owners or operators of portions of the adjacent properties:

(a) to obligate the owners or operators of such adjacent properties to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the Owners within Christophe Harbour;

(b) to permit the use of any recreational and other facilities located on such adjacent properties by the Owners of all Units or by the Owners of Units within specified Neighborhoods (or Districts, as the case may be); and/or

(c) to obligate the Master Owners' Association to share in certain costs associated with the maintenance, repair, replacement, and insuring of portions of such adjacent properties, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the Owners within Christophe Harbour.

The owners or operators of such adjacent properties shall be subject to assessment by the Master Owners' Association only in accordance with the provisions of such Covenants to Share Costs. If the Master Owners' Association is obligated to share costs incurred by the owners or operators of such adjacent properties, the Covenant to Share Costs shall provide whether such payment by the Master Owners' Association shall constitute Common Expenses or Neighborhood Expenses (or District Expenses, as the case may be) of the Master Owners' Association. The owners or operators of the adjacent properties shall not be subject to the restrictions contained in these Master Covenants, except as otherwise specifically provided herein, in a Covenant to Share Costs, or as otherwise agreed to in writing by the Master Developer or the Board.

5.6 Security. Pursuant to Section 5.1(b) herein, the Master Developer and/or the Master Owners' Association may maintain or support certain activities within Christophe Harbour designed to promote safety within Christophe Harbour; PROVIDED, however, that neither the Master Owners' Association, nor the Master Developer shall in any way be

considered insurers or guarantors of security within Christophe Harbour, nor shall either of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security measures undertaken will prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and covenants to inform its tenants and all Occupants of its Unit(s) that the Master Owners' Association, its Board of Directors and committees, and the Master Developer are not insurers and that each Person within Christophe Harbour assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties or otherwise.

5.7 Provision of Services to Units. Pursuant to Section 5.1(b) herein, the Master Developer and/or the Master Owners' Association may arrange for or provide services to Owners and their Units, directly or indirectly through contracts with the Master Developer or other third parties. The Master Owners' Association may enter into bulk service agreements by which a particular service is provided to all Units, or it may offer various services at the option of each Owner, or both. For example, such services may include satellite television, cable television, utilities, power, water, sewer, telecommunication services, fire protection, private security services, trash collection, landscape maintenance, pest control, caretaker services, and technology services.

The Master Developer and/or the Master Owners' Association shall have the right and power to require that an Owner must use one or more specific services designated as mandatory services from time to time by the Master Developer and/or the Master Owners' Association ("**Mandatory Services**"). By accepting an Instrument of Transfer for a Unit, each Owner acknowledges and agrees to utilize and enter into any required contract for any such Mandatory Service provided by the Master Developer and/or the Master Owners' Association. The Master Developer may require that each Owner further acknowledge and agree that it will not use or enter into any contract for any service with any provider other than the Master Developer, its Affiliates, subsidiaries, assigns or designees, if such service is made available through the Master Developer, its Affiliates, subsidiaries, assigns, designees, or by the Master Owners' Association.

Any such Master Developer or Master Owners' Association contract for services may require individual Owners or Occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or Occupant of a Unit, may result in termination of services provided to such Unit. Any such termination shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service that are assessed against the Unit as a Common Expense.

In its discretion, the Master Developer and/or the Master Owner's Association may discontinue offering particular services and may modify or cancel existing contracts for services, subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Master Developer or the Master Owners' Association, as the case may be, to provide such services.

5.8 Community Technology.

(a) Without limiting the generality of Section 13.17 herein, the Master Developer and the Master Owner's Association are each specifically authorized to provide, or to enter into contracts with other Persons to provide, central telecommunication receiving and distribution systems including satellite television, telephone, high speed data/internet/intranet services and related components, and other expanding technologies including associated infrastructure, equipment, hardware, and software. Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to Christophe Harbour telecommunications systems as the Master Developer or the Board determines appropriate.

(b) The Master Developer and the Master Owners' Association may make use of computers, the internet, and expanding technology to facilitate Community interaction and encourage participation in Master Owners' Association activities. For example, the Master Owners' Association may sponsor a Community satellite television channel, create and maintain a Community intranet or internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and Occupants to interact and participate in Master Owners' Association sponsored activities. To the extent applicable law permits, and unless otherwise specifically prohibited in the Governing Documents, the Master Owners' Association may, but shall not be obligated to send notices by electronic means (for example, e-mail), hold Board or Master Owners' Association meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means. If notices and voting (with authentication) are allowed by electronic means, such notices and votes shall be deemed made as if in person, via overnight delivery or courier service, certified mail, physical posting, telephone, proxy, telegraph, facsimile or other traditionally accepted forms of notice communication and voting. All references to electronic deliveries and all other electronic communication shall only be allowed if authorized by the Board or the Master Developer.

5.9 Party Walls and Other Shared Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway, or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to party structures. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Chapter 18 herein.

(b) Maintenance; Damage and Destruction. Unless otherwise specifically provided in additional covenants relating to such Units, the Owners sharing the party structure shall share the cost of necessary or appropriate party structure repairs and maintenance equally. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner sharing the structure may restore it and be entitled to contribution for the restoration cost in equal proportions from other sharing Owners. However, such contribution will not prejudice the right

to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

CHAPTER 6: MEMBERSHIP AND VOTING RIGHTS

6.1 Membership. Every Owner is automatically a Member of the Master Owners' Association. The Master Developer shall also be a Member of the Master Owners' Association. The Christophe Harbour Club, LLC, a Delaware limited liability company (and its successor or assignee as either licensee or owner of The Christophe Harbour Club) shall also be a Member of the Master Owners' Association; PROVIDED, however, such membership shall be in accordance with and subject to the provisions of Section 6.2(e) below. The membership of all Members in the Master Owners' Association and all rights pertaining to same, except for the Class "E" and Class "F" memberships, shall be appurtenant to, and shall not be separated from, ownership of any Unit(s) except as herein provided.

6.2 Classes of Membership and Voting Rights. The Master Owners' Association shall have six (6) classes of membership, Class "A", Class "B", Class "C", Class "D", Class "E" and Class "F".

(a) Class "A" Membership. The Class "A" Members shall be all Owners (including the Master Developer after the Class "F" Termination Date) of Residential Lots and Dwelling Units. A Class "A" Member shall be entitled to two (2) votes for each Dwelling Unit he owns, except that there are only two (2) votes per Dwelling Unit regardless of the number of Owners thereof. An Owner of a Residential Lot upon which a Dwelling Unit has not been constructed shall be entitled to one (1) vote for each Residential Lot he owns, except that there is only one (1) vote per Residential Lot regardless of the number of Owners thereof.

(i) Residential Lot Voting Classification. For purposes of voting rights hereunder, a property shall be deemed to be and classified as a "Residential Lot" as of the first day of the next calendar month following the date on which a Plan thereof identifying or designating such property as a residential lot and delineating its exact metes and bounds and approved in writing by the Master Developer has been Registered in the Public Records.

(ii) Dwelling Unit Voting Classification. For purposes of voting rights hereunder, (A) a Residential Lot shall be deemed to be an improved property and classified as a "Dwelling Unit" as of the first day of the next calendar month following the date on which the DRB has issued a building permit or other permit allowing the construction of any such dwelling unit or any other improvements on such property, (B) any townhouse unit, duplex unit, condominium unit, apartment unit or other type dwelling unit constructed on a Multiple-Family Tract shall be deemed to be an improved property and classified as a "Dwelling Unit" as of the first day of the next calendar month following the date on which the particular unit being constructed thereon has been, in the DRB's reasonable determination, substantially completed, and (C) any dockominium unit shall be deemed to be an improved property and classified as a "Dwelling Unit" as of the first day of the next calendar month following the date on which the particular unit has been, in the DRB's reasonable determination, substantially completed.

(b) Class "B" Membership. The Class "B" Members shall be all Owners (including the Master Developer after the Class "F" Termination Date) of Public or Commercial Sites and Multiple-Family Tracts. A Class "B" Member's total General Assessment will be divided by the amount of the General Assessment for a Residential Lot to determine the number of votes to which the Class "B" Member's Unit is entitled, with any fraction of ½ or greater rounded off to the next highest whole number.

(c) Class "C" Membership. The Class "C" Members shall be all Owners (including the Master Developer after the Class "F" Termination Date) of Public or Commercial Units. A Class "C" Member's total General Assessment will be divided by the amount of the General Assessment of a Residential Lot to determine the number of votes to which the Class "C" Member's Unit is entitled, with any fraction of ½ or greater rounded to the next highest whole number.

(i) Public or Commercial Unit Voting Classification. For purposes of voting rights hereunder, a property shall be deemed to be improved property and classified as a "Public or Commercial Unit" as of the first day of the next calendar month following the date on which the improvements being constructed thereon have been, in the DRB's reasonable determination, substantially completed.

(d) Class "D" Membership. The Class "D" Members shall be all Owners (including the Master Developer after the Class "F" Termination Date) of Unsubdivided Lands and Development Parcels. A Class "D" Member's total General Assessment will be divided by the amount of the General Assessment of a Residential Lot to determine the number of votes to which the Class "D" Member's Unit is entitled, with any fraction of ½ or greater rounded to the next highest whole number.

(e) Class "E" Membership. The sole Class "E" Member shall be The Christophe Harbour Club, LLC, a Delaware limited liability company (and its successor or assignee as either licensee or owner of The Christophe Harbour Club). The Class "E" Member shall have no right or power to vote on any matter to be voted upon by the Members of the Master Owners' Association; PROVIDED, however, the Class "E" Member shall have the right to appoint one (1) member of the Board, as specified in these Master Covenants and the By-Laws, and may exercise the additional rights, if any, specifically granted or reserved to the Class "E" Member in these Master Covenants, the By-Laws and/or the other Governing Documents; PROVIDED further, however, if the Club is a Registered Owner of a Unit which is subjected by these Master Covenants to Assessment by the Master Owners' Association, then, in such event, the Club, in addition to being a Class "E" Member, shall also be a Class "A", "B", "C" and/or "D" Member, as the case may be, entitled to Class "A", "B", "C" and/or "D" votes, as the case may be, for each particular type of Unit which it owns.

It is the intention of the Master Developer that the Class "E" membership run with and be an appurtenance to the Club's operation and maintenance of the Club Facilities at Christophe Harbour. Accordingly, in the event of a sale of all or any part of the Club Facilities and/or transfer of the assets or control of the Club, the Club's Class "E" membership shall in the sole discretion of the Master Developer, either (i) immediately and automatically revert to the Master Developer (and, in such event, the Master Developer shall then immediately and

automatically become the sole Class "E" Member), or (ii) be assigned to such new entity as shall thereafter operate and maintain the Club Facilities at Christophe Harbour. In such event, the Master Developer shall cause to be executed and Registered in the Public Records, a Supplement to the Master Covenants, evidencing of record the disposition of the Club's Class "E" membership.

(f) Class "F" Membership. The sole Class "F" Member shall be the Master Developer. The Class "F" Member shall be entitled to four (4) times the total number of votes of the Class "A", "B", "C", "D" and "E" Members plus one (1) additional vote. After termination of the Master Developer Control Period, the Class "F" Member shall have the right to disapprove actions of the Board, the DRB, and committees as provided in the By-Laws. The Class "F" membership shall terminate upon the earlier of following dates or events (the earlier of the following dates or events being referred to herein as the "**Class "F" Termination Date**"):

(i) two (2) years after the expiration of the Master Developer Control Period; or

(ii) when, in its discretion, the Master Developer so determines and declares in an instrument Registered in the Public Records.

Upon termination of the Class "F" membership, the Master Developer shall be a Class "A", "B", "C" and/or "D" Member, as the case may be, entitled to Class "A", "B", "C" and/or "D" votes, as the case may be, for each particular type of Unit which it owns.

(g) Additional Voting. Payment of Special Assessments, Specific Assessments, Community Enhancement Assessments or other Assessments shall not entitle Class "A", "B", "C", "D" or "E" Members to additional votes.

(h) Exercise of Voting Rights. The vote for each Unit owned by a Class "A", "B", "C" and "D" Member shall be exercised by the Owner of the Unit. When there is more than one Owner of a Unit, all such Owners shall be Members of the Master Owners' Association, but shall have collectively only the applicable number of votes allotted to the Owners' Unit, and in no event shall more than the applicable number of votes allotted to the particular type of Unit be cast with respect to any one Unit. By way of example only and solely for purposes of illustration and not limitation, there is only one (1) vote per Residential Lot regardless of the number of Owners thereof, and there are only two (2) votes per Dwelling Unit regardless of the number of Owners thereof.

Further, such multiple Owners shall annually appoint one (1) individual (not an entity) as the "Primary Association Member" and provide the Board with written notification of the name, address, electronic address, and telephone number of such Primary Association Member. This requirement shall also apply to partnerships, corporations, and other such entities as may own a Unit in Christophe Harbour from time to time.

If there is more than one (1) Owner of a Unit, the vote for such Unit shall be exercised as the Co-Owners determine among themselves and advise the Master Owners' Association's Secretary in writing prior to the vote being taken. Absent such advice, the Unit's

vote shall be suspended and shall not count if more than one Person seeks to exercise it, or if the Co-Owner's cannot agree on the manner in which their vote or votes are to be cast and advise the Secretary or other officer or agent of the Master Owners' Association authorized to tabulate votes for the Master Owners' Association of such disagreement in writing prior to the meeting.

When one joint Owner signs a proxy or purports to vote for his or her co-Owners, such vote or votes shall be counted and bind all unless the other joint Owners object in writing and deliver such written objection to the Secretary or other officer or agent of the Master Owners' Association authorized to tabulate votes for the Master Owners' Association before such meeting. The principles of this paragraph shall also apply, insofar as possible, to the execution of proxies, waivers, consents or objections for the purpose of ascertaining the presence of a quorum.

The voting rights of any Owner may be assigned by said Owner to his lessee by giving written notice to the Secretary of the Master Owners' Association; PROVIDED, however, that the Owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee.

(i) Additional Classes of Membership; Right to Modify Classes of Membership and Voting Rights. During the Master Developer Control Period, the Master Developer may from time to time, by written amendment to these Master Covenants or by Supplement, create additional voting and/or non-voting classes of membership for the Owners of Units within any Additional Property made subject to these Master Covenants pursuant to **Chapter 12** herein, with such rights, privileges and obligations as may be specified in such Supplement, in recognition of the different character and intended use of the property subject to such Supplement. Further, during the Master Developer Control Period, the Master Developer reserves the right to modify the classes of voting and/or non-voting membership in the Master Association and/or each class's voting rights and to designate a Neighborhood (or District, as the case may be) with voting rights applicable only to that designated Neighborhood (or District, as the case may be). The Master Developer may designate voting rights to Neighborhoods (or Districts, as the case may be), modify the classes of voting and/or non-voting membership in the Association and/or each class's voting rights in any manner the Master Developer so determines to be reasonable and equitable in its sole and absolute discretion. Without a vote of the Owners, the Board, the Master Owner's Association or any other Person, the Master Developer may Register an amendment to these Master Covenants or a Supplement to reflect such modification and designations. By way of example only and solely for purposes of illustration and not limitation, the Master Developer may elect to modify the classes of voting membership in the Master Owners' Association and/or each class's voting rights on the basis of the type of use constructed (or to be constructed) on a Unit and/or each Unit's acreage and/or the square footage of Buildings and other Improvements constructed (or to be constructed) on a Unit or designate certain Directors who are elected only by the vote of Members of a designated Neighborhood (or District, as the case may be). If the classification for a particular property is not apparent, the determination of the Master Developer shall be controlling during the Master Developer Control Period and after the expiration of the Master Developer Control Period the determination of the Board shall be controlling.

6.3 Board of Directors.

(a) Governing Body. The Master Owners' Association shall be governed by the Board of Directors as provided in these Master Covenants and the By-laws.

(b) Number of Directors. The Board shall consist of three (3) to seven (7) Directors, as provided in these Master Covenants and the By-Laws.

(c) Selection of Directors; Term of Office.

(i) Initial Board. The initial Board shall consist of three (3) Directors appointed by the Master Developer and the Class "E" Member as hereinafter provided, who shall serve until their successors are appointed or elected as provided in this Section and the By-Laws.

(ii) Directors During Master Developer Control Period. During the Master Developer Control Period, the Master Developer shall be entitled to appoint, remove, and replace all but one member of the Board. Each Board member appointed by the Master Developer shall serve at the will of the Master Developer and may be removed, with or without cause, and replaced at any time by and in the Master Developer's sole discretion. The one member of the Board not appointed by the Master Developer shall be appointed by the Class "E" Member and such Board member shall thereafter serve at the will of the Class "E" Member and may be removed, with or without cause, and replaced at any time by and in the discretion of the Class "E" Member during the Master Developer Control Period.

(iii) Directors After the Master Developer Control Period. Within ninety (90) days after the expiration of the Master Developer Control Period, the President of the Master Owners' Association shall call for an election by which the Class "A", "B", "C" and "D" Members shall be entitled to elect all but two (2) members of the Board in accordance with the provisions of the By-Laws. The initial Board after the expiration of the Master Developer Control Period shall be increased to seven (7) Directors. After the Master Developer Control Period, the Master Developer or its assigns shall have the right to appoint one (1) member of the Board, and the Class "E" Member shall have the right to appoint one (1) member of the Board. Any Director appointed by the Master Developer shall serve at the will of the Master Developer and may be removed, with or without cause, and replaced at any time by and in the discretion of the Master Developer. Any Director appointed by the Class "E" Member shall serve at the will of the Class "E" Member and may be removed, with or without cause, and replaced at any time by and in the discretion of the Class "E" Member. The initial term of office for the five (5) Directors elected by the Class "A", "B", "C" and "D" Members shall be as follows: the term of office for two (2) Directors shall be fixed at three (3) years; the term of office of two (2) Directors shall be fixed at two (2) years; and the term of office of one (1) Director shall be fixed at one (1) year. The two (2) elected Directors receiving the two (2) largest vote totals shall serve the three (3) year terms, the next two (2) elected Directors receiving the next two (2) largest vote totals shall serve the two (2) year terms, and the remaining elected Director receiving the lowest vote total shall serve the one (1) year term. At the expiration of the initial term of office of each Director elected by the Class "A", "B", "C" and "D" Members, his/her successor shall be elected to serve a term of three (3) years.

6.4 Master Owners' Association's Address for Service in the Federation. The Master Owners' Association's registered address for service within the Federation is set forth in Exhibit "E" attached hereto. The Master Owner's Association may change its registered address for service with the Federation by a written amendment to these Master Covenants signed by the Master Owner's Association and, during the Master Developer Control Period, the Master Developer, which amendment shall be Registered in the Public Records.

CHAPTER 7: COMMON ELEMENTS

7.1 Use and Enjoyment of Common Elements. All of the Common Elements are ultimately intended for the common use and enjoyment of the Master Owners' Association, the Owners, and their respective family members, lessees, guests, social invitees, permittees, heirs, successors and assigns, and successors in title, subject to the limitations set forth in these Master Covenants, the Rules and the other Governing Documents, including the limitations set forth in Section 7.2 and Section 7.3 herein; PROVIDED, however, nothing contained herein or set forth on any Plan shall in any way or manner be construed as a dedication to the public of the Common Elements or any areas, permits, rights and/or amenities associated therewith. Such Common Elements may include, but are not limited to the following:

(a) Private community roads and rights of way thereof within Christophe Harbour which connect the Units to public roads or highways; and

(b) Bike trails, leisure trails, walking paths, residual, conservation and open space areas, observation areas, utilities, drainage facilities, landscaping and such other areas, Buildings or other Improvements designated by the Master Developer for the common use and enjoyment of the Owners.

7.2 Owners' Easements of Enjoyment. Subject to the limitations and the provisions set forth in these Master Covenants, the Rules and the other Governing Documents, including the limitations set forth in this Section 7.2 and Section 7.3 herein, and compliance therewith by each Owner, each and every Owner shall have a non-exclusive right and easement of use, access and enjoyment in and to the designated Common Elements, as shown and designated on a Plan prepared by the Master Developer and Registered in the Public Records, or as otherwise designated and described in a Supplement signed by the Master Developer and Registered in the Public Records, and such easement shall benefit and be appurtenant to and shall run with title to each and every Unit within Christophe Harbour, subject to the following:

(a) The Governing Documents and any other applicable covenants;

(b) Certain Owner's rights to the exclusive use of those portions of the Common Elements designated "Limited Common Elements";

(c) The Board, by majority agreement, and with the written consent of the Master Developer (which such consent shall only be required during the Master Developer Control Period), shall have the right, power, and authority, to sell, transfer, or convey portions of the Common Elements and the Limited Common Elements, without the necessity or requirement of having to obtain the joinder or consent of the Association Members, or any Mortgagees or

other chargees, in order to (i) divest the Master Owners' Association of properties which are not necessary for the functions and services which the Masters Owners' Association is authorized to carry out and deliver, (ii) correct errors or mistakes in Instruments of Transfer to or from the Master Owners' Association, and (iii) adjust the boundary lines of such Common Elements and Limited Common Elements in accordance with Section 7.2(d) herein.

(i) Any Instruments of Transfer made, executed and delivered by the Master Owners' Association in connection with any such sale, transfer or conveyance shall include: (A) a certificate evidencing the majority consent of the Board of Directors to the transfer or conveyance; (B) the written consent of the Master Developer (if such transfer or conveyance occurs during the Master Developer Control Period); and (C) a statement signed by the Board of Directors, and the Master Developer (if such transfer or conveyance occurs during the Master Developer Control Period), declaring that such sold, transferred or conveyed property shall no longer be a Common Element or a Limited Common Element, as the case may be, and, in such event, the rights and easements of enjoyment in and to such transferred or conveyed properties created under this Chapter 7 shall immediately and automatically become null, void, and of no further force and effect;

(d) The Board of Directors, by majority agreement, and with the written consent of the Master Developer (which such consent shall only be required during the Master Developer Control Period), shall have the right, power, and authority, without the necessity or requirement of having to obtain the joinder or consent of the Association Members, or any Mortgagees or other chargees, to make adjustments in the boundary lines of the Common Elements and the Limited Common Elements, including, without limitation, the relocation of roads, rights-of-way, lakes, lagoons, drainage facilities, and utility and drainage easements, subject to the following:

(i) Any Instruments of Transfer made, executed and delivered by the Master Owners' Association in connection with any such boundary line adjustments shall include: (A) a certificate evidencing the majority consent of the Board of Directors to the transfer or conveyance; (B) the written consent of the Master Developer (if such transfer or conveyance occurs during the Master Developer Control Period); and (C) a statement signed by the Board of Directors, and the Master Developer (if such transfer or conveyance occurs during the Master Developer Control Period), declaring that such transferred or conveyed property shall no longer be a Common Element or a Limited Common Element, as the case may be, and, in such event, the rights and easements of enjoyment in and to such transferred or conveyed properties created under this Chapter 7 shall immediately and automatically become null, void, and of no further force and effect;

(ii) Newly relocated Common Elements and Limited Common Elements shall be accepted by the Master Owners' Association only when it has been determined and declared that any improvements thereon are Functionally Complete. Further, in the case where properties are being exchanged, the Board of Directors shall not execute any Instruments of Transfer as authorized in the preceding paragraph, until and unless it is in receipt of a fully and properly executed Instrument of Transfer to the Master Owners' Association for the replacement property upon which the Common Elements and/or Limited Common Elements, as the case may be, have been relocated, and such other instruments of transfer and conveyance as

may be necessary to transfer and convey to the Master Owners' Association any easements, rights, or other appurtenances thereto; and

(iii) It is the intent of the Master Developer that subject to the limitations set forth herein, the Board of Directors shall have undisputed authority with regard to the proper administration of the Common Elements and the Limited Common Elements so long as the essential rights and easements in the Association Members, the Master Developer and the Club as set forth in these Master Covenants are preserved and protected;

(e) The Board of Directors, by majority agreement, and with the written consent of the Master Developer (which such consent shall only be required during the Master Developer Control Period), shall have the right, power, and authority, without the necessity or requirement of having to obtain the joinder or consent of the Association Members, or any Mortgagees or other chargees, shall have the right, power and authority to dedicate and transfer to any public or private utility, utility or drainage easements on any part of the Common Elements and Limited Common Elements. Any Instruments of Transfer made, executed and delivered by the Master Owners' Association in connection with any such dedication and transfer shall include: (A) a certificate evidencing the majority consent of the Board of Directors to the transfer or conveyance; and (B) the written consent of the Master Developer (if such transfer or conveyance occurs during the Master Developer Control Period);

(f) The right of the Board, as provided in these Master Covenants and the By-Laws, to suspend an Owner's and/or other Person's rights to use Common Elements facilities; PROVIDED, however, that the Board shall not suspend the right to use any roads belonging to the Master Owners' Association subject to the rules, regulations and fees, if any, established by the Board for such use;

(g) The right of the Master Developer (during the Master Developer Control Period) and/or the Board to adopt Rules regulating the use and enjoyment of Common Elements, Limited Common Elements and any Master Owners' Association amenities, to charge Common Expenses, and to prescribe fees and charges from time to time for use of any Common Elements, Limited Common Elements or Master Owners' Association amenities, including rules limiting the number of family members, lessees, guests, social invitees and permittees who may use the Common Elements, Limited Common Elements and Master Owners' Association amenities, and to charge fees for such use; PROVIDED, however, that the Board may not impose fees or tolls on Club Members (or guests of Club Members) who are not Owners of a Unit within Christophe Harbour for the use of roads or roadways within Christophe Harbour, nor prescribe Rules applicable only to such non-Owner Club members (or their guests) which would either prohibit or impede on any such road or right-of-way their access to and from the Club Facilities or preclude or diminish their use and enjoyment thereof.

(i) The Board of Directors of the Master Owners' Association shall have full discretion to determine the amount of the fee or toll for use of any roadway it may own, PROVIDED, however, that such fee or toll shall be limited to an amount which generates sufficient sums to cover the cost of the operation of entry control security stations; to repair, rehabilitate, resurface and otherwise maintain such roadways; to provide for the maintenance and cleanup of the rights of way; to provide drainage along said roadways; to provide for motorized

security patrols and to provide for such other roadway maintenance or services as the Master Owners' Association shall deem desirable. The Board of Directors of the Master Owners' Association shall further have the power to place any reasonable restrictions upon the use of the Master Owners' Association's roadways, subject to the rights of ingress and egress granted herein, including, but not limited to, the types and sizes of vehicles permitted to use said roads, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of the roads may be more restrictive than the laws of any state or local government having jurisdiction over the Community shall not make such restrictions unreasonable. This paragraph establishes maximum fees which may be charged for road entry and use of roads. The Board of Directors of the Master Owners' Association may supplement, with an allocation of a portion of the receipts from the General Assessments, the funds (if any) received from road use fees or tolls to carry out the functions and activities as described in this Section;

(h) All applicable covenants, conditions, restrictions, easements, obligations and limitations of record, including, without limitation, any covenants, conditions, restrictions, easements, obligations or limitations contained in any Instrument of Transfer transferring such Common Elements to the Master Owners' Association;

(i) The Board of Directors, by majority agreement, and with the written consent of the Master Developer (which such consent shall only be required during the Master Developer Control Period), shall have the right, power, and authority, without the necessity or requirement of having to obtain the joinder or consent of the Association Members, or any Mortgagees or other chargees, to borrow money in the name and on behalf of the Master Owners' Association from the Master Developer or any other lender for the purposes of constructing, improving, maintaining, repairing and/or replacing the Common Elements and/or the Limited Common Elements, and providing services and performing its functions authorized herein, and, in connection therewith, to mortgage the property of the Master Owners' Association (including, but not limited to, the Common Elements and the Limited Common Elements) and to pledge the revenues of the Master Owners' Association as security for any such loans made to the Master Owners' Association. Notwithstanding anything in these Master Covenants to the contrary, the Master Owners' Association shall not be allowed to reduce the General Assessment from the amount charged for the preceding year at any time there are outstanding any amounts due the Master Developer or other lenders as repayment of any such loans made by the Master Developer or other lenders to the Master Owners' Association.

(j) Subject to the provisions of Section 7.5 herein, the right of the Club and the Club Members thereof to use the Common Elements for access, ingress and egress to and from Club Facilities;

(k) The right of the Master Owners' Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosures;

(l) The right of reversion of the lessor of any Common Elements leased by the Master Owners' Association upon the expiration of the lease; and

(m) The Board's right to:

(i) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Elements;

(ii) rent any clubhouse or other recreational facilities on an exclusive or non-exclusive short-term basis to any Person; and

(iii) permit use of any recreational facilities situated on the Common Elements by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion.

It is the intention of the Master Developer that such rights and easements of use, access and enjoyment shall be and are hereby deemed for the use and benefit of the Owners, and their respective family members, lessees, guests, social invitees, permittees, heirs, successors and assigns, and successors in title. The Master Developer and the Board shall have the right, in both the Master Developer's and Board's discretion, to restrict the number of family members, lessees, guests, social invitees and permittees of an Owner entitled to use and enjoy the designated Common Elements and to charge the Owner a fee for any authorized or unauthorized use by such family member, lessee, guest, social invitee or permittee. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit upon written notification to the Master Owners' Association that the Unit has been leased.

Employees of the Master Developer and its Affiliates and its subsidiaries, and their respective successors and assigns, shall have access to and enjoyment of the designated Common Elements, subject to rules, regulations and user fees established by the Master Developer during the Master Developer Control Period (and thereafter, by the Board), and further subject to the limitations set forth in these Master Covenants and the other Governing Documents, including the limitations set forth in this **Section 7.2** and **Section 7.3** herein, and compliance therewith by each employees.

7.3 Limited Common Elements.

(a) Certain portions of the Common Elements may be designated as Limited Common Elements on a Plan prepared by the Master Developer and Registered in the Public Records, or in a Supplement signed by the Master Developer and Registered in the Public Records, or as may otherwise be provided in the Act or the Regulations, and reserved for the exclusive use or primary benefit of Owners and Occupants of specified Units, Neighborhoods or Districts. By way of illustration and not limitation, Limited Common Elements may include entry features, recreational facilities, social event shelters, landscaped medians and cul-de-sacs, ponds, pools, clubhouses, and other portions of the Common Elements within a particular Neighborhood or Neighborhoods (or within a particular District or Districts, as the case may be). All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Element shall be assessed against the Owners of Units to which the Limited Common Elements are assigned as a Neighborhood Assessment, District Assessment or Specific Assessment, as applicable.

(b) Initially, any Limited Common Elements shall be designated as such, and the exclusive use thereof shall be assigned in the Instrument of Transfer by which the Limited Common Elements are transferred to the Master Owners' Association, or on the Registered Plan relating to such Limited Common Elements, or in a Supplement signed by the Master Developer and Registered in the Public Records, or in such other manner as may be provided in the Act or Regulations; PROVIDED, however, during the Master Developer Control Period, any such assignment shall not preclude the Master Developer from later assigning use of the same Limited Common Elements to additional Units, Neighborhoods or Districts, or reassigning Limited Common Elements to entirely different Units, Neighborhoods or Districts, or redesignating certain Limited Common Elements as Common Elements.

(c) After the expiration of the Master Developer Control Period, a portion of the Common Elements may be designated as Limited Common Elements and assigned to particular Units, or a particular Neighborhood or Neighborhoods, or a particular District or Districts, and Limited Common Elements may be assigned to additional Units, Neighborhoods or Districts, or reassigned to entirely different Units, Neighborhoods or Districts upon approval of the Board and:

(i) the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists; and

(ii) together with, if applicable, the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter within each particular Neighborhood (or District, as the case may be) to which the Limited Common Elements are assigned, if previously assigned, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists; and

(iii) together with the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter within each Neighborhood (or Districts, as the case may be), to which the Limited Common Elements are to be assigned or reassigned, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists.

(d) After the Master Developer Control Period, a Limited Common Element may be redesignated a Common Element upon approval of the Board and:

(i) the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists; and

(ii) together with, if applicable, the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association

entitled to vote on the matter within each particular Neighborhood (or District, as the case may be) to which the Limited Common Elements are assigned, if previously assigned, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists.

(e) As used in this Section 7.3(e), the term “user fees” shall refer to fees charged to individual Owners for their use and enjoyment of another Neighborhood’s or District’s Limited Common Elements and the term “access fees” shall refer to fees charged to all Owners within a Neighborhood or District who are granted access to another Neighborhood’s or District’s Limited Common Elements, regardless of whether all such Owners choose to use said Limited Common Elements.

During the Master Developer Control Period, the Master Developer may permit Owners of Units in other Neighborhoods or Districts access and/or use rights to all or a portion of the Limited Common Elements assigned to other Neighborhoods or Districts upon payment of reasonable user fees and/or access fees, as applicable, which fees shall be used to offset the Neighborhood Expenses, District Expenses or Specific Assessments attributable to such Limited Common Elements.

After the expiration of the Master Developer Control Period, the Board may permit Owners of Units in other Neighborhoods or Districts to use and enjoy all or a portion of such Limited Common Elements upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses, District Expenses or Special Assessments attributable to such Limited Common Elements, as long as such use does not overcrowd any facility designated as a Limited Common Element or unreasonably interfere with the use and enjoyment of Owners within the Neighborhood or District to which the Limited Common Element is located or assigned; PROVIDED, however, Members representing at least sixty-seven percent (67%) of the votes in the Master Owners’ Association entitled to vote on the matter within each particular Neighborhood (or District, as the case may be) to which the Limited Common Elements are assigned, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists, approve such action.

After the expiration of the Master Developer Control Period, the Board may permit Owners of Units in other Neighborhoods or Districts access to all or a portion of such Limited Common Elements upon payment of reasonable access fees by individual Owners, which fees shall be used to offset the Neighborhood Expenses, District Expenses or Special Assessments attributable to such Limited Common Elements, as long as such access does not overcrowd any facility designated as a Limited Common Element or unreasonably interfere with the use and enjoyment of Owners within the Neighborhood or District to which the Limited Common Element is located or assigned; PROVIDED, however:

(i) Members representing at least sixty-seven percent (67%) of the votes in the Master Owners’ Association entitled to vote on the matter within each particular Neighborhood (or District, as the case may be) to which the Limited Common Elements are assigned, and present (in person or by proxy) at a duly called meeting of the Members within the

particular Neighborhood (or District, as the case may be) at which a quorum exists, approve such action; and

(ii) Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter within each particular Neighborhood (or District, as the case may be) being granted access rights to the Limited Common Elements, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists, approve such action.

7.4 Title to Common Elements, Limited Common Elements and Other Property.

(a) Transfer and Acceptance of Title to Common Elements, Limited Common Elements and Other Property. The Master Developer agrees, for itself and its successors and assigns, that it shall transfer, or cause to be transferred, to the Master Owners' Association (and the Master Owners' Association agrees to and shall accept) by such deed(s), memorandum(s) of transfer, certificate(s) of title, lease(s), license(s), easement(s), assignment(s) or such other legal instrument(s) as the Master Developer and the Board deem appropriate with respect thereto and for nominal consideration, such parcels of land and facilities designated as Common Elements or Limited Common Elements by the Master Developer, together with any and all improvements, personal property and easements associated therewith, and all structures, improvements, appurtenances, landscaping and infrastructure located thereon and/or thereunder, within two (2) years after the Master Developer has provided written notice to the Master Owners' Association that such Common Elements or Limited Common Elements are Functionally Complete. Any property that is transferred by lease, license or easement to the Master Owners Association for use as a Common Element or Limited Common Element shall lose its designation and character as a Common Element or Limited Common Element upon the expiration of such lease, license, or easement if not renewed or extended. As used in this Section and elsewhere in these Master Covenants, the term "Functionally Complete" means in the case of all Common Elements, the Limited Common Elements or any other properties to be transferred to the Master Owners' Association pursuant to the terms hereof, after the Master Developer, in the Master Developer's sole determination, has substantially completed the construction or installation of improvements on any such Common Elements or Limited Common Elements, if required, and has declared the same in writing to the Master Owners' Association to be "functionally complete." The legal costs and expenses of such transfers shall be borne by the Master Developer. Such transfers to the Master Owners' Association shall be free and clear of all mortgages and other monetary liens, subject to these Master Covenants, the other Governing Documents and all matters of record, and in addition thereto, subject to any and all covenants, conditions, restrictions, easements, obligations or limitations reserved or otherwise imposed by the Master Developer for the benefit of itself, its successors, assigns and/or designees (which designees may include, without limitation, the owners of Private Amenities, the Master Owner's Association and/or utility providers, and their respective heirs, successors and/or assigns).

(b) Maintenance of Common Elements, Limited Common Elements and Other Property. Upon the earlier to occur of (1) the transfer of a Common Element, a Limited Common Element or other property to the Master Owners' Association, or (2) upon the Master Developer's written notice to the Master Owners' Association that such Common Element,

Limited Common Element or other property is deemed by the Master Developer to be Functionally Complete, the Master Owners' Association shall immediately become responsible for all maintenance, repair, replacement and operations thereof. It is the purpose of this provision to provide that the Master Owners' Association shall be responsible for the maintenance, repair, replacement and operation of all Common Elements, Limited Common Elements and other properties deemed Functionally Complete by the Master Developer and intended by the Master Developer to become Common Elements and Limited Common Elements, notwithstanding the fact that the Master Developer is not obligated to transfer such properties to the Master Owners' Association until some later date. Said properties, once transferred to the Master Owners' Association, are to be held and administered in accordance with these Master Covenants.

7.5 Club's Use of Common Elements.

(a) Access to the Club Facilities is (or will be) afforded over certain designated roadways within Christophe Harbour. Accordingly, as such roads shall be utilized by the Club and the Club Members, The Christophe Harbour Club, LLC, a Delaware limited liability company (and its successor or assignee as either licensee or owner of The Christophe Harbour Club) shall be a Class "E" Association Member and shall have the rights set forth in Section 6.2(e) herein. Further, the Master Developer hereby declares, grants, reserves and establishes to and for the benefit of the Club, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, within, through and across and right to use such designated roadways as may now or hereafter be located within Christophe Harbour (the "**Designated Club Accessways**") for the sole purpose of providing the Club and its designated permittees (which permittees may include Club Members, guest of Club Members, and customers, invitees, employees, servants and contractors of the Club Owner) with pedestrian and vehicular ingress, egress and access to and from the Club Facilities and the public streets or alleys now or hereafter abutting or located on or within Christophe Harbour; limited, however, to those certain roadways which are designated by the Master Developer and/or the Board from time to time as being intended for use in providing such pedestrian and vehicular ingress, egress and access to and from the Club Facilities, as such roadways may be relocated from time to time by the Master Developer and/or the Board, in their sole and absolute discretion, provided that pedestrian and vehicular access to and from the Club Facilities shall be provided at all times.

Nothing contained in these Master Covenants shall be construed so as to grant to Club Members who are not Owners of Units in Christophe Harbour (any such Club Member not owning a Unit in Christophe Harbour being referred to herein as a "**Non-Owner Club Member**") any easements or rights in the Common Elements other than as permittees of the Master Developer, the Master Owners' Association and/or the Club.

Subject to the other provisions of these Master Covenants, any use of the Designated Club Accessways or other Common Elements by the Club and its permittees (including Non-Owner Club Members) shall at all times be subject to non-discriminatory rules, regulations and user fees established from time to time by the Master Developer and/or the Master Owners' Association; PROVIDED, however, in no event shall the Master Owners' Association have the right, at any time or from time to time, to deny Club Members (including Non-Owner Club Members) ingress and egress to and from the Club Facilities. Such rights of

use by such permittees shall be permissive only and subject further to the terms and conditions of the Club Documents.

(b) If permitted by the Master Developer during the Master Developer Control Period, and, after the Master Developer Control Period, by the Board, the Club and Club Members who are not Owners may be permitted to use the other Common Elements (in addition to the Designated Club Accessways) on the same basis as any Owner, which use is and/or may be subject to certain terms and conditions more particularly set forth in these Master Covenants and/or in a separate Covenant to Share Costs or other written agreement between the Master Owners Association and the Club. In such event, and unless otherwise agreed to in writing by the Master Developer during the Master Developer Control Period, and, thereafter, by the Board, the Club shall be responsible for the payment of a portion of the Common Expenses and other charges lawfully incurred by the Master Owners' Association in connection with the ownership and maintenance of the Common Elements, and the administration of the Master Owners' Association, which portion (the "**Club Portion of Common Expenses**") shall be determined by the Master Developer during the Master Developer Control period and, thereafter, by the Board and assessed against the Club as provided in this **Section 7.5(b)** herein.

Unless otherwise agreed to in writing by the Master Developer during the Master Developer Control Period, and, thereafter, by the Board, the Club shall have thirty (30) days from receipt of a written statement for its share of such Common Expenses and other charges (or such extended grace period as the Board determines), in which to remit the levied assessment to the Master Owners' Association. Thereafter, the assessment shall incur a late charge of such amount as may be set by the Board; and shall commence to accrue simple interest at the rate of eighteen percent (18%) per annum. In addition, in the event any such assessment is not received by the Master Owners' Association within thirty (30) days of the due date thereof, the Board shall have the right to seek and pursue any and all rights and remedies available at law and/or in equity, including, but not limited, the right to bring an action at law or in equity against the Club for any such amounts due from the Club, and interest, late payment fees, costs and reasonable attorney's fees of such action shall be added to the amount due. The Master Owners' Association may also, to the extent permitted, impose and enforce such costs and expenses as a Specific Assessment against the Club as provided in these Master Covenants, including the right to seek and pursue the enforcement, sanction and lien rights set forth in **Section 8.8, Section 9.3 and Section 9.4** and elsewhere in these Master Covenants.

7.6 Dedication of Common Elements. The Master Developer or the Board may dedicate portions of the Common Elements to any governmental or quasi-governmental entity.

7.7 No Partition. Except as permitted in these Master Covenants, the Common Elements shall remain undivided and no Person shall seek any judicial partition unless the portion of the Common Elements which is the subject of such partition action has been removed from the provisions of these Master Covenants. This Chapter shall not prohibit the Board or the Master Developer from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property, including Common Elements, which may or may not be subject to these Master Covenants.

7.8 **Condemnation.** Each Owner shall be entitled to notice in the event any part of the Common Elements shall be (a) taken by any authority having the power of condemnation of eminent domain, or (b) transferred in lieu of or under threat of condemnation by the Board, which may do so upon the written consent of the Master Developer during the Master Developer Control Period, or, after the Master Developer Control Period, upon the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists. The award or proceeds of such activities shall be payable to the Master Owners' Association and disbursed at the discretion of the Board.

CHAPTER 8: MASTER OWNERS' ASSOCIATION FINANCES

8.1 Creation of Assessments.

(a) **General.** There are hereby created assessments for Master Owners' Association expenses as the Board may specifically authorize from time to time. There shall be six (6) types of assessments (collectively, the "Assessments"): (a) General Assessments to fund Common Expenses for the general benefit of all Units as described in **Section 8.2** herein; (b) Neighborhood Assessments for Neighborhood Expenses benefiting only Units within a particular Neighborhood or Neighborhoods as described in **Section 8.3** herein; (c) District Assessments for District Expenses benefiting only Units within a particular District or Districts as described in **Section 8.3** herein; (d) Special Assessments as described in **Section 8.5** herein; (e) Specific Assessments as described in **Section 8.6** herein; and (f) Community Enhancement Assessments as described in **Section 8.7** herein. Each Owner, by accepting an Instrument of Transfer or entering into a contract of sale for any portion of Christophe Harbour, is deemed to covenant and agree to pay these Assessments.

(b) All Assessments and other charges, together with interest, late charges, costs of collection, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Unit against which the Assessment or charge is made until paid, as more particularly provided in **Section 8.8** herein. Each such Assessment or charge, together with interest, late charges, costs of collection, and reasonable attorney's fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the Assessment or other charge arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any Assessments and other charges due at the time of transfer. However, no first Mortgagee that obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid Assessments or other charges which accrued prior to acquisition of title to the Unit by the Mortgagee.

(c) The Master Owners' Association shall, upon request, furnish to any Owner liable for any type of Assessment a written statement setting forth whether such Assessment has been paid. Such statement shall be conclusive evidence of payment. The Master Owners' Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

(d) Assessments shall be paid in such manner and on such dates as the Board may establish. If any Owner is delinquent in paying any Assessments or other charges levied on

his Unit, the Board may require any unpaid installments of all outstanding Assessments to be paid in full immediately. Any Assessment or installment thereof shall be considered delinquent on the thirtieth (30th) day following the due date unless otherwise specified by the Board.

(e) No Owner may exempt himself from liability for Assessments by non-use of Common Elements, including Limited Common Elements reserved for such Owner's use, abandonment of his Unit, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Master Owners' Association or the Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

(f) The Master Owners' Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Master Developer or other entities for payment of Common Expenses.

(g) Master Developer's and Affiliates' Obligations for General Assessments, Neighborhood Assessments, District Assessments, and Special Assessments During Master Developer Control Period. During the Master Developer Control Period, all Units (except for Development Parcels and Unsubdivided Land) owned by the Master Developer, or an Affiliate or subsidiary of the Master Developer, shall be subject to General Assessments, Neighborhood Assessments, District Assessments, and Special Assessments, if applicable; PROVIDED, however, that notwithstanding the foregoing or any other provision of these Master Covenants to the contrary, so long as the Master Developer owns any Unit, during the Master Developer Control Period the Master Developer may annually elect either:

(i) to pay the same "per Unit" General Assessment(s), Neighborhood Assessment(s), District Assessment(s), or Special Assessment(s), as applicable, for each Unit owned by the Master Developer, as are assessed against other Owners of similar type Units; or

(ii) to pay the difference between the total amount of all such General Assessments, Neighborhood Assessments, District Assessments, or Special Assessments, as applicable, collected on all other similar type Units not owned by the Master Developer and the amount of actual operating expenditures incurred by the Master Owners' Association during the fiscal year.

In no event, however, will the Master Developer's financial responsibility under Section 8.1(g)(ii) above exceed what its financial responsibility would have been under Section 8.1(g)(i) above. Unless the Master Developer otherwise notifies the Board of Directors in writing at least sixty (60) days before the beginning of each fiscal year, the Master Developer will be deemed to have elected to continue paying on the same basis as during the immediately preceding year. Furthermore, so long as the Master Developer owns any Unit, the Master Developer may, but will not be obligated to, reduce the General Assessments, Neighborhood Assessments, District Assessments, or Special Assessments, as applicable, for any year to be paid by Owners of Units, which, in its sole discretion, may be treated as a contribution to the

Master Owners' Association, an advance against future General Assessments, Neighborhood Assessments, District Assessments, or Special Assessments, as applicable, due from said Owners, or a loan to the Master Owners' Association. The amount and character (contribution, advance or loan) of such subsidy will be conspicuously disclosed as a line item in the budget and will be made known to the Owners. The payment of such a subsidy in any year will under no circumstances obligate the Master Developer to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Master Owners' Association and the Master Developer.

(h) Master Developer's and Affiliates' Obligations for General Assessments, Neighborhood Assessments, District Assessments, and Special Assessments After Master Developer Control Period. After the Master Developer Control Period, all Units (except for Development Parcels and Unsubdivided Land) then or thereafter owned by the Master Developer, or an Affiliate or subsidiary of the Master Developer, shall be subject to General Assessments, Neighborhood Assessments, District Assessments, and Special Assessments, if applicable, going forward.

(i) Master Developer's and Affiliates Obligations for General Assessments, Neighborhood Assessments, District Assessments, and Special Assessments on Development Parcels and Unsubdivided Land. Notwithstanding any other provision of these Master Covenants to the contrary, any Development Parcels or Unsubdivided Land now or hereafter owned by the Master Developer, or an Affiliate or subsidiary of the Master Developer, whether during or after the Master Developer Control Period, shall not be subject to General Assessments, Neighborhood Assessments, District Assessments, or Special Assessments.

(i) Master Developer's and Affiliates Obligations for Community Enhancement Assessments and Foundation Fund Fees. Notwithstanding any other provision of these Master Covenants to the contrary, any Unit or other property now or hereafter owned by the Master Developer, or any Affiliate or subsidiary of the Master Developer, whether during or after the Master Developer Control Period, shall not be subject to Community Enhancement Assessments or the Foundation Fund fees described in Sections 8.7 and 8.12 herein, respectively.

(j) Master Developer's Obligations for Specific Assessments. Any Unit or other property now or hereafter owned by the Master Developer, or an Affiliate or subsidiary of the Master Developer, whether during or after the Master Developer Control Period, shall be subject to Specific Assessments.

8.2 Computation of General Assessment. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, and at the election of the Board, a contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.4 herein.

General Assessments shall be levied against all Units subject to assessment under Section 8.9 herein. The General Assessment allocated to each Unit shall be calculated and determined in accordance with the allocation formula set out in Exhibit "C" attached to these Master Covenants. During the Master Developer Control Period, the Master Developer shall have the

authority to increase or decrease the General Assessment and to modify or amend the allocation formula for the General Assessment at any time and from time to time in its sole and absolute discretion. After the expiration of the Master Developer Control Period, the Board shall have the authority to increase or decrease the General Assessment and to modify or amend the allocation formula for the General Assessment at any time and from time to time in its sole and absolute discretion. The assessment rate shall be set at a level which is reasonably expected to produce total income for the Master Owners' Association equal to the total budgeted Common Expenses, and may include reserves. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Master Owners' Association, including any surplus from prior years and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to the Master Developer (during the Master Developer Control Period) and each Owner at least thirty (30) days prior to the beginning of the fiscal year for which it is to be effective. During the Master Developer Control Period, the budget and General Assessment shall not become effective unless approved by the Master Developer, and, after the expiration of the Master Developer Control Period, the budget and General Assessment shall automatically become effective unless disapproved upon the vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists. There shall be no obligation to call or conduct a meeting for the purpose of considering the budget except on petition for a special meeting as provided in **Section 2.5** of the By-Laws, which petition must be presented to the Board within five (5) days after delivery of the notice of the General Assessments. If a meeting is requested, Assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such Assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved (or not approved, as the case may be) or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to the Master Developer (during the Master Developer Control Period) and each Owner at least thirty (30) days prior to its becoming effective. During the Master Developer Control Period, the revised budget shall not become effective unless approved by the Master Developer, and, after the expiration of the Master Developer Control Period, the revised budget shall become effective unless disapproved by the Members in accordance with the above procedure.

Unless the Board otherwise provides, the General Assessment shall be billed annually in January of each year. All assessment bills are due and payable to the Master Owners' Association thirty (30) days from the dates of mailing the same. The Board may allow monthly or quarterly installment payments of General Assessments on improved property.

The Owner of any assessable property which changes from one category to another during an assessment year shall be billed an additional amount for the remaining pro-rata days of such year to reflect the category change.

8.3 Computation of Neighborhood Assessments and District Assessments. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses (or District Expenses, as the case may be) for each Neighborhood (or District, as the case may be) on whose behalf Neighborhood Expenses (or District Expenses, as the case may be) are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that these Master Covenants, any Supplement, or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment (or District Assessment, as the case may be). Any Neighborhood (or District, as the case may be) may request that additional services or a higher level of services be provided by the Master Owner's Association and, upon approval of Owners in accordance with **Chapter 11** herein, any additional costs shall be added to the budget. Such Neighborhood (or District, as the case may be) budgets and assessments may include funds for periodic Neighborhood (or District, as the case may be) social functions, special events, and other programs and activities conducive to Neighborhood (or District, as the case may be) harmony and good feeling. Additionally, the budget may include a contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood Expense (or District Expense, as the case may be), if any, within the Neighborhood (or District, as the case may be). Except as may otherwise be expressly provided in the budget, or in these Master Covenants, or in the Supplement or other instrument establishing the Neighborhood (or District, as the case may be) in accordance with **Chapter 11** herein, Neighborhood Expenses (or District Expenses, as the case may be) shall be allocated equally among all Units within the Neighborhood(s) (or District(s), as the case may be) benefited thereby and levied as a Neighborhood Assessment (or District Assessment, as the case may be); PROVIDED, however, any portion of the assessment intended for exterior maintenance of Improvements, insurance on Improvements, replacement reserves or other matters which pertain to particular Improvements or Units shall be levied on each of the benefited Units in proportion to the benefit received if so specified in the Supplement applicable to such Neighborhood (or District, as the case may be), or if so otherwise determined by the Board, in the Board's discretion.

The Board shall send a copy of such budget and notice of the amount of the Neighborhood Assessment (or District Assessment, as the case may be) for the coming year to be to the Master Developer (during the Master Developer Period) and each Owner of a Unit in the Neighborhood (or District, as the case may be) at least thirty (30) days prior to the beginning of the fiscal year for which it is to be effective. During the Master Developer Control Period, the budget and Neighborhood Assessment (or District Assessment, as the case may be) shall not become effective unless approved by the Master Developer, and, after the expiration of the Master Developer Control Period, the budget and Neighborhood Assessment (or District Assessment, as the case may be) shall automatically become effective unless disapproved upon the vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter within the particular Neighborhood (or District, as the case may be) to which the Neighborhood Assessment (or District Assessment, as the case may be) applies, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum

exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition for a special meeting as provided in Section 2.5 of the By-Laws, which petition must be presented to the Board within five (5) days after delivery of the notice of such Neighborhood Assessment (or District Assessment, as the case may be). If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved (or not approved, as the case may be) or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to the Master Developer (during the Master Developer Control Period) and each Owner of a Unit in the Neighborhood (or District, as the case may be) at least thirty (30) days prior to its becoming effective. During the Master Developer Control Period, the revised budget shall not become effective unless approved by the Master Developer, and, after the expiration of the Master Developer Control Period, the revised budget shall become effective unless disapproved by the Members in accordance with the above procedure.

Unless the Board otherwise provides, the Neighborhood Assessment (or District Assessment, as the case may be) shall be billed annually in January of each year. All assessment bills are due and payable to the Master Owners' Association thirty (30) days from the dates of mailing the same. The Board may allow monthly or quarterly installment payments of the Neighborhood Assessment (or District Assessment, as the case may be) Assessments.

8.4 Reserve Budget. The Board may annually prepare reserve budgets for both general, Neighborhood and District purposes which take into account, among other things, the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board may include in the general, Neighborhood and District budgets reserve amounts sufficient to meet the projected needs of the Master Owners' Association.

8.5 Special Assessments. In addition to other authorized assessments, the Master Owners' Association may levy Special Assessments from time to time to cover unbudgeted expenses, expenses in excess of those budgeted or any other purposes as determined by the Board. Any such Special Assessment may be levied against and allocated among all Units, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood (or District, as the case may be) if such Special Assessment is for Neighborhood Expenses (or District Expenses, as the case may be). Except as may otherwise be expressly provided in Section 10.2(b) or elsewhere in these Master Covenants, Special Assessments shall be allocated equally among all Units subject to such Special Assessment. During the Master Developer Control Period, any Special Assessment shall not become effective unless approved by the Master Developer, and, after the expiration of the Master Developer Control Period, any Special Assessment shall automatically become effective unless disapproved upon the vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and allocated to the Units which will be subject to such

Special Assessment, and present (in person or by proxy) at a duly called meeting of the Members of the particular Units at which a quorum exists.

There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition for a special meeting as provided in Section 2.5 of the By-Laws, which petition must be presented to the Board within five (5) days after delivery of the notice of such Special Assessment. Special Assessments shall be payable to the Master Owners' Association in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6 Specific Assessments. The Master Owners' Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit(s) or Occupants thereof upon request of the Owner pursuant to a menu of optional services which the Master Owners' Association may offer. Specific Assessments may be levied in advance of the provision of the service as a deposit against charges to be incurred by the Owner;

(b) to cover any and all charges, dues, fees or assessments for goods and services due from an Owner or on the Owner's behalf to the Club as more specifically described in Section 19.4 herein;

(c) to cover any and all charges, dues, fees or assessments for goods and services due from an Owner or on the Owner's behalf to a utility service provider; and

(d) to cover costs incurred in bringing the Unit(s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; PROVIDED, however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this Section 8.6 (d).

The Master Owner's Association may also levy a Specific Assessment against the Units within any Neighborhood (or District, as the case may be) to reimburse the Master Owner's Association for costs incurred in bringing the Neighborhood (or District, as the case may be) into compliance with the provisions of the Governing Documents; PROVIDED, however, the Board shall give prior written notice to the Owners of Units in the Neighborhood (or District, as the case may be) and an opportunity for such Owners to be heard before levying any such assessment.

Specific Assessments shall be payable to the Master Owners' Association in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Specific Assessment is approved.

8.7 Community Enhancement Assessments.

(a) A Community Enhancement Assessment shall be paid to the Master Owners' Association at the closing of the transfer of any Unit within Christophe Harbour. A Community Enhancement Assessment shall be charged to the purchaser of the Unit, shall be payable to the Master Owners' Association at the closing of the transfer, and shall be secured by the Master Owners' Association's lien for assessments as provided in Section 8.8 herein. The Owner shall notify the Master Owners' Association's secretary or other authorized agent of a pending transfer of the Owner's Unit at least twenty (20) days prior to the transfer. Such notice shall include the name of the purchaser, the date of title transfer and such other information as the Master Developer or Board may reasonably require. The Community Enhancement Assessment to be paid shall be equal to one half of one percent (.50%) of the gross sales price for the Unit. For the purposes of determining the amount of the Community Enhancement Assessment, the gross selling price shall be the total cost to the purchaser of the Unit, excluding prorations for taxes and other assessments. The Community Enhancement Assessment under this Section 8.7(a) shall not be charged or assessed if the Master Developer, or an Affiliate or subsidiary of the Master Developer, is the purchaser.

(b) In addition to the Community Enhancement Assessment to be paid upon transfer of a Unit pursuant to Section 8.7(a), an additional Community Enhancement Assessment shall be assessed against the Owners of Public or Commercial Units, and shall be secured by the Master Owners' Association's lien for assessments as provided in Section 8.8 herein. This Community Enhancement Assessment shall be paid to the Master Owners' Association in the following amounts:

(i) One half of one percent (0.50%) of all gross revenues derived from hotel, motel and inn room rentals (both short and long term) for all hotels, motels and inns developed in Christophe Harbour;

(ii) One half of one percent (0.50%) of all gross revenues from wharves, docks, marina slips and related services, including provisions of fuel, water, and dumping service resulting from the development of Christophe Harbour;

(iii) One half of one percent (0.50%) of all gross revenues derived from the operation of golf courses at Christophe Harbour, including food, beverages, equipment rentals, and merchandise; and

(iv) One half of one percent (0.50%) of all gross revenues derived from commercial enterprises located at Christophe Harbour, including revenues derived from communication towers, retail sales, restaurants, spas (or comparable charges for any provision of comparable services) and taverns.

The Community Enhancement Assessment described in this Section 8.7(b) shall be payable quarterly or at such other time(s) as determined by the Board. The Community Enhancement Assessment described in this Section 8.7(b) shall not be levied on the Club, the Master Developer, or any Affiliate or subsidiary of the Master Developer.

(c) All Community Enhancement Assessments shall be deposited into a segregated account maintained by the Master Owners' Association. A portion of the Community Enhancement Assessment collected shall be used for the repair or replacement of the Common Elements or any other property within Christophe Harbour that is owned by the Master Owners' Association. Any funds not used for the repair and replacement of Common Elements and property owned by the Master Owners' Association shall be used at the sole and absolute discretion of the Master Developer during the Master Developer Control Period, and thereafter, the Board.

(d) During the Master Developer Control Period, the Master Developer shall have the right, in its sole and absolute discretion, to levy additional Community Enhancement Assessments on any Owner of a Unit within Christophe Harbour. During the Master Developer Control Period, the Master Developer shall also have the right, in its sole and absolute discretion, to modify or rescind the amount levied per the Community Enhancement Assessment.

8.8 Lien for Assessments. The Master Owners' Association shall have a lien against each Unit to secure payment of delinquent Assessments and other charges, as well as interest at the lesser of the following rates (i) eighteen percent (18%) per annum, or (ii) the maximum rate provided by applicable law, late charges in such amount as the Board may establish (subject to the limitations of the applicable law), costs of collection, and reasonable attorneys' fees. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, (b) the lien or charge of any Institutional Mortgage Registered in the Public Records and made in good faith and for value by an institutional lender prior to the lien of the Master Owners' Association, and (c) the lien or charge for unpaid dues, fees, assessments and other charges established in the Christophe Harbour Club Documents. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Master Owners' Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and transfer the Unit. While a Unit is owned by the Master Owners' Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual Assessment, its prorata share of the Assessment that would have been charged such Unit had it not been acquired by the Master Owners' Association. The Master Owners' Association may sue for unpaid Assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same, in addition to pursuing any and all rights and remedies allowed by law or in equity to enforce the lien.

The sale or transfer of any Unit shall not affect the Assessment lien or relieve such Unit from the lien for any subsequent Assessments, however, the sale or transfer of any Unit pursuant to foreclosure of a first Mortgage shall extinguish the lien as to any installments of such Assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for Assessments on such Unit due prior to such acquisition of title. Such unpaid Assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under **Section 8.2** herein, including such acquirer, its successors, and assigns.

8.9 Date of Commencement of Assessments. Except as may otherwise be expressly provided herein, the obligation to pay General Assessments, Neighborhood Assessments and District Assessments shall commence as to each Unit as of the earlier (i) the first day of the next calendar month following one (1) calendar year after the date on which a Plan thereof identifying or designating such Unit and delineating its exact metes and bounds and approved in writing by the Master Developer has been Registered in the Public Records, or (ii) the first day of the next calendar month following the date on which the Unit is transferred to a Person who is not the Master Developer, or an Affiliate or subsidiary of the Master Developer. During the Master Developer Control Period, the Master Developer shall have the authority, in its sole and absolute discretion; to change the date of commencement of assessments for any Unit within Christophe Harbour. The first annual General Assessment, Neighborhood Assessment and District Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit. Notwithstanding the provisions of this Section 8.9, General Assessments, Neighborhood Assessments and District Assessments shall not commence until January 1, 2009.

(a) Residential Lot Assessment Classification. For purposes of assessments hereunder, a property shall be deemed to be and classified as a "Residential Lot" as of the earlier of (i) the first day of the next calendar month following one (1) calendar year after the date on which a Plan thereof identifying or designating such property as a residential lot and delineating its exact metes and bounds and approved in writing by the Master Developer has been Registered in the Public Records, or (ii) the first day of the next calendar month following the date on which the Unit is transferred to a Person who is not the Master Developer, or an Affiliate or subsidiary of the Master Developer.

(b) Dwelling Unit Assessment Classification. For purposes of assessments hereunder:

(i) a Residential Lot shall be deemed to be an improved property and classified as a "Dwelling Unit" as of the earlier of (A) the first day of the next calendar month following one (1) calendar year after the date on which the DRB has issued a building permit or other permit allowing the construction of any such dwelling unit or any other improvements on such property, or (B) the date on which the Unit is transferred to a Person who is not the Master Developer, or an Affiliate or subsidiary of the Master Developer;

(ii) any townhouse unit, duplex unit, condominium unit, apartment unit or other type dwelling unit constructed on a Multiple-Family Tract shall be deemed to be an improved property and classified as a "Dwelling Unit" as of the earlier of (A) the first day of the next calendar month following one (1) calendar year after the date on which the particular unit being constructed thereon has been, in the DRB's reasonable determination, substantially completed, or (B) the date on which the Unit is transferred to a Person who is not the Master Developer, or an Affiliate or subsidiary of the Master Developer; and

(iii) any dockominium unit shall be deemed to be an improved property and classified as a "Dwelling Unit" as of the earlier of (A) the first day of the next calendar month following one (1) calendar year after the date on which the particular unit has been, in the DRB's reasonable determination, substantially completed, or (B) the date on which the Unit is

transferred to a Person who is not the Master Developer, or an Affiliate or subsidiary of the Master Developer.

Assessment at the improved property rate shall be prorated for the pro-rata share of remaining year to reflect the category change.

(c) Public or Commercial Unit Assessment Classification. For purposes of assessments hereunder, a property shall be deemed to be improved property and classified as a "Public or Commercial Unit" as of the first day of the next calendar month following the date on which the improvements being constructed thereon have been, in the DRB's reasonable determination, substantially completed, and assessment at the improved property rate shall be prorated for the pro-rata share of remaining year to reflect the category change.

If the classification for a particular property is not apparent, the determination of the Master Developer shall be controlling during the Master Developer Control Period and after the expiration of the Master Developer Control Period the determination of the Board shall be controlling.

8.10 Failure to Assess. Failure of the Board to establish assessment amounts or rates, or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments, Neighborhood Assessments and District Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Master Owners' Association may retroactively assess any shortfalls in collections.

8.11 Exempt Property. The following property shall be exempt from payment of General Assessments, Neighborhood Assessments, District Assessments, Special Assessments, Community Enhancement Assessments, and the Foundation Fund described in Section 8.12 herein:

(a) All Common Elements and such portions of the property owned by the Master Developer as are included in the Area of Common Responsibility;

(b) Any property dedicated to and accepted by any governmental authority or public or private utility;

(c) Any property owned by the Foundation or other tax-exempt organization, including churches, educational and cultural facilities;

(d) Any Unit or other property (i) owned by, or leased or licensed to, the Club, and (ii) operated by the Club as a Club Facility;

(e) Any property which is expressly excepted and excluded from the definition of Unsubdivided Land as set forth and described in Sections 2.72(a), 2.72(b) and 2.72(c) herein; and

(f) Any other property which is expressly excepted and excluded in these Master Covenants from such Assessments.

8.12 Foundation Fund.

(a) Master Developer shall establish a fund for the Foundation (the "Foundation Fund") to accomplish those goals set forth in Section 9.6 herein.

(b) The Foundation Fund shall be funded by transfer fees, which is a separate and distinct obligation from the Community Enhancement Assessments described in Section 8.7 herein, that shall be paid at the closing of the transfer of any Unit within Christophe Harbour. The transfer fee shall be charged to the purchaser of the Unit, shall be payable to the Christophe Harbour Foundation at the closing of the transfer, and shall be secured by the Master Owners' Association's lien for assessments as provided in Section 8.8 herein; PROVIDED, however, such lien may only be enforced by and/or with the consent of the Master Owner's Association. An Owner shall notify the Master Owners' Association's secretary or other authorized agent of a pending transfer of such Owner's Unit at least twenty (20) days prior to the transfer. Such notice shall include the name of the purchaser, the date of title transfer and such other information as the Master Developer or Board may reasonably require. The transfer fee under this Section 8.12(b) shall be equal to one half of one percent (.50%) of the gross sales price for a Unit. For the purposes of determining the amount of the transfer fee under this Section 8.12(b), the gross selling price shall be the total cost to the purchaser of the Unit, excluding prorations for taxes and other assessments. The transfer fee under this Section 8.12(b) shall not be charged or assessed if the Master Developer, or an Affiliate or subsidiary of the Master Developer, is the purchaser.

(c) In addition to the transfer fee to be paid upon transfer of a Unit pursuant to Section 8.12(b), a revenue fee shall be assessed against the Owners of Public or Commercial Units, and shall be secured by the Master Owners' Association's lien for assessments as provided in Section 8.8 herein; PROVIDED however, such lien may only be enforced by and/or with the consent of the Master Owner's Association. This revenue fee is a separate and distinct obligation from the Community Enhancement Assessment described in Section 8.7 herein and shall be paid the Christophe Harbour Foundation in the following amounts:

(i) One half of one percent (0.50%) of all gross revenues derived from hotel, motel and inn room rentals (both short and long term) for all hotels, motels and inns developed in Christophe Harbour;

(ii) One half of one percent (0.50%) of all gross revenues from wharves, docks, marina slips and related services, including provisions of fuel, water, and dumping service resulting from the development of Christophe Harbour;

(iii) One half of one percent (0.50%) of all gross revenues derived from the operation of golf courses at Christophe Harbour, including, food, beverages, equipment rentals, and merchandise; and

(iv) One half of one percent (0.50%) of all gross revenues derived from commercial enterprises located at Christophe Harbour, including revenues derived from

communication towers, retail sales, restaurants, spas (or comparable charges for any provision of comparable services) and taverns.

The revenue fees described in this Section 8.12(c) shall be payable quarterly or at such other time(s) as determined by the Board. The revenue fee described in this Section 8.12(c) shall not be levied on the Club, the Master Developer, or any Affiliates or subsidiaries of the Master Developer.

(d) All fees paid pursuant to this Section 8.12 shall be deposited into a segregated account maintained by the Christophe Harbour Foundation and utilized to accomplish those goals set forth in Section 9.6 herein.

(e) During the Master Developer Control Period, the Master Developer shall have the right, in its sole and absolute discretion, to levy additional fees on any Owner of a Unit within Christophe Harbour in order to fund the Foundation Fund. During the Master Developer Control Period, the Master Developer shall also have the right, in its sole and absolute discretion, to modify or rescind the amounts charged per this Section 8.12.

8.13 Obligation of Neighborhood Associations and District Associations to Pay Assessments. Payment in full of all Assessments (other than Community Enhancement Assessments and transfer fees and revenue fees under Sections 8.7 and 8.12 herein) applicable to the Owners-members of a Neighborhood Association (or District Association, as the case may be) will also be the joint and several obligation of the Neighborhood Association (or District Association, as the case may be). By way of example only and solely for purposes of illustration and not limitation, payment in full of all Assessments (other than Community Enhancement Assessments and transfer fees and revenue fees under Sections 8.7 and 8.12 herein) applicable to one or more of the Owners of individual units within a condominium or other horizontal property regime established upon a Parcel will also be the obligation of the applicable owner's association for such condominium or regime. For convenience, the Master Owners' Association shall have the right (but not the obligation) to bill the Assessments applicable to all Owners-members of a Neighborhood Association (or District Association, as the case may be) to the Neighborhood Association (or District Association, as the case may be) which will immediately thereafter bill its Owners-members for its collection. The obligation of each Neighborhood Association (or District Association, as the case may be) is for the payment in full of all such Assessments billed to and/or otherwise due and payable by all the Owners-members of that Neighborhood Association (or District Association, as the case may be). Collection of all portions of such Assessments from Owners-members of the Neighborhood Association (or District Association, as the case may be) will not be a precondition of payment by the Neighborhood Association (or District Association, as the case may be) of the Assessments or an excuse for nonpayment of those Assessments. Likewise, payment by an Owner-member of his Assessment, or pro-rata share thereof, to the Neighborhood Association (or District Association, as the case may be) will not relieve the Owner-member of responsibility for the failure of the Neighborhood Association (or District Association, as the case may be) to pay the full amount of the Assessment due by the Neighborhood Association (or District Association, as the case may be) to the Master Owners' Association. The rights of the Master Owners' Association are cumulative and may be pursued collectively without resort, or necessity of resort, to any remedy prior to any other. All costs incurred by the Master Owners' Association for collection of any

such Assessments, or any portion thereof, will also be the obligation and liability of the Neighborhood Association (or District Association, as the case may be).

8.14 Right to Modify Apportionment of Assessments. The Master Developer (during the Master Developer Control Period and without a vote of the Owners or the Board) and the Board (after the Master Developer Control Period and without a vote of the Owners) shall each have the right and the power to modify and change the method by which any of the Assessments, including, but not limited to, General Assessments, Neighborhood Assessments, District Assessments and Special Assessments, are calculated and apportioned among the Units in Christophe Harbour. If the Master Developer (or the Board, as the case may be) elects to modify or change the method of calculation or apportionment, then any such new method shall treat each Owner in a reasonably equitable manner. Notwithstanding anything contained in this Chapter or elsewhere in these Master Covenants to the contrary, in setting the levels or amounts of the various Assessments provided for herein, and the formula for determining same as provided in this Chapter, or in Exhibit "C" or elsewhere in these Master Covenants, the Master Developer (or the Board, as the case may be) may, but shall not be obligated to, consider the size of the Unit, the level of maintenance provided by the Master Developer, the Master Owners' Association or others, and the particular usage of any Unit, such as commercial, retail, service, institutional or residential (such designation being used as examples only). Such factors shall be considered a reasonable basis upon which to discriminate between Assessments levied on various Units, Neighborhoods or Districts within Christophe Harbour. During the Master Developer Control Period, the Master Developer may Register an amendment to these Master Covenants or a Supplement to reflect such modification. After the Master Developer Control Period, the Board may Register an amendment to these Master Covenants or a Supplement to reflect such modification. By way of example only and solely for purposes of illustration and not limitation, and without limiting the foregoing, the Master Developer may elect to apportion the General Assessment at a uniform rate for all Units, or on a pro-rata basis based on the square footage of Buildings and other improvements constructed (or to be constructed) on a Parcel.

8.15 Consolidated Billing. The Master Owners' Association may elect, in its discretion, to provide Owners with a consolidated billing statement with respect to all or any portion of such charges, dues, fees or assessments as may be due from such Owners to the Master Developer, an Affiliate or subsidiary of the Master Developer, the Master Owners' Association, the Club, any utility provider, or any entity controlled, managed or operated by any of them, including, without limitation, amounts due in respect of the Master Owners' Association assessments, utility services, dockage fees, Club Membership dues and other charges for goods and services owed to the Club, and maintenance or property management services. Such consolidated billing statements may be issued monthly, or on such other schedule as the Master Owners' Association may determine.

8.16 Rounding. All Assessments charged by the Master Owners' Association shall be rounded off to the nearest dollar.

CHAPTER 9: RIGHTS AND FUNCTIONS OF THE MASTER OWNERS' ASSOCIATION

9.1 Function of Master Owners' Association. The Master Developer has established the Master Owners' Association to be the primary entity responsible for administering Christophe Harbour in accordance with the Governing Documents. The Master Owners' Association may exercise any right or privilege given to it expressly by these Master Covenants, the By-Laws, the other Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. On most matters, the Master Owners' Association acts through the Board. However, in some instances, the Governing Documents or applicable law limit the Board's ability to act without approval of the Members. Unless the Governing Documents or applicable law specifically provide otherwise, all of the rights and powers of the Master Owners' Association may be exercised by the Board without a vote of the Members.

9.2 Personal Property and Real Property for Common Use. The Master Owners' Association, through action of its Board, may acquire, hold, transfer, mortgage, pledge, and hypothecate tangible and intangible personal property and real property. The Master Developer and its designees may transfer to the Master Owners' Association interests in improved or unimproved real estate located within Christophe Harbour, personal property, and leasehold and other property interests. The Master Owners' Association shall accept such property in an "as is", "where is" condition and thereafter the property shall be maintained, managed, operated, and controlled by the Master Owners' Association at its expense for the benefit of its Members, subject to any restrictions set forth in the Instrument of Transfer transferring such property to the Master Owners' Association. Upon written request of the Master Developer, the Board shall retransfer to the Master Developer any unimproved real property in Christophe Harbour originally transferred to the Master Owners' Association for no payment, to the extent transferred in error or needed to make adjustments in property lines or accommodate changes in the development plan.

The Board may enter into leases (for both personal and real property), licenses, management agreements, service agreements, mortgages, or operating agreements with respect to portions of the Common Elements, for payment or no payment, as the Board deems appropriate. The Board may permit use of Common Elements facilities by Persons other than Owners and Occupants of Units and may charge usage fees, in such amount as the Board may establish, for such use, provided such use does not overcrowd that portion of the Common Elements or cause undue hardship to the Members.

9.3 Sanctions with Notice and Hearing. The Board may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in the By-Laws. Such sanctions may include, but are not limited to, the following:

(a) Imposing reasonable fines which shall constitute a lien upon the violator's Unit (in the event that any Occupant of a Unit or guest, lessee, or invitee of an Owner violates these Master Covenants or the Governing Documents and a fine is imposed, the fine shall be assessed against the Owner, who shall be liable for any such fine, and such fine shall constitute a lien upon the Owner's Unit);

(b) filing liens in the Public Records for nonpayment of any assessments, fines, fees or other charges;

(c) suspending an Owner's right to vote in the Master Owners' Association;

(d) suspending any Person's right to use any recreational facilities, dining facilities or other amenities within the Common Elements or Limited Common Elements; PROVIDED, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

~~(e) suspending any services, including power, water and other utilities, provided by the Master Developer or the Master Owners' Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Master Developer or the Master Owners' Association;~~

(f) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of **Chapter 4** herein and the Design Guidelines, or both, from continuing or performing any further activities in Christophe Harbour; and

(g) levying Specific Assessments to cover costs incurred in bringing a Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of an Owner or Occupant of a Unit, their agents, contractors, employees, licensees, invitees, lessees or guests.

9.4 Other Sanctions. In addition, the Board may take the following actions to enforce the Governing Documents without the necessity of compliance with the procedures set forth in the By-Laws:

(a) requiring an Owner, at such Owner's expense, or a Neighborhood Association (or a District Association, as the case may be), at its expense, to perform maintenance on such Owner's Unit or on the Neighborhood Association's (or a District Association's, as the case may be) property, respectively, or to remove any structure, item or improvement on such Owner's Unit or on the Neighborhood Association's (or the District Association's, as the case may be) property, respectively, in violation of the Governing Documents and to restore the applicable property to its previous condition;

(b) entering the property and exercising self-help to remove or cure a violating condition upon failure of an Owner or a Neighborhood Association (or a District Association, as the case may be) to take action as required pursuant to **Section 9.4(a)** herein within seven (7) days after receipt of written notice to do so, and any such entry shall not be deemed a trespass;

(c) exercising self-help in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other Persons or their property (specifically including, but not limited to, the towing of vehicles, trailers, and boats that are in violation of the parking provisions of the Rules); and

(d) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both, subject to the procedures set forth in Chapter 18 herein, if applicable.

If an Owner, Owner's guest, tenant, invitee or Unit Occupant is responsible for damage inflicted on any Common Elements, the Master Owners' Association may direct such Owner to repair such damage or the Master Owners' Association may make the repair and recover any costs and damages from the Owner.

~~The Master Owners' Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment 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 Master Owners' 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 of the Master Owners' Association to enforce such provision under any circumstances or estop the Master Owners' Association from enforcing any other covenant, restriction or rule.~~

9.5 Indemnification. The Master Owners' Association shall indemnify every officer, each Director, and the DRB and other committee members against all damages, liabilities, and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, Director, DRB or other committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and applicable law.

The officers, Directors, DRB and other committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, willful malfeasance, willful misconduct, fraud or bad faith. The officers, Directors, DRB and other committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Master Owners' Association. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, Director, or DRB or other committee member may be entitled.

The Master Owners' Association shall also indemnify and forever hold harmless the Master Developer to the extent that any officer, director, shareholder, partner, member, employee, agent, or other representative of the Master Developer serves as an officer, Director, or DRB or other committee member of the Master Association and the Master Developer incurs any damages, liabilities, or expenses, including attorneys' fees, in connection with any action, suit or other proceeding (including settlement of any suit or proceeding) by reason of having its officers, directors, shareholders, partners, members, employees, agents, or other representatives serve as officers, Directors, or DRB or other committee members of the Master Association, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and applicable law. This right to indemnification shall not be exclusive of any other rights to which the Master Developer may be entitled under these Master Covenants or otherwise.

The Master Owners' Association may, as a Common Expense, maintain adequate general liability and officer's and directors' liability insurance to fund its indemnification obligation under this Section, if such insurance is reasonably available.

9.6 Relationship With the Foundation and Other Tax-Exempt Organizations.

The Master Developer shall establish the Foundation. The Foundation shall be a vehicle for generating, enhancing, and preserving the social, physical, cultural, and natural environment of St. Kitts and Christophe Harbour. The Foundation exists to encourage and provide a means for each Owner and Occupant within Christophe Harbour to participate in social, cultural, and environmentally oriented services, program, and activities. During the Master Developer Control Period, the Master Developer may create, enter into agreements or contracts with, or grant exclusive or non-exclusive easements over the Common Elements to the Foundation or similar tax-exempt organizations for the benefit of Christophe Harbour. After the expiration of the Master Developer Control Period, the Board may create, enter into agreements or contracts with, or grant non-exclusive easements over the Common Elements to the Foundation or similar tax-exempt organizations for the benefit of Christophe Harbour.

9.7 Powers of the Master Owners' Association Relating to Neighborhood Associations and District Associations. The Master Owners' Association may veto any action taken or contemplated by any Neighborhood Association (or District Association, as the case may be), which the Board reasonably determines to be adverse to the interests of the Master Owners' Association or any of its Members. The Master Owners' Association also may require specific action to be taken by any Neighborhood Association (or District Association, as the case may be) to fulfill its obligations and responsibilities under any Governing Document. By way of example only and solely for purposes of illustration and not limitation, the Master Owners' Association may require that specific maintenance or repairs within the Neighborhood (or District, as the case may be) or elsewhere within Christophe Harbour be performed by the Neighborhood Association (or District Association, as the case may be). If the Neighborhood Association (or District Association, as the case may be) fails to comply with such requirements within a reasonable time as specified in writing by the Master Owners' Association, the Master Owners' Association may take such action on behalf of the Neighborhood Association (or District Association, as the case may be) and assess the Units within such Neighborhood (or District, as the case may be) for any expenses so incurred. Such assessments may be collected as a Specific Assessment.

The Master Owners' Association shall also be empowered to enter into agreements with Owners within Neighborhoods or Neighborhood Associations, or both, for the management, maintenance, repair, and replacement of Limited Common Elements. Further, the Master Owners' Association shall be empowered to receive title to Limited Common Elements if desired by the Master Owners' Association. If the Master Owners' Association receives title to any Limited Common Elements, the Board may designate such property as Common Elements or Limited Common Elements.

9.8 Delegations of Duties. Subject to Chapter 4 of the By-Laws and the Board's continuing oversight and monitoring, the Board may appoint officers for the Master Owners' Association, and delegate to such officers the various duties and responsibilities of the Master Owners' Association. The Board may also enter into professional services contracts with

professional community association managers and others to provide the services set forth in Section 5.1 or elsewhere herein.

CHAPTER 10: INSURANCE AND CASUALTY LOSSES

10.1 Master Owners' Association Insurance.

(a) Property Insurance. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect casualty insurance, in such form and with such coverage and deductibles as the Board deems appropriate for the benefit of the Master Owners' Association, ~~insuring all insurable improvements in, on and to the Common Elements,~~ Limited Common Elements, and other properties either owned, leased, or licensed by the Master Owners' Association, against loss or damage by fire or other hazards, including, extended coverage, flood, vandalism, and malicious mischief; such coverage, if available at reasonable costs, to be in an amount sufficient to cover the full replacement cost of the insured improvements (without depreciation, to include anticipated costs of demolition and clearing prior to building, but subject to such deductible amounts as are deemed reasonable by the Board).

(b) Liability Insurance. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Elements, Limited Common Elements, or other properties either owned, leased, or licensed by the Master Owners' Association, as to all damage or injury caused by the negligence of the Master Owners' Association or any of its Members, Directors, officers, employees, agents or contractors while acting on its behalf. Such public liability policy shall provide such coverages as are deemed necessary by the Board, and shall initially be in the minimum amount of Five Million Dollars (\$5,000,000) per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies.

(c) Other Insurance. The Board or its duly authorized agents shall have the authority to and may obtain:

(i) worker's compensation insurance and employers liability insurance, if and to the extent required by law;

(ii) directors and officers liability coverage;

(iii) commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Master Owners' Association funds in an amount determined by the Board in its reasonable discretion. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(iv) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

(d) Named Insured. All such insurance coverage obtained by the Board shall be written in the name of the Master Owners' Association as trustee for each of the Members.

The cost of such coverage shall be a Common Expense. The Master Owners' Association shall have exclusive authority to adjust losses under such insurance policies, including losses with respect to the Neighborhoods (or Districts, as the case may be); PROVIDED, however, that no mortgagee or other security holder of the Common Elements having any interest in such losses may be prohibited from participating in Community negotiations, if any, relating thereto.

(e) Owner's Insurance. Each Owner shall be solely responsible for obtaining, at each such Owner's sole expense, public liability, property damage or casualty coverage, flood, title, and any other insurance coverage in connection with such Owner's individual Unit, and all improvements thereon, as the Board deems necessary or appropriate.

10.2 Damage to or Destruction of the Common Elements and Limited Common Elements.

(a) Should any of the Common Elements or Limited Common Elements, or any other property owned by and/or covered by insurance written in the name of the Master Owners' Association as such trustee for the Members, be damaged or destroyed by fire, windstorm, flood, or any other casualty, the Board, or its agent shall be responsible for timely filing all claims and adjustments arising under such insurance. In such event, the Board shall be further responsible for obtaining detailed estimates for repairing or restoring and/or reconstructing such damaged property to substantially the same condition as existed prior to such casualty, and such estimates must be obtained by the Board from reputable, reliable, licensed individuals or companies. The Master Owners' Association shall restore, repair, or replace such damaged improvements, including structures, trees, shrubbery, fences, lawns, boardwalks, docks, piers, landscaping, signage, personal property, and natural vegetation, within sixty (60) days of such damage or destruction, or as soon thereafter as reasonably possible under the circumstances.

(b) In the event insurance proceeds, if any, are insufficient to repair, restore, ~~and/or~~ replace such damaged or destroyed property and reserve funds as may have been appropriated or established for such purpose are, in the sole discretion of the Board, insufficient or inadequate to defray the costs thereof, or would unreasonably deplete such reserve funds, the Board may levy a Special Assessment against all Owners, without the necessity of a vote of the Master Owners' Association Members, in an amount sufficient to provide adequate funds to pay such excess costs of repair, reconstruction, or replacement. Such Special Assessment shall be levied equally against the Owners, and additional Assessments may be made at any time during or following the completion of any repair, reconstruction, or replacement. Any and all sums paid to the Master Owners' Association under and by virtue of such Special Assessments shall be held by and for the benefit of the Master Owners' Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds, if any, and such Special Assessments, if any, shall be disbursed by the Master Owners' Association in payment of such repair, reconstruction, or replacement pursuant to and in accordance with such method of distribution as is established by the Board.

(c) Any funds remaining after defraying such costs shall be retained by and for the benefit of the Master Owners' Association. Special Assessments levied according to this Section may include, but are not limited to, Special Assessments for insurance deductibles,

temporary emergency repairs, and uninsured losses as well as the legal or other costs of collection.

CHAPTER 11: NEIGHBORHOODS AND DISTRICTS

11.1 Master Developer Creation and Reconfiguration. The Master Developer, in its sole discretion, may unilaterally establish Neighborhoods and/or Districts within Christophe Harbour by designation (by name or other identifying designation) in these Master Covenants, in a Supplement, or on a Plan prepared and approved by the Master Developer and Registered in ~~the Public Records. During the Master Developer Control Period, the Master Developer may~~ unilaterally amend or supplement these Master Covenants, or any Supplement or any Plan from time to time to assign property to a specific new or existing Neighborhood (or District, as the case may be), to redesignate Neighborhood (or District, as the case may be) boundaries, or to remove property from a specific Neighborhood (or District, as the case may be) and no consent or approval of any Person shall be required.

11.2 Board Creation and Reconfiguration. After the expiration of the Master Developer Control Period, the Board may exercise any and all powers reserved to the Master Developer in Section 11.1 herein; PROVIDED, however, the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter within each particular Neighborhood (or District, as the case may be) being created, reconfigured, or otherwise materially and adversely affected, as determined by the Board in its sole and absolute discretion, by the proposed Board action, and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood(s) (or District(s), as the case may be) at which a quorum exists, approve such action; FURTHER, if in the sole judgment of the Board the proposed action will, or potentially may, materially and adversely affect the membership of the Master Owners' Association as a whole, the proposed action also ~~must be approved by the~~ Members representing more than sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists.

11.3 Additional Covenants. The Units within a particular Neighborhood (or District, as the case may be) may be subject to covenants in addition to this contained in these Master Covenants, and the Owners of Units within a particular Neighborhood (or District, as the case may be) may also be mandatory members of a Neighborhood Association (or District Association, as the case may be) in addition to the Master Owners' Association; however, there shall be no requirement that a Neighborhood Association (or District Association, as the case may be) be created for any Neighborhood (or District, as the case may be) except in the case of a condominium or as may be otherwise required by law. No Neighborhood Association (or District Association, as the case may be) shall be formed or otherwise established without the prior submission to and written approval of the Master Developer of all documents creating or establishing such Neighborhood Association (or District Association, as the case may be), including, without limitation, the submission of any declaration of condominium, articles of incorporation, by-laws and other organizational documents and governing documents.

11.4 Level of Service. Upon the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the

matter within a particular Neighborhood (or District, as the case may be), and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists, that Neighborhood (or District, as the case may be) may request that the Master Owners' Association provide a higher level of service or special services, and the Board may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate, shall be assessed against the Units within such Neighborhood (or District Association, as the case may be) as a Neighborhood Assessment (or as a District Assessment, as the case may be).

CHAPTER 12: ANNEXATION AND WITHDRAWAL OF PROPERTY

12.1 Annexation by Master Developer. During the Master Developer Control Period, the Master Developer may from time to time unilaterally submit Additional Property to the provisions of these Master Covenants property by annexation.

Such annexation shall be accomplished by Registering a Supplement in the Public Records describing the property being annexed, or in such other manner as may be set forth in the Act or the Regulations. The Master Developer may Register such a Supplement without the necessity or requirement of having to obtain the joinder or consent of any Person except the owner(s) of such property, if other than the Master Developer. Any such annexation shall be effective upon the Registration of such Supplement unless otherwise provided therein. Any such Supplement may contain additional covenants, conditions, restrictions, easements, obligations and limitations, including restrictions as to use, or modify those contained in these Master Covenants as appropriate to reflect the different character or use of any such annexed property.

Nothing in these Master Covenants shall require the Master Developer or any successor to submit Additional Property to these Master Covenants or to develop any Additional Property in any manner whatsoever.

12.2 Annexation by the Master Owners' Association. During the Master Developer Control Period, the Master Owners' Association may also submit additional property to the provisions of these Master Covenants by annexation with (a) the consent of the owner of such property and (b) with the written consent of the Master Developer. After the expiration of the Master Developer Control Period, the Master Owners' Association may submit additional property to the provisions of these Master Covenants by annexation with (i) the consent of the owner of such property, and (ii) the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists.

Such annexation shall be accomplished by Registering a Supplement describing the property being annexed in the Public Records. Any such Supplement shall be signed by the President and Secretary of the Master Owners' Association, and by the owner(s) of the annexed property, and by the Master Developer, if the Master Developer's consent is required.

12.3 Withdrawal of Property. The Master Developer reserves the right to amend these Master Covenants during the Master Developer Control Period for the purpose of removing any portion of the property within Christophe Harbour from the coverage of these Master Covenants. Such amendment shall not require the consent of any Person other than the owner(s) of the property to be withdrawn, if not the Master Developer. If the property is a Common Element, the Board must consent to such withdrawal.

12.4 Additional Covenants and Easements. The Master Developer may unilaterally subject any portion of Christophe Harbour to additional covenants, conditions, restrictions, easements, obligations and limitations, including covenants obligating the Master Owners' Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Master Owners' Association through Neighborhood Assessments (or District Assessments, as the case may be). Such additional covenants, conditions, restrictions, easements, obligations and limitations shall be set forth in a Registered Supplement and shall require the written consent of the owner(s) of such property, if other than the Master Developer. Any such Supplement may, among other things, add to, create exceptions to, or otherwise modify the terms of these Master Covenants as it applies to the subject property in order to reflect, among other things, the different character and intended use of such property.

The Master Developer may Register such a Supplement without the necessity or requirement of having to obtain the joinder or consent of any Person except the owner(s) of such property, if other than Master Developer.

12.5 Amendment. This Chapter shall not be amended during the Master Developer Control Period without the prior written consent of the Master Developer.

CHAPTER 13: EASEMENTS

13.1 Access, Ingress and Egress; Roadways. All Owners, by accepting title to property within Christophe Harbour, waive all rights of uncontrolled and unlimited access, ingress and egress to and from such property and acknowledge and agree that such access, ingress and egress will be limited to designated roads, sidewalks, walkways and trails located within Christophe Harbour from time to time, provided that pedestrian and vehicular access to and from all such property will be provided at all times. There is reserved unto the Master Developer, the Master Owners' Association, and their respective successors, assigns and/or designees, the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates controlling access to and from Christophe Harbour, or portions thereof, provided that access to Christophe Harbour may be granted to any Person who gives reasonable evidence satisfactory to entry guards, if there are any, that entry is with the specific permission of the Owner, or his duly authorized agent. Neither the Master Developer nor the Master Owners' Association will be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to Christophe Harbour in accordance with the foregoing.

NEITHER THE MASTER DEVELOPER NOR THE MASTER OWNERS' ASSOCIATION SHALL IN ANY WAY BE CONSTRUED AS INSURERS OR GUARANTORS OF ANY GATE OR CONTROLLED ACCESS TO THE PROPERTY OR SAFETY MEASURES UNDERTAKEN WITH RESPECT THERETO BY EITHER

OR BOTH OF THEM, NOR SHALL EITHER OR BOTH OF THEM BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM ANY FAILURE TO PROVIDE CONTROLLED ACCESS OR SAFETY MEASURES, OR FROM LEAVING ANY GATE OPEN, AS PERMITTED UNDER SECTION 13.1(a) BELOW, OR FROM A FAILURE OR INEFFECTIVENESS OF ANY SUCH CONTROLLED ACCESS OR SAFETY MEASURES UNDERTAKEN BY EITHER OR BOTH OF THEM. NO REPRESENTATION, WARRANTY OR COVENANT IS GIVEN TO ANY OWNER OR OCCUPANT BY EITHER OR BOTH OF THE MASTER DEVELOPER AND THE MASTER OWNERS' ASSOCIATION THAT ANY CONTROLLED ACCESS OR SAFETY MEASURES INSTALLED OR UNDERTAKEN CANNOT BE BYPASSED OR COMPRISED, OR THAT THEY WOULD, IN FACT, AVERT DAMAGE OR LOSS RESULTING FROM THAT WHICH THEY ARE DESIGNED TO PREVENT, AND EACH OWNER BY ACCEPTANCE OF A CERTIFICATE OF TITLE OR OTHER INSTRUMENT OF TRANSFER FOR A UNIT AND EACH OCCUPANT THEREOF SHALL INDEMNIFY AND HOLD THE MASTER DEVELOPER AND THE MASTER OWNERS' ASSOCIATION HARMLESS FROM ANY DAMAGE AND COSTS AND EXPENSES, INCLUDING ATTORNEYS' FEES, INCURRED BY EITHER OR BOTH OF THE MASTER DEVELOPER AND THE MASTER OWNERS' ASSOCIATION AS A RESULT OF ANY SUCH ASSERTION OR DETERMINATION.

(a) Master Developer's Right to Maintain Open gate. Notwithstanding anything contained herein to the contrary, the Master Developer hereby reserves unto itself, its successors, assigns, and designees, the right and option to control any gate to Christophe Harbour and to leave the gate in an open position for the unobstructed and uncontrolled passage of construction vehicles for Persons engaged in both infrastructure and building construction activities. The within right, if exercised, will be limited to the hours of 6:00 a.m. to 6:00 p.m. and will terminate upon expiration of the Master Developer Control Period.

13.2 Easement(s) of Encroachment. The Master Developer hereby declares, grants, reserves and establishes non-exclusive, perpetual, transferable, transmissible, appendant, appurtenant and reciprocal easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Units, between each Unit and any adjacent Common Elements, between Common Elements and any adjacent Private Amenity, and between each Unit and any adjacent Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

13.3 Easement(s) for Utilities, Etc.

(a) The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its successors, assigns and/or designees (which designees may include, without limitation, the owners of Private Amenities, the Master Owner's Association and utility providers, and their respective heirs, successors and assigns), a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use all of Christophe Harbour, including each Unit

therein (but not through an existing or proposed structure), for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing satellite television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, alleyways, pathways and trails; lakes, ponds, lagoons, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewer, telephone, gas, and electricity, and utility meters; together with a non-exclusive, perpetual, transferable, transmissible, appendant, appurtenant and commercial easement for ingress, egress and access of vehicular and pedestrian traffic on, over, within, through and across Christophe Harbour, as necessary, to exercise the easements described above.

(b) The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself during the Master Developer Control Period the non-exclusive right and power to grant and Register such specific permanent and/or temporary easements on, over, under, within, through and across all of Christophe Harbour, including each Unit therein (but not through an existing or proposed structure), in favor of the Master Developer, its successors, assigns and/or designees (which designees may include, without limitation, the owners of Private Amenities, the Master Owner's Association and utility providers, and their respective heirs, successors and assigns) and upon such terms and conditions as may be necessary, in the sole discretion of the Master Developer, in connection with the orderly development of Christophe Harbour and/or other lands now or hereafter owned by the Master Developer, its Affiliates and/or subsidiaries, and/or their respective successors, assigns and/or designees, whether or not such other lands are made subject to these Master Covenants.

(c) Any damage to a Unit resulting from the exercise of the easements described in Section 13.3(a) and Section 13.3(b) shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit, and except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or Occupant.

(d) The Master Developer reserves for itself the right and power, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in Christophe Harbour, or at any other time, (i) to release all or any portion of Christophe Harbour from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

13.4 Easement(s) for Slope Control, Drainage and Waterway Maintenance. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, the owners of Private Amenities and the Master Owners' Association, and their respective heirs, successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use all of Christophe Harbour, including each Unit therein, for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Unit which are or may be subject to soil erosion;

(b) drainage of natural or manmade flow and water areas from any portion of Christophe Harbour or any Private Amenity;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit or Common Elements;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within Christophe Harbour; and

~~(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of Christophe Harbour or any Private Amenity.~~

13.5 Easement(s) to Serve Additional Property. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its successors, assigns and/or designees (which designees may include, without limitation, the owners of Private Amenities and/or utility providers, and their respective heirs, successors and/or assigns), a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use the Common Elements for the purposes of enjoyment, use, access, and development of other lands now or hereafter owned by the Master Developer, its Affiliates and/or subsidiaries, and/or their respective successors, assigns and/or designees, whether or not such property is made subject to these Master Covenants. This easement includes, but is not limited to, a right of ingress and egress over the Common Elements for construction of roads, for the posting of signs, and for connecting to and installing utilities on such property. The Master Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to these Master Covenants, the Master Developer will cause the owner(s) of the property benefiting from such easement, as a condition to their continued use thereof, to enter into a reasonable agreement with the Master Owners' Association to share the cost of any maintenance which the Master Owners' Association provides to or along any roadway providing access to such property.

13.6 Easement(s) for Entry. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of the Master Owners' Association a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement to enter upon any Unit and/or any other portion of Christophe Harbour for emergency, security, and safety reasons. Such right may be exercised by any member of the Board, the Master Owners' Association's officers, agents, employees and managers of the Master Owners' Association, any member of its Board or committees, and its officers, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Unit or such other property shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Unit or such other property to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any Dwelling Unit without permission of the Owner, except by emergency personnel acting in their official capacities. Entry under this Section shall not constitute a trespass.

13.7 Easements for Maintenance and Enforcement. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of the Master Developer and the Master Owners' Association, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement to enter all portions of Christophe Harbour, including each Unit, to (a) perform maintenance under Chapter 5 or elsewhere herein, and (b) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Unit shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage caused by the Master Developer (or the Master Association, as the case may be) during the exercise of this easement ~~shall be repaired by the Master Developer (or the Master Owners' Association, as the case may be),~~ at its expense. Entry under this Section shall not constitute a trespass.

The Master Developer and the Master Owners' Association also may enter a Unit or such other property to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorney's fees, may be assessed against the violator as a Specific Assessment.

13.8 Easements for Lake, Beach, Lagoon, Pond, Stream and Wetlands Maintenance and Flood Water. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its successors, assigns and/or designees (which designees may include, without limitation, the owners of Private Amenities, the Master Owner's Association and/or utility providers, and their respective heirs, successors and/or assigns), a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement and right, but not the obligation, to enter in and upon the lakes, beaches, lagoons, ponds, streams, and wetlands located within any and all Areas of Common Responsibility to (a) install, keep, maintain, and replace pumps in order to provide water for the irrigation of any of the Areas of Common Responsibility or any Private Amenity, (b) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water, and (c) remove trash and other debris therefrom and perform any such maintenance functions as provided in these Master Covenants. The Master Developer's rights and easements provided in this Section shall be transferred to the Master Owners' Association at the end of the Master Developer Control Period, or such earlier time as Master Developer may elect, in its sole discretion, to transfer such rights by a written Registered instrument. The Master Developer, the Master Owners' Association, and their designees shall have an access easement over and across any portion of Christophe Harbour, including any Unit, abutting or containing any portion of any lake, beach, lagoon, pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

13.9 Liability for Use of Easements. No Owner shall have a claim or cause of action against the Master Developer, its successors, assigns or designees, arising out of the exercise or non-exercise of any easement granted or reserved hereunder or in a Supplement, or shown on any Plan for Christophe Harbour, except in cases of willful or wanton misconduct.

13.10 Easement(s) for Special Events. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use the Common Elements for the purpose of

conducting educational, cultural, entertainment, or sporting events, and other activities of general Community interest at such locations and times as Master Developer, its successors, assigns and designees, in their sole discretion, deem appropriate. Each Owner, by accepting an Instrument of Transfer transferring any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

13.11 Rights to Stormwater Runoff, Effluent and Water Reclamation. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its successors, assigns and/or designees (which designees may include, without limitation, the owners of Private Amenities, the Master Owner's Association and/or utility providers, and their respective heirs, successors and/or assigns), all rights to ground water, surface water, storm water runoff, and effluent located or produced within Christophe Harbour, and each Owner agrees, by acceptance of an Instrument of Transfer for a Unit, that the Master Developer and its successors, assigns, and designees shall retain all such rights. Such rights shall include an easement over Christophe Harbour for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent.

13.12 Easement(s) for Public Park. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of the general public a non-exclusive, perpetual easement of access and use over all roadways located within Christophe Harbour reasonably necessary to travel between the entrance to Christophe Harbour and any public park located within Christophe Harbour.

13.13 Easement(s) for Landscaping, Walks, Trails and Signs. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself and the Master Owners' Association, and their respective successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use all land located along the interior of and within ten (10) feet of each boundary line of each Unit located adjacent to streets and roads, such lands to be bounded by such exterior boundaries adjacent to streets and roads and by lines in the interior of such Units which are exactly ten (10) feet from such exterior boundaries, for the installation, maintenance and use of landscaping, sidewalks, jogging trails, bike paths, golf cart paths, traffic directional signs and related improvements.

13.14 Easement(s) for Sales and Construction Offices. Notwithstanding any provisions or restrictions in these Master Covenants to the contrary, the Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its Affiliates and subsidiaries, and their respective successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use Christophe Harbour for the construction and maintenance of signs, sales offices, construction offices, business offices and model homes, together with such other facilities as in the sole opinion of the Master Developer may be reasonably required, convenient, or incidental to the completion, improvement, or sale of any Units, Common Elements or Additional Property, for so long as Master Developer owns any

Units primarily for the purpose of sale or has the option to add the Additional Property or any portion thereof during the Master Developer Control Period. The Master Developer shall have the right to locate the above-described sales and construction offices on or within any property owned by Master Developer and such location shall not require the consent of the Master Owners' Association, the Board, the DRB, any Owners or any other Persons.

13.15 Easement(s) for Master Developer. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, its successors, assigns and/or designees, during the Master Developer Control Period, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use the Common Elements for the purpose of constructing improvements in, to and on the Units, the Common Elements and the Additional Property and for installing, maintaining, repairing, and replacing such other improvements to Christophe Harbour (including portions of Common Elements) as are contemplated by these Master Covenants or as the Master Developer desires, in its sole discretion, including, any improvements or changes permitted by these Master Covenants, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall the Master Developer have the obligation to do any of the foregoing.

13.16 Easement(s) for Environmental Management. As described in Section 14.2 herein, the Master Developer may adopt an Environmental Management Plan. The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself and the Master Owners' Association, and their respective successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use all Units, Common Elements and all other property contained within Christophe Harbour to implement and perform the activities and functions as may be set forth in the Environmental Management Plan.

13.17 Easement(s) for Community Internet. The Master Developer hereby declares; grants, reserves and establishes to and for the benefit of itself and the Master Owners' Association, and their respective successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use each Unit and the Common Elements for the purpose of installing, maintaining and operating the telecommunications, entertainment and video and Community Technology as more fully described in Section 5.8 herein.

13.18 Filtered View Corridors; No View Easements. The Master Developer and/or the DRB may, in their sole and absolute discretion, at any time and from time to time establish certain setback requirements, height restrictions, natural area requirements, and other requirements, restrictions, limitations, rules and guidelines in order to provide filtered views or filtered view corridors over certain Units within Christophe Harbour for the benefit of certain other Units within Christophe Harbour, which requirements, restrictions, limitations, rules and guidelines may be set forth on a Plan prepared and approved by the Master Developer and Registered in the Public Records, or in these Master Covenants, or in a Supplement, or in the Design Guidelines, or in the Rules, or in another instrument, Registered or un-Registered, signed by the Master Developer; PROVIDED, however, and notwithstanding anything in these Master Covenants to the contrary, no view easements, express or implied, are either hereby or shall be

granted or transferred to any Owner in connection with the transfer of any Unit within Christophe Harbour. In accepting an Instrument of Transfer for a Unit from the Master Developer, the grantee-Owner shall be deemed to have acknowledged and agreed that Christophe Harbour constitutes an expandable project of the Master Developer, that the Club Facilities are (or may be) owned by the Master Developer or an Affiliate or subsidiary of the Master Developer, and are neither owned or operated by the Master Owners' Association, and that such grantee-Owner is acquiring no view easement over any other Unit or other property within Christophe Harbour.

CHAPTER 14: ADDITIONAL RELATIONSHIPS AND DISCLOSURES

14.1 Safety and Security. Owners and their guests and invitees shall be responsible for their own personal safety and the security of their property in Christophe Harbour, and Owners assume all risks of personal injury and loss or damage to their property, including Units and Unit contents, resulting from acts of third parties or otherwise. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all Occupants and invitees that the Master Owners' Association, the Board and its committees, the Master Developer and any predecessor of the Master Developer are not insurers or guarantors of security or safety and that each Person within Christophe Harbour assumes all risks of personal injury and loss or damage to property, including Units and the content of Units, resulting from acts of third parties or otherwise.

Pursuant to **Section 5.1** herein, the Master Owners' Association may, but shall not be obligated to, maintain or support certain activities within Christophe Harbour designed to enhance the level of safety or security within Christophe Harbour. However, no representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to Christophe Harbour or any portion thereof, cannot be comprised or circumvented, or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. The Master Owners' Association, the Master Developer, and the members, partners, Affiliates, subsidiaries, officers, directors, agents and employees of any of the foregoing, shall not in any way be considered insurers or guarantors of safety or security within Christophe Harbour, nor shall any be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

14.2 Environmental Management Plan. Christophe Harbour contains a number of manmade, natural, and environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including monkeys, insects, venomous and non-venomous snakes and other reptiles, and other animals, some of which may pose hazards to persons or pets coming in contact with them. Each Owner and every person entering Christophe Harbour (i) acknowledges that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movement within or through Christophe Harbour; and (ii) assumes all risk of personal injury arising from the presence of such plants and wildlife within Christophe Harbour.

The Master Developer reserves the right to establish an Environmental Management Plan for the control, removal or eradication of such plants and wildlife. By accepting an Instrument of Transfer for a Unit, each Owner agrees to abide by all terms and conditions of the Environmental

Management Plan. The Environmental Management Plan may specifically include provisions for culling and thinning of the wildlife within Christophe Harbour. The Environmental Management Plan may be changed in accordance with the same provisions for changing the Rules in Section 3.8 herein.

CHAPTER 15: MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in Christophe Harbour. The provisions of this Chapter apply to both these Master Covenants and to the By-Laws, notwithstanding any other provisions contained therein.

15.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Master Owners' Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of Christophe Harbour or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Master Covenants or By-Laws relating to such Unit or the Owner or Occupant which is not cured within sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Master Owners' Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

15.2 No Priority. No provision of these Master Covenants or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements.

15.3 Notice to Master Owners' Association. Upon request, each Owner shall be obligated to furnish to the Master Owners' Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

15.4 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Master Owners' Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Master Owners' Association's request, provided such request is delivered to the Mortgagee in person by hand delivery, by overnight

courier, by certified mail, return receipt requested, or such other manner which is reasonably calculated, as determined in the Board's discretion, to provide notice to the Mortgagee.

15.5 Construction of Chapter 15. Nothing contained in this Chapter shall be construed to reduce the percentage vote that must otherwise be obtained under the Master Covenants, By-Laws, or any applicable law for any of the acts set out in this Chapter.

CHAPTER 16: MASTER DEVELOPER'S RIGHTS

16.1 Right to Transfer or Assign Master Developer's Rights. Any or all of the special rights and obligations of the Master Developer set forth in these Master Covenants, the By-Laws or the other Governing Documents may be transferred in whole or in part to the Board or to other Persons. Upon any such transfer, the Master Developer shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Master Developer and duly Registered in the Public Records. The Master Developer may allow other Persons to exercise, on a one-time or limited basis, any Master Developer right without transferring the entire right and, in such case, a Registered instrument is not required.

16.2 Right to Develop. The Master Developer and anyone expressly authorized by the Master Developer may maintain and carry on upon portions of Christophe Harbour, including Common Elements, such facilities and activities as, in the sole opinion of the Master Developer, may be reasonably required, convenient, or incidental to the development of Christophe Harbour and/or the construction, sale and marketing of Units, including business offices, signs, model units, sales offices and related parking facilities. The Master Developer and its employees, agents and designees shall also have a right of access and use and an easement over and upon all of the Common Elements for the purpose of making, constructing, and installing such improvements to the Common Elements as it deems appropriate in its sole discretion.

16.3 Right to Approve Other Matters. No Person shall Register any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of Christophe Harbour without the Master Developer's review and written consent. Any attempted Registration without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Master Developer and Registered in the Public Records. No such instrument Registered by any Person, other than the Master Developer may conflict with these Master Covenants, the By-Laws or the other Governing Documents.

16.4 Right to Use Name; License Agreements. The name "Christophe Harbour" and all similar or derivative names along with all associated logos, are the proprietary trade names, trade marks, and service marks of the Master Developer and/or its Affiliates or subsidiaries. No Person shall use such trade names, trade marks, or service marks for advertising or any other purpose in any promotional material, whether printed, audio, video, or otherwise, in any signage, or in any logo or depiction without the prior written consent of the Master Developer. In addition, due to the integrated nature of Christophe Harbour as a planned community, and the public identification of the Units with Christophe Harbour, any name or "logo" to be used in connection with or displayed on any Unit, and any sales or other materials or documentation

related to the use of the Unit, shall be subject to the Master Developer's prior written consent. Such approval may be given or withheld in the Master Developer's sole and absolute discretion and may be subject to such terms and conditions as the Master Developer deems appropriate.

Notwithstanding the above, Owners may use the name "Christophe Harbour" where such term is used solely to specify that particular property is located within "Christophe Harbour" (subject, however, to such terms and conditions as the Master Developer may impose in order to protect its trade names, trade marks, and service marks) and the Master Owner's Association may use the word "Christophe Harbour" in its name. Any other use by the Master Owners' Association or any Owner is subject to the restrictions set out in this Section.

16.5 Right to Approve Changes in Christophe Harbour Standards. Notwithstanding any provision of these Master Covenants or the other Governing Documents to the contrary, no modification of, amendment of, or supplement to these Master Covenants, the By-Laws, any Rules or the Design Guidelines made during the Master Developer Control Period shall be effective without prior notice to and the written consent of the Master Developer.

16.6 Right to Approve Changes to this Chapter. This Chapter may not be amended without the written consent of the Master Developer. The rights contained in this Chapter shall terminate upon the later of (a) two (2) years after the expiration of the Master Developer Control Period, or (b) when the Master Developer, in its sole and absolute discretion, so determines and declares in an instrument Registered in the Public Records.

CHAPTER 17: PRIVATE AMENITIES

17.1 General. Neither membership in the Master Owners' Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Amenity. Rights to use the Private Amenities will be granted only to such Persons, and on such terms and conditions, as may be determined from time to time by the owner(s) of the Private Amenities. The owner(s) of the Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written membership agreements or other documents. Use rights in or membership in any Private Amenity may be available to the general public, as determined in the Private Amenity owner's sole and absolute discretion.

17.2 Operations; Transfer of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by or on behalf of the Master Developer, the Master Owners' Association, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership, operation, use, management, or membership structure of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the Registered owner of the Private Amenity or its designee. Further, the ownership, operation, use or management of the Private Amenities (or any portion of the Private Amenities) may change at any time by virtue of, among other things, the following: (a) the sale

to or assumption of operations or management of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; (c) the transfer of any Private Amenity to one or more Affiliates or subsidiaries, members, shareholders, employees, or independent contractors of the Master Developer; or (d) the operation of the Private Amenity as a commercial enterprise open to the public. No consent of the Master Owners' Association, any Neighborhood Association, any District Association or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

17.3 View Impairment. Neither the Master Developer, the Master Owners' Association, nor the owner of any Private Amenity, guarantees or represents that any view over or across any Private Amenity, the Common Elements or any public facilities from Units will be preserved without impairment. The owner of a Private Amenity shall have no obligation to relocate, prune or thin trees or other landscaping except as may otherwise be expressly provided in **Chapter 5** or elsewhere herein, the Design Guidelines, or in a separate written agreement between the owner of the Private Amenity and the Master Developer (or the Board, as the case may be). Further, the owner of a Private Amenity shall have the right, in their sole and absolute discretion, to add trees and other landscaping to the Private Amenities, the Common Elements or the public facilities from time to time, subject to the provisions of **Chapter 5** herein, the Design Guidelines and any separate written agreement between the owner of the Private Amenity and the Master Developer (or the Board, as the case may be). Subject to the terms of the Design Guidelines and any written agreements with the Master Developer (or the Board, as the case may be), the owner of any Private Amenity, which includes a golf course may change the location, configuration, size and elevation of the trees, bunkers, fairways and greens from time to time. Any such additions or changes may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

17.4 Golf Course. Except as authorized in writing by the Master Developer (or the Board, as the case may be) and the owner of any golf course located on or within a Private Amenity, no golf course located on or within a Private Amenity shall constitute or otherwise be considered a Common Element. No representations or warranties have been or are made by the Master Developer with regard to the continuing ownership or operation of any golf course and its facilities as may be depicted on a plan of survey or marketing display. No purported representation or warranty, written or oral, in such regard shall ever be effective without an amendment hereto executed jointly by the Master Developer (or Board, as the case may be) and the owner of the golf course.

By acceptance of an Instrument of Transfer for a Unit, each Owner acknowledges and agrees that owning property near or adjacent to a golf course has benefits as well as detriments and that the detriments include, among other things: (a) the risk of damage to property or injury to Persons and animals from golf balls which are hit onto an Owner's Unit or other portion of Christophe Harbour or arising from the design, construction, operation, maintenance and/or use of the golf course; (b) the entry by golfers onto an Owner's Unit or other portion of Christophe

Harbour utilized by the Owner to retrieve golf balls and/or other acts or omissions of Persons using the golf course; (c) overspray in connection with the watering of the roughs, fairways, greens and tees on the golf course; (d) noise from golf course personnel and/or maintenance and operation of equipment (including compressors, blowers, fans, mulchers, tractors, utility vehicles and pumps, all of which may be operated at all times of the day and night and/or continuously); (e) odors arising from irrigation and fertilization of the turf situated on the golf course; (f) disturbance and loss of privacy resulting from golf cart traffic and golfers; and (g) the existence of water hazards, ponds, and/or lakes on the golf course. Additionally, each Owner acknowledges that pesticides and chemicals may be applied to the golf course throughout the year and that reclaimed water, treated waste water or other sources of non-potable water may be used for irrigation of the golf course.

Each Owner assumes all such detriments and risks of owning property near or adjacent to a golf course and forever waives and relinquishes, and agrees not to institute any action or suit at law or in equity nor to institute or prosecute, any claim, demand or compensation against the Master Developer, any successor Master Developer, the Master Owners' Association or its Members (in their capacity as such), the owner(s) of the Private Amenities or their successors, successors-in-title, or assigns, any builder or contractor (in their capacities as such), any officer, director, member, manager or partner of any of the foregoing, or any officer, director, member, manager or partner of any partner of the foregoing for or on account of any damages, loss, or injury either to person or property, or both, resulting directly or indirectly from the design, construction, operation, maintenance, and/or use of the golf course. Each Owner hereby agrees to take any necessary steps to maintain adequate hazard and other insurance policies to protect such Owner and such Owner's family, guests, invitees, agents and employees against all such risks associated with the golf course.

That portion of any Unit within thirty (30) feet of the boundary line(s) of any golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect, owner or operator from time to time. All individual landscaping plans must be approved by the Master Developer and the DRB, before the implementation thereof.

The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, the owners of Private Amenities (including the Club) and the Master Owners' Association and their respective successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, under, within, through and across and right to use a "Golf Course Maintenance Easement Area" on each Unit adjacent to any golf course now or later part of Christophe Harbour or a Private Amenity. This reserved permanent easement shall permit, but shall not require the owner or operator of the golf course, the Master Developer or the Master Owners' Association, at their election, to go onto any Golf Course Maintenance Easement Area for maintenance, landscaping or repair purposes. Such maintenance and landscaping may include (i) regular removal of underbrush, trees less than six (6) inches in diameter, stumps, trash or debris; (ii) planting of grass, watering, application of fertilizer; and (iii) mowing the Golf Course Maintenance Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such property within thirty (30) feet of the boundary line(s) bordering any golf course, or such lesser area as may be shown as a "Golf Course Maintenance Area" on a Registered Plan of the Unit prepared or otherwise

approved by the Master Developer; PROVIDED, however, that the above described maintenance and landscaping rights shall apply to the entire Unit until a landscaping plan for such Unit has been filed by the Owner with the Master Developer, and approved by the Master Developer and the DRB, or alternatively, until a residence or other permanent improvements are constructed on such Unit.

The Master Developer hereby declares, grants, reserves and establishes to and for the benefit of itself, the owners of Private Amenities (including the Club) and the Master Owners' Association and their respective successors, assigns and/or designees, a non-exclusive, perpetual, transferable, transmissible, ~~appendant and appurtenant~~ easement and right to permit and authorize registered golf course players and their caddies to enter upon such Golf Course Maintenance Easement Area to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a residence or other permanent improvements are constructed and occupied, such easement shall be limited to that portion of the Golf Course Maintenance Easement Area necessary for the recovery of balls only, not play. Golfers or their caddies shall not be entitled to enter on any such Golf Course Maintenance Easement Area with a golf cart or other vehicle, shall not spend unreasonable time on such Golf Course Maintenance Easement Area or commit a nuisance while on such Golf Course Maintenance Easement Area. After construction of a residence or other permanent improvements on a Golf Course Maintenance Easement Area, "Out of Bounds" markers may be placed on said property at the expense of the Club or the owner, licensee, or operator of such golf course.

Owners of Units adjacent to the golf course shall refrain from any actions which would detract from the playing qualities of the golf course or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include such activities as playing music audible from the fairway, tee, or green areas, or burning trash on a Golf Maintenance Easement Area or Unit when the smoke would cross onto the fairway, and/or the maintenance of unfenced dogs or other pets on the Golf Course Maintenance Easement Area or Unit under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

Notwithstanding the provisions of this Section, the Master Developer hereby reserves the right to allow an Owner to construct a Dwelling Unit or other improvement over a portion of the "Golf Course Maintenance Easement Area" in those cases where the Master Developer, in its sole and absolute discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent golf course. In such cases the easement shall be deemed extinguished as to the area where such construction occurs.

17.5 Rights of Access and Parking. There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within Christophe Harbour reasonably necessary to travel between the entrance to Christophe Harbour and the Private Amenities and over those portions of Christophe Harbour (whether Common Elements or otherwise) reasonably necessary to the use, operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private

Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within Christophe Harbour at reasonable times before, during, and after special events, tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenities have insufficient parking to accommodate such vehicles.

17.6 Covenant to Share Costs. The Master Developer and/or the Master Owners' Association may enter into a contractual arrangement or Covenant to Share Costs with any Private Amenity obligating the Private Amenity or the Master Owners' Association to contribute funds for, among other things, shared property or services and/or a higher level of Common Elements maintenance.

17.7 Use Restrictions. Upon request of the owner of any Private Amenity, the Master Owners' Association shall enforce its use restrictions and rules against any Owner or Occupant violating such regulations within such Private Amenity, including, but not limited to, the exercise of the Master Owners' Association's self-help rights for violation of sign and pet restrictions.

17.8 Limitations on Amendments. During the Master Developer Control Period, the Master Developer may amend this Chapter in its sole and absolute discretion. After the expiration of the Master Developer Control Period, in recognition of the fact that the provisions of this Chapter are for the benefit of the Private Amenity, no amendment to this Chapter, and no amendment in derogation of any other provisions of these Master Covenants benefiting any Private Amenity, may be made without the prior written approval of the owner(s) of the affected Private Amenity.

17.9 Jurisdiction and Cooperation. It is Master Developer's intention that the Master Owners' Association and the Private Amenities shall cooperate to the maximum extent possible in the operation of Christophe Harbour and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines.

CHAPTER 18: DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

18.1 Agreement to Encourage Resolution of Disputes Without Litigation.

(a) The Master Developer, the Master Owners' Association and its officers, directors and committee members, all Persons subject to these Master Covenants, and any Person not otherwise subject to these Master Covenants who agrees to submit to this Chapter (collectively, the "**Bound Parties**"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving Christophe Harbour without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in **Section 18.1(b)** herein, unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in **Section 18.2** herein in a good faith effort to resolve such Claim.

(b) As used in this Chapter, the term "**Claim**" shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations and duties of any Bound Party under the Governing Documents; and/or

(iii) the design or construction of improvements within Christophe Harbour, other than matters of aesthetic judgment under Chapter 4 herein, which shall not be subject to review.

~~(c) The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 18.2 herein:~~

(i) any suit by the Master Developer or the Master Owners' Association to enforce a right or easement or to collect assessments or other amounts due from any Owner;

(ii) any suit by the Master Developer or the Master Owners' Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as a court enforcing applicable law may deem necessary in order to maintain the status quo and preserve the Master Developer's or the Master Owners' Association's ability to enforce the provisions of Chapter 3 herein;

(iii) any suit between Owners, which does not include the Master Developer or the Master Owners' Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iv) any dispute which affects the material rights or obligations of a party who is not a Bound Party and has not agreed to submit to the procedures set forth in Section 18.2 herein; and/or

(v) any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 18.2 herein, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Chapter.

18.2 Dispute Resolution Procedures.

(a) The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim;

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the notice described herein (or within such other period as the parties may agree upon), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Master Owners' Association (if the Master Owners' Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Federation of St. Christopher and Nevis area, if available.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Parties do not settle the Claim within thirty (30) days after submission of the matter to mediation or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees charged by the mediator.

(d) Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including reasonable attorneys' fees and court costs.

18.3 Initiation of Litigation by Master Owners' Association. In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Master Owners' Association shall not initiate any judicial or administrative proceeding unless first approved by upon the affirmative vote of the Members representing at least sixty-seven percent (67%) of the votes in the Master Owners' Association entitled to vote on the matter and present

(in person or by proxy) at a duly called meeting of the Members at which a quorum exists, except that no such approval shall be required for actions or proceedings:

(a) initiated to enforce the provisions of these Master Covenants, including collection of assessments and enforcement of liens;

(b) initiated to challenge ad valorem taxation or condemnation proceedings;

(c) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or

(d) to defend claims filed against the Master Owners' Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

CHAPTER 19: MANDATORY MEMBERSHIP AT THE CHRISTOPHE HARBOUR CLUB

19.1 Mandatory Membership in the Club. Each Person who desires to own a Residential Lot or Dwelling Unit in the Community must be approved for membership in the Club and acquire at least a Christophe Membership (as defined in the Club Documents) to own a Residential Lot or Dwelling Unit in the Community. If, however, a Residential Lot or Dwelling Unit is owned by multiple Persons, only one membership is required and the membership may be held by any of the co-Owners of the property. The application for membership must be completed and submitted to the Club at least thirty (30) days before the closing of the purchase of the Residential Lot or Dwelling Unit in the Community and acquisition of the membership must be completed on or before closing of the purchase of the Residential Lot or Dwelling Unit. If a Person acquires two or more Residential Lots or Dwelling Units in the Community, the purchaser must acquire at least a Christophe Membership for each Residential Lot or Dwelling Unit. Each owner must acquire at least a Christophe Membership for each Residential Lot or Dwelling Unit owned and maintain the membership in good standing as long as the owner owns the Residential Lot or Dwelling Unit, provided that a Person who owns multiple memberships may keep all but one of the memberships inactive if and as provided in the Club Documents. Unless otherwise provided by the Club Documents, a maximum of three (3) Club Memberships may be acquired by the Owners of a single Residential Lot or Dwelling Unit in the Community.

19.2 Covenant Running with the Land. Any Person who desires to acquire a Residential Lot or Dwelling Unit within the Community should carefully read the Club Documents. Every Owner of a Residential Lot or Dwelling Unit within the Community, by such Owner's acceptance of an Instrument of Transfer for such Residential Lot or Dwelling Unit, shall automatically assume and agree to be bound by all of the terms and conditions of the Club Documents, including the obligation to pay a membership deposit, Club dues, fees and charges as set forth therein, while such Person remains an Owner of such Residential Lot or Dwelling Unit. This covenant shall run with the land.

19.3 Resignation and Transfer of Club Memberships.

(a) Unless a Residential Lot or Dwelling Unit is owned jointly by another Club Member in good standing, a Club Membership held by a Residential Lot or Dwelling Unit Owner may not be resigned as long as the Club Member owns such property and the Owner must continue to pay all dues and other charges to the Club for his Club Membership until his or her Residential Lot or Dwelling Unit is transferred to a new Owner.

(b) Each time a Residential Lot or Dwelling Unit in the Community is sold or transferred, the Person desiring to acquire the property must be approved by the Club. The Club Membership previously held by the seller of the property will be transferred by the Club to the new Owner of the property unless the Person desiring to acquire the property is not approved by the Club. If approved, the Person acquiring the property will acquire the resigned Club Membership (or a higher category of membership, if requested and available) by paying to the Club the then-current membership deposit and/or other fees charged by the Club for the membership.

(c) If the Person desiring to acquire the Residential Lot or Dwelling Unit is not approved for membership by the Club, such Person may not acquire the property, the current Owner may not sell, transfer or otherwise convey the property to such Person, and any such sale, transfer or other conveyance in violation of this Chapter 19, the other provisions of these Master Covenants or the Club Documents shall be null and void and may be set aside by the Master Developer, the Master Owners' Association and/or the Club.

(d) Further, any sale, transfer or other conveyance of any interest in a Residential Lot or Dwelling Unit as a result of separation, divorce or death of the Owner thereof, in violation of this Chapter 19, the other provisions of these Master Covenants or the Club Documents shall also be null and void and may be set aside by the Master Developer, the Master Owners' Association and/or the Club.

(e) In the event a Mortgagee takes title to a Residential Lot or Dwelling Unit in Christophe Harbour pursuant to a foreclosure sale or by deed or other Instrument of Transfer in lieu of foreclosure, the requirement for mandatory membership in the Club as set forth herein may be suspended by the Master Developer; in its sole discretion. However, the mandatory membership requirement shall be suspended only for such period of time that such Mortgagee holds Registered title to the subject Residential Lot or Dwelling Unit, and shall immediately be reinstated upon the transfer thereof by the Mortgagee to a third party who satisfies the requirements set forth in this Chapter 19.

19.4 Right to Assess Specific Assessments for Club Dues and Other Charges. In recognition of the Master Developer's intent to establish a unique community of Units owned by Club Members and the enhanced economic benefit that both the Master Owners' Association and the Club will realize from such development plan, upon acceptance of an Instrument of Transfer for a Residential Lot or Dwelling Unit, each Owner thereof hereby agrees that the Master Owner's Association shall have the power and may elect, in its discretion, at any time and from

time to time to levy Specific Assessments against a particular Residential Lot or Dwelling Unit to cover all dues, fees and other charges due by the Owner of such Residential Lot or Dwelling Unit to the Club. The Board shall not be required to give a Unit Owner any notice, written or otherwise, or an opportunity for a hearing before levying any such Specific Assessment.

19.5 Owner's Acknowledgment and Notice to Purchasers. All Owners, occupants and prospective purchasers of Units within Christophe Harbour are hereby given notice of the mandatory membership requirement at the Club. Each Owner, occupant and prospective purchaser of a Unit within Christophe Harbour, by acceptance of an Instrument of Transfer for a Unit or entering into a contract for the purchase of a Unit, acknowledges the terms and conditions of this Chapter, these Master Covenants, the Club Documents and the other Governing Documents and agrees to abide thereby. Each Owner of a Unit shall inform all occupants and prospective purchasers of the Unit, but failure to do so shall not affect or reduce the validity or enforceability of this **Chapter 19** or any other provisions of these Master Covenants, the Club Documents or the other Governing Documents.

19.6 Club Rights are Assignable. The rights reserved and/or granted to the Club under these Master Covenants are intended to be an appurtenance to the operation of the Club. Accordingly, all such rights are freely assignable by the Club only to a successor licensee, owner, or operator of the Club Facilities at Christophe Harbour, and only with the prior, written consent of the Master Developer, its successors and/or assigns.

19.7 Master Developer and Master Owners' Association Not Responsible for Club Facilities. Nothing contained in these Master Covenants shall be deemed to mean that the Master Developer or the Master Owners' Association is responsible for the maintenance and/or operation of the Club Facilities nor for any Club determination as to membership issues.

CHAPTER 20: GENERAL PROVISIONS

20.1 Duration.

(a) Unless terminated as expressly provided herein or elsewhere, these Master Covenants and, except as may otherwise be expressly provided in the particular Governing Document, the other Governing Documents shall have perpetual duration. If applicable law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, these Master Covenants and, except as may otherwise be expressly provided in the particular Governing Document, the other Governing Documents shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of these Master Covenants or the other Governing Documents shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) These Master Covenants and, except as may otherwise be expressly provided in the particular Governing Document, the other Governing Documents may not be terminated within fifty (50) years of the date of Registration of these Master Covenants without

the written consent of the Master Developer, which consent, if any, must be Registered in the Public Records. Thereafter, these Master Covenants and, except as may otherwise be expressly provided in the particular Governing Document, the other Governing Documents may be terminated only by an instrument signed by Owners of at least eighty percent (80%) of the total Units within Christophe Harbour and by the Master Developer, if the Master Developer owns any portion of Christophe Harbour, which instrument is Registered in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in these Master Covenants or the other Governing Documents without the consent of the holder of such easement.

20.2 Amendments.

(a) By Master Developer.

(i) In addition to any specific amendment rights granted elsewhere in these Master Covenants or a Supplement, as the case may be, during the Master Developer Control Period, the Master Developer may unilaterally amend these Master Covenants and, except as may otherwise be expressly provided in the particular Supplement, any Supplement for any purpose at any time and from time to time without the necessity or requirement of having to obtain the joinder or consent of the Master Owners' Association or any Members or Owners, or their respective Mortgagees or other chargees.

(ii) The Master Developer, its successors and assigns, shall have the exclusive right, power and authority to unilaterally amend these Master Covenants and, except as may otherwise be expressly provided in the particular Supplement, any Supplement, as the case may be, for any one or more of the following purposes at any time and from time to time (whether during or after the Master Developer Control Period) without the necessity or requirement of having to obtain the joinder or consent of the Master Owners' Association or any Members or Owners, or their respective Mortgagees or other chargees:

(A) to bring any provision into compliance with any applicable governmental statute, rule, regulation, judicial determination, or agreement;

(B) to cure any ambiguity or to correct or supplement any provisions that are defective, missing or inconsistent with any other provisions herein;

(C) to grant, create, modify, terminate, or otherwise amend easements over the Common Elements or any portion thereof, or any adjacent land, in order to provide access or utility services or other necessary services or rights;

(D) to modify the description or boundaries of any Unit owned by the Master Developer or any consenting Owner;

(E) to correct any typographical, scrivener's, or surveyors errors or any error of like nature;

(F) to enable any reputable title insurance company to issue title insurance coverage with respect to any properties subject to these Master Covenants;

(G) to comply with any requirement of an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on any properties subject to these Master Covenants;

(H) to enable any governmental agency or reputable private insurance company to insure Mortgages on the properties or other improvements subject to these Master Covenants; and/or

(I) for any other purposes now or hereafter permitted under the
~~Act or other applicable law.~~

(iii) In addition to amendments described above, the Master Developer may at any time (whether during or after the Master Developer Control Period) and from time to time unilaterally amend these Master Covenants and, except as may otherwise be expressly provided in the particular Supplement, any Supplement as to portions of Christophe Harbour owned by the Master Developer, if necessary, for the exercise of any development right and, further, for any other purpose without the necessity or requirement of having to obtain the joinder or consent of the Master Owners' Association or any Members or Owners, or their respective Mortgagees or other chargees.

(iv) Any amendment made pursuant to this **Section 20.2(a)** shall be in writing, signed by the Master Developer, and shall be effective only upon it being Registered in the Public Records or at such later date as may be specified in the amendment itself. Each Owner, by the acceptance and Registration of an Instrument of Transfer to his property, agrees for himself, and his successors in title to such property, to be bound by such amendments as are permitted by this **Section 20.2(a)**.

(b) By Members.

(i) In addition to the Master Developer's rights to amend as set forth above, these Master Covenants and, except as may otherwise be provided in the particular Supplement, any Supplement may be amended at any time upon (A) the affirmative vote of Members who are Owners of at least sixty-seven percent (67%) of the total Units within Christophe Harbour, or (B) the written consent of Owners of at least sixty-seven percent (67%) of the total Units within Christophe Harbour.

(ii) Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(iii) If any proposed amendment to these Master Covenants or a Supplement, as the case may be, is approved by the required percentage of Members or Owners, as the case may be, as set forth in this **Section 20.2(b)**, and, when required, the Master Developer and/or the Class "E" Member, such amendment shall be in writing, signed by the President (or other duly authorized office) of the Master Owners' Association, and shall be effective only upon it being Registered in the Public Records or at such later date as may be specified in the amendment itself. Each Owner, by the acceptance and Registration of an Instrument of Transfer

to his property, agrees for himself, and his successors in title to such property, to be bound by such amendments as are permitted by this **Section 20.2(b)**.

(c) During the Master Developer Control Period, no amendment to these Master Covenants or any Supplement shall be made, or effective, without the prior written consent of the Master Developer and, if expressly required hereunder, the Class "E" Member.

(d) After the Master Developer Control Period, no amendment to these Master Covenants or any Supplement shall be made, or effective, without the prior written consent of the Class "E" Member, if expressly required hereunder.

(e) Validity and Effective Date. Any amendment to these Master Covenants or any Supplement shall become effective upon Registration in the Public Records unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one (1) year of its Registration or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Master Covenants. No amendment may remove, revoke, or modify any right or privilege of the Master Developer, the Class "E" Member or the Class "F" Member without the written consent of the Master Developer, the Class "E" Member or the Class "F" Member, respectively (or the assignee of such right or privilege).

If a Member or Owner, as the case may be, consents to any amendment to these Master Covenants, the By-Laws or a Supplement, it will be conclusively presumed that such Member or Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Member or Owner and a third party will affect the validity of such amendment.

20.3 Severability. Any provision of these Master Covenants, in whole or in part, that is held to be illegal, invalid, unenforceable, or prohibited in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity, unenforceability, or prohibition and the remainder of these Master Covenants shall remain in full force and effect and shall not be affected by the illegal, invalid, unenforceable, or prohibited provision or by its severance from these Master Covenants. Any aforementioned illegality, invalidity, unenforceability, or prohibition in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, each Owner hereby waives any provision of law that renders any such provision prohibited or unenforceable in any respect.

20.4 Non-Merger. Notwithstanding the fact that the Master Developer is the current owner of Christophe Harbour, it is the express intention of the Master Developer that the easements established in these Master Covenants for the benefit of Christophe Harbour and Developer or its successor, but that the estates of the Master Developer and individual Owners shall remain as separate and distinct estates. Any transfer of all or a portion of Christophe Harbour shall be subject to the terms and provisions of these Master Covenants, regardless of whether the Instrument of Transfer refers to these Master Covenants.

20.5 Grants. The parties hereby declare that these Master Covenants, and the easements created herein shall be and constitute covenants running with the land and Units in Christophe Harbour. The grants of easements in these Master Covenants are independent of any covenants and contractual agreements undertaken by the parties in these Master Covenants and a breach of either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted in these Master Covenants.

20.6 Cumulative Effect; Conflict. The provisions of these Master Covenants shall be cumulative with any additional covenants, restrictions, and declarations applicable to any ~~Neighborhood (or District, as the case may be), and the Master Owners' Association may, but shall not be required to, enforce the covenants, conditions, and provisions applicable to any Neighborhood (or District, as the case may be);~~ PROVIDED, however, in the event of a conflict between or among these Master Covenants and such covenants or restrictions, and/or the provisions of any by-laws, rules, policies, or practices adopted or carried out pursuant thereto, these Master Covenants, the By-Laws, and use restrictions and rules of the Master Owners' Association shall prevail over those of any Neighborhood (or District, as the case may be). The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Master Owners' Association. Nothing in this Section shall preclude any Supplement or other Registered declaration, covenants and restrictions applicable to any portion of Christophe Harbour from containing additional restrictions or provisions which are more restrictive than the provisions of these Master Covenants, and the Master Owners' Association shall have the standing and authority to enforce the same.

20.7 Construction. Unless the context of these Master Covenants otherwise clearly require, (a) references to the plural include the singular, and references to the singular include the plural, (b) references to any gender include the other genders, (c) the words "include," "includes" and "including" do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation", (d) the term "or" has the inclusive meaning represented by the phrase "and/or", (e) the terms "hereof", "herein", "hereunder", "hereto" and similar terms in these Master Covenants refer to these Master Covenants as a whole and not to any particular provision of these Master Covenants, (f) the terms "day" and "days" mean and refer to calendar day(s) and (g) the terms "year" and "years" mean and refer to calendar year(s). Unless otherwise set forth herein, references in these Master Covenants to (i) any document, instrument or agreement (including these Master Covenants) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from means such law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time. All Chapter, Section, Exhibit and Schedule references herein are to Chapters, Sections, Exhibits and Schedules of these Master Covenants, unless otherwise specified.

20.8 Compliance. Every Owner and Occupant of any Unit shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Master Développeur, the Club, the Master Owners' Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Master Owners' Association herein.

20.9 Repurchase Option. The Master Developer hereby reserves unto itself and its successors and assigns the right and option to purchase any Unit within Christophe Harbour that is offered for sale by the Owner thereof, such option to be at the price and on the terms and conditions of any bona fide offer for such Unit that is acceptable to such Owner and that is made in writing to such Owner by a third party. Upon the receipt of any such offer by an Owner, such Owner shall promptly submit a copy of the same to the Master Developer, and the Master Developer shall have a period of thirty (30) days from and after the presentation of such offer to the Master Developer in which to exercise its repurchase option by giving such Owner written notice of such exercise. If the Master Developer fails to respond or to exercise such repurchase option within said thirty (30) day period, the Master Developer shall be deemed to have waived such repurchase option. If the Master Developer declines to exercise such option, the Master Developer shall execute an instrument evidencing its waiver of its repurchase option as to that particular proposed sale, which instrument shall be in a form able to be Registered; PROVIDED, however, the repurchase option granted to and reserved by the Master Developer under this Section shall be a continuing repurchase option and shall apply to any and all subsequent proposed sales of a Unit by the Owner thereof or by any subsequent Owner thereof, and any such waiver of its repurchase option by the Master Developer shall only apply to that particular proposed sale and shall not terminate the Master Developer's repurchase option under this Section as to any subsequent proposed sale of a Unit by the Owner thereof or by any subsequent Owner thereof. In the event that the Master Developer does not exercise its repurchase option and such sale to a third party is not consummated on such terms within six (6) months of the date in which the offer is transmitted to the Master Developer, the terms and limitations of this **Section 20.9** shall again be imposed upon any sale by such Owner. If the Master Developer shall elect to purchase such Unit, the transaction shall be consummated within sixty (60) days following delivery of written notice by the Master Developer to such Owner of the Master Developer's decision to so purchase such Unit.

20.10 Exhibits. The Exhibits attached to these Master Covenants are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of **Section 20.2** herein. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of these Master Covenants which refer to such exhibits.

20.11 Currency. Unless otherwise expressly provided, all Assessments and other sums due and payable to the Master Developer, the Master Owners' Association and/or other Persons under these Master Covenants and the other Governing Documents shall be due and payable in lawful currency of the United States of America.

20.12 Notices. Except as otherwise provided in these Master Covenants or by law, all notices, demands, bills (other than Assessment notices), statements, or other communications under these Master Covenants shall be in writing and shall be delivered as provided in **Section 9.4** of the By-Laws.

20.13 By-Laws Certification. The Master Developer hereby certifies that the By-Laws attached as Exhibit "D" to these Master Covenants constitute the current By-Laws of the Master Owners' Association as of the date hereof, which shall take effect immediately on Registration of these Master Covenants in the Public Records.

[The remainder of this page was intentionally left blank; signature(s) on next page(s)]

IN WITNESS WHEREOF, the Master Developer has hereunto affixed its hands and seal on the 29th day of December, 2008.

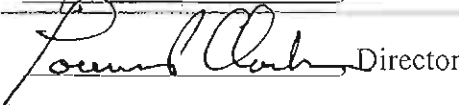
The Common Seal of CHRISTOPHE HARBOUR)

DEVELOPMENT COMPANY LIMITED was)

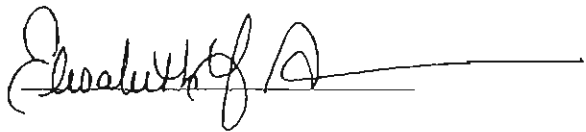
hereunto affixed by Charles P. Darby, III, Director,))

 Director

in the presence of Townsend P. Clarkson, Director,))

 Director

Before and in the presence of:)



Elisabeth F. Nimmons

NOTARY PUBLIC for State of South Carolina, United States of America

My Commission Expires: 1-19-2011

(Signature and Seal)

A. D. 2008

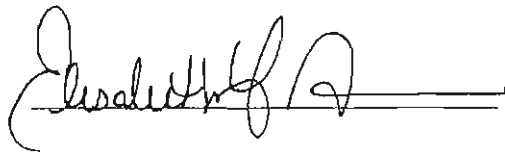
NOTARIAL CERTIFICATE

I, Elisabeth F. Nimmons of 2 North Adger's Wharf, Charleston, South Carolina, USA 29401,

HEREBY CERTIFY that on the 29TH day of December, 2008 PERSONALLY came and appeared before me **Charles P. Darby, III**, and **Townsend P. Clarkson**, two Directors of **CHRISTOPHE HARBOUR DEVELOPMENT COMPANY LIMITED**, who in my presence duly executed the foregoing **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHRISTOPHE HARBOUR** for and on behalf of the said Company.

AND the names or signatures "**Charles P. Darby, III**" and "**Townsend P. Clarkson**" appearing on the said document are in the true and proper handwriting of the said **Charles P. Darby, III**, and **Townsend P. Clarkson**.

GIVEN under my hand and Seal of Office this 29TH day of December, 2008.



Elisabeth F. Nimmons

NOTARY PUBLIC for State of South Carolina, United States of America

My Commission Expires: 1-19-2011

(Signature and Seal)

EXHIBIT "A"

TO

MASTER COVENANTS

Description of the Sandy Bank Bay Property

ALL THAT parcel of land situated, lying and being at Sandy Bank Bay, on the Southeast Peninsula in the Parish of Saint George, in the Island of Saint Christopher, containing seventy and eighty-three hundredths (70.83) acres and being more fully shown on a plan prepared by Dwight C. Francis, Licensed Land Surveyor, titled "PLAN SHOWING A SURVEY OF THE SANDY BANK BAY & HILLSIDE PARCEL" and dated the 29th day of September 2008, and bounded and measuring as follows, that is to say, on the North by the lands of KHT Land Holdings Limited as shown on said plan; on the Northeast by Sandy Bank Bay as shown on said plan; on the East by the lands of KHT Land Holdings Limited as shown on said plan; on the South and Southwest by the Dr. Kennedy A. Simmonds Highway as shown on said plan; on the West by the lands of KHT Land Holdings Limited as shown on said plan, and being described by the following metes and bounds to wit:

Beginning at a corner set along the eastern edge of Dr. Kennedy A. Simmonds Highway;

thence N 25°23'01" W a distance of 1533.45' to a corner set;

thence N 25°35'11" W a distance of 78.30' to a corner set;

thence N 25°10'24" W a distance of 40.20' to a corner set;

thence 1200.61' along the arc of a curve turning to the left,
having a radius of 843.79', a chord bearing of N 68°04'14" W,
and a chord length of 1101.87' to a corner set;

thence S 71°03'53" W a distance of 684.34' to a corner set;

thence S 69°51'40" W a distance of 40.02' to a corner set;

thence S 70°41'21" W a distance of 407.05' to a corner set;

thence N 23°21'12" W a distance of 210.29' to a corner set;

thence N 58°37'32" E a distance of 140.36' to a corner set;

thence N 34°32'55" W a distance of 136.64' to a corner set;

thence N 36°49'19" E a distance of 299.16' to a corner set;

thence S 51°44'10" E a distance of 51.64' to a corner set;

thence S 01°58'32" W a distance of 183.85' to a corner set;

thence 20.28' along the arc of a curve turning to the right,
having a radius of 80.03', a chord bearing of S 80°17'23" E,
and a chord length of 20.23' to a corner set;

thence 6.11' along the arc of a curve turning to the left,

having a radius of 40.02', a chord bearing of S 77°24'03" E,
and a chord length of 6.10' to a corner set;

thence N 01°36'30" E a distance of 214.39' to a corner set;
thence N 15°56'55" W a distance of 38.36' to a corner set;
thence N 25°17'16" E a distance of 131.40' to a corner set;
thence N 08°55'31" W a distance of 176.11' to a corner set;
thence N 77°21'40" E a distance of 306.50' to a corner set;
thence S 12°01'24" W a distance of 82.07' to a corner set;
thence S 77°58'36" E a distance of 40.02' to a corner set;

thence 59.46' along the arc of a curve turning to the left,
having a radius of 80.03', a chord bearing of S 09°15'43" E,
and a chord length of 58.10' to a corner set;

thence S 30°32'50" E a distance of 26.24' to a corner set;

thence 82.49' along the arc of a curve turning to the right,
having a radius of 270.10', a chord bearing of S 21°47'52" E,
and a chord length of 82.17' to a corner set;

thence 32.98' along the arc of a curve turning to the left,
having a radius of 25.01', a chord bearing of S 50°49'17" E,
and a chord length of 30.64' to a corner set;

thence S 88°35'41" E a distance of 17.80' to a corner set;

thence 9.91' along the arc of a curve turning to the left,
having a radius of 230.09', a chord bearing of S 89°49'42" E,
and a chord length of 9.91' to a corner set;

thence N 30°19'58" W a distance of 172.49' to a corner set;
thence N 32°45'46" E a distance of 25.24' to a corner set;
thence S 78°43'20" E a distance of 196.84' to a corner set;
thence N 74°45'42" E a distance of 119.58' to a corner set;
thence S 67°39'40" E a distance of 125.55' to a corner set;
thence N 73°45'16" E a distance of 87.61' to a corner set;
thence S 50°00'50" E a distance of 142.29' to a corner set;
thence N 66°08'29" E a distance of 32.04' to a corner set;
thence N 50°42'53" W a distance of 129.72' to a corner set;
thence N 12°50'37" E a distance of 51.06' to a corner set;
thence N 75°58'16" E a distance of 116.23' to a corner set;
thence N 74°17'54" E a distance of 139.73' to a corner set;
thence N 78°16'04" E a distance of 93.10' to a corner set;
thence S 73°54'56" E a distance of 63.76' to a corner set;
thence S 76°40'39" E a distance of 120.05' to a corner set;

thence N 82°14'11" E a distance of 129.23' to a corner set;
thence S 73°50'16" E a distance of 150.38' to a corner set;
thence S 89°37'10" E a distance of 152.54' to a corner set;
thence S 35°59'19" E a distance of 87.75' to a corner set;
thence N 72°13'57" E a distance of 50.24' to a corner set;
thence N 55°38'39" E a distance of 228.36' to a point;
thence S 27°58'48" E a distance of 30.20' to a point;
thence S 26°36'31" E a distance of 100.96' to a point;
thence S 37°19'23" E a distance of 103.21' to a point;
thence S 37°21'47" E a distance of 89.11' to a point;
thence S 41°45'20" E a distance of 91.49' to a point;
thence S 47°32'32" E a distance of 83.41' to a point;
thence S 48°40'04" E a distance of 85.86' to a point;
thence S 57°00'51" E a distance of 73.93' to a point;
thence S 66°25'58" E a distance of 96.44' to a point;
thence S 73°13'36" E a distance of 85.89' to a point;
thence S 80°35'06" E a distance of 107.35' to a point;
thence S 82°52'08" E a distance of 118.71' to a point;
thence S 87°58'05" E a distance of 139.30' to a point;
thence S 24°00'32" W a distance of 149.42' to a corner set;
thence S 24°00'32" W a distance of 313.59' to a corner set;
thence N 76°26'09" W a distance of 70.19' to a corner set;
thence S 40°43'31" W a distance of 39.48' to a corner set;
thence S 19°56'55" W a distance of 71.79' to a corner set;

thence 21.36' along the arc of a curve turning to the left,
having a radius of 11.00', a chord bearing of S 35°39'23" E,
and a chord length of 18.16' to a corner set;

thence 64.01' along the arc of a curve turning to the left,
having a radius of 875.34', a chord bearing of N 86°38'38" E,
and a chord length of 63.99' to a corner set;

thence 37.49' along the arc of a curve turning to the right,
having a radius of 225.09', a chord bearing of N 89°19'15" E,
and a chord length of 37.45' to a corner set;

thence S 19°48'38" W a distance of 52.56' to a corner set;

thence 14.90' along the arc of a curve turning to the left,
having a radius of 175.07', a chord bearing of S 86°59'17" W,
and a chord length of 14.90' to a corner set;

thence 121.90' along the arc of a curve turning to the right,
having a radius of 925.36', a chord bearing of S 88°19'22" W,
and a chord length of 121.81' to a corner set;

thence 38.37' along the arc of a curve turning to the left,
having a radius of 20.01', a chord bearing of S 37°09'07" W,
and a chord length of 32.76' to a corner set;

thence S 17°47'33" E a distance of 132.30' to a corner set;

thence 177.27' along the arc of a curve turning to the right,
having a radius of 270.10', a chord bearing of S 01°00'32" W,
and a chord length of 174.10' to a corner set;

thence S 19°48'38" W a distance of 380.39' to a corner set;

thence 189.63' along the arc of a curve turning to the left,
having a radius of 100.04', a chord bearing of S 34°29'40" E,
and a chord length of 162.49' to a corner set;

thence S 88°47'57" E a distance of 230.60' to a corner set;

thence 100.75' along the arc of a curve turning to the right,
having a radius of 70.03', a chord bearing of S 47°34'58" E,
and a chord length of 92.28' to a corner set;

thence S 06°21'58" E a distance of 65.72' to a corner set;

thence 80.70' along the arc of a curve turning to the right,
having a radius of 145.06', a chord bearing of S 09°34'20" W,
and a chord length of 79.67' to a corner set;

thence S 25°30'38" W a distance of 78.82' to a corner set;

thence 78.65' along the arc of a curve turning to the right,
having a radius of 220.08', a chord bearing of S 35°44'56" W,
and a chord length of 78.24' to a corner set;

thence S 45°59'14" W a distance of 112.74' to a corner set;

thence S 33°35'33" E a distance of 196.75' to a corner set;

thence S 74°09'07" W a distance of 172.07' to a corner set;

thence S 87°36'54" W a distance of 53.94' to a corner set;

thence N 65°16'41" W a distance of 61.20' to a corner set;

thence N 31°27'42" W a distance of 75.96' to a corner set;

thence S 67°03'47" W a distance of 85.67' to the Point of Beginning.

EXHIBIT "B"

TO

MASTER COVENANTS

Boundary Plan of the Sandy Bank Bay Property

See attached plan prepared by Dwight C. Francis, Licensed Land Surveyor, titled "PLAN SHOWING A SURVEY OF THE SANDY BANK BAY & HILLSIDE PARCEL" and dated the 29th day of September 2008.

Planned Community site
 Registered this 26th day of January, 2019
 Page 1 of 1

REGISTERED
 JAN 25 2019
 11:01 AM
 SAUNDERS

PLAN SHOWING
 SANDY BANK BAY
 CONT

SITUATE A
 IN THE PARISH OF
 MEAN HIGH WATER LINE THE LINE

LANDS OF
 RPT LAND HOLDINGS LIMITED
 (FUTURE DEVELOPMENT)

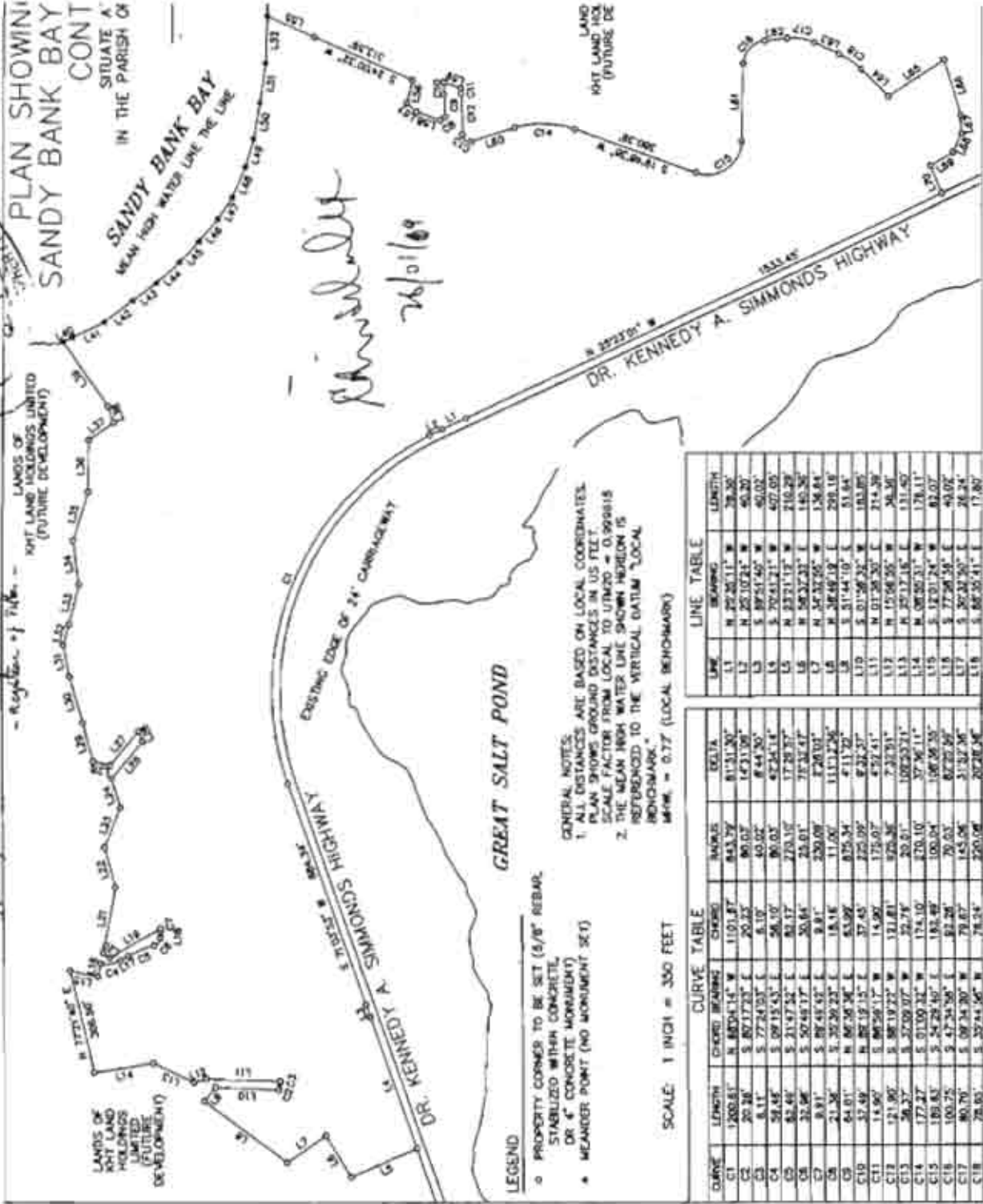
REGISTRATION OF TITLE

LANDS OF
 RPT LAND HOLDINGS LIMITED
 (FUTURE DEVELOPMENT)

LANDS OF
 RPT LAND HOLDINGS LIMITED
 (FUTURE DEVELOPMENT)

LANDS OF
 RPT LAND HOLDINGS LIMITED
 (FUTURE DEVELOPMENT)

LANDS OF
 RPT LAND HOLDINGS LIMITED
 (FUTURE DEVELOPMENT)



GREAT SALT POND

LEGEND
 ○ PROPERTY CORNER TO BE SET (5/8" REBAR,
 STABILIZED WITH CONCRETE,
 OR 4" CONCRETE MONUMENT)
 * MEANDER POINT (NO MONUMENT SET)

GENERAL NOTES:
 1. ALL DISTANCES ARE BASED ON LOCAL COORDINATES.
 PLAN SHOWS GROUND DISTANCES IN US FEET.
 SCALE FACTOR FROM LOCAL TO UTM = 0.999818
 2. THE MEAN HIGH WATER LINE SHOWN HEREON IS
 REFERENCED TO THE VERTICAL DATUM "LOCAL
 BENCHMARK."
 M.S.M. = 0.77 (LOCAL BENCHMARK)

SCALE: 1 INCH = 300 FEET

CURVE TABLE			LINE TABLE					
CURVE	LENGTH	CHORD BEARING	CHORD	MARKS	DELTA	LINE	BEARING	LENGTH
C1	1200.61	N 85°04'14" W	1101.87	843.79	61°31'20"	L1	N 25°20'11" W	28.20'
C2	20.26'	S 80°17'23" E	20.25'	80.02'	14°21'00"	L2	N 25°10'21" W	40.20'
C3	8.11'	S 77°24'03" E	5.10'	40.02'	8°44'30"	L3	S 89°51'40" W	40.20'
C4	58.48'	S 09°15'45" E	58.10'	80.03'	47°24'14"	L4	S 70°41'21" W	407.00'
C5	82.48'	S 21°47'34" E	81.17'	220.55'	17°39'31"	L5	N 33°21'13" W	210.29'
C6	32.98'	S 50°48'17" E	30.64'	25.01'	7°32'47"	L6	N 58°32'33" E	145.26'
C7	8.91'	S 89°45'45" E	9.91'	320.09'	7°28'01"	L7	N 57°32'55" W	126.84'
C8	21.36'	S 32°20'22" E	18.18'	11.00'	11°12'26"	L8	N 31°44'10" S	51.84'
C9	64.01'	N 86°36'36" E	63.99'	825.34'	4°11'20"	L9	S 01°26'23" W	183.89'
C10	37.49'	N 82°15'15" E	37.45'	220.99'	8°24'27"	L10	N 01°26'20" E	214.29'
C11	14.90'	S 86°26'17" W	14.90'	175.07'	4°51'41"	L11	N 15°56'20" E	24.30'
C12	21.90'	S 98°19'22" W	131.81'	825.26'	2°33'03"	L12	N 25°31'48" E	31.40'
C13	26.27'	S 25°09'07" W	22.74'	20.01'	102°23'21"	L13	N 08°30'31" W	178.11'
C14	177.27'	S 01°09'32" W	174.10'	100.04'	37°36'11"	L14	S 12°01'24" W	82.07'
C15	189.83'	S 24°29'46" E	193.49'	100.04'	108°26'35"	L15	S 77°26'54" E	49.02'
C16	100.75'	S 47°24'50" E	82.26'	70.02'	62°22'09"	L16	S 20°24'50" E	26.24'
C17	80.70'	S 06°34'30" W	79.07'	145.06'	31°32'36"	L17	S 85°55'41" E	17.80'
C18	28.83'	S 32°44'56" N	74.54'	320.08'	202°26'46"	L18		

EXHIBIT "C"

TO

MASTER COVENANTS

Formula for Allocating General Assessments

1. General Assessments shall be levied against all Units subject to assessment under Section 8.9 of these Master Covenants. The initial annual General Assessment allocated to each Unit beginning as of January 1, 2009, shall be determined in accordance with the following allocation formula and shall be calculated as follows:

Property Classification or Type	Initial Annual General Assessment
Residential Lots	U.S. \$1,950.00 per Residential Lot per year
Dwelling Units	U.S. \$3,900.00 per Dwelling Unit per year
Public or Commercial Units	U.S. \$2.00 per gross square foot per year
Unsubdivided Land	U.S. \$50.00 per gross acre per year
Multiple Family Tracts	U.S. \$200.00 per gross acre per year
Development Parcels	U.S. \$200.00 per gross acre per year
Public or Commercial Sites	U.S. \$200.00 per gross acre per year

All Assessments shall be due and payable in lawful currency of the United States of America.

If the classification for a particular property is not apparent, the determination of the Master Developer shall be controlling during the Master Developer Control Period and after the expiration of the Master Developer Control Period the determination of the Board shall be controlling.

2. Assessable Area for Public or Commercial Units. For the purposes of calculating the Assessments of Public or Commercial Units, the area to be included in the determination of the total number of gross square feet shall be all interior areas within the roof line of a building including open porches, terraces and like areas.

3. During the Master Developer Control Period, the Master Developer shall have the unilateral authority to increase or decrease the General Assessment and to modify or amend the allocation formula for the General Assessment at any time and from time to time in its sole and absolute discretion. After the expiration of the Master Developer Control Period, the Board shall

have the unilateral authority to increase or decrease the General Assessment and to modify or amend the allocation formula for the General Assessment at any time and from time to time in its sole and absolute discretion.

EXHIBIT "D"
TO
MASTER COVENANTS

BY-LAWS
OF
CHRISTOPHE HARBOUR MASTER OWNERS' ASSOCIATION

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* * * * *

CHAPTER 1

NAME, PRINCIPAL OFFICE AND DEFINITIONS

1.1 **Name.** The name of the corporation is Christophe Harbour Master Owners' Association, a community corporation established under the Act (the "**Master Owners' Association**").

1.2 **Principal Office.** The principal office of the Master Owners' Association shall be located in Building 5, Unit RS 201, First Floor, Port Zante, Basseterre, St. Kitts, West Indies. The Master Owners' Association may have such other offices, either within or outside the Federation of Saint Christopher and Nevis, as the Board of Directors may determine or as the affairs of the Master Owners' Association may require.

1.3 **Definitions.** Unless otherwise specified, the words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Christophe Harbour, Registered in the Office of the Registrar of Titles for the Saint Christopher Circuit, as it may be modified, amended and/or supplemented from time to time (the "**Master Covenants**"), unless the context indicates otherwise.

CHAPTER 2

MEMBERSHIP: MEETINGS, QUORUM, VOTING, PROXIES

2.1 **Membership.** The Master Owners' Association shall have six (6) classes of membership, Class "A", "B", "C", "D", "E" and "F" as more fully set forth in the Master Covenants. The provisions of the Master Covenants pertaining to membership are incorporated herein by this reference.

2.2 **Place of Meetings.** Except as otherwise provided in these By-Laws or in the Master Covenants, all meetings of the Members shall be held at the principal office of the Master Owners' Association in St. Kitts, or at such other suitable and convenient place as the Board may designate.

2.3 **Initial Meeting.** The initial meeting of the Members shall be held upon notice by the Master Developer as soon as the Master Developer deems practicable and convenient. The following matters, and such other business as the Master Developer deems appropriate, shall be the subject of the initial meeting:

- (a) adoption of a fiscal year;
- (b) approval of a budget for a fiscal year;
- (c) determination of the date of the first and subsequent annual meeting; and

(d) appointment of the initial three (3) person Board in accordance with the Master Covenants and Section 3.3 of these By-Laws.

2.4 Annual Meetings. Subsequent to the initial meeting, the Board shall schedule subsequent regular annual meetings to occur during the first quarter of the Master Owners' Association's fiscal year, on such date and at such time and place as the Board shall determine. Any business which is appropriate for action of the Members may be transacted at an annual meeting.

2.5 Special Meetings.

(a) Master Owners' Association. Special meetings of the Association Members may be demanded for any one or more lawful purposes by the President of the Master Owners' Association, two (2) or more Directors, or the holders of record of twenty-five percent (25%) or more of the total votes in the Master Owners' Association; provided such holders comply with such demand provisions set forth in the Act, the Master Covenants and these By-Laws. Upon the written, signed, and dated demand, which states the purpose of the meeting, being delivered in accordance with the foregoing to an officer of the Master Owners' Association, the President or Secretary of the Master Owners' Association on or before the thirtieth (30th) day after the date of receipt of such demand shall fix the date, time and place of the meeting and provide notice thereof to all of the Association Members in accordance with Section 2.6 herein.

(i) Neighborhoods. Special meetings of the Association Members located within a particular Neighborhood (or District, as the case may be) may be demanded for any one or more lawful purposes by the President of the Master Owners' Association, two (2) or more Directors, or the holders of record of twenty-five percent (25%) or more of the total votes in the Master Owners' Association within the particular Neighborhood (or District, as the case may be); provided such holders comply with such demand provisions set forth in the Act, the Master Covenants and these By-Laws. Upon the written, signed, and dated demand, which states the purpose of the meeting, being delivered in accordance with the foregoing to an officer of the Master Owners' Association, the President or Secretary of the Master Owners' Association on or before the thirtieth (30th) day after the date of receipt of such demand shall fix the date, time and place of the meeting and provide notice thereof to all of the Association Members within such Neighborhood (or District, as the case may be) in accordance with Section 2.6 herein.

(ii) Units Subject to Special Assessment. Special meetings of the Association Members owning Units subject to a Special Assessment may be demanded for any one or more lawful purposes by the President of the Master Owners' Association, two (2) or more Directors, or the holders of record of twenty-five percent (25%) or more of the total votes in the Master Owners' Association held by all Units subject to such Special Assessment; provided such holders comply with such demand provisions set forth in the Act, the Master Covenants and these By-Laws. Upon the written, signed, and dated demand, which states the purpose of the meeting, being delivered in accordance with the foregoing to an officer of the Master Owners' Association, the President or

Secretary of the Master Owners' Association on or before the thirtieth (30th) day after the date of receipt of such demand shall fix the date, time and place of the meeting and provide notice thereof to all of the Association Members owning Units subject to such Special Assessment in accordance with Section 2.6 herein.

(b) If the notice of the meeting is not given within thirty (30) days after the demand is made to the officer of the Master Owners' Association, a person signing the demand may set the date, time and place of the meeting and give notice thereof in accordance with Section 2.6 herein.

(c) In the event that the President and Directors timely designate different dates, times or locations, then the designations of the Directors shall control; provided, however, any notice changing the date, time or place of the meeting shall be effective only if timely received by Association Members in accordance with Section 2.6 herein.

2.6 Notice of Meetings. The President, the Secretary, the officers or other persons calling a meeting of the Members shall deliver or cause to be delivered to each Member entitled to vote at such meeting notice stating the place, day, and hour of the meeting. In addition, notice shall include the items on the agenda for the meeting, including the general nature of any proposed amendment to the Master Covenants or these By-Laws, any budget changes, and any proposals to remove a Director or officer. No business shall be transacted at a special meeting except as stated in the notice. Such notice shall be delivered by such means as permitted under Section 9.4 of these By-Laws, not less than twenty (20) nor more than sixty (60) days before the date of such meeting. Meetings of Association Members shall be held at a date, time and suitable and convenient place in St. Kitts designated by the person calling the meeting in the notice of the meeting; provided, however, that if the notice does not designate a time and location, such meeting shall be held at the Master Owners' Association's principal office in St. Kitts at 10:00 a.m. (St. Kitts time) on the date designated in the notice of the meeting.

2.7 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transactions at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.8 Adjournment of Meetings. If any meeting of the Members cannot be held because a quorum is not present, the President of the Master Owners' Association or more than fifty percent (50%) of the Members who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the meeting when originally called, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given by the President or

Secretary of the Master Owners' Association to Members in the manner prescribed in Section 2.6. The quorum for such a reconvened meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of Members leaving less than a quorum, provided that any action taken is approved by more than fifty percent (50%) of the votes required to constitute a quorum.

2.9 Quorum of Members; Voting.

(a) Master Owners' Association. Except as otherwise provided in these By-Laws or in the Master Covenants, (i) the presence (in person or by proxy) of Members representing more than fifty percent (50%) of the total votes in the Master Owners' Association entitled to vote on the matter shall constitute a quorum at all meetings of the Master Owners' Association membership, and (ii) the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists shall constitute the approval of the Members.

(i) Neighborhoods. Except as otherwise provided in these By-Laws or in the Master Covenants, (i) the presence (in person or by proxy) of Members representing more than fifty percent (50%) of the total votes in the Master Owners' Association entitled to vote on the matter within a particular Neighborhood (or District, as the case may be) shall constitute a quorum at all meetings of the Members of the Neighborhood (or District, as the case may be), and (ii) the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the matter within a particular Neighborhood (or District, as the case may be) and present (in person or by proxy) at a duly called meeting of the Members within the particular Neighborhood (or District, as the case may be) at which a quorum exists shall constitute the approval of the Members within the particular Neighborhood (or District, as the case may be).

(ii) Units Subject to Special Assessment. Except as otherwise provided in these By-Laws or in the Master Covenants, (i) the presence (in person or by proxy) of Members representing more than fifty percent (50%) of the total votes in the Master Owners' Association entitled to vote on the matter and allocated to the Units which will be subject to a Special Assessment shall constitute a quorum at all meetings of the Members of the particular Units, and (ii) the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the matter and allocated to the Units which will be subject to a Special Assessment and present (in person or by proxy) at a duly called meeting of the Members of the particular Units at which a quorum exists shall constitute the approval of the Members of the particular Units.

2.10 Proxies. On any matter as to which a Member is entitled to cast the vote for his Unit, such vote may be cast in person or by proxy, subject to the limitations of applicable law and subject to any specific provision to the contrary in the Master Covenants or these By-Laws.

Every proxy shall be in writing, shall identify the Unit for which it is given, and shall be signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Master Owners' Association or such other officer or agent of the Master Owners' Association authorized to tabulate votes before or at the time of the meeting for which it is to be effective. ~~Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.~~

Unless a proxy otherwise provides, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Master Owners' Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless it states otherwise.

An appointment of a proxy is revoked by the person who appointed the proxy: (i) attending any meeting and voting in person, or (ii) signing and delivering to the Secretary or other officer or agent of the Master Owners' Association authorized to tabulate votes for the Master Owners' Association, either a written statement that the appointment of the proxy is revoked or a subsequent appointment form. If at least twenty (20) days prior to a duly called meeting, a Member is informed pursuant to the provisions of **Section 2.6** and **Section 9.4** of these By-Laws of (a) the time and place of the meeting, (b) the agenda for the meeting, and (c) such data as is then reasonably available relative to the issues on which there will be a vote, and a proxy form is included in such mailing, and the Member neither attends the meeting nor returns an executed proxy, then such Member shall be deemed present for purposes of determining a quorum, and shall be deemed to have given his proxy to the President of the Master Owners' Association who shall cast the votes represented by such proxy in the same manner as the majority of the votes otherwise properly cast by Members present (in person or by proxy) with respect to each matter; provided, however, that in the event the same number of votes are cast for a particular matter and against such matter by the Members present (in person or by proxy), the President of the Master Owners' Association shall cast the votes represented by such proxy in his sole discretion.

No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date; and no proxy shall be valid for more than three (3) years from the date of execution. Any proxy shall automatically cease upon closing of the sale or transfer of title by the Member of his or her Unit.

2.11 Ballots by Mail or Facsimile. When required by the Board, there shall be sent with notices of regular or special meetings of the Master Owners' Association a statement of certain motions to be introduced for the vote of the Members and a ballot on which each member may vote for or against the motion. Each ballot which is presented at such meeting, whether received by mail or by facsimile, shall be counted in determining whether a quorum is present to vote upon motions, including those not appearing on the ballot.

2.12 Electronic Voting. The Board may permit votes to be cast electronically (*i.e., via* the Internet, Intranet, facsimile or electronic mail) with sufficient verification and if permitted by the Master Covenants and applicable law.

2.13 Conduct of Meetings. The President shall preside over all meetings of the Master Owners' Association. The Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.14 Action Without a Meeting. Except as otherwise provided in these By-Laws or in the Master Covenants, any action required or permitted by law to be taken at a meeting of the ~~Members may be taken without a meeting, without prior notice and without a vote, if written consent specifically authorizing the proposed action is signed by Members holding at least eighty percent (80%) of the total votes in the Master Owners' Association entitled to vote on the matter. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Master Owners' Association. Such consents shall be filed with the minutes of the Master Owners' Association and shall have the same force and effect as a vote of the Members at a meeting.~~

2.15 List of Owners and Association Members of Record. For the purpose of determining Association Members entitled to vote at any meeting of Association Members, or in connection with any other proper purpose requiring a determination of Association Members, the Board of Directors shall by resolution fix a record date for such determination. Unless otherwise provided for in advance by resolution of the Board of Directors, the record date set by the Board of Directors shall be no more than seventy (70) days, and not less than the last day for timely giving notice, before the meeting or action requiring a determination of Association Members is to occur. If the Board of Directors fails to set a record date, the Association Members at the close of business on the business day on which notice is given or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of the meeting and to vote thereat. The Association Members of record appearing in the books of the Master Owners' Association at the close of business on the record date so fixed shall constitute the Association Members in respect of the activity in question. A determination of Association Members of record entitled to notice of or to vote at a meeting of Association Members is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to vote, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the record date for determining Association Members entitled to notice of the original meeting. After fixing a record date for notice of a meeting, the Master Owners' Association shall prepare an alphabetical list of names of all Association Members who are entitled to notice of the meeting and shall list the Association Members by classification of Association Membership, if any. The list shall show the address and number of votes each Association Member is entitled to vote at the meeting. The Master Owners' Association shall prepare on a current basis through the time of the Association Membership meeting a list of Association Members, if any, who are entitled to vote at the meeting but not entitled to notice of the meeting. This list must be prepared on the same basis and be part of the list of Association Members. Such list of Association Members shall be available for inspection by any Association Members for purposes of communication with other Association Members concerning the meeting, beginning the date after notice is given of the meeting for which the list was prepared and continuing through the meeting, at the Master

Owners' Association's principal office. An Association Member, Association Member's agent, or Association Member's attorney shall be entitled on written demand, at the Association Member's expense, to inspect and copy the list at a reasonable time during the period it is available for inspection. The Master Owners' Association shall make the list of Association Members available at the meeting, and any Association Member, an Association Member's agent, or Association Member's attorney shall be entitled to inspect the list at any time during the meeting or any adjournment. Notwithstanding the foregoing, an Association Member may inspect and copy the Association Membership list only if (i) his demand is made in good faith and for a proper purpose, (ii) he describes with reasonable particularity his purpose; and (iii) the list is directly connected with his purpose.

CHAPTER 3

BOARD OF DIRECTORS: SELECTION, MEETINGS, POWERS

3.1 Governing Body; Qualifications. The affairs of the Master Owners' Association shall be governed by a Board of Directors. Each Director shall have one (1) vote. Except with respect to Directors appointed by the Master Developer or the Class "E" Member, Directors shall be Owners or residents. A "resident" shall be any natural person 18 years of age or older whose principal residence is a Unit within Christophe Harbour. Except with respect to Directors appointed by the Master Developer or the Class "E" Member, no more than one eligible person from any Unit may serve on the Board at any time. If a Member is not a natural person, any officer, director, or partner, or any other representative designated in writing by the Member, shall be eligible to serve as a Director unless the Member otherwise specifies by written notice to the Master Owners' Association; provided that no Member may have more than one such representative serving on the Board at a time, except in the case of Directors appointed by the Master Developer.

3.2 Number of Directors. The Board shall consist of three (3) to seven (7) Directors, as provided in the Master Covenants and **Section 3.3** of these By-Laws.

3.3 Selection of Directors; Term of Office. The Directors shall be selected and their terms of office set as provided in the Master Covenants and these By-Laws.

3.4 Nomination and Election Procedures.

(a) **Nomination of Candidates.** At least thirty (30) days prior to any election of Directors by the Class "A", "B", "C" and "D" Members, the Board shall appoint a Nominating Committee consisting of a chairman, who shall be a member of the Board of Directors, and three or more Class "A", "B", "C" and "D" Members or representatives of Class "A", "B", "C" and "D" Members. The Nominating Committee shall serve a term of one (1) year or until their successors are appointed. The names of the members of the Nominating Committee shall be announced in the notice of each election.

In preparation for each election, the Nominating Committee shall meet and make as many nominations for election to the Board as it shall in its discretion determine, but in no

event less than the number of positions to be filled by the Class "A", "B", "C", and "D" Members at such election. Nominations shall also be permitted from the floor at the meeting at which any election is held. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(b) Election Procedures. At each election, voting shall be by written ballot. Cumulative voting shall not be permitted. The candidates receiving the greatest number of votes shall be elected to the open positions.

3.5 Removal of Directors and Vacancies. Any Director elected by Class "A", "B", "C" and "D" votes may be removed, with or without cause, by the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director by the Class "A", "B", "C" and "D" Members, a successor shall be elected by the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists to fill the vacancy for the remainder of the term of such Director. The Director(s) appointed by the Master Developer shall only be removed with the consent of the Master Developer. The Director(s) appointed by the Class "E" Member shall only be removed with the consent of the Class "E" Member.

Any Director elected by Class "A", "B", "C" and "D" votes who (i) has three (3) consecutive unexcused absences from Board meetings, (ii) is more than sixty (60) days delinquent (or is the representative of a Member who is so delinquent) in the payment of any assessment or other charge due the Master Owners' Association, or (iii) is in violation of (or is the representative of a Member who is in violation of) any provision of the Governing Documents after the expiration of any applicable notice and cure periods set forth in such Governing Documents, may be removed by more than fifty percent (50%) of the Directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of such Director's term.

Except as provided below, in the event of the death, disability, or resignation of a Director elected by the Class "A", "B", "C" and "D" Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A", "B", "C" and "D" Members entitled to fill such position may elect a successor for the remainder of such Director's term.

The Master Developer shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a Director appointed by or elected as a representative of the Master Developer. The Class "E" Member shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a Director appointed by or elected as a representative of the Class "E" Member.

3.6 Organizational Meetings. The first meeting of a newly elected Board shall be held immediately following each annual meeting of the Members.

3.7 **Regular Meetings.** Regular meetings of the Board may be held at such time and place as more than fifty percent (50%) of the Directors shall determine.

3.8 **Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President or Vice President or by any two (2) or more Directors.

3.9 **Notice; Waiver of Notice.**

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. ~~The notice shall be given to each Director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (iv) facsimile, computer, or other electronic mail, messaging or communication device, with printed confirmation of successful transmission.~~ All such notices shall be given at or sent to the Director's telephone number, fax number, electronic mail address, or mailing or physical address as shown on the records of the Master Owners' Association. Notices sent by mail shall be sent certified mail for overnight delivery, return receipt requested, with adequate postage prepaid. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least five (5) days before the time set for the meeting.

(b) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting if each Director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 **Telephonic Participation in Meetings.** Members of the Board or any committee which the Board appoints may participate in a meeting of the Board or committee by conference telephone, video conference, or similar communications equipment, provided all persons participating in the meeting can hear each other simultaneously. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

3.11 **Quorum of Board; Voting.** At all Board meetings, more than fifty percent (50%) of the Directors shall constitute a quorum for the transaction of business, and the votes of more than fifty percent (50%) of the Directors present at a meeting at which a quorum is present shall constitute the approval of the Board, unless otherwise specifically provided in these By-Laws or the Master Covenants. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of some Directors, if any action taken is approved by more than fifty percent (50%) of the required quorum for that meeting. If any Board meeting cannot be held because a quorum is not present, more than fifty percent (50%) of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12 Conduct of Meetings. The President shall preside over all meetings of the Board and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.13 Open Meetings; Executive Session.

(a) After the termination of the Master Developer Control Period, all Board meetings shall be open to all Members but attendees other than Directors may not participate in any discussion or deliberation unless a Director requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(b) Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than Directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.14 Action Without a Formal Meeting. Any action to be taken at a meeting of the Board or any action that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Board members, and such consent shall have the same force and effect as a vote of the Board at a meeting.

3.15 Powers. The Board shall have all of the powers and duties necessary for the administration of the Master Owners' Association's affairs and for performing all responsibilities and exercising all rights of the Master Owners' Association and the Board as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done on behalf of the Master Owners' Association all acts and things except those which the Governing Documents or applicable law require to be done and exercised exclusively by the membership generally... Board determinations as to the meaning, scope, and application of Governing Document provisions shall be upheld and enforced so long as such determinations are reasonable.

3.16 Duties. Duties of the Board shall include:

(a) preparing and adopting, in accordance with the Master Covenants, an annual budget establishing each Member's share of the Common Expenses and any Neighborhood Expenses (or District Expenses, as the case may be);

(b) levying and collecting Assessments from the Members;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility consistent with Community-Wide Standard;

(d) designating, hiring, and dismissing personnel necessary to carry out the Master Owners' Association's rights and responsibilities and where appropriate, providing for 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;

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

(f) making and amending Rules in accordance with the Master Covenants;

(g) opening bank accounts on behalf of the Master Owners' Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Elements in accordance with the Master Covenants and these By-Laws;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Master Owners' Association;

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

(k) paying the cost of all services rendered to the Master Owners' Association;

(l) keeping books with detailed accounts of the Master Owners' Association's receipts and expenditures;

(m) making available to any prospective purchaser of a Unit, any Member, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Master Owners' Association as provided in **Section 9.3** of these By-Laws;

(n) permitting utility suppliers to use portions of the Common Elements reasonably necessary to the ongoing development or operation of Christophe Harbour;

(o) indemnifying a Director, officer or committee member, or former Director, officer or committee member of the Master Owners' Association to the extent such indemnity is required by applicable law, the Master Covenants and these By-Laws;

(p) assisting in the resolution of disputes between Members and others without litigation, as set forth in the Master Covenants; and

(q) other duties outlined in the Governing Documents.

CHAPTER 4

OFFICERS

4.1 Officers. Officers of the Master Owners' Association shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board members; other officers may, but need not be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform ~~such duties as described in Section 4.4 of these By-Laws. Any two (2) or more offices may be~~ held by the same person, except the offices of President and Secretary. The Secretary shall arrange for the preparation, execution, certification, and Registration of any amendments to the Master Covenants on behalf of the Master Owners' Association.

4.2 Election and Term of Office. The Board shall elect the Master Owners' Association's officers at the first Board meeting following each annual meeting of the Members, to serve until their successors are elected.

4.3 Resignation, Removal and Filling of Vacancies.

(a) Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove any officer whenever in its judgment the best interests of the Master Owners' Association will be served.

(c) The Board may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties. The Master Owners' Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose; provided, however, that such powers and duties shall not include rule-making, adoption of budgets for Assessments, or appointments to the DRB. The President shall be the chief executive officer of the Master Owners' Association. The Treasurer shall have primary responsibility for preparation of the budget as provided for in the Master Covenants and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

CHAPTER 5

COMMITTEES

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

CHAPTER 6

STANDARDS OF CONDUCT; LIABILITY AND INDEMNIFICATION

6.1 Standards for Directors and Officers. The Board shall adhere to the procedures established in the Governing Documents. In performing their duties, Directors and officers shall act as fiduciaries and shall be insulated from liability as provided for Directors and officers of corporations under applicable law and as otherwise provided by the Governing Documents. Directors and officers shall discharge their duties as Directors or officers, and as members of any committee to which they are appointed, in a manner that the Director or officer believes in good faith to be in the best interest of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

6.2 Liability.

(a) A Director shall not be personally liable to the Master Owners' Association, any Member, or any other Person for any action taken or not taken as a Director if the Director has acted in accordance with **Section 6.1** of these By-Laws.

(b) A Director also shall not be personally liable for any action taken or not taken as a Director if the Director:

(i) acts within the expressed or implied scope of the Governing Documents and his or her actions are not *ultra vires*;

(ii) affirmatively undertakes to make decisions which are necessary for the Master Owners' Association's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on an impartial basis, promptly disclosing any real or potential conflict of interests (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he has a conflict of interest (beyond that which Directors may have as representatives of the Master Developer or the Class "E" Member and that which Directors may have by virtue of their ownership or occupancy of a Unit); and

(iv) acts in a nonfraudulent manner and without reckless indifference to the Master Owners' Association's affairs.

(c) The officers, Directors and committee members of the Master Owners' Association shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and Directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Master Owners' Association (except to the extent that such officers or Directors may also be Members of the Master Owners' Association).

6.3 Indemnification. Officers, Directors and committee members shall have the indemnification rights set forth in the Master Covenants.

6.4 Advancement of Expenses. In accordance with the procedures and subject to the conditions and limitations set forth in the Master Covenants and applicable law, the Board may authorize the Master Owners' Association to advance funds to pay for or reimburse the reasonable expenses incurred by a present or former officer, Director or committee member in any proceeding to which he or she may be a party by reason of being or having been an officer, Director, or committee member of the Master Owners' Association.

CHAPTER 7

MANAGEMENT AND ACCOUNTING

7.1 Compensation of Directors and Officers. During the Master Developer Control Period, Directors and officers shall not receive any compensation from the Master Owners' Association for acting as such unless approved by the Master Developer. After the expiration of the Master Developer Control Period, the Directors and officers may receive compensation upon the affirmative vote of the Members representing more than fifty percent (50%) of the votes in the Master Owners' Association entitled to vote on the matter and present (in person or by proxy) at a duly called meeting of the Members at which a quorum exists. Any Director or officer may be reimbursed for expenses incurred on behalf of the Master Owners' Association upon approval of more than fifty percent (50%) of the other Directors. Nothing herein shall prohibit the Master Owners' Association from compensating a Director or officer, or any entity with which a Director or officer is affiliated, for services or supplies furnished to the Master Owners' Association in a capacity other than as a Director or officer pursuant to a contract or agreement with the Master Owners' Association, provided that such Director's or officer's interest was made known to the Board prior to entering into such contract and, after the expiration of the Master Developer Control Period, such contract was approved by more than fifty percent (50%) of the Directors, excluding any interested Director.

7.2 Right of Master Developer to Disapprove Actions. Prior to the Class "F" Termination Date, the Master Developer shall have a right to disapprove any action, policy or program of the Master Owners' Association, the Board and any committee which, in the sole judgment of the Master Developer, would tend to impair rights of Master Developer under the Master Covenants or these By-Laws, or interfere with development or construction of any portion of Christophe Harbour, or diminish the level of services being provided by the Master Owners' Association.

(a) Notice. The Master Developer shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Master Owners' Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Master Owners' Association, which notice complies as to Board meetings with Section 3.9 of these By-Laws, and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting.

(b) Opportunity to be Heard. The Master Developer shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in

discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of Sections 7.2(a) and 7.2(b) above have been met.

The Master Developer, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Master Developer, ~~acting through any officer or Director, agent or authorized representative,~~ may exercise its right to disapprove at any time within thirty (30) days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within thirty (30) days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board, or the Master Owners' Association.

7.3 Managing Agent. The Board may employ for the Master Owners' Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 3.16 of these By-Laws. The Master Developer or its Affiliate may be employed as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

No remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Master Owners' Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Master Owners' Association. Any financial or other interest which the managing agent may have in any entity providing goods or services to the Master Owners' Association shall be disclosed promptly to the Board.

7.4 Right to Contract. The Master Owners' Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include the right to enter into common management, operational, or other agreements with Master Owners' Association, condominiums, cooperatives, or Neighborhood and other owners' or residents' associations, within and outside Christophe Harbour. Any common management agreement shall require the consent of more than fifty percent (50%) of the Directors.

7.5 Agreements, Contracts, Certificates of Title, Leases, Checks, Etc. All agreements, contracts, memorandums of transfer, certificates of title, leases, checks, and other instruments of the Master Owners' Association shall be executed by at least two (2) officers or by such other person or persons as the Board may designate by resolution.

CHAPTER 8

ENFORCEMENT PROCEDURES

The Master Owners' Association shall have the power, as provided in the Master Covenants, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Master Covenants, the Board shall comply with the following procedures prior to imposition of sanctions:

~~8.1~~ **Notice and Response.** ~~Prior to the imposition of any sanction, the Board or its delegate shall serve the alleged violator with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board; and (d) a statement that the proposed sanction may be imposed as contained in the notice unless a hearing is requested within ten (10) days of the notice.~~

If a timely challenge is not made, the sanction stated in the notice shall be imposed, provided that if the alleged violator cures the alleged violation and notifies the Board in writing within such ten (10) day period the Board may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

Prior to the effectiveness of sanctions imposed pursuant to this Chapter, proof of proper notice shall be placed in the minutes of the Board. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

8.2 Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meetings of the Board, shall contain a written statement of the results of the hearing, including the decision of the Board and the sanction, if any, to be imposed.

CHAPTER 9

MISCELLANEOUS

9.1 Fiscal Year. The Master Owners' Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

9.2 Conflicts. If there are conflicts among the provisions of applicable law, the Master Covenants, and these By-Laws, the provisions of the applicable law, the Master Covenants, and the By-Laws (in that order) shall prevail.

9.3 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit, any member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: (i) the Governing Documents, (ii) the membership register, (iii) books of account, and (iv) the minutes of meetings of the Members, the Board and committees. The Board shall provide for such inspection to take place at the Master Owners' Association's office or at such other place within Christophe Harbour as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Master Owners' Association and the physical properties owned or controlled by the Master Owners' Association. The right of inspection by a Director includes the right to make a copy of relevant documents at the Master Owners' Association's expense.

9.4 Notices.

(a) Form of Notice and Method of Delivery. Except as otherwise provided in these By-Laws or in the Master Covenants or by law, all notices, demands, bills (other than Assessment notices), statements, or other communications under the Master Covenants or these By-Laws shall be in writing and shall be delivered:

- (i) in person;
- (ii) by a nationally recognized and reputable overnight delivery service (including, but not limited to, Federal Express, Airborne, United Parcel Service (a/k/a UPS), and DHL), with adequate delivery charge prepaid;
- (iii) by regular mail, with adequate postage prepaid;
- (iv) by certified mail, return receipt requested, with adequate postage prepaid;
- (v) if the intended recipient has given its prior written authorization to use such method of delivery, by telephone facsimile (i.e., fax) with written confirmation and receipt of transmission; or

(vi) if the intended recipient has given its prior written authorization to use such method of delivery, by electronic mail (i.e., email) with written confirmation and receipt of transmission.

(b) Delivery Address. All notices, demands, bills (other than Assessment notices), statements, or other communications shall be delivered or sent to the intended recipient as follows:

(i) if to a Member, at the address, telephone facsimile number, or email address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member;

(ii) if to the Master Owners' Association, the Board, or a committee of either, at the address, telephone facsimile number, or email address of the principal office of the Master Owners' Association or its managing agent, or at such other address as the Master Owners' Association shall designate by notice in writing to the Members pursuant to this Section;

(iii) if to the Master Developer, at the address, telephone facsimile number, or email address of the principal address of the Master Developer as it appears in the Public Records, or at such other address as the Master Developer shall designate by notice in writing to the Master Owners' Association pursuant to this Section; or

(iv) if to the Club, at the address, telephone facsimile number, or email address of the principal address of the Club as it appears in the Public Records, or at such other address as the Club shall designate by notice in writing to the Master Owners' Association pursuant to this Section.

(c) Effective Date. Any notices, demands, bills (other than Assessment notices), statements, or other communications sent in accordance with subsections 9.4(a) and 9.4(b) shall be deemed to have been duly given, received and effective:

(i) if delivered personally, on the day when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery;

(ii) if delivered by a nationally recognized and reputable overnight delivery service, on the next business day following deposit with such delivery service with instructions to deliver on the next business day, correctly addressed, with adequate delivery charges prepaid;

(iii) if sent by regular mail, on the tenth (10th) day after it is deposited with the local mail service, correctly addressed, with first class or higher priority postage prepaid;

(iv) if sent by certified mail, on the day tenth (10th) day after it is deposited with the local mail service, correctly addressed, with first class or higher priority postage prepaid;

(v) if sent by telephone facsimile, on the day when the facimile is transmitted to the correct facsimile number during Normal Business Hours (as defined herein), as evidenced by a printed confirmation of transmission and receipt, or on the next Business Day if transmitted outside Normal Business Hours, as evidenced by a printed confirmation of transmission and receipt; and

(vi) if sent by electronic mail, on the day when the electronic mail is transmitted to the correct email address during Normal Business Hours (as defined herein), as evidenced by a printed confirmation of transmission and receipt, or on the next Business Day if transmitted outside Normal Business Hours, as evidenced by a printed confirmation of transmission and receipt.

(d) Refusal to Accept. Any notices, demands, bills (other than Assessment notices), statements, or other communications sent as required by this Section and refused shall be deemed delivered and received as of the date of such refusal.

(e) Days; Dates. Unless otherwise specified herein, all references to “day” or “days” in these By-Laws will mean a calendar day or calendar days. In the computation of any period of time provided for in these By-Laws, the day of the act or event from which the period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday recognized by the Federation of Saint Christopher and Nevis, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday recognized by the Federation of Saint Christopher and Nevis. The terms “business day” or “business days” as used in these By-Laws shall mean Monday through Saturday, but excludes legal holidays recognized by the Federation of Saint Christopher and Nevis.

(f) Definition of Normal Business Hours. For purposes of these By-Laws, the term “Normal Business Hours” shall mean and refer to Monday through Friday, 8:00 a.m. through 5:00 p.m. (St. Kitts time), but excludes legal holidays recognized by the Federation of Saint Christopher and Nevis.

9.5 Amendment.

(a) By Master Developer.

(i) In addition to any specific amendment rights granted elsewhere in these By-Laws, during the Master Developer Control Period, the Master Developer may unilaterally amend these By-Laws for any purpose at any time and from time to time without the necessity or requirement of having to obtain the joinder or consent of the Master Owners’ Association or any Members or Owners, or their respective mortgagees or other chargees.

(ii) The Master Developer, its successors and assigns, shall have the exclusive right, power and authority to unilaterally amend these By-Laws for any one or more of the following purposes at any time and from time to time (whether during or after the Master Developer Control Period) without the necessity or requirement of

having to obtain the joinder or consent of the Master Owners' Association or any Members or Owners, or their respective mortgagees or other chargees:

(A) to bring any provision into compliance with any applicable governmental statute, rule, regulation, judicial determination, or agreement;

(B) to cure any ambiguity or to correct or supplement any provisions that are defective, missing or inconsistent with any other provisions herein;

(C) to grant, create, modify, terminate, or otherwise amend easements over the Common Elements or any portion thereof, or any adjacent land, in order to provide access or utility services or other necessary services or rights;

(D) to modify the description or boundaries of any Unit owned by the Master Developer or any consenting Owner;

(E) to correct any typographical, scrivener's, or surveyors errors or any error of like nature;

(F) to enable any reputable title insurance company to issue title insurance coverage with respect to any properties subject to these Master Covenants;

(G) to comply with any requirement of an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on any properties subject to these Master Covenants;

(H) to enable any governmental agency or reputable private insurance company to insure Mortgages on the properties or other improvements subject to these Master Covenants; and/or

(I) for any other purposes now or hereafter permitted under the Act or other applicable law.

(iii) In addition to amendments described above, the Master Developer may at any time (whether during or after the Master Developer Control Period) and from time to time unilaterally amend these By-Laws as to portions of Christophe Harbour owned by the Master Developer, if necessary, for the exercise of any development right and, further, for any other purpose without the necessity or requirement of having to obtain the joinder or consent of the Master Owners' Association or any Members or Owners, or their respective mortgagees or other chargees.

(iv) Any amendment made pursuant to this **Section 9.5(a)** shall be in writing, signed by the Master Developer, and shall be effective only upon it being Registered in the Public Records or at such later date as may be specified in the

amendment itself. Each Owner, by the acceptance and Registration of an Instrument of Transfer to his property, agrees for himself, and his successors in title to such property, to be bound by such amendments as are permitted by this Section 9.5(a).

(b) By Members.

(i) In addition to the Master Developer's rights to amend as set forth above, these By-Laws may be amended at any time upon (A) the affirmative vote of Members who are Owners of at least sixty-seven percent (67%) of the total Units within Christophe Harbour, or (B) the written consent of Members who are Owners of at least sixty-seven percent (67%) of the total Units within Christophe Harbour.

(ii) Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(iii) If any proposed amendment to these By-Laws is approved by the required percentage of Members or Owners, as the case may be, as set forth in this Section 9.5(b), and, when required, the Master Developer and/or the Class "E" Member, such amendment shall be in writing, signed by the President or other duly authorized officer of the Master Owners' Association, and shall be effective only upon it being Registered in the Public Records or at such later date as may be specified in the amendment itself. Each Owner, by the acceptance and Registration of an Instrument of Transfer to his property, agrees for himself, and his successors in title to such property, to be bound by such amendments as are permitted by this Section 9.5(b).

(iv) During the Master Developer Control Period, no amendment to these By-Laws shall be made, or effective, without the prior written consent of the Master Developer and, if expressly required hereunder, the Class "E" Member.

(v) After the Master Developer Control Period, no amendment to these By-Laws shall be made, or effective, without the prior written consent of the Class "E" Member, if expressly required hereunder.

(c) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon Registration in the Public Records unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one (1) year of its Registration or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws. No amendment may remove, revoke, or modify any right or privilege of the Master Developer or the Class "F" Member without the written consent of the Master Developer, the Class "F" Member, or the assignee of such right or privilege.

If a Member or Owner, as the case may be, consents to any amendment to these By-Laws, it will be conclusively presumed that such Member or Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Member or Owner and a third party will affect the validity of such amendment.

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EXHIBIT "E"

TO

MASTER COVENANTS

Master Owners' Association's Address for Service in the Federation

~~The address of the Master Owners' Association for service in the Federation shall be:~~

Law Offices of Kelsick, Wilkin & Ferdinand
Unit C21, The Sands Complex
Bay Road
Basseterre
St. Kitts