



**Registrar General's Department
Deeds and Documents Section**

RECORDING PAGE



000326331

Received From: **HOLOWESKO PYFROM FLETCHER**

Volume/Page: **Volume 12671 Page 251-360**

Instrument Type: **Miscellaneous Deeds**



General Description: **Declaration of Covenants Conditions & Restrictions**

Recording Date/Time: **15 November 2016 12.45.43**

Instrument Number: **326331**

Control Number: **20637398**

Receipt Number: **6013017**

Lodging Date/Time: **15 November 2016 12.45.43**

Consideration: **.**

From/Of Parties: **Cape Eleuthera**
(first entry)

To Parties: **.**
(first entry)

Land Details: **.**
(first entry)

Entry Date/Time/User: **29 November 2016 12.59.36 CROKER**

Received by Customer: _____ Date: _____

Document Scanned By: _____ Date: _____ Verified by: _____ Date: _____

Rec. Page Scanned By: _____ Date: _____ Verified by: _____ Date: _____





**Registrar General's Department
Deeds and Documents Section**

RECORDING PAGE

Received From: **HOLOWESKO PYFROM FLETCHER**
Volume/Page: **Volume 12671 Page 251-360**
Instrument Type: **Miscellaneous Deeds**
General Description: **Declaration of Covenants Conditions & Restrictions**
Recording Date/Time: **15 November 2016 12.45.43**
Instrument Number: **326331**
Control Number: **20637398**
Receipt Number: **6013017**
Lodging Date/Time: **15 November 2016 12.45.43**
Consideration: **.**
From/Of Parties: **Cape Eleuthera**
(first entry)
To Parties: **.**
(first entry)
Land Details: **.**
(first entry)

Entry Date/Time/User: **29 November 2016 12.59.36 CROKER**

Customer Copy



INSTRUMENT DATA FORM

This document should be completed and attached to each deed or document lodged for recording at the Office of the Registrar General. The purpose of this form is to provide the information required to create the index for the deed or document in the Registrar General's database. Therefore, it is extremely important that you accurately complete and confirm the information provided before submitting this form with your deed or document for recording. The Registrar General accepts no responsibility for the accuracy of the information provided in this form.

Date Document Submitted for Lodging 10th November, 2016

Date of Document: 24th October, 2016

Person/company or firm submitting document:

Name: HOLOWESKO PYFROM FLETCHER

Contact Person: Norma A. Zervos

Address: P O BOX N 7776-348, TEMPLETON BUILDING, LYFORD CAY, NASSAU

Telephone: 242-362-6251

Email Address: nzervos@hpflegal.com

Document/Instrument Type (i.e. conveyance, mortgage, declaration): Declaration of Covenants

Number of pages of deed or document including affidavits, plans, backing sheet)* One hundred and Nine (109)

Consideration: N/A

From: CECA Limited

To: N/A

Island: Eleuthera

District: N/A

Subdivision: Cape Eleuthera

Block: N/A

Lot**: N/A

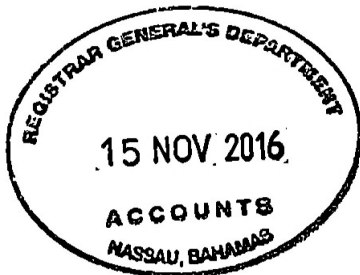
Unit: N/A

Name of Condominium: N/A

Condominium Unit Number N/A

Check the Box if Plan Attached

* This form should not be counted in determining the number of pages in a deed or document. It is being provided for informational purposes only.
 ** Where there is no lot number or the space provided above is insufficient to describe the lot,



1226321

COMMONWEALTH OF THE BAHAMAS

Eleuthera

Dated: 24th day of October, A. D. 2016

VOL 12671 PG 251
Lodged For Record by:

Holowesko Pyfrom Fletcher

This 15th Day of November A.D. 20 16

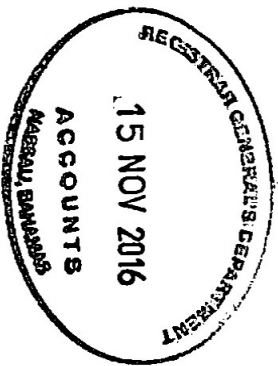
DECLARATION
OF
COVENANTS CONDITIONS
AND

[Signature]
(for) Registrar General

RESTRICTIONS
FOR

Receipt Number: 6013017

CAPE ELEUTHERA



HOLOWESKO PYFROM FLETCHER
CHAMBERS
LYFORD CAY
NASSAU, BAHAMAS

COMMONWEALTH OF THE BAHAMAS
REGISTRAR GENERAL'S DEPARTMENT

I certify the within to be duly proved and recorded
in Book volume 12671 pages 251 to
360 in accordance with the provisions
of the Registration of Records Act, Chapter 187 this
15 day of Nov A.D. 2016

[Signature]

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CAPE ELEUTHERA**



RESORT AND MARINA • ELEUTHERA • THE BAHAMAS

Island of Eleuthera

**AMENDED AND RESTATED INDENTURE RESTRICTIONS
FOR
CAPE ELEUTHERA PHASE 1 DEVELOPMENT**

Recitals

WHEREAS, GAC Eleuthera Limited (“**GAC**”), a company since dissolved, conveyed to third parties by separate Indentures (the “**GAC Indentures**”) certain parcels of land situate in the vicinity of the Settlement of Deep Creek in the southern part of the Island of Eleuthera, one of the Islands of the Commonwealth of The Bahamas; and

WHEREAS, each of the GAC Indentures contains covenants, easements, restrictions and stipulations which anticipated that such parcels would be part of a master planned project to be known as “**Cape Eleuthera**”; and

WHEREAS, several of the third parties who purchased property from GAC pursuant to the GAC Indentures subsequently sold their parcels to other third parties pursuant to other Indentures (the “**Third Party Indentures**”); and

WHEREAS, pursuant to the provisions of the GAC Indentures, any party who purchased land pursuant to the Third Party Indentures is also subject to the covenants, easements, restrictions and stipulations contained in the GAC Indentures; and

WHEREAS, GAC developed only a small portion of Cape Eleuthera prior to filing bankruptcy and abandoning the project; and

WHEREAS, Powell Point Properties Limited (“**PPP**”) subsequently acquired the Cape Eleuthera property formerly owned by GAC; and

WHEREAS, PPP conveyed isolated parcels to third parties by Indentures (the “**PPP Indentures**”) containing covenants, easements, restrictions and stipulations similar to those in the GAC Indentures; and

WHEREAS, all of the existing Indentures for land at Cape Eleuthera, whether of record or not, including, without limitation, the GAC Indentures, the Third Party Indentures and the PPP Indentures, are collectively referred to as the “**Existing Indentures**”; and

WHEREAS, the covenants, easements, restrictions and stipulations in the Existing Indentures relating to the use of the conveyed parcels and the further development of Cape Eleuthera are referred to collectively as the “**Indenture Restrictions**”; and

WHEREAS, the Indenture Restrictions reserve certain rights for the project developer (PPP and its affiliates); and

WHEREAS, the Indenture Restrictions provide for the development of a subdivision within Cape Eleuthera comprised of 1,041 building lots (“**Phase 1 Subdivision**”); and

WHEREAS, the Phase 1 Subdivision Indenture Restrictions provide for the creation of a

mandatory membership owners' association called the "**Cape Eleuthera Community Association**" or "**CECA**," which was legally formed in June 2016 as "**CECA Limited**" (collectively, "**CECA**"), to be comprised of all owners of lots within the Phase 1 Subdivision; and

WHEREAS, the Indenture Restrictions provide for the development within the Phase 1 Subdivision of a distinct community called the "**Mariner Townhouses**," comprised of seven residential townhouse units and common areas, all of which are currently owned by third parties; and

WHEREAS, the Indenture Restrictions provide for the development within the Phase 1 Subdivision of a distinct community called "**Topsiders**," comprised of three residential units and associated common areas, all of which are currently owned or occupied by third parties; and

WHEREAS, the Indenture Restrictions provide for the development within the Phase 1 Subdivision of a distinct community called "**The Grove**," comprised of 43 residential building lots, roadways and common areas, several lots of which are currently owned by third parties; and

WHEREAS, other than the parcels conveyed by the Existing Indentures, Cape Eleuthera has remained predominantly undeveloped, and the plan for development anticipated by the Existing Indentures has been effectively and essentially abandoned; and

WHEREAS, PPP has also acquired or reacquired much of the property originally conveyed by the Existing Indentures; and

WHEREAS, the Indenture Restrictions provide that until there are 500 fee simple owners of lots in the Phase 1 Subdivision other than PPP, the functions, powers and duties of CECA shall be exercised by PPP; and

WHEREAS, there are at present less than 500 fee simple owners of lots in the Phase 1 Subdivision other than PPP; and

WHEREAS, CECA was formed on June 7, 2016, and has now officially assumed the responsibilities, rights and duties assigned to it pursuant to the Indenture Restrictions, which responsibilities, rights and duties were previously assumed by PPP and its affiliates; and

WHEREAS, in recognition of the abandonment of the original plan for development as anticipated under the Existing Indentures and the fact that such changed circumstances over the passage of time since the original recording of the Existing Indentures has rendered the original plan impractical, not feasible and not advisable for the property, and to facilitate further development at Cape Eleuthera, PPP desires to consolidate and restate the Indenture Restrictions into a single document and to amend and remove Indenture Restrictions that are no longer relevant, have been waived or abandoned or that have otherwise been rendered undesirable by changed circumstances; and

WHEREAS, the Indenture Restrictions may be modified, varied and/or released with the written consent of the majority of fee simple lot owners, including PPP; and

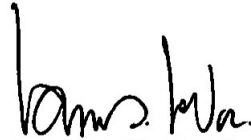
WHEREAS, PPP owns substantially more than a majority of the lots in the Phase 1 Subdivision and has consented to the modification, variation and release of the Indenture Restrictions in the manner set forth in the attached Declaration of Covenants, Conditions and Restrictions for Cape Eleuthera (the "**Declaration**"); and

WHEREAS, the Declaration provides for the creation of CECA as an umbrella organization to undertake the original duties and operations of CECA; and

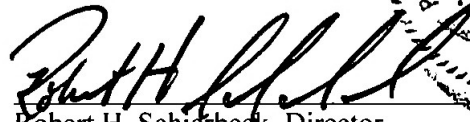
WHEREAS, the Indenture Restrictions contain provisions describing the powers and functions of CECA (the "By-laws") and provide that the members of CECA may adopt additional By-laws or modify or repeal any By-law contained in the Indenture Restrictions by a majority vote of the CECA members; and

WHEREAS, PPP owns more than a majority of the lots in the Phase 1 Subdivision and consents to the modification or repeal of the By-laws, as set forth in the Indenture Restrictions, and to the adoption of additional By-laws, as expressed in the Declaration, the Articles of Association of CECA Limited, and the Memorandum of Association of CECA Limited;

NOW, THEREFORE, the Indenture Restrictions are hereby amended, superseded, restated, consolidated and replaced in their entirety with the Declaration attached hereto; *provided*, those portions of the Indentures related to the conveyance, transfer or delivery of title to land, tenements or hereditaments personal to such transfers and conveyances remain unchanged. The Declaration, as it may be amended and supplemented from time to time as provided therein, shall run with title to all property now or hereafter made subject to the Declaration and shall be binding upon all persons having any right, title or interest in such property.



Daniel G. DeVos, Director



Robert H. Schierbeek, Director



TABLE OF CONTENTS

	<u>Page</u>
INDEX TO DEFINED TERMS	V
PART ONE: INTRODUCTION TO THE COMMUNITY	2
Chapter 1 Creation of the Community	2
1.1. Declaration of Covenant	2
1.2. Land Use Plan	2
1.3. Governing Documents	2
1.4. Additional Covenants and Restrictions	2
1.5. Applicable Law and Severability	2
1.6. Conflicts	3
1.7. Definitions	4
1.8. Interpretation of Certain References	4
Chapter 2 Community Administration	5
2.1. Declarant	5
2.2. Parcel Developers	5
2.3. CECA and the Board	5
2.4. Owners	6
2.5. Parcel Associations	6
2.6. Mortgagees	7
Chapter 3 Community Structure and Organization	8
3.1. Designations of Properties Comprising Cape Eleuthera	8
3.2. Service Areas	9
Chapter 4 CECA Membership, Voting Rights and Powers	10
4.1. Membership	10
4.2. Voting	10
4.3. Functions and Powers	11
PART TWO: COMMUNITY STANDARDS	12
Chapter 5 Architecture, Landscaping and Aesthetic Standards	12
5.1. General	12
5.2. Design Review Authority	12
5.3. Guidelines and Procedures	13
5.4. No Waiver of Future Approvals	14
5.5. Variances	15
5.6. Limitation of Liability	15
5.7. Certificate of Compliance	15
5.8. Combining Units	15
Chapter 6 Maintenance, Repair and Replacement	17
6.1. Maintenance by Owners	17

TABLE OF CONTENTS
(continued)

	<u>Page</u>
6.2. Maintenance by CECA	17
6.3. Maintenance of Parcel Association Property	17
6.4. Responsibility for Repair and Replacement	17
6.5. Maintenance and Repair of Party Walls and Similar Structures	18
6.6. Lagoons and Shoreline	18
Chapter 7 Use and Conduct	20
7.1. Restrictions on Use, Occupancy and Transfer of Parcels	20
7.2. Parcel Restrictions	21
7.3. Rulemaking Authority and Procedures	22
7.4. Protection of Owners and Others	22
7.5. Owners' Acknowledgment and Notice to Purchasers	22
7.6. CECA's Obligation to Execute Conveyances	23
Chapter 8 Compliance and Enforcement.....	24
8.1. Compliance	24
8.2. Remedies for Non-Compliance	24
8.3. Board Decision to Pursue Enforcement Action	25
8.4. Attorneys' Fees and Costs	26
8.5. Enforcement of Ordinances.....	26
PART THREE: CECA OPERATIONS	27
Chapter 9 Property Management and Services	27
9.1. Acceptance and Control of CECA Property	27
9.2. Discontinuation of Operation	27
9.3. Restoring Damaged Improvements.....	27
9.4. Provision of Services to Parcels	28
9.5. Provision of Services to Service Areas.....	28
9.6. Disaster Management	29
9.7. Community Technology.....	29
9.8. Promotion of Cape Eleuthera	29
9.9. Community Security	30
9.10. Transportation System	30
9.11. Recycling Program.....	30
9.12. Governmental Requirements	30
9.13. Environmental Preservation	30
Chapter 10 CECA Insurance	32
10.1. Required Coverages	32
10.2. Deductibles.....	32
10.3. Policy Requirements	33
10.4. Insurance Premiums	33

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Chapter 11 CECA Finances.....	34
11.1. General	34
11.2. CECA Expenses	34
11.3. Budgeting for and Allocating CECA Expenses.....	35
11.4. Special Assessments.....	36
11.5. Specific Assessments.....	36
11.6. Authority to Assess Owners; Time of Payment	37
11.7. Obligation for Assessments	37
11.8. Charge for Assessments	38
11.9. Exempt Property.....	39
11.10. Use and Consumption Fees	39
PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY.....	40
Chapter 12 Easements	40
12.1. Easements in Mutual Benefit Area	40
12.2. Easements of Encroachment	40
12.3. Easements for Utilities and Other Infrastructure.....	41
12.4. Easements for Water	42
12.5. Easements for Use and Access	42
12.6. Easements for Maintenance of Beach and Water-Related Features	42
12.7. Easements to Serve Additional Property.....	42
12.8. Easements for Maintenance, Emergency and Enforcement	43
12.9. Easements for Pest Control	43
12.10. Easements for Golf Course.....	43
Chapter 13 Disclosures and Waivers	44
13.1. Private Amenities	44
13.2. Facilities and Services Open to the Public	44
13.3. Safety and Security; Natural and Man-Made Hazards	44
13.4. View Impairment	45
13.5. Changes in Land Use Plan	45
13.6. Resort-Related Activities	46
13.7. Construction Activities	46
PART FIVE: COMMUNITY DEVELOPMENT.....	47
Chapter 14 Expansion of Cape Eleuthera	47
14.1. Expansion by Declarant	47
14.2. Expansion by CECA	47
14.3. Additional Covenants and Easements	47
14.4. Effect of Filing a Supplement	47
Chapter 15 Additional Rights Reserved to Declarant.....	49
15.1. Withdrawal of Property	49

TABLE OF CONTENTS
(continued)

	<u>Page</u>
15.2. Marketing and Sales Activities	49
15.3. Right to Make Improvements, Replat	49
15.4. Right to Approve Changes in Cape Eleuthera Standards.....	49
15.5. Additional Covenants and Restrictions.....	49
15.6. Easement to Inspect and Right to Correct.....	49
15.7. Rights to Stormwater Runoff and Water Reclamation.....	50
15.8. Right to Transfer or Assign Declarant's Rights	50
15.9. Declarant's Right to Approve Form of Conveyance Document.....	50
15.10. Termination of Rights.....	50
PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS.....	51
Chapter 16 Changes in CECA Property	51
16.1. Condemnation.....	51
16.2. Partition	51
16.3. Transfer or Dedication of CECA Property.....	51
Chapter 17.....	52
Term, Termination and Amendment of Declaration.....	52
17.1. Term and Termination.....	52
17.2. Amendment.....	52

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Title</u>	<u>Page First Mentioned</u>
A	Land Initially Submitted	2
B	Expansion Property	2
C	Service Areas	9
D	Exclusive Common Areas	8
E	Parcel Restrictions and Stipulations	18
F	Articles of Association of CECA Limited	3
G	Memorandum of Association of CECA Limited	3

INDEX TO DEFINED TERMS

Approval, 4
 Articles, 3
 Base Assessment, 35
 Board, 6
 Cape Eleuthera, 2
 CECA, 1
 CECA Property, 8
 Commercial Parcel, 8
 Common Expenses, 34
 Community, 2
 Community-Wide Standard, 4
 Consent, 4
 Declarant, 1
 Declarant Affiliate, 5
 Declarant Control Period, 5
 Declarant Membership, 10
 Declaration, 1
 Design Guidelines, 12
 Development and Sale Period, 5
 Discretion or Determination, 4
 Exclusive Common Areas, 8
 Governing Documents, 2
 Improvements, 12
 Land Use Plan, 2
 Lease or Leasing, 21
 Mariner Townhouses, 18
 Memorandum of Association, 3
 Mortgage, 7
 Mortgagee, 7
 Mutual Benefit Area, 9
 Owner, 6
 Owner Membership, 10
 Parcel, 8
 Parcel Association, 6
 Parcel Covenants, 6
 Parcel Developers, 5
 Parcel Owner, 6
 Parcel Restrictions, 22
 Person or Persons, 4
 Private Amenities, 44
 Recorded or Recording, 4
 Residential Parcel, 8
 Reviewer, 13
 Rules, 22
 Service Area Assessment, 35
 Service Area Committee, 9
 Service Area Expenses, 34
 Service Areas, 9
 Special Assessments, 36
 Specific Assessments, 36
 Supplement, 3
 Unit, 8
 Utility Easement Area, 41

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAPE ELEUTHERA

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAPE ELEUTHERA (this “**Declaration**”) is made this 14th day of October, 2016 by Powell Point Properties Limited, a company incorporated and existing under the laws of the Commonwealth of The Bahamas (with its successors and assigns, the “**Declarant**”).

Background Statement

“**Cape Eleuthera**” is an approximately 4,300-acre parcel of land located on the Island of Eleuthera, an island in the Commonwealth of The Bahamas. As of the date of recording of this Declaration, portions of Cape Eleuthera have been developed, and portions of the property remain undeveloped. The general plan for development contemplates various potential land uses, including residential neighbourhoods, commercial parcels, one or more hotels, recreational properties, a marina, agricultural use and a school. It is intended that this Declaration preserve and protect the existing uses in Cape Eleuthera, establish a process going forward for the further development of Cape Eleuthera and establish relationships and obligations between and among owners and users of the various properties within Cape Eleuthera.

In addition, by this Declaration, Declarant desires to provide for the maintenance of certain property within Cape Eleuthera and for the provision of certain services which will benefit the various uses within Cape Eleuthera, for an equitable allocation of the cost of such maintenance and services between and among the various uses within Cape Eleuthera and for easements relating to the maintenance and use of, and access to, such mutual benefit areas.

An integral part of the development plan for Cape Eleuthera is the CECA Limited, a company created under Bahamian law (also referred to as “Cape Eleuthera Community Association” and together with its successors and assigns, “**CECA**”), to own, operate and/or maintain various mutual benefit areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

This Declaration contains certain affirmative obligations requiring the payment of money (i.e., positive covenants). Each conveyance transferring a “Unit” or “Parcel” within Cape Eleuthera to an “Owner” or a “Parcel Owner” (as such capitalized terms are defined in Sections 2.4 and 3.1) shall provide (and, if absent, shall be deemed to provide) that such Owner or Parcel Owner takes title to the Unit or Parcel subject to the use that CECA may assess and collect assessments, fees and other charges as provided in this Declaration. By accepting a conveyance or entering into a contract for sale for any portion of Cape Eleuthera, each Owner, on behalf of himself or herself and his or her successors and assigns, is deemed to covenant and agree to pay such assessments, fees and charges.

This Declaration amends and restates the Indenture Restrictions described in the Recitals set forth above in their entirety, except as provided in the Recitals.

PART ONE: INTRODUCTION TO THE COMMUNITY

Chapter 1**Creation of the Community**

This Declaration establishes a governance structure and a system of standards and procedures for the development, expansion, administration, maintenance and preservation of Cape Eleuthera.

1.1. Declaration of Covenant

Declarant, by executing and recording this Declaration, declares that the property described in Exhibit "A" attached hereto and any additional property made subject to this Declaration in the future by amendment or supplement, shall constitute the "**Community**" of "**Cape Eleuthera**" referred to in this Declaration. Such property shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all "Persons" (as defined in Section 1.7) having any right, title or interest in any portion of Cape Eleuthera, their heirs, successors, successors-in-title and assigns, and any other Person that now or hereafter has any legal, equitable or beneficial interest in any portion of such property. In addition, this Declaration shall be binding upon CECA.

1.2. Land Use Plan

The general development plan for Cape Eleuthera (the "**Land Use Plan**") encompasses all of the property described in Exhibit "A," as it may be supplemented and amended, and may include all or a portion of the property described in Exhibit "B" attached hereto to the extent annexed by Declarant pursuant to Section 14.1 below. Declarant is not obligated to submit all of the property shown on the Land Use Plan to this Declaration. In addition, Declarant may submit property to this Declaration that is not shown on the Land Use Plan.

1.3. Governing Documents

Cape Eleuthera has been established and is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of property in Cape Eleuthera, as well as on anyone else that may now have or in the future acquire an interest in any portion of the property comprising Cape Eleuthera. Such documents, referred to in this Declaration as the "**Governing Documents**," include this Declaration and the other documents described in Table 1.1 below, as they may be amended. All owners and occupants, as well as their tenants, guests and invitees, are required to comply with the Governing Documents.

1.4. Additional Covenants and Restrictions

The owner of any property within Cape Eleuthera may impose additional covenants, indentures or restrictions on its property with such approval as may be required pursuant to Chapter 15. If the provisions of any such additional covenants are more restrictive than the provisions of this Declaration, the more restrictive provisions control with respect to the portions of Cape Eleuthera made subject thereto. CECA shall have standing and the power, but not the obligation, to enforce any such additional covenants.

1.5. Applicable Law and Severability

This Declaration shall be construed under and in accordance with the laws of the Commonwealth of The Bahamas, and the owners and occupants of property in Cape Eleuthera shall submit to the exclusive jurisdiction of the courts of The Bahamas. If any court should determine that any provision of this Declaration is unenforceable, invalid or invalid

GOVERNING DOCUMENTS	
Declaration: (recorded)	this Declaration of Covenants, Conditions and Restrictions for Cape Eleuthera, which creates obligations that are binding upon CECA and all present and future owners of property in Cape Eleuthera
Supplement: (recorded)	a recorded Supplement to this Declaration, which may submit additional property to this Declaration, create easements over the property described in the Supplement, impose additional obligations or restrictions on such property, designate services areas as described in Chapter 3 or any of the foregoing
Memorandum of Association: (filed with the Registrar General of The Bahamas)	CECA Limited's Memorandum of Association, which establishes CECA as a company under Bahamian law. A copy of the Memorandum of Association is attached as Exhibit "G"
Articles of Association: (filed with the Registrar General of The Bahamas)	the Articles of Association of CECA Limited, as they may be amended (" Articles "), which govern CECA's internal affairs, such as voting rights, elections, meetings, etc. A copy of the Articles is attached as Exhibit "F"
Rules: (Board adopts)	the rules of CECA adopted pursuant to Chapter 7, which regulate use of certain properties, activities and conduct within Cape Eleuthera
Board Resolutions: (Board adopts)	the resolutions that CECA's Board of Directors adopts to establish rules, policies and procedures for internal governance and CECA activities and to regulate the operation and use of property that CECA owns or controls

Table 1.1 - Governing Documents

as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provisions in other instances. Each provision of this Declaration is hereby declared to be severable and shall remain in full force and effect notwithstanding the judicial declaration of the unenforceability, invalidity or invalid application of any other provision of this Declaration.

1.6. Conflicts

If there are conflicts between any of the Governing Documents and Bahamian law, Bahamian law shall control. If there are conflicts between or among any of the Governing Documents, then the Memorandum of Association, the Articles of Association and then this

Declaration (in that order) shall control. If there is a conflict between the Governing Documents and any additional covenants or restrictions recorded on any property within Cape Eleuthera (or the rules or policies adopted pursuant to any such additional covenants), the Governing Documents shall control.

The Governing Documents use diagrams, tables and keynotes (text set apart in boxes with "key" icons) to illustrate concepts and assist the reader. If there is a conflict between any diagram, table or keynote and the text of the Governing Documents, the text shall control.

Space has been set aside throughout this Declaration to allow the reader to make notes.

Any such notes are not part of this Declaration and have no legal or binding effect.

1.7. Definitions

Capitalized terms used in the Governing Documents have the meaning described in the paragraph where they first appear in bold print. An index to defined terms may be found at the end of the Table of Exhibits at the beginning of this document. All other terms used in the Governing Documents have their natural, commonly accepted definitions.

1.8. Interpretation of Certain References

Community-Wide Standard. Where the Governing Documents require compliance with the “**Community-Wide Standard**,” the standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping or aesthetic matters generally prevailing in Cape Eleuthera; or (b) the minimum standards described in this Declaration, the Rules and Board resolutions. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the “Reviewer” (as defined in Chapter 5).

Consent or Approval. All references in the Governing Documents to “**consent**” or “**approval**” shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

Discretion and Determination. All references in the Governing Documents to “**discretion**” or to the right to “**determine**” any matter shall refer to the sole and absolute power or right to decide or act. Unless otherwise expressly limited in the Governing Documents or by law, anyone authorized in the Governing Documents to exercise its discretion or make a determination may do so without regard to the

reasonableness of, and without the necessity of justifying, the decision, determination, action or inaction.

Person. References in the Governing Documents to a “**Person**” or “**Persons**” shall refer to an individual, a corporation, a partnership, a limited liability company or any other legal entity.

Recording. All references in the Governing Documents to a “**recorded**” legal instrument, or to “**recordation**” or the “**recording**” of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the Office of the Registrar General of The Bahamas, or such other place designated as the official location for filing documents affecting title to real estate in the Commonwealth of The Bahamas in order to make them a matter of public record.

NOTES

Chapter 2

Community Administration

Vibrant communities depend upon all of their stakeholders working together to uphold community standards and achieve the vision and goals for the community. Declarant, CECA, the owners, parcel developers and others have a role in the functioning of the community and in helping to fulfil that vision. This Chapter identifies these stakeholders and describes their roles in administering the Community.

2.1. Declarant

Declarant has established a vision for the Community and, through the Governing Documents, has set forth the founding principles that will guide Cape Eleuthera during development, construction, sale and thereafter. Declarant has reserved various rights in the Governing Documents with respect to development and administration of Cape Eleuthera. Declarant may exercise certain of these rights throughout the “**Development and Sale Period**,” which is the period of time during which Declarant or any “Declarant Affiliate” owns real property in Cape Eleuthera or has an unexpired option to expand Cape Eleuthera pursuant to Chapter 14. A “**Declarant Affiliate**” is any Person that controls, is controlled by or is under common control with Declarant, and any Person that is an owner, a member, a partner or a shareholder of Declarant.

Declarant has reserved various other rights that may be exercised only during the “**Declarant Control Period**,” which is the period of time that Declarant is entitled to appoint a majority of the members of CECA’s board of directors. The Declarant Control Period terminates upon the first of the following to occur:

(a) when all of the total number of “Parcels” (defined in Section 3.1) permitted by applicable zoning for the property described in the Land Use Plan have been conveyed to Persons other than “Parcel Developers” (defined in Section 2.2);

(b) December 31, 2066; or

(c) when, in its discretion, Declarant so determines and declares in a recorded instrument.

Declarant has certain approval rights as provided in the Articles for a limited period after the termination of the Declarant Control Period.

Declarant may assign its status and rights as the Declarant under the Governing Documents to any Person who takes title to any portion of the property described in Exhibit “A” or “B” for the purpose of development and/or sale. Such assignment shall be made only in a recorded instrument signed by both parties.

2.2. Parcel Developers

Responsibility for helping to develop Cape Eleuthera may rest with one or more “**Parcel Developers**,” which are those Persons who purchase one or more unimproved tracts of land within Cape Eleuthera for further subdivision or development and resale in the ordinary course of their business. Any Parcel Developers will have the same privileges and responsibilities as Owners during the time that they own property within the Community for construction and resale, including the privileges of membership in CECA. In addition, Declarant may extend any of the rights it has reserved under the Governing Documents with respect to development, marketing and sale of property in the Community to such Parcel Developers as it may designate.

2.3. CECA and the Board

CECA has been formed and organized to own, operate and/or maintain various shared community areas and community improvements within Cape Eleuthera and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration. Each “Parcel

Owner" (defined in Section 2.4) is a member of CECA.

CECA may exercise all rights and powers that the Governing Documents and Bahamian law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or privilege.

On most matters, CECA acts through its board of directors ("**Board**"). However, in some instances the Governing Documents or applicable law limit the Board's ability to act without the approval of CECA's members. Unless the Governing Documents or Bahamian law specifically provide otherwise, the Board may exercise CECA's rights and powers without a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of CECA in mediation, binding or non-binding arbitration, litigation or administrative proceedings in matters pertaining to the Mutual Benefit Area (defined in Section 3.1), enforcement of the Governing Documents or any other civil claim or action. However, the Board has no legal duty to institute litigation or any other proceeding on behalf of or in the name of CECA or its members.

In exercising CECA's rights and powers, making decisions on CECA's behalf (including, without limitation, deciding whether to file a lawsuit or take other legal action under any circumstances) and conducting CECA's affairs, Board members and CECA's officers are required to comply with, and shall be judged by, the standards set forth in the Articles.

2.4. Owners

Each Person that holds record title to a Parcel or Unit (as such terms are defined in Section 3.1) and the hereditaments appurtenant thereto is referred to in the Governing Documents as an "**Owner**." However, a Person who holds title

merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not considered an "**Owner**." If a Parcel or Unit has more than one Owner, all co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents. If a Unit or Parcel is sold under a recorded contract of sale and the contract specifically so states, the purchaser (rather than the holder of fee simple title) shall be considered the Owner.

The Owner of a Parcel is sometimes referred to as a "**Parcel Owner**." In the case of a Parcel that is part of a "Parcel Association" (defined in Section 2.5), the Owners of Units within the Parcel Association shall each be deemed a Parcel Owner for all purposes under the Governing Documents.

Every Owner and each Parcel Association has a responsibility to comply with the Governing Documents and uphold the community standards described in Part Two of this Declaration.

2.5. Parcel Associations

Portions of Cape Eleuthera will include residential areas and may include condominium units, timeshare or fractional interests or other uses for which a separate condominium or other owners' association is legally formed to administer additional covenants ("**Parcel Covenants**") applicable to that particular area or use. Any such condominium or owners association shall be deemed to be, and is referred to in the Governing Documents as, a "**Parcel Association**." Each Parcel Association shall be subject to the terms of this Declaration and shall be further responsible for administering the Parcel Covenants applicable to the property within its jurisdiction and for maintaining, in accordance with the Community-Wide Standard, any property that it owns or that its covenants designate as being for the common benefit of its members.

Any sub-association created within a Parcel that is subordinate to a Parcel Association shall not be

considered a Parcel Association under the Governing Documents.

2.6. Mortgagees

If a Unit or Parcel is made subject to a mortgage or other form of security instrument affecting title to a Unit or Parcel ("**Mortgage**"), then the holder or beneficiary of that Mortgage ("**Mortgagee**") may also have an interest in the administration of Cape Eleuthera. The Governing Documents contain various provisions for the protection of Mortgagees.

NOTES

Chapter 3

Community Structure and Organization

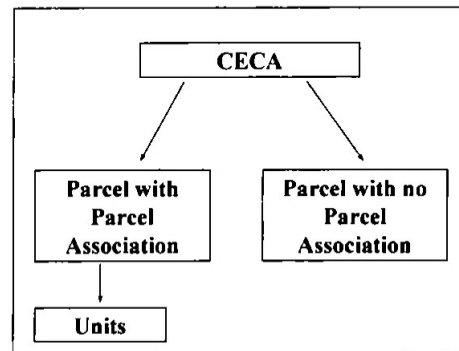
The Community consists of Parcels of property that are intended for the exclusive use of the Owners and occupants of the Parcels, as well as property that is intended for common use. Parcels may be assigned to Service Areas to permit Declarant, CECA or one of their affiliates to provide special services and benefits to particular areas of the Community.

3.1. Designations of Properties Comprising Cape Eleuthera

(a) **Units and Parcels.** A "Parcel" is a separately identified lot, parcel or airspace on a recorded subdivision plat, map or survey or in a recorded condominium instrument, whether improved or unimproved, which may be independently owned and conveyed, but excluding the Exclusive Common Areas and CECA Property (defined below). With respect to any portion of Cape Eleuthera that is governed by a Parcel Association, the term "Parcel" shall refer to each Unit within such Parcel Association. The term "Parcel" refers to the land, if any, which is part of the Parcel, as well as to all tenements and hereditaments appurtenant thereto and any structures or other improvements thereon.

A Parcel intended for further subdivision and development into one or more Parcels or Units is considered a single Parcel until a subdivision plat, map or survey or condominium instrument is recorded subdividing it into more than one Parcel. The subdivision and combination of Parcels is subject to the provisions of Section 7.1(j).

A "Unit" is a subdivided lot, condominium unit or timeshare or fractional use unit located within a Parcel subject to Parcel Covenants which is governed by a Parcel Association.



A Parcel or a Parcel containing Units intended for development, use and occupancy as an attached or detached residence for a single family (which may include condominium units intended for residential use, townhouse units, cluster homes, patio or zero lot line homes and single-family detached houses on separately platted lots, as well as vacant land intended for development as such) is sometimes referred to as a "Residential Parcel."

A Parcel or a Parcel containing Units intended for commercial, retail, hotel or institutional use or multi-family apartments is sometimes referred to as a "Commercial Parcel." For purposes of this Declaration, a single Parcel containing both residential and commercial uses shall be deemed to be a Commercial Parcel.

(b) **Common Properties.** Any property or facilities that CECA owns or in which it otherwise holds possessory or use rights for the common use or benefit of more than one Parcel is referred to as "CECA Property." The CECA Property also includes any property that CECA holds under a lease and any easements in favour of CECA.

Certain "Exclusive Common Areas" may be created for the exclusive use of and benefit to the Owners of particular Parcels. Exclusive Common Areas may be CECA Property that is assigned for the exclusive use or primary benefit of less than all Parcels, or those Parcel Owners to which Exclusive Common Area is assigned may

Community Structure and Organization

own such Exclusive Common Area as tenants in common with each other, in which case, ownership of a Parcel shall include an undivided interest in such Exclusive Common Area.

The Owner of each Parcel to which Exclusive Common Area has been assigned or conveyed shall be entitled to the use thereof and shall be bound by any stipulations prescribed in this Declaration as to such use. The initial Exclusive Common Areas are described in Exhibit "D."

Declarant may designate additional property as Exclusive Common Area and assign it to particular Parcels on a recorded plat depicting such property, in the conveyance transferring an interest in such property to the Parcel Owners, or in the Supplement by which the property is submitted to the terms of this Declaration.

(c) *Mutual Benefit Area.* All of the property and facilities for which CECA has maintenance or operational authority or responsibility under the Governing Documents, or for which CECA otherwise agrees to assume such responsibility, is collectively referred to in the Governing Documents as the "**Mutual Benefit Area.**" The Mutual Benefit Area includes all of the CECA Property and may also include the Exclusive Common Areas and/or portions of Parcels and property dedicated to the public, such as public rights-of-way. The initial Mutual Benefit Area is described in Section 6.2.

3.2. Service Areas

Parcels may be part of one or more "**Service Areas**" within which particular Parcels share Exclusive Common Area and may receive special benefits or services from CECA, Declarant or one of their affiliates that it does not provide to all Parcels within Cape Eleuthera. A Parcel may be assigned to more than one Service Area, depending upon the number and types of special benefits or services it receives. A Service Area may be comprised of Parcels of more than one housing type or type of use and may include Parcels that are not contiguous.

Declarant may initially designate Service Areas (by name or other identifying designation) and assign Parcels to a particular Service Area in Exhibit "C." During the Development and Sale Period, Declarant may unilaterally amend this Declaration to change Service Area boundaries or to create additional Service Areas.

In addition, upon presentation to the Board of a petition as described in Section 9.5, the Board may, but shall not be obligated to, by resolution assign Parcels to an existing or newly formed Service Area, subject to the approval of 67% of the affected Parcels as described in Section 9.5.

The Parcel Owners within each Service Area may elect a "**Service Area Committee**" in accordance with the Articles to represent and act on behalf of the Parcel Owners with respect to the services and benefits that CECA provides to the Service Area. References to Service Areas in the Governing Documents shall also refer to such Service Area Committees, if appropriate from the context.

NOTES

Chapter 4

CECA Membership, Voting Rights and Powers

CECA is an entity through which each Parcel Owner can participate in the governance and administration of Cape Eleuthera. While many powers and responsibilities are vested in the Board in order to facilitate day-to-day management and operation, the membership and voting rights vested in the Parcel Owners allow the Parcel Owners to participate in administration of the Community and influence the outcome of major decisions.

4.1. Membership

CECA has two types of membership: the **"Owner Membership,"** which is comprised of all Parcel Owners, and the **"Declarant Membership,"** which consists solely of Declarant.

(a) Owner Membership. Each Parcel Owner shall, by virtue of ownership of the Parcel and the tenements and hereditaments appurtenant thereto, be as of right a member of CECA.

If a Parcel has more than one Owner, all co-Owners of the Parcel shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth below and in the Articles. However, there shall be only one membership per Parcel. If a Parcel Owner is a corporation, a partnership or other legal entity, its membership rights may be exercised by any officer, director, partner or trustee, or by an individual the Parcel Owner designates from time to time in writing to the Association's Secretary.

Upon conveyance of a Parcel, the Person conveying title shall cease to be a member of CECA, without prejudice to CECA to recover from him or her any amounts due and owing by such Person to CECA.

(b) Declarant Membership. Declarant holds the sole Declarant Membership. The Declarant Membership shall terminate two years

after expiration of the Declarant Control Period, or on such earlier date as Declarant determines and declares in a recorded instrument. After termination of the Declarant Membership, Declarant shall hold an Owner Membership for each Parcel owned by Declarant.

4.2. Voting

In all matters that are to be decided by a vote of the membership of CECA, each Parcel shall be allocated one vote, subject to the limitations on voting set forth in this Declaration and the Governing Documents. No vote shall be exercised for any property exempt from assessment under Section 11.9. Further, during such time as there is a Declarant Membership, no vote shall be exercised for Parcels that Declarant owns; rather, Declarant's consent shall be required for various actions of the Board, the membership and committees, as specifically provided elsewhere in the Governing Documents. After termination of the Declarant Membership, Declarant shall have the same voting rights and privileges as other Owner Members.

If there is more than one Owner of a Parcel, the vote for such Parcel shall be exercised as the co-Owners holding a majority of the ownership interest in the Parcel determine among themselves. Any co-Owner may cast the vote for the Parcel, and majority agreement shall be conclusively presumed unless another co-Owner of the Parcel protests promptly to the President or other person presiding over the meeting or the balloting, in the case of a vote taken outside of a meeting. In the absence of majority agreement, the Parcel's vote shall be suspended if two or more co-Owners seek to exercise it independently.

If additional land is made subject to this Declaration pursuant to Chapter 14 and Exhibit "B," Declarant during the Declarant Control Period and the Board thereafter shall determine the voting rights for Owners of any such expansion property.

4.3. Functions and Powers

The purposes and objects of CECA shall be determined by Declarant and may include, but may not be limited to, promoting, sponsoring, supporting and supervising:

(a) The upkeep of any common use parks and recreational facilities, open spaces and private roads in Cape Eleuthera;

(b) The provision of certain services to the Parcels as determined by CECA in its sole discretion;

(c) The collection and disposal or destruction of garbage, ashes or rubbish within Cape Eleuthera as determined by CECA in its sole discretion;

(d) Such other community programs, affairs and activities as CECA shall from time to time deem to be in the best interests of its members;

(e) To recover from the members of CECA the costs incurred by CECA in carrying out its functions and in the administration of CECA;

(f) The promotion of the best interests of all of the members of CECA;

(g) To carry out such other duties and responsibilities assigned to CECA in the Governing Documents; and

(h) Any other function which under the circumstances is deemed appropriate by Declarant for CECA to perform.

NOTES

PART TWO: COMMUNITY STANDARDS

Chapter 5

Architecture, Landscaping and Aesthetic Standards

Cape Eleuthera derives its unique character from a mix of compatible architectural styles and from the cooperation of all Parcel Developers and Parcel Owners in upholding minimum design, landscaping and aesthetic standards. This Chapter explains how those standards are established and how they are applied and maintained through a process requiring prior approval for construction on and exterior modifications to improvements on Parcels.

5.1. General

Subject to Declarant's rights under this Chapter, CECA shall have general authority over design standards and appearance throughout Cape Eleuthera. With respect to Parcels subject to a Parcel Association, design review and approval shall be governed in accordance with the terms of the Parcel Covenants for the Parcel Association, as approved by Declarant or CECA, as applicable, and Declarant or CECA shall have only general oversight authority with respect to design standards and appearance within such Parcels.

For those portions of Cape Eleuthera that are not subject to a Parcel Association, no building, structure or other site work or improvement of any kind visible from outside of any existing structures on the Parcel shall be conducted, erected, constructed, placed, enlarged or altered on any Parcel; and no dock, jetty, pier or wharf extending over any beach or body of water in or adjacent to Cape Eleuthera shall be permitted to be built; and no structures, tie-ups or additions of any kind shall be permitted to be made on, to or about any seawall (collectively, "**Improvements**"), except in accordance with standards for design, landscaping and aesthetics adopted pursuant to this Chapter ("**Design Guidelines**") and the approval procedures set forth in this Chapter, unless this

Chapter or the Design Guidelines may otherwise specify.

No prior approval is necessary to repaint the exterior of existing structures using the most recently approved colour scheme or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior portion of a structure that are visible from outside of the structure may require prior approval.

Approval under this Chapter is not a substitute for any approvals or reviews required by any Parcel Association, the Government of the Commonwealth of The Bahamas or any other municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

This Chapter shall not apply to Declarant's design and construction activities, to CECA's activities during the Declarant Control Period or to structures in existence on the date of recording of this Declaration (but shall apply to any such existing structure's alteration or reconstruction).

5.2. Design Review Authority

(a) *Declarant.* Declarant shall have exclusive authority to review and act upon all applications for review of proposed Improvements until the later of: (i) the expiration of the Development and Sale Period; or (ii) such time as all Parcels planned for Cape Eleuthera described in Exhibits "A" and "B" have been improved with residential dwellings or other permanent improvements (in the case of non-residential uses)

ready for occupation. Declarant may designate one or more Persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, Declarant and its designee act solely in Declarant's interest and owe no duty to any other Person.

From time to time, Declarant may delegate any or all of its rights under this Chapter to other Persons or committees, including a committee of Parcel Owners, or a design or architectural review committee governed by a Parcel Association or Parcel Developer. Any such delegation shall be in writing, shall specify the scope of responsibilities delegated and shall be subject to: (A) Declarant's right to revoke such delegation at any time and reassume its prior control; and (B) Declarant's right to veto any decision that it determines, in its discretion, to be inappropriate or inadvisable. So long as Declarant has any rights under this Chapter, the jurisdiction of others shall be limited to such matters as Declarant specifically delegates.


(b) CECA. Upon Declarant's delegation of authority pursuant to Section 5.2(a), or upon expiration or termination of Declarant's rights under this Chapter, the Board shall assume jurisdiction over matters within the scope of the delegated authority or this Chapter, respectively.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Board or Declarant's rights under this Chapter terminate, CECA shall have no jurisdiction over architectural matters.

(c) Reviewer. For purposes of this Chapter, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer."

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application. The Board may include the compensation of such persons in CECA's annual operating budget.

5.3. Guidelines and Procedures

 The purpose of Design Guidelines is to maintain a consistent character and appearance for the Improvements and to ensure that Improvements are constructed in an orderly manner. The Design Guidelines may describe what type of building materials and design elements are preferred and others that are discouraged. The Design Guidelines may also provide a specific procedure for submitting applications for proposed Improvements and describe how to carry out the construction of Improvements once approval has been received.

(a) Design Guidelines. Declarant may prepare Design Guidelines, which may contain general provisions applicable to all Parcels not subject to a Parcel Association, as well as specific provisions that vary among uses, housing or structure types or locations within Cape Eleuthera. The Design Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Design Guidelines does not guarantee approval.

Declarant shall have sole and full authority to amend the Design Guidelines for so long as it has review authority under Section 5.2(a). Thereafter, the Board may amend the Design Guidelines.

Amendments to the Design Guidelines shall apply prospectively only. They shall not require modifications to or removal of any 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. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may eliminate requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Reviewer shall make the Design Guidelines available to Owners and Parcel Associations. In Declarant's discretion, such Design Guidelines may

be recorded, in which event the recorded 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.

(b) Procedures. Unless the Design Guidelines provide otherwise, no activities within the scope of this Chapter (as described in Section 5.1) may begin on any property within Cape Eleuthera until a written application is submitted to and approved by the Reviewer. No application shall be submitted for approval except on the form provided by the Reviewer. The application must be accompanied by plans and specifications and such other information as the Reviewer or the Design Guidelines require.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such 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 shall not be subject to judicial review so long as they are made in good faith and in accordance with required procedures.

The Reviewer shall make a determination on each application after receipt of a completed application with all required information. 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. 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.

The Reviewer shall notify the applicant in writing of the final determination on any

application no later than 60 days after its receipt of a completed application and all required submissions. Notice shall be deemed given at the time the envelope containing the response is deposited in the Bahamian mail. Hand delivery, facsimile, electronic mail or similar delivery of such written notice also shall be sufficient and shall be deemed given at the time of confirmed delivery to the applicant.

If the Reviewer fails to respond with its notice of approval or disapproval of any application within the time period required above, the applicant may notify the Reviewer by registered mail, return receipt requested, at the address for such notices set forth in the current edition of the Design Guidelines, stating that no response has been received and that unless a written response is given at the address set forth in such notice within 15 days of the Reviewer's receipt of the applicant's notice, as evidenced by the return receipt, the application shall be deemed approved. 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 5.5.

The Reviewer may exempt certain activities from the application and approval requirements of this Chapter if such activities are undertaken in compliance with the Design Guidelines and the Community-Wide Standard.

5.4. No Waiver of Future Approvals

The people reviewing applications under this Chapter will change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. It may not always be possible to identify objectionable features until work is completed. In such cases, the Reviewer may elect not to require changes to objectionable features. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans or

Architecture, Landscaping and Aesthetic Standards

other matters subsequently or additionally submitted for approval.

5.5. Variances



When unusual circumstances exist that make it difficult or impossible to comply with a particular requirement of the Design Guidelines, the Parcel Owner may file a request with the Reviewer to be excused from complying with such requirement. The Reviewer has the discretion to determine when a variance is appropriate.

The Reviewer may authorize variances from compliance with any of the Design Guidelines and any procedures when the Reviewer determines that circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations justify such a variance; however, the Reviewer shall under no circumstances be obligated to grant variances. No variance shall: (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the Reviewer from denying a variance in other circumstances. A variance requires Declarant's written consent during the Development and Sale Period and, thereafter, requires the Board's written consent.

5.6. Limitation of Liability

This Chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of Cape Eleuthera. Such standards and procedures do not create any duty to any Person. Review and approval of any application pursuant to this Chapter may be based purely on aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements or for ensuring that all dwellings or buildings are of comparable quality, value, size or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

Declarant, CECA, its officers, the Board, any committee and members of any of the foregoing shall not be liable for: (a) soil conditions, drainage or other general site work; (b) any defects in plans revised or approved hereunder; (c) 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; or (d) any injury, damages or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Parcel. In all matters, CECA shall defend and indemnify the Board, the officers and any design review committee as may be established by the Board, as provided in the Articles.

5.7. Certificate of Compliance

Any Owner may request in writing that the Reviewer issue a certificate of compliance certifying that there are no known violations of this chapter or the Design Guidelines. CECA shall either grant or deny such written request within 60 days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent CECA from taking enforcement action against an Owner for any condition known to CECA on the date of such certificate.

5.8. Combining Units

To the extent permitted by Bahamian law, and subject to the express written consent of Declarant for so long as Declarant owns property within Cape Eleuthera, two or more contiguous Parcels or Units may be consolidated and treated as a single Parcel or Unit for all purposes, including architectural control, assessments and voting rights, provided that:

(a) the Parcels/Units to be consolidated are each owned by the same Owner;

(b) only one dwelling has been or will be constructed on the consolidated Parcels/Units;

(c) the location of the dwelling on the consolidated Parcels/Units and redesignation or

adjustment of the area in which a dwelling and all related improvements must be located shall be subject to Declarant's approval;

(d) the Owner of the consolidated Parcels/Units executes all documents necessary and required by Bahamian law or any governmental entity; and

(e) the Owner pays all costs related to the consolidation of the Parcels/Units.

Beach access corridors are areas providing access to the beach for Owners of non-beachfront Parcels/Units. View corridors are lines of sight from building envelope areas to the ocean. The approval of any request to combine Parcels/Units shall be subject to the preservation or relocation of affected beach access corridors and view corridors.

In addition to the above provisions allowing for consolidation of Parcels/Units, Declarant may install, or may permit the installation of, doorways connecting any Unit to an adjoining Unit without the consent or approval of CECA or any other party being necessary. Each such Unit so adjoined by a doorway shall remain a separate Unit for all purposes, including all provisions of this Declaration.

NOTES

Chapter 6

Maintenance, Repair and Replacement

One of the benefits of owning property in a planned community is the commitment among neighbours to maintain their property in a neat, attractive and well-landscaped condition to enhance the overall beauty and aesthetic appeal of the community. This Chapter describes the Owners' responsibilities for maintenance and repair of Parcels and Units and for insuring their property against property damage so that funds will be available for repair and restoration if needed.

6.1. Maintenance by Owners

Each Owner shall maintain its Parcel or Unit, including all structures, landscaping and other Improvements comprising the Parcel or Unit, in a manner consistent with the Governing Documents and the Community-Wide Standard, unless such maintenance responsibility is otherwise assumed by or assigned to CECA or a Parcel Association pursuant to this Declaration, any Supplement, any Parcel Covenants or by law.

6.2. Maintenance by CECA

As directed by Declarant in its sole and absolute discretion, CECA may maintain:

(a) such portions of any property as may be dictated by Declarant, this Declaration, any Supplement or any covenant or agreement for maintenance entered into by, or otherwise binding on CECA; and

(b) any property and facilities that Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of CECA and its members; and

(c) other property CECA and/or Declarant do not own, including, without limitation, Parcels, property dedicated to the public or property owned or maintained by a Parcel Association, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. CECA shall not be liable for any

damage or injury occurring on, or arising out of the condition of, property it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

6.3. Maintenance of Parcel Association Property

A Parcel Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants and agreements. In addition, each Parcel Association shall be responsible for ensuring that the Units within its Parcel are maintained in a manner consistent with the Community-Wide Standard.

In CECA's sole and absolute discretion, CECA may assume maintenance responsibility for any Parcel Association property if the Board so elects or upon the Board's determination, pursuant to Chapter 8, that the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard. CECA need not treat all similarly situated Parcel Associations the same.

6.4. Responsibility for Repair and Replacement

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard and to implement and maintain erosion-sedimentation control measures as necessary to protect coastal water quality.

Each Owner shall pay any costs of repair or replacement that insurance proceeds do not cover. Additional recorded covenants applicable to any

Maintenance, Repair and Replacement

Parcel Association or Service Area may establish additional insurance requirements and more stringent standards for rebuilding or reconstructing structures on Parcels and for clearing and maintaining the Parcels in the event the structures are not rebuilt or reconstructed.

6.5. Maintenance and Repair of Party Walls and Similar Structures

Except as may otherwise be provided in Exhibit "E" with respect to the Mariner Townhouses Parcels (as described in Exhibit "A"), by law, in a written agreement between Owners of adjacent Parcels or in other recorded documents applicable to adjacent Parcels:

(a) Each wall, fence, driveway or similar structure built as part of the original construction on the Parcels that serves and/or separates any two adjoining Parcels shall be considered a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Parcel Owners whose Parcels are served by the party structure.

(b) 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 Parcel Owner whose Parcel is served by the structure may restore it. Other Parcel Owners whose Parcels are served by the structure shall contribute to the restoration cost in equal proportions. 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 wilful acts or omissions.

(c) The right to and the obligation of contribution for party walls and similar structures between Parcel Owners, as provided in this Section 6.5, shall be appurtenant to the land and shall pass to such Parcel Owner's successors-in-title.

(d) To the extent not inconsistent with the provisions of this Section 6.5, the general rules of law regarding party walls and liability for property damage due to negligence or wilful acts or omissions shall apply to any party structure.

(e) Each Owner of a Parcel in the Mariner Townhouses concurrently with each other Owner of a Parcel in the Mariner Townhouses shall be subject to the provisions regarding party walls set forth in Exhibit "E."

6.6. Lagoons and Shoreline

(a) *General.* Declarant may construct one or more lagoons along that portion of the Community which is adjacent to the Atlantic Ocean; however, nothing herein shall obligate Declarant to construct such lagoons, and no Person, including the Owner of any Parcel adjacent to a proposed lagoon, shall have any right to require construction of a lagoon, nor any priority or other right superior to others to use the lagoon(s), if constructed, except as may otherwise be provided in a written agreement between Declarant and such Parcel Owner.

All Persons, including all Owners, are hereby advised that no representations or warranties have been made or are made by Declarant or any other Person with regard to the creation, existence or ownership of any lagoons depicted on the Land Use Plan or in any survey, marketing materials or displays. No representations or warranties, written or oral, are made regarding the size or capacity of the lagoon(s), if constructed, or the availability of such lagoons for use by particular classes or groups of persons, or the ability of any lagoons which are constructed to accommodate all persons who may be entitled to use them. No purported representation or warranty, written or oral, in such regard shall ever be effective without an amendment hereto executed by Declarant.

Each Owner, by acceptance of a conveyance to a Parcel or Unit, acknowledges on behalf of itself and all occupants of such Parcel or Unit that all rights and responsibilities created by this

Declaration, if constructed, are subject to the ownership of lagoons remaining private and, in the event the Commonwealth of The Bahamas, any local government or the general public establishes a claim of ownership of or right to use the lagoon(s), such rights and responsibilities may change without notice.

Neither Declarant nor CECA shall be liable to any Owner or other Person for any loss or damage arising out of the location or relocation of the seaward boundary and/or shoreline setback line, by judicial determination or otherwise, in accordance with the laws of the Commonwealth of The Bahamas or any local regulations or ordinances.

If one or more lagoons is constructed in Cape Eleuthera, the following subsections of this Section 6.6 shall apply.

(b) Lagoon Maintenance. In the event Declarant designates any lagoons to be part of the Mutual Benefit Area, CECA may be responsible for maintaining the water surface, the lands beneath the water surface, the offshore islands and the exposed reefs of any such lagoons within or adjacent to Cape Eleuthera. Such responsibility may include responsibility for maintaining, repairing, replacing and insuring all improvements located within the lagoons.

Except as otherwise provided by this Declaration or any Supplement, all costs associated with the maintenance, repair and insurance of lagoons may be assessed as a Service Area Assessment, if Exclusive Common Area assigned to a particular Service Area, or to all Parcels as part of the Base Assessment, if use of the lagoon is open to all Owners and occupants in Cape Eleuthera or to the public at large.

(c) Rules and Regulations. The Board shall have the power to promulgate rules and regulations pertaining to, and to establish committees governing, recreational and commercial activities on, hours of operation of, lighting on, irrigation of, parking and water safety

within any lagoons pursuant to Section 7.3. The power to regulate recreational and commercial activities shall include the power to limit the number and types of concessionaires permitted to operate in or from the lagoons, to award all concessions for recreational and commercial activities and to impose insurance, indemnification and other requirements upon concessionaires as a condition of awarding such concessions, subject to applicable laws and ordinances, if any.

NOTES

Chapter 7

Use and Conduct

In order to maintain an environment that encourages respect for and courtesy among neighbours and minimizes the potential for disputes, this Chapter sets forth basic standards regarding use, occupancy and transfer of interest in Parcels.

7.1. Restrictions on Use, Occupancy and Transfer of Parcels

(a) Temporary Buildings. No temporary buildings of any kind (including any tent or trailer used for sleeping accommodation) shall be built or allowed to remain on any Parcel; provided, temporary sheds or workshops intended to be and used only for the work incidental to the erection of any permanent buildings thereon shall be permitted on a Parcel, but no such temporary construction building shall remain on any Parcel more than 14 days after completion of the permanent building on such Parcel.

(b) Mutual Benefit Area. No structure of any kind may be constructed or placed upon the Exclusive Common Areas or CECA Property, except as may be approved by Declarant during the Development and Sale Period and thereafter, by the Board.

(c) Pesticides and Chemicals. No pesticides, herbicides or other harmful or dangerous chemicals may be used or sprayed on any Parcel, used in, or in the vicinity of, any pond, inland waterway, canal or wetland, or in a manner likely to seep or penetrate into or contaminate any pond, inland waterway, canal, wetland, underground aquifer or the ocean.

(d) Sewer Systems and Septic Tanks. No earth closet, open pit toilet or cesspit shall be constructed or maintained on any Parcel. No building on any Parcel shall remain unconnected to the public sewerage system for more than 30 days after the completion of such building or the availability of such sewerage system to the building site. Except in areas not serviced by the public

sewerage system, and except with the prior written consent of Declarant during the Development and Sale Period and thereafter, by the Board, no domestic waste or sewage shall be discharged or disposed of otherwise than into an approved septic tank system with a deep well or other approved well field.

(e) Utility Easements. Without the prior written approval of Declarant, nothing shall be done over, on or under any "Utility Easement Area" (as defined in Section 12.3(c)) that will or may prevent, impede or interfere with the use of such area for the purposes of laying, erecting, inspecting, maintaining, repairing, replacing or renewing cables, pipes, lines, conduits, wires, poles and other apparatus for the purposes of water, electricity, telephone, drainage and sewerage system and services to the Parcel and every part thereof.

(f) Trash, Rubbish and Waste Matter. No Parcel shall be used as a dumping ground for rubbish, trash, garbage or other waste matter, unless such Parcel is specifically designated by Declarant or CECA for such purpose. Garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No incinerator shall be permitted.

(g) Drainage. Nothing shall be done on any Parcel whereby the natural flow of surface water shall be increased or altered in such manner as to cause a nuisance to any adjoining or neighbouring property.

(h) Animals. No swine, cows, poultry or objectionable animals or creatures shall be kept, raised or maintained on any Parcel; provided always that dogs and cats kept and maintained as domestic pets shall not be deemed to be objectionable animals under this Declaration.

(i) *Nuisance.* Nothing shall be done on any Parcel that may be or become an unreasonable source of annoyance or nuisance to the Owners of any adjoining or neighbouring Parcel.

(j) *Subdivision and Combination of Parcels.* No Person other than Declarant and Parcel Developers that Declarant may authorize shall subdivide or change the boundary lines of any Parcel or combine Parcels without the Board's prior written approval. Any such action that the Board approves shall be effective only upon recording of a plat or other legal instrument reflecting the subdivision or new boundaries of the affected Parcel(s). In the absence of such recorded instrument, adjacent Parcels owned by the same Owner shall continue to be treated as separate Parcels for purposes of voting and assessment, even though such Parcels may be improved with a single building.

(k) *Vehicles and Boats.* No part or parts of any wrecked or junked vehicle, boat, trailer or the like shall be permitted to remain on any Parcel, except within an enclosed building out of sight from others.

(l) *Leasing.* For purposes of this Declaration, the terms "lease" and "leasing" shall refer to the regular, exclusive occupancy of a Parcel by any Person other than the Parcel Owner, for which the Parcel Owner receives any consideration or benefit.

All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Parcel are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

Within 10 days of any lease of a Parcel for more than 30 days being signed, the Owner of the leased Parcel shall notify the Board or CECA's managing agent of the lease and provide any additional information the Board may reasonably require.

The Owner must give the tenant copies of the Governing Documents. CECA or the Board may adopt Rules governing leasing and subleasing consistent with this subsection that apply in addition to this subsection (l).

(m) *Transfer of Title.* Any Parcel Owner desiring to sell or otherwise transfer title to a Parcel shall give the Board at least 30 days' prior written notice of the full name and address of the purchaser or transferee, the date of such transfer of title and such other information as the Board may reasonably require. The Secretary of CECA shall amend CECA's membership register accordingly. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

Any Parcel Owner selling or otherwise transferring title to his or her Parcel is responsible for providing a complete set of the then-current Governing Documents to the prospective purchaser prior to closing. In the event such selling Owner does not provide a copy of the Governing Documents to the prospective purchaser prior to closing, such selling Owner shall be fully liable for any problem that arises in connection therewith.

In addition, the provisions of Section 15.9 shall apply to any transfer of title to a Parcel.

(n) *Commercial Use.* Unless otherwise approved by Declarant during the Development and Sale Period, a Parcel may not be used for commercial purposes. After the Development and Sale Period, the approval of the Board shall be required for any change in the predominant use of a Parcel or any use inconsistent with the Land Use Plan.

7.2. Parcel Restrictions

Certain Parcels are or may be made subject to Parcel Covenants, deed restrictions or other

restrictions or stipulations limiting the use of such Parcels or imposing certain maintenance standards (“**Parcel Restrictions**”). The Parcel Restrictions applicable to certain Parcels within Cape Eleuthera are set forth in Exhibit “E.” In addition, Parcel Restrictions may be separately recorded or set forth in a Supplement. Each Parcel Owner shall be bound by said Parcel Restrictions applicable to his or her Parcel.

7.3. Rulemaking Authority and Procedures

CECA shall have the right to establish rules and regulations with respect to use of the Mutual Benefit Area (“**Rules**”), such as 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. In addition, CECA shall have the authority to adopt rules regulating use of the Exclusive Common Areas with the consent of a majority of the Owners of Parcels to which such Exclusive Common Areas are assigned.

No action taken under this section shall have the effect of modifying or repealing the Design Guidelines, Parcel Restrictions or any provision of this Declaration other than the Rules.

7.4. Protection of Owners and Others

Except as may be set forth in this Declaration (either initially or by amendment) or in the initial Rules established by Declarant and attached to this Declaration as an exhibit (if any), all Rules shall comply with the following provisions:

(a) *Similar Treatment.* Similarly situated Parcels shall be treated similarly.

(b) *Activities Within Dwellings and Parcels.* No Rule shall interfere with the activities carried on within a Residential Parcel or a Unit used for residential purposes, except that CECA may prohibit activities not normally associated with residential property. CECA may also restrict or prohibit activities that create a danger to anyone’s health or safety, that generate

excessive noise or traffic, that create unsightly conditions visible from outside the Unit or Parcel or that are an unreasonable source of annoyance.

(c) *Allocation of Burdens and Benefits.* No Rule shall alter the allocation of financial burdens among the various Parcels or rights to use the Exclusive Common Areas or CECA Property to the detriment of any Owner over that Owner’s objection expressed in writing to CECA. Nothing in this provision shall prevent CECA from changing the CECA Property available, from adopting generally applicable rules for use of CECA Property or from denying use privileges to those who are delinquent in paying assessments, abuse the CECA Property or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Chapter 11.

(d) *Abridging Existing Rights.* No Rule shall require that an Owner dispose of personal property kept in or on a Parcel in compliance with the Rules in effect at the time such personal property was brought onto the Parcel. This exemption shall apply only during the period of such Owner’s ownership of the Parcel and shall not apply to subsequent Owners who take title to the Parcel after adoption of the Rule.

(e) *Reasonable Rights to Develop.* No Rule may unreasonably interfere with Declarant’s ability to develop, market and sell property in Cape Eleuthera.

(f) *Interference with Easements.* No Rule may unreasonably interfere with the exercise of any easement.

7.5. Owners’ Acknowledgment and Notice to Purchasers

By accepting a conveyance, each Owner acknowledges and agrees that the use and enjoyment of his or her Unit or Parcel, the Mutual Benefit Area and the Exclusive Common Areas is limited and affected by the Rules, which may change from time to

time. All Parcel purchasers are hereby notified that CECA may have adopted changes to the Rules and that such changes may not be set forth in a recorded document. A copy of the current Rules and all administrative policies are available from CECA upon request. CECA may charge a reasonable fee to cover its reproduction cost.

7.6. CECA's Obligation to Execute Conveyances

Following the date that this Declaration is recorded, CECA will be a party to all conveyances of land within Cape Eleuthera. Therefore, CECA shall promptly execute all conveyances submitted by Declarant to CECA for signature.


NOTES

Chapter 8

Compliance and Enforcement

The covenants, standards and rules set forth in the Governing Documents are for the benefit of all Owners and occupants of Cape Eleuthera. However, if they are to have any real meaning, there must be a commitment by the stakeholders in the Community to comply with them, and there must be a mechanism in place to enforce that compliance in the event that someone fails or refuses to do so. This Chapter sets forth the obligation to comply and the remedies available to CECA for noncompliance.

8.1. Compliance

 All Owners and occupants of Parcels and Units, as well as their tenants, guests and other visitors, must abide by the Governing Documents. If any of them fails or refuses to comply with the Governing Documents, they may be subject to various penalties, including fines and the loss of the right to use CECA Property and Mutual Benefit Area.

Every Owner, occupant and visitor to a Parcel or Unit must comply with the Governing Documents and shall be subject to sanctions for violations as described in this Chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants, tenants, guests or invitees to their Parcels or Units, and for any damage to the Mutual Benefit Area that such Persons may cause.

8.2. Remedies for Non-Compliance

CECA, Declarant and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. In addition, the Board may impose sanctions for violation of the Governing Documents, including those sanctions listed below and any others described elsewhere in the Governing Documents.

(a) Sanctions Requiring Prior Notice and Hearing. After written notice and an

opportunity for a hearing in accordance with the Articles, the Board may:

(i) impose reasonable monetary fines, which shall constitute a charge upon the violator's Parcel or Unit. In the event that any occupant, tenant, guest or invitee of a Parcel or Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(ii) suspend a Parcel Owner's right to vote (except that no hearing is required if the Parcel Owner is more than 60 days delinquent in paying any assessment or other charge owed to CECA);

(iii) suspend any Person's right to use any Mutual Benefit Area or Exclusive Common Area facilities: (A) for any period during which any charge against such Owner's Parcel or Unit remains delinquent; and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed CECA); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Parcel or Unit or use of utility easements;

(iv) suspend services CECA provides (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to CECA);

(v) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents); and

Compliance and Enforcement

(vi) levy "Specific Assessments" (defined in Section 11.5) to cover costs that CECA incurs in bringing a Parcel into compliance with the Community-Wide Standard or other requirements under the Governing Documents.

(b) Other Sanctions. The Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) exercise self-help or take action to abate a violation on a Parcel or Unit in any situation that 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 or watercraft that are in violation of parking rules and regulations);

(ii) exercise self-help or take action to abate a violation on the CECA Property under any circumstances;

(iii) require a Parcel Owner or a Parcel Association, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Parcel or on the Parcel Association's property, respectively, that is in violation of the Community-Wide Standard or other requirements under the Governing Documents and to restore the property to its previous condition;

(iv) enter the property and exercise self-help to remove or cure a violating condition if an Owner or Parcel Association fails to take action as required pursuant to subsection (iii) above within 30 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; or

(v) bring suit at law for monetary damages or in equity to stop or prevent any violation, or both.

(c) Additional Powers Relating to Parcel Associations. In addition to the foregoing sanctions, CECA shall have the power to require specific action to be taken by any Parcel

Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefore.

A Parcel Association shall take appropriate action required by CECA in a written notice within the reasonable timeframe set by CECA in the notice. If the Parcel Association fails to comply, CECA shall have the right to effect such action on behalf of the Parcel Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

8.3. Board Decision to Pursue Enforcement Action

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

(a) CECA's position is not strong enough to justify taking any or further action;

(b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending CECA's resources; or

(d) that it is not in CECA's best interests, based upon hardship, expense or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent CECA from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction or rule.

8.4. Attorneys' Fees and Costs

In any action to enforce the Governing Documents, if CECA prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

8.5. Enforcement of Ordinances

CECA, by contract or other agreement, may enforce applicable government ordinances. In addition, the local government may enforce ordinances within Cape Eleuthera.

NOTES

PART THREE: CECA OPERATIONS

Chapter 9**Property Management and Services****9.1. Acceptance and Control of CECA Property**

(a) Transfers and Conveyances by Declarant. Declarant and its designees may transfer or convey to CECA interests in real or personal property within or for the benefit of Cape Eleuthera, or any part thereof, and CECA shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses or other real or personal property interests. CECA shall pay all stamp taxes, legal fees, recording fees and all other costs and expenses related to transfers of property to CECA.

Upon Declarant's written request, CECA shall reconvey to Declarant any unimproved real property that Declarant originally conveyed to CECA for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the development plan.

(b) Management and Control. CECA is responsible for management, operation and control of the Mutual Benefit Area, subject to any covenants set forth in the conveyance transferring the property to CECA. CECA may enter into leases, licenses or operating agreements with respect to portions of the Mutual Benefit Area, for payment or no payment, as the Board deems appropriate. CECA may permit use of portions of the Mutual Benefit Area that it owns by persons other than Owners and occupants of Parcels and may charge use fees, in such amounts as the Board may establish, for such use.

9.2. Discontinuation of Operation

CECA shall maintain any facilities or Improvements in the Mutual Benefit Area in continuous operation unless Declarant, during the Development and Sale Period, and Parcel Owners representing 75% of the total votes allocated to Parcels entitled to use such Mutual Benefit Area consent in writing to discontinue such operation. If the property is Exclusive Common Area, any discontinuation shall also require the approval in writing of at least 75% (or such higher percentage as a Supplement may require) of the Parcel Owners to whom such Exclusive Common Area is assigned. This section shall not apply to restrict the Board's ability to establish reasonable operating hours, which may vary by season, or to preclude temporary closures or interruptions in operation as the Board may determine appropriate to perform maintenance or repairs.

9.3. Restoring Damaged Improvements

In the event of damage to or destruction of portions of the Mutual Benefit Area for which CECA has insurance responsibility, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

CECA shall repair or reconstruct damaged facilities and Improvements within the Mutual Benefit Area unless Declarant, during the Development and Sale Period, and Parcel Owners representing at least 75% of the total votes allocated to Parcels entitled to use such Mutual

Benefit Area decide within 90 days after the loss not to repair or reconstruct. If the damage is to Exclusive Common Area or Parcels within a Service Area, any decision not to restore the damaged improvements shall also require the approval of at least 75% of the Owners of Parcels in the affected Service Area. If either the insurance proceeds or estimates of the loss, or both, are not available to CECA within such 90-day period, then the period shall be extended until such funds or information are available.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by CECA in a neat and attractive condition consistent with the Community-Wide Standard.

CECA shall retain and place in a capital improvements account for the benefit of all Parcel Owners, or the Owners of Parcels within the affected Service Area, as appropriate, any insurance proceeds remaining after paying the costs of repair or reconstruction or after such settlement as is necessary and appropriate. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Parcel.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Parcel Owners, levy Special Assessments to cover the shortfall against those Parcel Owners responsible for the premiums for the applicable insurance coverage under Section 10.4.

9.4. Provision of Services to Parcels

In the Board's sole and absolute discretion, CECA may arrange for or provide services to Owners and their Parcels, directly or through contracts with Declarant or other third parties. CECA may enter into bulk service agreements by which a particular service is provided to all Parcels, or it may offer various services at the option of each Parcel Owner, or both. By way of example

and not limitation, such services might include such things as water, electricity, cable television or satellite service, wastewater treatment, solid waste disposal, drainage, fire protection, security, transportation, landscape maintenance, pest control, caretaker services and technology services. However, any such services shall be at the Board's sole and absolute discretion, and CECA shall not be obligated to provide any of these services.

CECA may install, operate and maintain the necessary infrastructure, facilities and equipment to provide such services. The costs associated with any such services provided by CECA may be assessed against the Parcel Owners either as part of the Base Assessment, as a Service Area Assessment or as a Specific Assessment (as such terms are defined in Chapter 11), or through a combination thereof, and/or may be offset in whole or in part by user fees, as the Board deems appropriate. In its discretion, the Board 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 CECA to provide such services.

9.5. Provision of Services to Service Areas

(a) Service Areas Designated by Declarant. In the Board's sole and absolute discretion, CECA may provide services to Parcels within any Service Area designated by Declarant pursuant to Section 3.2.

(b) Service Areas Designated by Board. In addition to Service Areas that Declarant may designate pursuant to Section 3.2, any group of Parcel Owners may petition the Board to designate their Parcels as a Service Area for the purpose of receiving from CECA or its designee or other third parties: (i) special benefits or services that are not provided to all Parcels; or (ii) a higher level of service than is provided to other Parcels. Any such petition shall be signed by Owners of a majority of the Parcels within the proposed Service Area.

Upon receipt of such petition, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the Parcel Owners in the proposed Service Area of such terms and the initial fees for providing the requested service, which may include a reasonable administrative charge. If Owners of at least 67% of the Parcels within the proposed Service Area approve the proposal in writing, the Board shall designate the Parcels (including those in the proposed Service Area that failed to approve the same) as a Service Area and may include the fees for such service as a line item in the Service Area budget pursuant to Section 11.2(b) if such services are to be provided by CECA or its designee.

9.6. Disaster Management

The geographic location of Cape Eleuthera presents the possibility that natural disasters may cause severe personal injury and/or property damage. CECA may, but shall not be obligated to, take reasonable precautions to mitigate the hardship caused by foreseeable natural disasters through development of a disaster management plan. If a disaster management plan is developed, such plan should identify the particular event for which it is developed and include provisions for CECA and Owners, budgeting, staffing and coordination with local authorities and with contractors, suppliers and insurers. If implemented, all Owners shall comply with the requirements set forth in the disaster management plan. The expense of developing, updating and implementing the disaster management plan shall be a "Common Expense" (defined in Section 11.2(a)) and assessed as part of the Base Assessment against all Parcels.

9.7. Community Technology

CECA may make use of computers, the Internet and additional technology to facilitate community interaction and communication. For example, CECA may 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 residents to interact and participate in CECA-sponsored activities. To the extent that Bahamian law permits, and unless otherwise specifically prohibited in the Governing Documents, CECA may send notices by electronic means, hold Board or CECA meetings and permit attendance and voting by electronic means and send and collect assessment and other invoices by electronic means.

9.8. Promotion of Cape Eleuthera

(a) *Authority.* CECA may establish and implement programs and activities designed to promote Cape Eleuthera, including activities designed to project a positive image and increase awareness and support of Cape Eleuthera. CECA's promotional activities may include, but are not limited to, market research, public relations and advertising services. CECA may engage in joint enterprises with other Persons or groups to accomplish its promotional goals. It may also provide various services that the Board deems appropriate.

CECA may promote single entities or components within Cape Eleuthera so long as the Board deems the use of single entities to be reasonably related to the promotion of Cape Eleuthera as a whole. CECA's activities may be on-site, off-site, within and outside of The Bahamas and may be conducted in cooperation with Persons who are not affiliated with Cape Eleuthera.

CECA's costs incurred in the promotion of Cape Eleuthera may be a Common Expense assessed against all Parcels as part of the Base Assessment under Chapter 11 or, in the Board's discretion, may be assessed against particular Parcels as a Service Area Assessment or Specific Assessment.

(b) *Advisory Committee.* The Board may appoint an advisory committee to assist CECA in developing and implementing promotional activities and programs for Cape Eleuthera. If appointed, an advisory committee shall consist of not less than three or more than seven persons,

who may, but need not, be Parcel Owners or representatives of Parcel Owners. Such committee may include marketing, advertising or similar professionals, whose compensation, if any, shall be established by the Board. Any advisory committee shall conduct itself in accordance with the Board's resolution establishing the committee. During the Development and Sale Period, Declarant shall be an *ex officio* member of any such advisory committee.

9.9. Community Security

CECA may provide or provide for services designed to maintain or enhance a safe and secure environment within Cape Eleuthera. CECA shall not be responsible for providing security services to any individual Parcel within Cape Eleuthera, and nothing shall prevent any Owner from providing or contracting for its own security with respect to its Parcel or Unit.

As more fully set forth in Section 13.3, each Owner acknowledges and agrees that the provision of security services by CECA does not guarantee the safety or security of Cape Eleuthera, and each Owner and occupant of a Parcel or Unit, and their respective guests and invitees, is responsible for their own personal safety and for the security of their property within Cape Eleuthera.

9.10. Transportation System

CECA may establish and implement a system or systems to provide transportation service within Cape Eleuthera and to provide for the sharing or joint use of transportation-related facilities to, from and within Cape Eleuthera. Any transportation system established may be created primarily as an amenity for any resort elements within Cape Eleuthera, and use by Owners and occupants of Residential Parcels may be restricted or limited.

Declarant and CECA make no representation that any transportation system will exist or, if established, that it will continue in operation, or

that the transportation system will be sufficient to serve all eligible users.

9.11. Recycling Program

CECA may, at the discretion of the Board, establish a recycling program and procedures to encourage and facilitate recycling of discarded recyclable materials by Owners and occupants of Parcels. If a recycling program is created, all Parcel Owners shall be required to cooperate with CECA to facilitate recycling of discarded recyclable materials by Owners, occupants and guests.

9.12. Governmental Requirements

Upon termination of the Declarant Control Period or such earlier time as Declarant shall direct in writing, CECA shall assume full and complete responsibility for fulfilling certain duties and responsibilities imposed upon Declarant and/or Cape Eleuthera by local or national governmental agencies.

9.13. Environmental Preservation

CECA shall be authorized, but not obligated, to establish and implement an environmental preservation program for Cape Eleuthera, which may include, without limitation, designation of certain areas within Cape Eleuthera as landscape zones, slope or sand dune maintenance zones, fire buffer zones and similar special purpose zones in order to enhance and protect the environment and vegetation within Cape Eleuthera. The Board shall be authorized to promulgate specific use restrictions within such zones (including, but not limited to, prohibitions on cutting trees, lighting fires and trapping, capturing, killing or keeping animals) and to require Owners of Parcels within such zones to comply with specific guidelines to minimize or avoid the risk of fire, erosion and other environmentally destructive events. The costs of developing, implementing and monitoring such environmental preservation programs shall be included as a Common Expense in CECA's general budget and shall be assessed as part of the Base Assessment against all Parcels.

NOTES

Chapter 10

CECA Insurance

CECA may take responsibility for insuring against various types of risks, including property damage, personal injury and liability. This Chapter describes the types of coverage that CECA may look to obtain. As of the date of this Declaration, CECA does not contemplate purchasing any insurance as set forth below, but the Board may decide to pursue one or more of these coverages in the future, in the Board's sole discretion.

10.1. Required Coverages

If deemed necessary or desirable by Declarant or CECA based upon assets under the control of CECA, CECA may seek to obtain and maintain in effect the following insurance coverages, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Blanket property insurance covering risks of direct physical loss, including, among other things, fire, hurricane, tropical storm, sea surge and related perils for all insurable improvements on:

(i) the CECA Property;

(ii) all Exclusive Common Areas, regardless of ownership;

(iii) any other portions of the Mutual Benefit Area that CECA has accepted responsibility for repair or replacement in the event of a casualty; and

(iv) any Service Area, to the extent specified or authorized by any applicable Supplement.

The limits of CECA property insurance policies shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

(b) Commercial general liability insurance on the Mutual Benefit Area, insuring CECA and its members for damage or injury caused by the negligence of CECA or any of its members, employees, agents or contractors while acting on its behalf;

(c) Employers liability insurance, if and to the extent required by law;

(d) hired and non-owned automobile liability and physical damage coverage;

(e) Directors and officers liability coverage; and


(f) Any other type of coverage required by law.

CECA may arrange for a review of the sufficiency of its insurance coverages periodically by one or more qualified Persons. In the exercise of its business judgment, the Board may obtain additional insurance coverage other than those coverages described in this section. Wherever in this Chapter it is provided that insurance be obtained where reasonable, or at reasonable cost or terms, the reasonable judgment of the Board shall be determinative and final.

10.2. Deductibles

CECA's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 10.1. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Articles, that the loss is the result of the negligence or wilful misconduct of one or more Owners, their guests, invitees or

lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Parcels or Units as a Specific Assessment.

 The Board may hold any Persons who cause damage to insured improvements responsible for the insurance deductible payable on any insurance claim related to such damage.

10.3. Policy Requirements

Any CECA policies shall provide for a certificate of insurance to be furnished, upon request, to each Owner.

To the extent available at reasonable cost and terms, any CECA insurance shall:

(a) be written with a company authorized to do business in The Bahamas;

(b) be written in the name of CECA as trustee for the benefited parties. All policies shall be for the benefit of CECA and its members, except that policies on Exclusive Common Areas shall be for the benefit of the Owners of Parcels within the Service Area to which the Exclusive Common Area is assigned;

(c) not be brought into contribution with insurance purchased by Owners, occupants or their mortgagees individually; and

(d) provide that each Parcel Owner is an insured person with respect to liability arising out of such Owner's status as a member of CECA.

In addition, the Board may use reasonable efforts to secure insurance policies that list the Parcel Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against CECA's directors, officers, employees and managers;

(ii) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 60 days' prior written notice to CECA of any cancellation, substantial modification or non-renewal;

(v) a cross-liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses.

10.4. Insurance Premiums

Premiums for all CECA insurance shall be a Common Expense, except that premiums for property insurance on Parcels within, or Exclusive Common Areas assigned to, a particular Service Area shall be a Service Area Expense, unless the Board reasonably determines that other treatment of the premiums is more appropriate.

NOTES

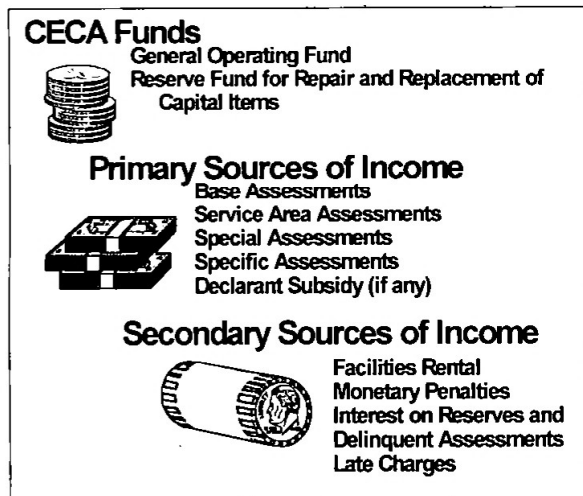
Chapter 11
CECA Finances

This Chapter provides for various types of funding in order to cover expenses that CECA incurs or expects to incur in exercising its authority and performing its responsibilities under the Governing Documents. The primary source of funding is the assessments that this Chapter authorizes CECA to levy against the Parcels and to collect from each Parcel Owner.

11.1. General

CECA shall be responsible for ensuring the proper and equitable apportionment as required under any of the terms of this Declaration of those costs as may be chargeable hereunder to each member of CECA, whether such costs are specifically attributable to an Exclusive Common Area or generally attributable to the community at large.

CECA shall have the right and power to establish a fund to meet the expenses to be incurred by it in the performance of its duties and to demand in advance contributions to the fund apportioned among the members of CECA as provided herein. CECA shall keep proper books and accounts of the revenue received and the expenditures incurred in its operation, management and administration and shall each year provide each member of CECA with a certified copy of such accounts.



11.2. CECA Expenses

(a) Common Expenses. Except as the Governing Documents otherwise specifically provide, all of the expenses that CECA incurs, or expects to incur, in connection with the ownership, maintenance and operation of the Mutual Benefit Area, and otherwise for the general benefit of the Parcel Owners, are considered **“Common Expenses.”** Common Expenses include such operating reserves and reserves for repair and replacement of capital items within the Mutual Benefit Area as the Board finds necessary or appropriate.

Common Expenses shall not include any expenses incurred during the Declarant Control Period for initial development or original construction costs unless Parcel Owners (other than Declarant) representing a majority of the total votes in CECA approve such expenditure.

The characterization of a particular expense as a “Common Expense” shall not preclude CECA from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to this Declaration, any Supplement or any other recorded covenants or agreements.

(b) Service Area Expenses. All expenses that CECA incurs or expects to incur in connection with the maintenance and operation of Exclusive Common Areas, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area, are considered **“Service Area Expenses.”** Service Area Expenses may include a reasonable administrative charge in such amount as the Board deems appropriate, provided that any such administrative charge is applied at a uniform rate per Parcel among all Service Areas receiving the same service.

11.3. Budgeting for and Allocating CECA Expenses

(a) *Preparation of Budget.* Prior to the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year. In addition, the Board shall prepare a separate budget for each Service Area reflecting the estimated Service Area Expenses that CECA expects to incur for the benefit of such Service Area in the coming year.

The estimated expenses in each budget shall include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital items to be maintained as a Common Expense or as a Service Area Expense of the Service Area for which the budget is prepared, as applicable. In determining the amount of such reserve contribution, the Board shall take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost and the contribution required to fund the projected needs by annual contributions over the useful life of the asset.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Parcels and the amount to be generated through the levy of Base Assessments and Service Area Assessments pursuant to subsections (b) and (c).

(b) *Calculation of Base Assessments.* The total budgeted Common Expenses, less any surplus in the Common Expense budget from prior years and any income anticipated from sources other than assessments against the Parcels, shall be allocated equally among all Parcels subject to assessment under Section 11.6 and levied as a "Base Assessment."

(c) *Calculation of Service Area Assessments.* The total Service Area Expenses

budgeted for each Service Area, less any surplus in such Service Area budget from prior years, shall be allocated among all Parcels in the Service Area that are subject to assessment under Section 11.6 and levied as a "Service Area Assessment." Except as otherwise provided in this Section 11.3 or any Supplement applicable to a Service Area, Service Area Assessments shall be allocated equally among all Parcels within the Service Area. Notwithstanding the foregoing, where the cost to CECA to provide a particular service or benefit to a Service Area is on a per Parcel or per Unit basis, the Board, in the exercise of its discretion, may determine that Service Area Assessments for such service or benefit shall be allocated among all Parcels within the Service Area at a uniform rate per Parcel or Unit within a Parcel. In addition, any portion of the Service Area Assessment intended for exterior maintenance of structures, insurance on structures or replacement reserves that pertain to particular Parcels may be levied on each of the benefited Parcels in proportion to the benefit received, as the Board may reasonably determine.

The Board's failure to exercise its authority to allocate Service Area Assessments among Parcels within a Service Area in the manner described above shall not be grounds for any action against CECA or the Board and shall not constitute a waiver of the Board's right to exercise its authority in the future with respect to any expenses. All amounts that CECA collects as Service Area Assessments shall be held in trust for and expended solely for the benefit of the Service Area for which they were collected and shall be accounted for separately from CECA's general funds.

(d) *Declarant's Subsidy Option.* Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 11.7(b)). Any such subsidy may be treated as a contribution, an advance against future assessments due from Declarant or a loan, in Declarant's discretion. Any such subsidy and the characterization thereof shall be conspicuously disclosed as a line item in

the income portion of the budget. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between CECA and Declarant.

(e) Notice of Budget and Assessment; Right to Disapprove. The Board shall send a copy of each applicable budget, together with notice of the amount of the Base Assessment and any Service Area Assessment to be levied pursuant to such budgets, to each Parcel Owner at least 30 days prior to the due date of the assessments to be levied pursuant to such budgets. The Common Expense budget shall automatically become effective unless disapproved at a meeting by Parcel Owners representing at least 75% of the total votes allocated to Residential Parcels and 75% of the total votes allocated to Commercial Parcels.

Each Service Area budget shall automatically become effective unless disapproved at a meeting by Parcel Owners representing at least 75% of the total votes within the Service Area, except that the right to disapprove a Service Area budget shall apply only to those line items that are attributable to services or benefits requested by the Service Area and shall not apply to any item that the Governing Documents require to be assessed as a Service Area Expense.

There shall be no obligation to call a meeting for the purpose of considering any budget except, in the case of the Common Expense budget, on petition of Parcel Owners as provided for extraordinary meetings in the Articles, and in the case of a Service Area budget, on petition of Owners of at least 67% of the Parcels within the Service Area. Any such petition must be presented to the Board within 30 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect, increased by 10%, shall continue in effect until a new budget is determined.

(f) Budget Revisions. The Board may revise the budget and adjust the Base Assessments or Service Area Assessments at any time during the year, subject to the same notice requirements and rights to disapprove set forth in subsection (e) above.

11.4. Special Assessments

CECA may levy "Special Assessments" to cover Common Expenses or Service Area Expenses that are non-routine, unanticipated or in excess of those anticipated in the applicable budget. Except as otherwise specifically provided in this Declaration, any Special Assessment for Common Expenses shall require the affirmative vote or written consent of Parcel Owners representing more than 50% of the votes attributable to Parcels subject to assessment under Section 11.7 and shall be allocated among all such Parcels in the same proportion as Base Assessments.

Any Special Assessment for Service Area Expenses shall require the affirmative vote or written consent of Owners representing more than 50% of the total votes allocated to Parcels in the benefited Service Area and shall be allocated in the same manner as Service Area Assessments under Section 11.3(c).

In addition, as long as the Declarant Membership exists, any Special Assessment shall also be subject to Declarant's written consent. Special Assessments shall be payable in such manner and at such times as the Board determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

11.5. Specific Assessments

CECA may levy "Specific Assessments" against a particular Parcel or Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to the Parcel or Unit upon request of the Owner pursuant to any menu of optional services that CECA may offer (which might include the items identified in

Section 9.4). Specific Assessments for optional services may be levied in advance of the provision of the requested service;

(b) to cover utility charges billed to CECA or provided by CECA for which Parcels are individually metered or sub-metered, which may be specially assessed to the Parcels in proportion to usage;

(c) to cover costs incurred in bringing the Parcel or Unit into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Parcel or Unit, their agents, contractors, employees, licensees, invitees or guests; however, the Board shall give the Parcel or Unit Owner prior written notice and an opportunity for a hearing in accordance with the Articles, before levying any Specific Assessment under this subsection (c); and

(d) to cover the Parcel's pro rata share of any costs that CECA incurs in bringing the Service Area of which the Parcel is a part into compliance with the provisions of the Governing Documents; however, the Board must give prior written notice to the Owners of Parcels in the Service Area and an opportunity for such Owners to be heard before levying any such assessment.


11.6. Authority to Assess Owners; Time of Payment

Declarant hereby establishes and CECA is hereby authorized to levy assessments as provided for in this Chapter and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Parcel on the first day of the month following: (a) the date on which the Parcel is made subject to this Declaration; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Chapter, whichever is later. The first annual Base Assessment and Service Area Assessment, if any, levied on each Parcel shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Parcel.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Parcel and impose special requirements for Parcel Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Parcel Owner is delinquent in paying any assessments or other charges levied on its Parcel, the Board may require the outstanding balance on all assessments to be paid in full immediately.

11.7. Obligation for Assessments

(a) *Personal Obligation.* Each Parcel Owner covenants and agrees to pay all assessments and other charges authorized in the Governing Documents. In the case of any Parcel governed by a Parcel Association, the Parcel Association shall be jointly and severally obligated with the Owners of Units in the Parcel subject to its jurisdiction for all assessments and other charges authorized in the Governing Documents.

 By accepting title to property in Cape Eleuthera, each Owner agrees to pay all assessments levied against its Parcel. If the Parcel Owner does not pay on time, that Parcel Owner will be charged late fees on all past due amounts. Owners may not claim a reduction in their assessments due to action or inaction by CECA.

All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Bahamian law), late charges as determined by Board resolution, costs and reasonable attorneys' fees shall be the personal obligation of each Parcel Owner and a charge upon each Parcel until paid in full; provided, in the case of a Parcel governed by a Parcel Association, CECA's charge for delinquent amounts due by the Parcel Association shall be

upon each Unit within the Parcel in a pro rata amount corresponding to the Unit's share of any unpaid assessment or other charge, as determined in accordance with the governing documents for the Parcel Association. Upon a transfer of title to a Parcel or Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Parcel Owner an assessment notice shall not be deemed a waiver, modification or a release of any Parcel Owner from the obligation to pay assessments. In such event, each Parcel Owner shall continue to pay Base Assessments and Service Area Assessments at the rate established for the last year for which an assessment was made, if any, until a new assessment is levied, at which time CECA may retroactively assess any shortfall.

No Parcel Owner may exempt itself from liability for assessments by non-use of Mutual Benefit Area or Exclusive Common Area, abandonment of his or her Parcel or Unit or non-use of services provided to all Parcels or to all Parcels within the Service Area to which the Parcel is assigned. The obligation to pay assessments is a separate and independent covenant on the part of each Parcel Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of CECA 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.

Upon written request, CECA shall furnish to any Owner liable for any type of assessment a certificate signed by a CECA officer setting forth whether such assessment has been paid. CECA may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Financial Obligations to CECA. Declarant shall be liable for assessments on any Parcels it owns that are subject to assessment under Section 11.6, except that during

the Declarant Control Period, Declarant may satisfy its obligation to pay Base Assessments and Special Assessments for Common Expenses on Parcels it owns either: (i) by paying such assessments in the same manner as any other Parcel Owner; or (ii) by paying (A) any shortfall under the Common Expense budget resulting from events other than failure of other Owners to pay their assessments; and (B) any budgeted contributions to reserves in accordance with the Common Expense budget.

Unless Declarant otherwise notifies the Board in writing at least 30 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. After termination of the Declarant Control Period, Declarant shall pay Base Assessments on any Parcels it owns that are subject to assessment under Section 11.6 in the same manner as any other Owner liable for such assessments.

Regardless of Declarant's election under this section, any of Declarant's financial obligations to CECA may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

11.8. Charge for Assessments

CECA shall have a charge against each Parcel and Unit (as provided in Section 11.7) to secure payment of assessments, as well as interest, late charges (subject to the limitations of Bahamian law) and costs of collection (including attorneys' fees and expenses). Such charge shall be superior to all other liens, except (a) the charges of all taxes, bonds, assessments and other levies that by law would be superior; and (b) the charge of any previously-recorded first Mortgage held by an institutional lender made in good faith and for value having first priority over any other Mortgages on the Parcel or Unit, as applicable. Such charge, when delinquent, may be enforced by suit as a civil debt, judgment, the exercise of any power of sale or in the same manner as money secured by

equitable mortgage of land, or other statutory, legal or equitable remedy.

CECA may bid for the Parcel or Unit at any sale and acquire, hold, lease, mortgage and convey the Parcel or Unit. While a Parcel is owned by CECA following the exercise of any of its remedies: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Parcel shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Parcel had it not been acquired by CECA. CECA may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the charge securing the same, in addition to pursuing any and all remedies allowed by law to enforce the lien. Sale or transfer of any Parcel or Unit shall not affect the assessment charge or relieve such Parcel from the charge for any currently outstanding or subsequent assessments.

facilities or participating in CECA-sponsored activities. The Board may determine the amount and method of determining such fees in its sole and absolute discretion. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

NOTES

11.9. Exempt Property

The following property shall be exempt from payment of Base Assessments, Service Area Assessments and Special Assessments:

(a) All Mutual Benefit Area and Exclusive Common Area;

(b) Any property owned or leased by the Commonwealth of The Bahamas;

(c) Any property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public roads, public schools and public parks; and

(d) Property owned by any Parcel Association for the common use and enjoyment of its members, or owned by the members of a Parcel Association as tenants-in-common.

11.10. Use and Consumption Fees

The Board may charge use, consumption and activity fees to any Person using CECA services or

PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

Chapter 12**Easements**

The easements created in this Chapter establish the rights of Owners to use the Mutual Benefit Area and create various rights for the benefit of Owners, Declarant, CECA and others over property within the Community. Some of these rights are related to development and construction within Cape Eleuthera and on adjacent property, while others relate to the rights of CECA to come upon property of others to fulfill its responsibilities.

12.1. Easements in Mutual Benefit Area

An easement is one person's right to go onto the property of another.

Declarant grants to each Owner a nonexclusive right and easement of use, access and enjoyment in and to the Mutual Benefit Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to CECA; and
- (c) The Board's right to:
 - (i) adopt rules regulating Mutual Benefit Area use and enjoyment, including rules limiting the number of guests who may use the Mutual Benefit Area, and to charge use fees for such use;
 - (ii) suspend an Owner's right to use Mutual Benefit Area facilities;
 - (iii) dedicate or transfer all or any part of the CECA Property, subject to such approval requirements as may be set forth in this Declaration;

(iv) impose reasonable requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Mutual Benefit Area;

(v) rent any portion of any Mutual Benefit Area recreational facilities that it owns on an exclusive or non-exclusive short-term basis to any Person;

(vi) permit use of any recreational facilities situated on the Mutual Benefit Area that it owns by the general public, which use may be subject to admission charges or other user fees established in the Board's discretion; and

(vii) mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Parcel or Unit shall be deemed to have assigned all such rights to the lessee of such Parcel or Unit for the period of the lease.

12.2. Easements of Encroachment

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Parcel and any adjacent Mutual Benefit Area and between adjacent Parcels. A permitted encroachment is a structure or fixture that extends unintentionally from one person's property onto another's a distance of less than three feet, as measured from any point on the common boundary along a line perpendicular to such

boundary. An encroachment easement shall not exist if the encroachment results from wilful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.



An encroachment occurs when a person's home, fence or other structure extends onto his or her neighbour's property. This section permits minor, inadvertent encroachments to remain.

12.3. Easements for Utilities and Other Infrastructure

(a) *Installation and Maintenance.*

Declarant reserves for itself, during the Development and Sale Period, and grants to CECA and all utility providers, for perpetual duration, non-exclusive easements throughout Cape Eleuthera (but not through a structure that does not otherwise encroach on any existing areas platted for such purpose or already containing such lines) to the extent reasonably necessary to:

(i) install utilities and infrastructure, security and similar systems and drainage systems to serve Cape Eleuthera;

(ii) install walkways, pathways and trails, street lights and signage on property Declarant or CECA owns or within public rights-of-way or easements reserved for such purpose on a recorded plat;

(iii) inspect, maintain, repair and replace the utilities, infrastructure and other improvements described above; and

(iv) access and read utility meters.

Notwithstanding the above, Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) *Utility Connections.* Declarant grants to each Owner a non-exclusive right and easement to the free passage and running of water, soil,

electricity and telephone or other communication through any channels, drains, wires and pipes serving the Parcel of such Owner and the right to make any connections thereto and to enter into and upon any adjoining or adjacent property for the purpose of maintaining, repairing, renewing and cleansing the same or making such connections.

(c) *Utility Easement Area.* Declarant reserves for itself and its assigns a right and easement to enter upon and remain so long as may be necessary upon a strip of land 10 feet wide ("**Utility Easement Area**") along the boundaries of the Parcels for the purposes of laying, erecting, inspecting, maintaining, servicing, repairing, replacing, adding to and renewing cables, poles, pipes, wires, conduits, drain and sewer pipes and other apparatus on, under or over the said Utility Easement Area as may be necessary or desirable for the provision and maintenance of water, sewage, electricity, telephone, television and internet supplies and services to Cape Eleuthera and every part thereof, and in connection therewith, to break open or excavate the surface of the said Utility Easement Area for all purposes as may be necessary or desirable, doing no unnecessary damage, and restoring, repairing and making good the part of the said surface so excavated or broken open.

(d) *Specific Easements.* Declarant also reserves the non-exclusive right and power to grant and record such specific easements consistent with Section 12.3(a) as it deems necessary to develop the property described in Exhibits "A" and "B." The location of the specific easement shall be subject to the written approval of the Parcel Owner of the burdened property, which approval shall not unreasonably be withheld, delayed or conditioned.

(e) *Minimal Interference.* All work associated with the exercise of the easements described in subsections (a) through (d) of this Section 12.3 shall be performed so as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent

Easements

reasonably possible, to the condition existing prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Parcel, nor shall it unreasonably interfere with the use of any Parcel and, except in an emergency, entry onto any Parcel shall be made only after reasonable notice to the Owner or occupant.

12.4. Easements for Water

An easement is reserved in favour of Declarant and its designees to use and withdraw all water underlying the Parcels, and each Owner, by acceptance of a conveyance to a Parcel or Unit, acknowledges that the Declarant shall retain all such rights. No Owner or occupant of a Parcel or Unit shall have any right to be compensated for water claimed or reclaimed from his or her Parcel or Unit.

12.5. Easements for Use and Access

Declarant grants to each Owner and his or her licensees and invitees a non-exclusive right and liberty to pass and repass along, over and upon all roads and roadways within the Mutual Benefit Area (except the Exclusive Common Areas), at all times hereafter, by day or by night, with or without vehicles or bicycles, for all purposes connected with the lawful use and enjoyment of such Owner's Parcel or Unit, or as may otherwise be permitted pursuant to this Declaration, but not for any other purpose, in all cases subject to re-routing, abandonment, diversion or variation in the width or location of the same by Declarant at any time within the perpetuity period, and also subject to Declarant's and the Board's right to adopt rules regulating such rights.

12.6. Easements for Maintenance of Beach and Water-Related Features

Declarant reserves for itself and grants to CECA easements over Cape Eleuthera as necessary to enable Declarant and CECA to maintain, repair or restore any bulkheads, seawalls, groynes, dikes, boat dockage facilities, beaches, canals or other

water-related features for which each such entity may have responsibility.

Declarant reserves for itself, CECA and their respective successors, assigns and designees the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Mutual Benefit Area to: (a) install, operate, maintain and replace pumps to supply irrigation water to the Mutual Benefit Area; (b) construct, maintain and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, CECA and their respective successors, assigns and designees shall have an access easement over and across any portion of Cape Eleuthera which abuts or contains bodies of water, wetlands or water-related features to the extent reasonably necessary to exercise their rights under this Section 12.6.

Declarant further reserves for itself, CECA and their respective successors, assigns and designees a perpetual, nonexclusive right and easement of access and encroachment over all property (but not the dwellings or other buildings thereon) adjacent to or within 50 feet of bodies of water, wetlands and water-related features within Cape Eleuthera in order to: (i) temporarily flood and back water upon and maintain water over such property; (ii) alter in any manner and generally maintain the bodies of water, wetlands and water-related features within the Mutual Benefit Area; and (c) maintain and landscape the slopes and banks pertaining to such areas. All Persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to weather events or other natural occurrences.

12.7. Easements to Serve Additional Property

Declarant reserves for itself and its duly authorized agents, successors, assigns and

Easements

Mortgagees an easement over the CECA Property for the purposes of enjoyment, use, access and development of the property described in Exhibit "B," whether or not such property is made subject to this Charter. This easement includes, but is not limited to, a right of ingress and egress over the CECA Property for construction of roads and for connecting and installing utilities on such property. The Person exercising such easement rights shall be responsible for any damage caused to the CECA Property as a result of their actions in connection with development of such property.

If the above easement grants permanent access to any property that is not submitted to this Declaration, Declarant or its successor or assigns shall enter into a reasonable agreement with CECA to share the cost of maintenance that CECA provides for the benefit of the easement holder. The shared maintenance costs may include maintenance to or along any roadway providing access to the benefited property.

**12.8. Easements for Maintenance,
Emergency and Enforcement**



CECA may come onto the exterior portions of a Parcel or Unit to do maintenance or to address violations of the Governing Documents but will give prior notice unless there is an urgent need to enter the property before notice can be given.

By this Declaration, Declarant grants to CECA easements over Cape Eleuthera as necessary to enable CECA to fulfill any of its maintenance rights or responsibilities under Chapter 6 and its enforcement rights under Section 8.2. CECA shall also have the right, but not the obligation, to enter upon any Parcel, Unit or Exclusive Common Area for emergency, security and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents and to enforce the Governing Documents. Any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in an

emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

12.9. Easements for Pest Control

Declarant reserves for itself and grants to CECA easements over Cape Eleuthera to enable Declarant or CECA to dispense pesticides in order to control insects and vermin.

12.10. Easements for Golf Course

If a golf course is constructed at Cape Eleuthera, the Community shall be burdened with an easement permitting golf balls unintentionally to come upon areas adjacent to or in the vicinity of a golf course, and for golfers at reasonable times and in a reasonable manner to come upon CECA Property, common property of a Parcel Association or the exterior portions of a Parcel or Unit to retrieve errant golf balls. However, if any Parcel or Unit is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

NOTES

Chapter 13

Disclosures and Waivers

This Chapter discloses some important information about the Community for the benefit of prospective purchasers of property in Cape Eleuthera. Each Owner, by accepting title to or conveyance of property in Cape Eleuthera, also accepts and agrees to the matters set forth in this Chapter.

13.1. Private Amenities

Any property and facilities located within, adjacent to or near Cape Eleuthera that Persons other than CECA own and operate for recreational and related purposes are “**Private Amenities**,” including, but not limited to, property and/or amenities owned or operated by Declarant or one of its affiliates that is not subject to this Declaration. No Person gains any right to enter or to use any Private Amenity by virtue of membership in CECA or ownership or occupancy of a Parcel. Access to and use of any Private Amenity is strictly subject to the rules and procedures of the owner(s) of such 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 by their respective owners. Such owners 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 and to terminate use rights altogether.

13.2. Facilities and Services Open to the Public

Certain facilities and areas within the Mutual Benefit Area may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: the public facilities, pavilion and picnic area at Pear Cay, beaches, docks, trails and paths, parks and other neighbourhood spots conducive to gathering and interaction, roads, sidewalks and medians. Declarant may designate

such facilities and areas as open to the public at the time Declarant conveys them to CECA, or the Board may so designate at any time thereafter.

13.3. Safety and Security; Natural and Man-Made Hazards

(a) Security Measures. Each Owner and occupant of a Parcel or Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in Cape Eleuthera. No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to Cape Eleuthera, cannot be compromised 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.

(b) Hurricanes, Tropical Storms and Disaster Prevention. Cape Eleuthera is located in the Atlantic Ocean in a region that is vulnerable to the dangerous effects of tropical storms and hurricanes, including extremely high winds, flooding, ocean surges, flying debris and lightning. Each Owner and occupant of a Parcel or Unit shall be responsible for his or her own safety in the event of a hurricane or storm and should take appropriate safety precautions (which may include evacuating the Island of Eleuthera and/or The Bahamas) to avoid personal injury, including death and property damage.

(c) Marine Hazards. Each Owner, by acceptance of a conveyance of a Parcel or Unit, acknowledges on behalf of itself and all occupants of such Parcel or Unit, and all persons making use of any lagoons or beaches created or existing within or adjacent to Cape Eleuthera, that there are inherent dangers associated with the use of lagoons and ocean waters. Natural and man-made hazards, including without limitation,

hazardous marine life, tides, currents and undertows, may exist in lagoons and the ocean.

CECA may, but shall not be obligated to, maintain or support certain activities, personnel and/or programs to enhance the safety of the lagoons and beaches and persons using the lagoons and beaches; however, each Owner and each person making use of any lagoons or beaches assumes all risks of using the lagoons or beaches. Neither CECA, its officers, directors, employees or agents, Declarant, Declarant Affiliates nor any committee created to promote or address marine safety shall be insurers of any person's safety while using any lagoons or beaches within or adjacent to Cape Eleuthera, nor shall any of them be liable for any injury, loss or damage arising out of use of lagoons or beaches by any person, by reason of failure to warn, failure to keep the lagoons or beaches in a safe condition, failure to take adequate safety precautions or address known problems, ineffectiveness of safety measures undertaken or any other reason.

(d) Responsibility for Personal Safety. CECA may, but shall not be obligated to, maintain or support certain activities within Cape Eleuthera designed to promote or enhance the level of safety or security that each person provides for himself or herself and his or her property, including taking reasonable precautions to mitigate the hardship caused by foreseeable natural disasters, through the development of disaster management plans. However, neither CECA, Declarant or any Declarant Affiliate shall in any way be considered insurers or guarantors of safety or security to persons or property within Cape Eleuthera, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures or disaster management undertaken.

EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND SHALL BE RESPONSIBLE FOR INFORMING ANY TENANTS AND OTHER OCCUPANTS OF SUCH OWNER'S PARCEL OR UNIT THAT CECA, ITS BOARD AND COMMITTEES AND DECLARANT AND

ALL DECLARANT AFFILIATES ARE NOT INSURERS OR GUARANTORS OF SECURITY OR SAFETY AND THAT EACH PERSON WITHIN CAPE ELEUTHERA ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING PARCELS AND UNITS AND THE CONTENTS OF PARCELS AND UNITS, RESULTING FROM ACTS OF THIRD PARTIES, NATURAL DISASTERS OR ANY OTHER OCCURRENCE OR CONDITION.

13.4. View Impairment

Neither Declarant nor CECA guarantee or represent that any view over and across the Parcels, any open space, beaches or waterways within Cape Eleuthera, or any Private Amenity will be preserved without impairment. Declarant, Declarant Affiliates, CECA and any Private Amenity owner shall have no obligation to relocate, prune or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement. CECA (with respect to the Mutual Benefit Area) and Private Amenity owners (with respect to any Private Amenity) have the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

13.5. Changes in Land Use Plan

Each Owner acknowledges that Cape Eleuthera is a planned community, the development of which is likely to extend over many years and generations, and agrees that neither CECA nor any Parcel Association shall engage in, or use CECA funds or Parcel Association funds to support any protest, challenge or other form of objection to: (a) changes in uses or density of property within Cape Eleuthera; or (b) changes in the Land Use Plan as it relates to property within or outside Cape Eleuthera, without Declarant's prior written consent.

13.6. Resort-Related Activities

Each Owner, by acceptance of a conveyance to a Parcel or Unit, acknowledges that Cape Eleuthera may include certain public attractions and resort-related activities and that events such as fireworks, concerts, festivals and similar resort-related events may be held within Cape Eleuthera. Each Owner acknowledges that such events and activities may result in nuisances, inconveniences or hazards to persons and property in the vicinity of such events and activities. Each Parcel and Unit Owner covenants, on behalf of itself, its successors and successors-in-title, that it shall assume all risks associated with its use and ownership of property in Cape Eleuthera, including but not limited to, the risk of property damage or personal injury arising from or incidental to such resort-related activities.

Each Parcel and Unit Owner shall indemnify and hold harmless Declarant, Declarant Affiliates and CECA and their respective officers and directors, in their capacities as such, from any liability to persons using the Owner's Parcel or Unit for claims, damages or expenses, including attorneys' fees, arising from or incidental to such resort-related activities.

13.7. Construction Activities

All Owners, occupants and users of the Parcels are hereby placed on notice that Declarant, any Declarant Affiliates and/or their agents, contractors, subcontractors or assigns anticipate conducting development and construction activities within Cape Eleuthera and that such activities shall be conducted in phases and may cause disturbance and disruption that impact the use and enjoyment of a Parcel. By acceptance of a conveyance or other interest and by using any portion of a Parcel or Cape Eleuthera generally, the Owners and all occupants and users of Parcels acknowledge and agree that such activities shall not be deemed nuisances or noxious or offensive activities under any applicable covenants or at law generally.

NOTES

PART FIVE: COMMUNITY DEVELOPMENT

Chapter 14**Expansion of Cape Eleuthera**

Due to the need to pace development to the needs of Cape Eleuthera and the market demand for Parcels, the Community will be developed in phases. Declarant or CECA may expand the initial property submitted to the Declaration as set forth in this Chapter.

14.1. Expansion by Declarant

From time to time, Declarant may submit to the terms of this Declaration all or any portion of the property described in Exhibit "B" by recording a Supplement describing the additional property to be submitted. Declarant may record such a Supplement without the consent of any Person except the owner of such property, if not Declarant.

Declarant's right to expand Cape Eleuthera under this section expires when all property described in Exhibit "B" has been submitted to this Declaration or 55 years after this Declaration is recorded, whichever is earlier. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be described in a recorded instrument executed by Declarant.

Nothing in this Declaration shall require Declarant or any successor to submit additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

14.2. Expansion by CECA

CECA also may submit additional property (*i.e.*, property not described in Exhibit "B") to this Declaration by recording a Supplement describing the additional property. Any Supplement annexing property not described in Exhibit "B" that

CECA records must be approved by Parcel Owners holding more than 50% of the total votes in CECA at a meeting duly called for such purpose and by the owner of the property to be submitted. In addition, during the Development and Sale Period, Declarant's consent is required. CECA's President and Secretary, the owner of the property and Declarant, if Declarant's consent is required, shall sign the Supplement.

14.3. Additional Covenants and Easements

Any Supplement that Declarant records may impose additional covenants and easements on the property described in such Supplement, such as covenants obligating CECA to maintain and insure such property and authorizing CECA to recover its costs through Service Area Assessments. Such provisions may be included in a Supplement submitting new property to this Declaration or may be set forth in a separate Supplement applicable to property previously submitted to this Declaration. If someone other than Declarant owns the property, then the Supplement must be signed by such owner evidencing such owner's consent. Any Supplement may add to, create exceptions to or otherwise modify the terms of this Declaration as it applies to the property described in the Supplement, in order to reflect the different character and intended use of such property.

14.4. Effect of Filing a Supplement

A Supplement shall be effective upon recording unless otherwise specified in the Supplement. On the effective date of the Supplement, any additional property made subject to this Declaration shall be assigned voting rights in CECA and assessment liability in accordance with the provisions of this Declaration.

Expansion of the Cape Eleuthera

NOTES

Chapter 15

Additional Rights Reserved to Declarant

This Chapter reserves various rights to Declarant, in addition to those specifically reserved elsewhere in the Governing Documents, in order to facilitate the development and sale of property in Cape Eleuthera, to enable Declarant to respond to Parcel Owners' concerns and to protect various property rights and other interests of Declarant.

15.1. Withdrawal of Property

During the Development and Sale Period, Declarant may amend this Declaration to remove any unimproved portion of Cape Eleuthera from the coverage of this Declaration, provided such withdrawal does not reduce the total number of Parcels to which Exclusive Common Area is assigned by more than 10%. "Unimproved" means that no permanent structure has yet been completed on the property. Such amendment shall not require the consent of any Person other than the owner(s) of the property to be withdrawn, if not Declarant. If the property is Mutual Benefit Area, CECA shall consent to such withdrawal in an amendment.

15.2. Marketing and Sales Activities

Notwithstanding anything in the Governing Documents to the contrary, during the Development and Sale Period Declarant and its designees or assigns may construct, use and maintain upon portions of the Mutual Benefit Area and other property they own, such facilities and activities as, in Declarant's opinion, may reasonably be required, convenient or incidental to the construction or sale of Parcels and Units. Such permitted facilities and activities shall include business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales offices, holding or sponsoring special events and exterior lighting features or displays.

15.3. Right to Make Improvements, Replat

During the Development and Sale Period, Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Mutual Benefit Area and Exclusive Common Areas for the purpose of making, constructing and installing such improvements to the Mutual Benefit Area or Exclusive Common Area and to the Exhibit "B" property as it deems appropriate.

In addition, during the Development and Sale Period, Declarant may replat property that it owns and may convert Parcels it owns into Mutual Benefit Area or Exclusive Common Area.

15.4. Right to Approve Changes in Cape Eleuthera Standards

During the Development and Sale Period, no amendment to or modification of any Rules or Design Guidelines shall be effective without prior notice to and the written approval of Declarant.

15.5. Additional Covenants and Restrictions

During the Development and Sale Period, no one other than Declarant may record any additional covenants or restrictions affecting any portion of Cape Eleuthera without Declarant's written consent. Any instrument recorded without the required consent shall be void and of no force and effect.

15.6. Easement to Inspect and Right to Correct

Declarant reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign and correct any structure, improvement or condition designed, erected or constructed by it which may exist on any portion of the property within Cape Eleuthera,

including Parcels, and a perpetual nonexclusive easement of access throughout Cape Eleuthera to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Parcel shall be only after reasonable notice to the Owner, and no entry into an enclosed structure shall be permitted without the Owner's consent. The Person exercising this easement shall promptly repair, at such Person's own expense, any damage he or she causes. Nothing in this Section shall relieve an Owner of the responsibility for the maintenance and repair of his or her Parcel or Unit.

15.7. Rights to Stormwater Runoff and Water Reclamation

Declarant hereby reserves for itself and its designees all rights to ground water, surface water and stormwater runoff within Cape Eleuthera, and each Owner agrees, by acceptance of a conveyance to a Parcel or Unit, that Declarant shall retain all such rights. Such right shall include an easement over Cape Eleuthera for access and for installation and maintenance of facilities and equipment to capture and transport such water and runoff.

No Person other than Declarant and its designees shall claim, capture or collect ground water, surface water or stormwater runoff within Cape Eleuthera without the prior written permission of Declarant or its designee. Declarant or its designee may establish programs for reclamation of stormwater runoff and wastewater for appropriate uses within or outside Cape Eleuthera and may require Owners and occupants of Parcels to participate in such programs to the extent reasonably practical. No Owner or occupant of a Parcel shall have any right to be compensated for water claimed or reclaimed from its Parcel.

15.8. Right to Transfer or Assign Declarant's Rights

Any or all of Declarant's special rights and obligations set forth in this Declaration or the Articles may be transferred in whole or in part to

other Persons. However, such a transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration or the Articles. No such transfer or assignment shall be effective unless it is in a recorded instrument that Declarant signs. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety. In such case, it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

15.9. Declarant's Right to Approve Form of Conveyance Document

During the Development and Sale Period, each document purporting to transfer title to any Parcel shall be submitted to Declarant or its designee for review and approval as to form and content, for the limited purpose set forth below, prior to execution. After termination of the Development and Sale Period, such conveyance document shall be submitted to CECA. The purpose of the approval rights under this section is to maintain a uniform scheme of development for Cape Eleuthera by ensuring that each form of conveyance of a Parcel contains the necessary and appropriate terms and provisions to pass the burden of positive (or affirmative) covenants to each subsequent transferee. So long as the conveyance document accomplishes this objective, Declarant's or CECA's, as applicable, approval shall not be unreasonably withheld.

15.10. Termination of Rights

The rights contained in this Chapter shall not terminate until the earlier of (a) termination of the Development and Sale Period; or (b) Declarant's recording of a written statement that all sales activity has ceased.

NOTES

PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS

Chapter 16

Changes in CECA Property

Various influences and circumstances within and outside Cape Eleuthera may give rise to a need or desire to make changes in the ownership of CECA Property. This Chapter explains the procedures for dealing with some of these circumstances.

16.1. Condemnation

If any part of the CECA Property is taken by any authority having the power of condemnation or eminent domain, or conveyed by CECA in lieu of and under threat of condemnation with such approval as may be required under Section 16.3, each Parcel Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to CECA to be disbursed as follows:

(a) If the taking or conveyance involves a portion of the CECA Property on which improvements have been constructed, CECA shall restore or replace such improvements on the remaining land included in the CECA Property to the extent available, unless within 90 days after such taking, Declarant, during the Development and Sale Period, and Parcel Owners representing at least 75% of the total votes in CECA shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 9.3 regarding funds for restoring improvements shall apply.

(b) If the taking or conveyance does not involve any improvements on the CECA Property, if a decision is made not to repair or restore or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as

proceeds from the sale of CECA Property under Section 16.3.

16.2. Partition

Except as permitted in this Declaration, the CECA Property shall remain undivided, and no Person shall bring any action to partition any portion of the CECA Property without the written consent of all Parcel Owners. This section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Declaration, with such approval as may be required under Section 16.3.

16.3. Transfer or Dedication of CECA Property

CECA may dedicate portions of the CECA Property to the Commonwealth of The Bahamas or to any other governmental or quasi-governmental entity, may subject CECA Property to a security interest or may transfer or convey CECA Property upon the written direction of Parcel Owners representing at least 75% of the total votes in CECA and, during the Development and Sale Period, Declarant.

The proceeds from the sale or mortgaging of CECA Property shall be an asset of CECA to be used as the Board determines. No conveyance or encumbrance of CECA Property may deprive any Parcel of rights of access or support.

Chapter 17

Term, Termination and Amendment of Declaration

As Cape Eleuthera grows and matures, the rules and procedures by which it is governed must be flexible to adapt to changes in the development plan, as well as changes in the needs and desires of the Community that inevitably will occur. This Chapter sets out procedures by which either Declarant or the Parcel Owners as a group may amend this Declaration to address such changes.

17.1. Term and Termination

This Declaration shall be effective for a minimum of 21 years from the date it is recorded. After 21 years, this Declaration shall be extended automatically for successive 10-year periods unless at least 75% of the then Residential Parcel Owners and 75% of the then Commercial Parcel Owners sign a document stating that this Declaration is terminated and that document is recorded within the year before any extension. In such case, this Declaration shall terminate on the date specified in the termination document.

Whenever any provision of this Declaration may be subject to the Rule Against Perpetuities, that provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

This section shall not permit termination of any easement created in this Declaration without the consent of the holder of such easement.

17.2. Amendment

(a) By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, and except as otherwise specifically provided, until termination of the Declarant Control Period, Declarant may unilaterally amend this Declaration for any purpose.

Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Parcels; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans to make, purchase, insure or guarantee mortgage loans on the Parcels; or (iv) to satisfy the requirements of any governmental agency. However, any amendment under this paragraph shall not adversely affect the title to any Parcel unless the Owner shall consent in writing.

In addition, during the Development and Sale Period, Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon the rights of more than 10% of the Parcel Owners.

(b) By Owners. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent of Parcel Owners representing at least 67% of the votes held by each category of Parcels (Residential or Commercial or both) affected by the amendment in question. In addition, during the Development and Sale Period, any such amendment shall also require Declarant's written consent.

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.

(c) Parcel Restrictions. Notwithstanding the provisions of subsections (a) and (b) above, the Parcel Restrictions set forth in Exhibit "E" may be amended only as provided in such exhibit.

(d) Validity and Effective Date. No amendment may remove, revoke or modify any right or privilege of Declarant without the written

Term, Termination and Amendment of Declaration

consent of Declarant (or the assignee of such right or privilege).

If a Parcel Owner consents to any amendment to this Declaration or the Articles, it will be conclusively presumed that such Parcel Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Parcel Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation, 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 this Declaration.

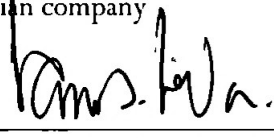
(e) *Exhibits.* Exhibits "A," "B," and "D" are incorporated by this reference, and this Chapter shall govern amendment of those exhibits, except as otherwise specifically provided in this Declaration. Exhibit "C" is incorporated by this reference, and this Chapter or Section 3.2 shall govern amendment of this exhibit. All other exhibits are attached for informational purposes and may be amended as provided in those exhibits or in the provisions of this Declaration that refer to such exhibits.

NOTES

IN WITNESS WHEREOF, Declarant has caused its Common Seal to be hereunto affixed this 24th day of October, 2016.

DECLARANT:

POWELL POINT PROPERTIES LIMITED, a
Bahamian company

By 

Daniel G. DeVos, President

The Common Seal of the said POWELL POINT PROPERTIES LIMITED was affixed hereto by Daniel G. DeVos, the President of the said Company, and the said Daniel G. DeVos affixed his signature hereto in the presence of Robert H. Schierbeek, a Director and Secretary of the said Company:



Robert H. Schierbeek, Director/Secretary

Witness

EXHIBIT A

Land Initially Submitted**Tract 1: Cape Eleuthera Phase 1 Development Parcels (1,041 Parcels)**

ALL THOSE TRACTS OR PARCELS OF LAND consisting of 1,041 building lots comprised in 78 blocks of the Cape Eleuthera Subdivision Phase 1 located at Powells Point in the area Northwestwards of the settlement of Deep Creek and on the Southwestern side of the Island of Eleuthera, one of the islands of the Commonwealth of the Bahamas, which said pieces or tracts of land herein described are recorded in the Registry of Records, Volume 1798, Pages 281-305.

Each separate lot intended for individual ownership and occupancy shown on such plans shall constitute a Parcel under this Declaration.

Tract 2: Mariner Townhouses Parcels (7 Parcels)

ALL THOSE TRACTS OR PARCELS OF LAND known as Mariner Townhouses 1-7 situated in Tract G of Block 1, Tract 1 of the Cape Eleuthera Subdivision Phase 1 located at Powells Point in the area Northwestwards of the settlement of Deep Creek and on the Southwestern side of the Island of Eleuthera, one of the islands of the Commonwealth of the Bahamas, which said piece or tract of land includes the Mariner Townhouses common property and is recorded in the Registry of Records in Volume 2963, Pages 109-111.

Each separate Townhouse Unit intended for individual ownership and occupancy shown on such plans shall constitute a Parcel under this Declaration.

Tract 3: Topsiders Parcels (3 Parcels)

ALL THOSE TRACTS OR PARCELS OF LAND known as Topsiders 1, 2 and 3 situated in Tract D of Block 1, Tract 1 of the Cape Eleuthera Subdivision Phase 1 located at Powells Point in the area Northwestwards of the settlement of Deep Creek and on the Southwestern side of the Island of Eleuthera, one of the islands of the Commonwealth of the Bahamas, which said piece or tract of land herein described is bounded on all sides by the common property of Topsiders 1, 2 and 3 and is recorded in the Registry of Records in Volume 3068, Pages 111-113.

Each separate Topsider Unit intended for individual ownership and occupancy shown on such plans shall constitute a Parcel under this Declaration.

Tract 4: The Grove Parcels (43 Parcels)

ALL THOSE TRACTS OR PARCELS OF LAND known as The Grove Subdivision, consisting of 43 residential lots and common areas situated in Tract 10 of the Cape Eleuthera Subdivision Phase 1 located at Powells Point in the area Northwestwards of the settlement of Deep Creek and on the Southwestern side of the Island of Eleuthera, one of the islands of the Commonwealth of the Bahamas, which said piece or tract of land herein described is recorded in the Registry of Records in Volume 2380, Pages 21-24.

Each separate lot intended for individual ownership and occupancy shown on such plans shall constitute a Parcel under this Declaration.

EXHIBIT B**Expansion Property**

The Declarant intends that any portion or all portions of the remaining land and related improvements making up "Cape Eleuthera" could in the future be annexed and become subject to this Declaration. The land subject to annexation includes, without limitation:

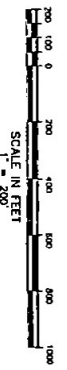
- (1) the approximately 4,300 acres at Cape Eleuthera as shown on Plan 523 of Eleuthera as recorded in the Department of Lands & Surveys the 31st day of July 1989;
- (2) the approximately 18.325 acres known as "Powell Point" shown as Parcel "A" on the attached Plan 861 of Eleuthera (Exhibit B-1) as recorded in the Department of Lands & Surveys the 20th day of October 2005 ("Plan 861");
- (3) the approximately 13.179 acres of submerged lands known as the "Cape Eleuthera Marina" shown as Parcel "B" on the attached Plan 861;
- (4) the approximately 23.08 acres known as "Sunrise Beach" shown as Parcel "C" and Crown Land-C on the attached Plan 861;
- (5) the approximately 3.380 acres known as "Utility Compound" shown as Parcel "D" on the attached Plan 861;
- (6) the approximately 2.718 acres known as "Bull Dolphin" shown as Parcel "E" on the attached Plan 861;
- (7) the approximately 4.201 acres known as the "First Finger" shown as Parcel "F" on the attached Plan 861;
- (8) the approximately 8.437 acres known as "Cape 2" (2nd Finger) shown as Parcel "G" and Crown Land-G on the attached Plan 861;
- (9) the approximately 1.493 acres known as "Cape 3" (3rd Finger) shown as Parcel "H" on the attached Plan 861;
- (10) the approximately 16.684 acres known as "Cape 4" (4th Finger) shown as Parcel "I" and Crown Land I-A and I-B on the attached Plan 861; and
- (11) the approximately 17.89 acres known as "Cape Eleuthera Island School" and Crown Land-J on the attached Plan 861.

Note to clerk and title examiners:

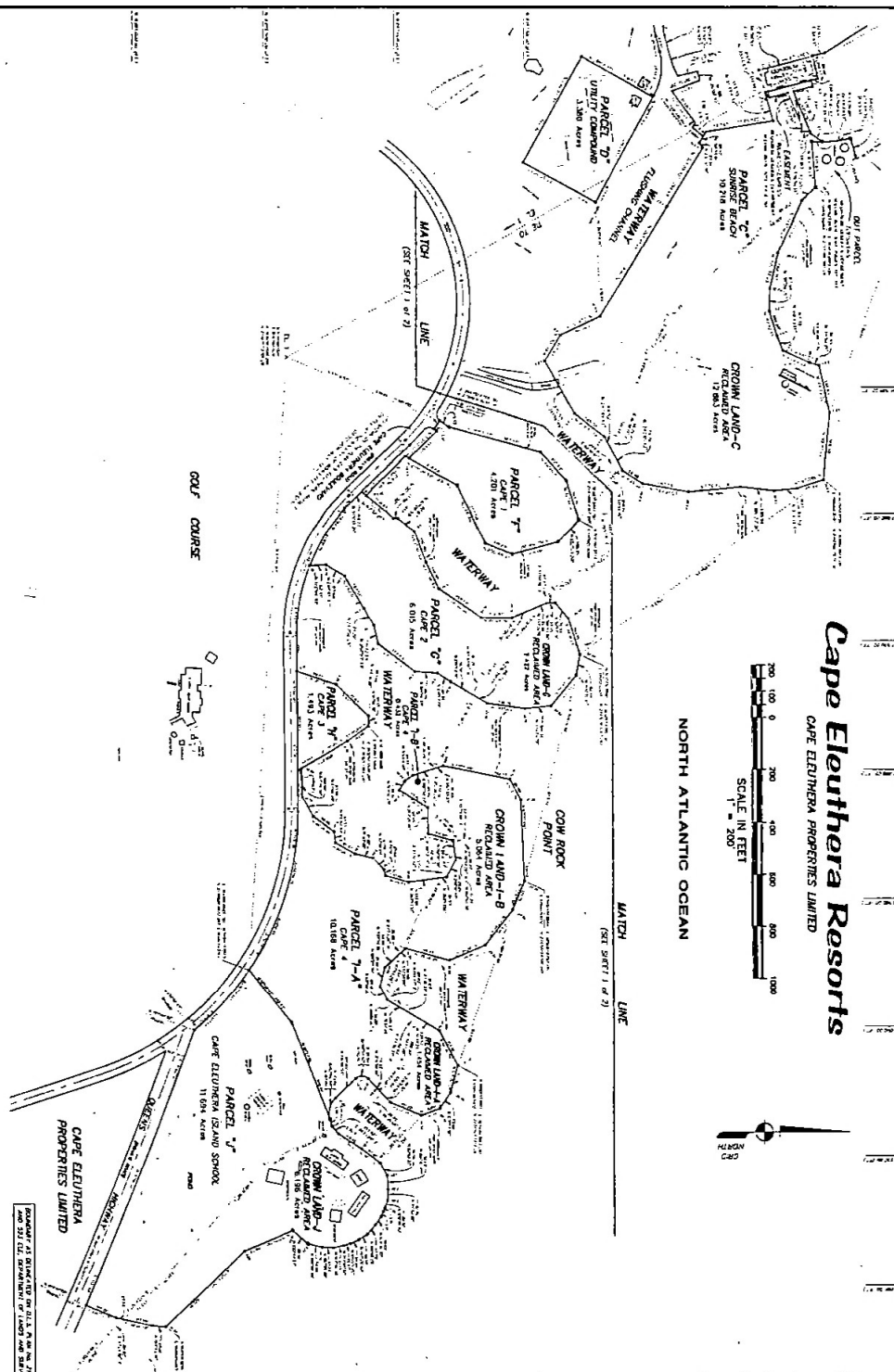
This Declaration is not intended to create an encumbrance on title to the property described in this Exhibit B. Such title may be encumbered only with the consent of the owner by filing a Supplement in accordance with Chapter 14 of the Declaration.

Cape Eleuthera Resorts

CAPE ELEUTHERA PROPERTIES LIMITED



NORTH ATLANTIC OCEAN



RECORDED IN THE BOOK OF MAPS AND SURVEYS IN ACCORDANCE WITH SECTION 3 OF THE LAND SURVEYS ACT 1975 AS AMENDED 861 ELEUTHERA, THIS 20th DAY OF OCTOBER 2005

Capt. J. B. Brown
 LAND SURVEY GENERAL

ORDERED BY *Capt. J. B. Brown*
 APPROVED BY *Alvin Young*
 SURVEYING & MAPPING SECTION

D.L.S. JOB FILE NO. P12/05

AREA TABULATION:

AREA	UNCLASSED	RECLASSED
PARCEL A	16,212 SQ. FT.	16,212 SQ. FT.
PARCEL B	10,242 SQ. FT.	10,242 SQ. FT.
PARCEL C	17,883 SQ. FT.	17,883 SQ. FT.
PARCEL D	1,200 SQ. FT.	1,200 SQ. FT.
PARCEL E	2,720 SQ. FT.	2,720 SQ. FT.
PARCEL F	6,024 SQ. FT.	6,024 SQ. FT.
PARCEL G	7,212 SQ. FT.	7,212 SQ. FT.
PARCEL H	1,524 SQ. FT.	1,524 SQ. FT.
PARCEL I	1,584 SQ. FT.	1,584 SQ. FT.
PARCEL J	1,584 SQ. FT.	1,584 SQ. FT.
GRAND TOTAL	66,888 SQ. FT.	66,888 SQ. FT.

LINE TABLE:

LINE NO.	DESCRIPTION	LENGTH
1	LINE 1	10.00
2	LINE 2	10.00
3	LINE 3	10.00
4	LINE 4	10.00
5	LINE 5	10.00
6	LINE 6	10.00
7	LINE 7	10.00
8	LINE 8	10.00
9	LINE 9	10.00
10	LINE 10	10.00
11	LINE 11	10.00
12	LINE 12	10.00
13	LINE 13	10.00
14	LINE 14	10.00
15	LINE 15	10.00
16	LINE 16	10.00
17	LINE 17	10.00
18	LINE 18	10.00
19	LINE 19	10.00
20	LINE 20	10.00
21	LINE 21	10.00
22	LINE 22	10.00
23	LINE 23	10.00
24	LINE 24	10.00
25	LINE 25	10.00
26	LINE 26	10.00
27	LINE 27	10.00
28	LINE 28	10.00
29	LINE 29	10.00
30	LINE 30	10.00
31	LINE 31	10.00
32	LINE 32	10.00
33	LINE 33	10.00
34	LINE 34	10.00
35	LINE 35	10.00
36	LINE 36	10.00
37	LINE 37	10.00
38	LINE 38	10.00
39	LINE 39	10.00
40	LINE 40	10.00
41	LINE 41	10.00
42	LINE 42	10.00
43	LINE 43	10.00
44	LINE 44	10.00
45	LINE 45	10.00
46	LINE 46	10.00
47	LINE 47	10.00
48	LINE 48	10.00
49	LINE 49	10.00
50	LINE 50	10.00
51	LINE 51	10.00
52	LINE 52	10.00
53	LINE 53	10.00
54	LINE 54	10.00
55	LINE 55	10.00
56	LINE 56	10.00
57	LINE 57	10.00
58	LINE 58	10.00
59	LINE 59	10.00
60	LINE 60	10.00
61	LINE 61	10.00
62	LINE 62	10.00
63	LINE 63	10.00
64	LINE 64	10.00
65	LINE 65	10.00
66	LINE 66	10.00
67	LINE 67	10.00
68	LINE 68	10.00
69	LINE 69	10.00
70	LINE 70	10.00
71	LINE 71	10.00
72	LINE 72	10.00
73	LINE 73	10.00
74	LINE 74	10.00
75	LINE 75	10.00
76	LINE 76	10.00
77	LINE 77	10.00
78	LINE 78	10.00
79	LINE 79	10.00
80	LINE 80	10.00
81	LINE 81	10.00
82	LINE 82	10.00
83	LINE 83	10.00
84	LINE 84	10.00
85	LINE 85	10.00
86	LINE 86	10.00
87	LINE 87	10.00
88	LINE 88	10.00
89	LINE 89	10.00
90	LINE 90	10.00
91	LINE 91	10.00
92	LINE 92	10.00
93	LINE 93	10.00
94	LINE 94	10.00
95	LINE 95	10.00
96	LINE 96	10.00
97	LINE 97	10.00
98	LINE 98	10.00
99	LINE 99	10.00
100	LINE 100	10.00

NOTES & LEGEND

1. THIS IS A PLAN OF THE LAND SURVEYED AND SHOWN IN THE ATTACHED SURVEY MAP AND IS NOT TO BE USED AS A BASIS FOR ANY OTHER PURPOSES.
2. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
3. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
4. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
5. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
6. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
7. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
8. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
9. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.
10. ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMALS THEREOF.

SURVEYOR'S CERTIFICATE

I, ALVIN YOUNG, of the County of Nassau, State of Eleuthera, do hereby certify that the above is a true and correct copy of the original survey map and that the same has been surveyed and shown in the attached survey map and is not to be used as a basis for any other purposes.

ALVIN YOUNG, P.L.S.
 Phone: (242) 364-3843, P.O. Box EE-16108
 Nassau, New Providence, Bahamas

AVIROM & ASSOCIATES, INC.
 IN ASSOCIATION WITH:
 BERNARD M. YOUNG, PLUMBER, QUALITY JOB
 1000 W. 10th Street, Suite 100
 Tel: (242) 364-3843, Fax: (242) 364-1118

SCALE 1" = 200'
 DATE 01-27-05
 BY K.M. C-1-1
 CKD M.L.
 F.B. 013 P.G. 8
 JOB NO. 1214-6

SURVEY SHOWING:
 CROWN LANDS AND SEVERAL PARCELS OF PRIVATE OWNED LANDS
 AT POINT POINT
 ELEUTHERA ISLAND
 IN THE COMMISSIONERSHIP OF THE BAHAMAS
 SURVEYED BY THE SURVEYOR
 CAPE ELEUTHERA PROPERTIES LIMITED

Service Areas

Mariner Townhouses Service Area:

All Mariner Townhouse Parcels

Topsider Service Area:

All Topsider Parcels

Grove Service Area:

All Grove Parcels

Blue Marlin Lane Service Area:

All Parcels on Blue Marlin Lane West (also known as Tract 8 in the Cape Eleuthera Phase 1 Development)

EXHIBIT D

Exclusive Common Areas

The following property shall constitute the Exclusive Common Area assigned to the Parcels. Notwithstanding any rights an Owner may have over the Exclusive Common Areas under the general law relating thereto, no Parcel Owner shall use or permit to be used any specific part of the Exclusive Common Areas for any purpose other than that for which the Exclusive Common Area shall be designated by Declarant, or the Board after the termination of the Declarant Control Period, and from time to time by the majority vote of the Parcel Owners holding an ownership interest in such Exclusive Common Area (with each Parcel Owner entitled to one vote), subject to limitations set forth in the Declaration.

(a) *Topsider Exclusive Common Area.* Each Owner of a Topsider Parcel is granted a one-third (1/3) share or interest in the Topsider Exclusive Common Area described below, subject to the stipulations set forth herein, as tenant in common with each other Topsider Parcel Owner. The Owner of each Topsider Parcel shall be entitled to the use of the Topsider Exclusive Common Area and shall be bound by any stipulations prescribed herein as to such use. The Topsider Exclusive Common Area is a portion of Tract "D" as shown on the Plat of Powell Point as recorded in Volume 3068, Pages 111-113, Registry of Records, Nassau, New Providence, Bahamas, being more particularly described as follows:

All those pieces or parcels or lots of land shown colored blue on the plan attached as Exhibit "D-1" and known as the Northern portion of Tract D, Block 1, Tract 1 of the Cape Eleuthera Subdivision Phase 1 and situate at Powell Point, in the area Northwestwards of the settlement of Deep Creek and on the Southwestern side of the Island Eleuthera, one of the islands of the Commonwealth of the Bahamas, which said pieces or parcels of lots of land herein described is bounded as follows:

Northwardly by a portion of land known as "Open Space" being part of the said Cape Eleuthera subdivision Phase 1 and running thereon North 75 degrees East for 101 feet more or less to the Mean High Water Mark of the sea;

Southwardly by a portion of Land being the remaining portion of the said Tract D, Block 1, Tract 1, the property of Declarant, and running thereon North 86 degrees 09 minutes 50 seconds East for 191 feet more or less to the Mean High Water Mark of the sea;

Eastwardly by the Mean High Water mark of the sea and running thereon 192 feet more or less; and

Westwardly along a reservation for a road 40 feet wide and known as Lighthouse Drive North 40 feet, thence along a curve with a radius of 420 feet with an arc distance of 109.96 feet,

SAVE AND EXCEPT those three pieces or parcels or lots of land known as Topsiders 1, 2 & 3 and colored pink on the attached plan all lying within the said pieces or parcels or lots of land above described or however else the same may abut and bound which said pieces or parcels or lots of land herein described is shown colored green on the plan recorded in Volume 3068, Pages 111-113, Registry of Records, Nassau, New Providence, Bahamas.

(b) *Mariner Townhouses Exclusive Common Area.* Each Owner of a Mariner Townhouse Parcel is granted a one-seventh (1/7) share or interest in the Mariner Townhouses Exclusive Common Area described below, subject to the stipulations set forth herein, as tenant in common with each other Mariner Townhouse Parcel Owner. The Owner of each Mariner Townhouse Parcel shall be entitled to the use of the Mariner Townhouses Exclusive Common Area and shall be bound by any stipulations prescribed herein as to such use.

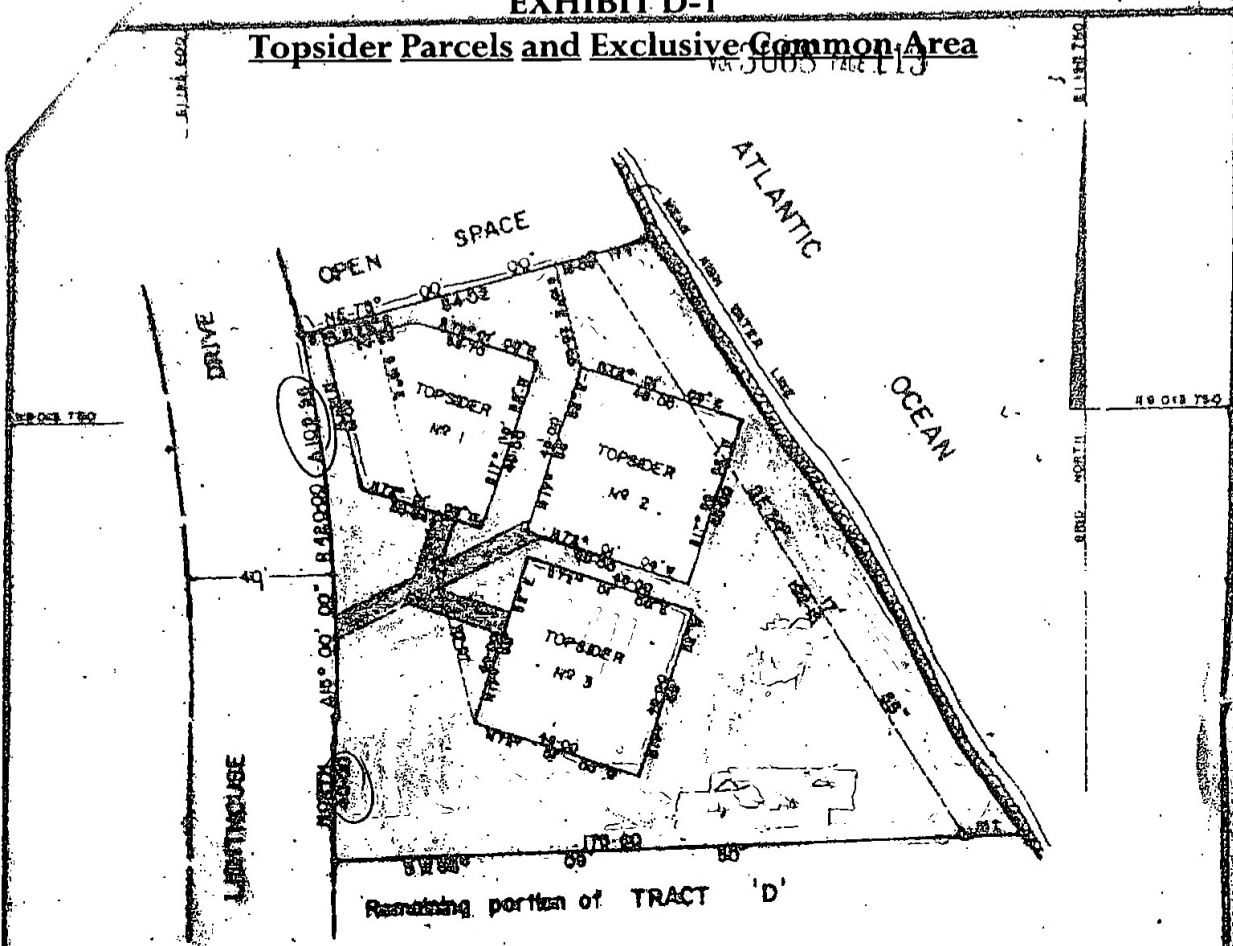
The Mariner Townhouses Exclusive Common Area is a portion of Tract "G" as shown on the Plat of Powell Point as recorded in Volume 2963, Pages 109-111, Registry of Records, Nassau, New Providence, Bahamas,

for use by the Owners of Mariner Townhouses Parcels as an ingress and egress easement (private road), subject to the contribution by such Parcel Owners for maintenance and repair and the other conditions prescribed in this Declaration, being more particularly described as follows:

Commence at the Southwest corner of said Tract "G," thence run North 74 degrees 15 minutes 58 seconds East along the Southerly boundary of said Tract "G" for a distance of 88.70 feet to a point; thence run North 14 degrees 18 minutes 50 seconds West along a line being parallel with and 88.67 feet Easterly of as measured at right angles to the Southwest boundary of said Tract "G" for a distance of 12.60 feet to the Point of Beginning; thence continue North 14 degrees 18 minutes 50 seconds West along said last described line for a distance of 169.21 feet to a point; thence run North 75 degrees 41 minutes 10 seconds East for a distance of 24.00 feet to a point; thence run South 14 degrees 18 minutes 50 seconds East for a distance of 76.21 feet to a point; thence run North 67 degrees 23 minutes 42 seconds East for a distance of 165.94 feet to a point of intersection with the Westerly right-of-way line of Lighthouse Drive for a distance of 32.87 feet to a point; thence run West for a distance of 26.90 feet to a point; thence run South 67 degrees 23 minutes 42 seconds West for a distance of 131.39 feet to a point; thence run South 14 degrees 18 minutes 50 seconds East for a distance of 72.79 feet to a point; thence run South 75 degrees 41 minutes 10 seconds West for a distance of 24.00 feet to the Point of Beginning.

EXHIBIT D-1

Topsider Parcels and Exclusive Common Area



PLAN SHOWING
 CERTAIN PARCELS OF LAND BEING
 PART OF TRACT D, BLOCK I, TRACT I
 (BOOK 2143 PAGES 136 - 137 REGISTRY OF RECORDS)
 ALL LYING WITHIN 'CAPE ELEUTHERA PHASE I'
 ELEUTHERA, BAHAMAS.
 PREPARED FOR :-
 G.A.C. ELEUTHERA, LIMITED.

SCALE : 1 inch to 40 ft.



COMMONWEALTH OF THE BAHAMAS
 This plan has been examined and approved by an official of
 G.A.C. ELEUTHERA, LIMITED, this 1st day of JUNE, 1978

G.A.C. ELEUTHERA, LIMITED
[Signature]

SURVEYORS & ENGINEERS
 I, Andrew C. Layton, a duly authorized officer of the Engineering
 staff of L.T.D. SURVEYING & ENGINEERING LIMITED, do hereby
 certify that the attached plan entitled 'PLAN OF PORTS' is a
 true and correct representation of the land which complies
 with the requirements of G.A.C. ELEUTHERA LIMITED, signed
 on this 1st day of JUNE, 1978.

[Signature]
 A.C. LAYTON

L.T.D. SURVEYING & ENGINEERING INC.

P.O. BOX N7782

PHONE 24595

NASSAU - BAHAMAS

DRAWN BY: A.C.C.

D-1-1

SURVEYED BY:

EXHIBIT E

Parcel Restrictions and Stipulations**Article 1. Applicability**

The Parcel Restrictions contained in this Exhibit "E" shall be applicable to all of the Mariner Townhouses Parcels and the Topsiders Parcels, except as specifically provided herein. The covenants, restrictions, stipulations and easements contained in this Exhibit "E" shall be applicable to all such designated Parcels and the Owners, occupants, tenants and guests of such Parcel Owners.

Article 2. Maintenance, Repair and Replacement***2.1. Responsibility for Maintenance, Repair and Replacement***

No building shall be allowed to fall into a state of disrepair, and no rebuilding or reconstruction of any building shall be carried out until and unless Declarant or CECA shall have approved the same in writing, as provided in Chapter 5. No garden or landscaping contained within the boundaries of any Parcel shall be kept in any state other than in good order and condition, and no weeds or other unsightly growth shall be permitted to grow or remain in or about any Parcel.

No building on any Parcel damaged or destroyed in whole or in part by fire, vandalism, hurricane, storm or the like shall be permitted to remain unrepaired or unrestored for any reasonable length of time, and no debris therefrom shall remain longer than 60 days.

Each Owner shall carry property insurance for the full replacement cost of all insurable Improvements on his or her Parcel or Unit, less a reasonable deductible, unless CECA carries such insurance (which CECA may, but is not obligated to do). If CECA assumes responsibility for insuring a Parcel, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Parcel and the Owner.

2.2. Maintenance and Repair of Party Walls in Mariner Townhouses

For purposes of this Exhibit "E," a "party wall" shall mean and refer to the dividing walls between any of the Units comprising the Mariner Townhouses. A party wall is any common dividing wall between the space occupied by one townhouse and the space occupied by the townhouse(s) immediately adjoining it and which is built as part of the original construction of the Mariner Townhouses Parcels and placed on the dividing line between any of the Mariner Townhouse Parcels.

(a) An Owner of a Mariner Townhouse Parcel shall have the right to use the party wall(s) which are a part of his or her Parcel jointly with the adjoining Parcel Owner(s). Each adjoining Mariner Townhouse Parcel Owner shall have cross-easements in the wall, and the wall shall be used for the joint purposes including the lateral support of the Parcels separated by it.

Either Mariner Townhouse Parcel Owner shall have the right to use the side of the party wall adjacent to his or her Parcel by attaching structural and finishing material thereto and in any other manner that does not injure or invade the space occupied by the Parcel of the adjoining Parcel Owner; provided, neither Parcel

Owner shall make or provide openings in the party wall of any nature whatsoever without the consent of the other Parcel Owner. In the event such consent is given and such openings are made, the openings shall be subject to the right of the consenting Parcel Owner to close up such openings at any time that he or she may desire to use any portion of the wall, and no easement shall ever be created or precedent construed by reason of such openings, either for access to and from, or for light and air.

(b) No Mariner Townhouse Parcel Owner may extend any party wall either horizontally or vertically, except that any Owner wishing to make a party wall of greater thickness than the original may do so provided that such added thickness shall not be placed on the land of the adjoining Parcel Owner without his consent in writing, that such added thickness is not visible from the exterior of the Parcel and that any such added thickness shall not impair the party wall benefits and support to which the adjoining Parcel is entitled.

Any increase in thickness shall be made in conformity with all laws, ordinances and regulations of Eleuthera Island and the Commonwealth of The Bahamas and at the sole cost of the Mariner Townhouse Parcel Owner making the modification. Any party wall modified under the terms hereof shall be and remain a party wall.

(c) A party wall shall be maintained and kept in repair at all times by and at the joint cost of the adjoining Mariner Townhouse Parcel Owners. Should a party wall be totally or partially destroyed by fire or other cause, including ordinary wear and tear or deterioration, either Parcel Owner shall have the right to rebuild or reconstruct the party wall, and the expense of such rebuilding shall be borne equally by the Parcel Owners as to so much of the wall as may, at the time of rebuilding, be used in common for party wall purposes exclusive of the party wall structure. The expense of repair or modification as to any remaining portion of the Parcel area shall be borne wholly by the Parcel Owner who shall exclusively use that portion.

The Parcel Owner causing the repairs to be made shall have the right to enter on the adjoining Parcel to the extent reasonably necessary in performance of the work; provided, he shall take due precaution not to damage the property of the adjoining Parcel Owner.

Whenever the party wall or any portion of it shall be rebuilt, the new wall, or portion of wall, shall be erected in the same location where the wall or such portion now stands and shall be of the same size, of the same or similar material and of like quality. The wall repaired or reconstructed shall be and remain a party wall.

Notwithstanding the foregoing, in the event any such party wall is damaged or destroyed through the act or omission of one adjoining Mariner Townhouse Parcel Owner or any of his agents, guests or members of his family, whether or not such act or omission is negligent or otherwise culpable, so as to deprive another adjoining Parcel Owner of the full use and enjoyment of such wall, then the first of such Parcel Owners shall forthwith proceed to rebuild or repair the party wall to the same condition as existed prior to the damage without cost to the adjoining Parcel Owner.

(d) Notwithstanding any other provision of this Exhibit "E," if a Mariner Townhouse Parcel Owner, by his negligence or wilful act or omission, causes a party wall to be exposed to the elements or otherwise exposes it to potential damage or destruction, that Parcel Owner shall bear the whole cost of furnishing necessary protection as well as of rebuilding and reconstructing the party wall.

(e) Any controversy that may arise between Mariner Townhouse Parcel Owners with respect to the

necessity for or cost of repairs or with respect to any other rights or liabilities of the Parcel Owners under the terms of this Exhibit "E" shall be submitted to the decision of three arbitrators, one to be chosen by each of the Parcel Owners involved and the third by the other two arbitrators. The award of a majority of such arbitrators shall be final and conclusive on the parties, who agree hereby to be bound by such decision.

In the event that within 14 days from appointment of the arbitrators, the arbitrators have failed to reach a conclusion, either party may then submit the matter to the Bahamian court of appropriate jurisdiction in order to obtain declaratory or other relief. Any expenses incurred under this subsection, including reasonable attorneys' fees, shall be assessed as far as prevailing law permits against the non-prevailing Parcel Owner(s).

(f) The covenants set forth in this Exhibit "E" shall be binding upon the heirs, successors and assigns of any Mariner Townhouse Parcel Owner, and the right of any Parcel Owner to contribution from any other Parcel Owner shall be appurtenant to the land and shall pass to such Parcel Owner's successors in title.

The covenants contained in this Exhibit "E" shall remain in full force and effect until modified or abrogated as to any particular party wall by the agreement of all Persons then having an interest therein, except that no such modification or abrogation shall defeat the right of a Parcel Owner who was entitled to any contribution from any other Parcel Owner pursuant to subsections (c), (d), or (e) above prior to the modification or abrogation.

The covenants, conditions and restrictions contained in this Exhibit "E" shall run with the land and shall be binding upon all Persons purchasing, leasing, subleasing or occupying any Parcel within the Mariner Townhouses. These covenants, conditions and restrictions or any one of them may be enforced by the Parcel Owner, including Declarant, so long as it is the record title holder of any property in the Mariner Townhouses, by CECA or the successors or assigns of either of the foregoing, or by any one or more of said Persons. Each and all of said covenants, conditions and restrictions shall be binding upon and effective against any Parcel Owner whose title is acquired by foreclosure, trustee's sale or otherwise.

The terms and conditions set forth in this Exhibit "E" shall be binding upon all Persons affected by its terms, whether express reference is made to this Declaration or any interest in any part of the Mariner Townhouses property, including mortgagees who acquire title by foreclosure or otherwise.

Article 3. Restrictions on Use and Aesthetics

The following Parcel Restrictions shall be applicable to the specific Parcels indicated herein, and each Owner of such a Parcel shall be entitled to and shall be bound by the said Restrictions.

3.1. General Parcel Restrictions

(a) No trade, manufacture, business or commercial or professional undertaking, including the business of a guesthouse proprietor, boarding-house keeper or hotel operator, shall be carried on upon any Parcel.

(b) No sign, billboard, boarding or other advertising device of any kind shall be erected or displayed on any Parcel without the prior written approval of Declarant, during the Declarant Control Period, and the Board thereafter.

(c) No Parcel shall be divided or subdivided into smaller Parcels or Units for building purposes.

(d) No generators, pumps, motors or mechanical equipment shall be erected or installed in other than enclosed structures approved by Declarant and so situated as not to be a nuisance.

(e) No outdoor clothes lines and poles or the like shall be placed on any Parcel unless obscured by shrubbery or the like from public view from any road or waterway.

(f) The following activities are prohibited within the Parcels:

(i) Those pets which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Parcels shall be removed upon the Board's request. If the pet owner fails to honour such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling;

(ii) Any activity that emits foul or obnoxious odors outside the Parcel or creates noise or other conditions that tend to disturb the peace or threaten the safety of the occupants of other Parcels;

(iii) Any activity that violates local or Commonwealth laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(iv) Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Parcel;

(v) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance or nuisance to persons using the Mutual Benefit Area or to the occupants of other Parcels; and

(vi) No wells for the extraction of water underlying a Parcel shall be drilled, sunk or bored on any part of a Parcel.

3.2. Topsider Parcel Restrictions

No "duplex house," apartment house, hotel or other building designed for occupation by more than one family with its guests and servants shall be built on any Parcel.

3.3. Mariner Townhouses Parcel Restrictions

(a) No "duplex house," apartment house, hotel or other building designed for occupation by more than one family with its guests and servants shall be built on any Parcel.

(b) No addition to any townhouse structure shall be made, and no additional structures shall be placed on any portion of the Mariner Townhouses Parcels without the consent of a majority of the Owners of Parcels within the Mariner Townhouses Parcels, and any such approved construction must be in compliance with the general neighbourhood plan and the Restrictions set forth herein.

(c) No structure of any kind may be constructed or placed upon the Mariner Townhouses Exclusive Common Area without the consent of a majority of the Owners of Parcels within the Mariner Townhouses Parcels, and any such approved construction must be in compliance with the general neighbourhood plan and the Restrictions set forth herein.

Article 4. Easements for Mariner Townhouses Seawall

An easement of ingress and egress is hereby granted to each Owner of a Parcel in the Mariner Townhouses over and upon the seawall and seawall caps abutting and adjacent to the Mariner Townhouses Parcels, subject to the following restrictions, conditions and limitations, which each Mariner Townhouse Parcel Owner, and his or her successors and assigns, agree to observe, and by which they shall be bound:

(a) Any installation or construction of a dock, pier, boatslip or similar structure ("**Dock**") is subject in all respects to the approval of Declarant or the Board, as provided in Chapter 5, which approval will not be unreasonably withheld, as well as being subject to all applicable provisions of Bahamian law and regulations as may be imposed by the Government.

(b) Each Mariner Townhouse Parcel Owner and his or her successors and assigns agree to pay all costs attendant to planning, construction and continued maintenance and repair of any approved Dock. If at any time the Dock has deteriorated to the extent that it detracts from the appearance of the area or presents a possible danger to the other individuals or property in the area, then Declarant or CECA, as the case may be, may cause same to be repaired or removed, and each Mariner Townhouse Owner shall be liable for such costs incurred by virtue of such repair or removal.

(c) Nothing in this Article 4 shall be construed at any time to confer ownership of the seawall or seawall cap or any portion thereof in any Person other than Declarant, its successors and assigns, and each Owner of a Mariner Townhouse Parcel hereby agrees that he or she undertakes the liability and obligation to repair the seawall in accordance with the standards necessary to maintain the seawall in such condition that it will always serve the purposes for which it is intended and to repair any damage caused by the installation or construction of the approved Dock and/or by the continued use thereof.

Further, each Mariner Townhouse Parcel Owner acknowledges that, although he or she shall be the sole owner of the approved Dock, he or she has no interest nor ownership rights in the water surrounding the Dock or in the land directly under it or the grounds in which any foundations are placed. Declarant, on behalf of its successors and assigns, hereby agrees that as long as a Mariner Townhouse Parcel Owner uses and maintains any such Dock in accordance herewith, then Declarant shall not disturb the Owner's use of the Dock and right of easement herein granted.

It is intended that the easement of ingress and egress provided in this Article 4 shall be exclusive to the Owners of Parcels in the Mariner Townhouses and their successors and assigns so long as all of the above conditions are met and subject always to the right of entry by Declarant or CECA and the agents of either for the purposes of inspection, maintenance, alteration, repair and related matters.

Article 5. Amendment

The provisions of this Exhibit "E" may be amended, deleted or supplemented with the consent of the Board, the Owners of Parcels holding a majority of the votes within the Parcels subject to the particular Restrictions and Declarant, during the Declarant Control Period; provided, during the Development and Sale Period, Declarant may unilaterally, without a vote of the Parcel Owners amend Article 1 to subject additional Parcels to these Parcel Restrictions or remove Parcels that it owns from the description of Parcels subject to these Parcel Restrictions in Article 1. Any amendment to this Exhibit "E" shall become effective upon recording, unless a later date is specified in such amendment.

EXHIBIT F

VOL

12671PG

327

COMMONWEALTH OF THE BAHAMAS

THE COMPANIES ACT, 1992

**A COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

OF

CECA LIMITED

TABLE OF CONTENTS

	PAGE
Article 1 Name, Principal Office, and Definitions	1
1.1. Name.	1
1.2. Applicable Statute.	1
1.3. Registered Office.	1
1.4. Definitions.	1
Article 2 Membership: Meetings, Quorum, Voting, Proxies.....	1
2.1. Membership.	1
2.2. Place of Meetings.	1
2.3. Association Meetings.	1
2.4. Notice of Meetings.....	2
2.5. Waiver of Notice.....	2
2.6. Adjournment of Meetings.....	2
2.7. Voting.	3
2.8. Proxies.	3
2.9. Quorum.	3
2.10. Conduct of Meetings.....	4
2.11. Action Without a Meeting.....	4
Article 3 Board of Directors: Selection, Meetings, Powers.....	4
A. Composition and Selection.....	4
3.1. Governing Body; Qualifications.....	4
3.2 Voting.....	Error! Bookmark not defined.
3.3. Number and Selection of Directors; Term of Office.....	5
3.4. Nomination and Election Procedures.	7
3.5. Removal of Directors and Vacancies.....	7
B. Meetings.....	8
3.6. Organizational Meetings.	8
3.7. Regular Meetings.	8
3.8. Extraordinary Meetings.....	8
3.9. Notice; Waiver of Notice.....	8
3.10. Telephonic Participation in Meetings.	9
3.11. Quorum of Board.	9
3.12. Conduct of Meetings.....	9
3.13. Open Meetings; Executive Session.	9
3.14. Action Without a Formal Meeting.....	9

- C. Powers and Duties..... 10
 - 3.15. Powers..... 10
 - 3.16. Duties..... 10
 - 3.17. Conflicts of Interest..... 11
- Article 4 Officers11**
 - 4.1. Officers. 11
 - 4.2. Election and Term of Office. 11
 - 4.3. Removal and Vacancies..... 12
 - 4.4. Powers and Duties..... 12
 - 4.5. Resignation..... 12
- Article 5 Committees.....12**
 - 5.1. General. 12
 - 5.2. Service Area Committees. 12
- Article 6 Standards of Conduct; Liability and Indemnification13**
 - 6.1. Standards for Directors and Officers. 13
 - 6.2. Liability. 13
 - 6.3. Indemnification. 14
 - 6.4. Advancement of Expenses. 15
- Article 7 Management and Accounting.....15**
 - 7.1. Compensation of Directors and Officers..... 15
 - 7.2. Right of Declarant Member to Disapprove Actions..... 15
 - 7.3. Managing Agent. 16
 - 7.4. Accounts and Reports. 17
 - 7.5. Borrowing. 17
 - 7.6. Right to Contract. 18
 - 7.7. Agreements, Contracts, Deeds, Leases, Checks, Etc..... 18
- Article 8 Enforcement Procedures18**
 - 8.1. Notice and Response..... 18
 - 8.2. Hearing. 19
- Article 9 Miscellaneous19**
 - 9.1. Fiscal Year..... 19
 - 9.2. Parliamentary Rules. 19
 - 9.3. Conflicts..... 19
 - 9.4. Books and Records. 19
 - 9.5. Notices..... 20
 - 9.6. Amendment..... 21

9.7.	Duration.....	22
9.8.	Merger and Consolidation.	22
9.9.	Dissolution.....	22

Article 1 Name, Principal Office and Definitions

1.1. Name.

The name of the company is **CECA LIMITED** (the "Association").

1.2. Applicable Statute.

The company is organized in The Commonwealth of The Bahamas as a company limited by guarantee and not having a share capital pursuant to the Companies Act, 1992 as amended (the "Act").

1.3. Registered Office.

The Association's registered office shall be located in the Island of New Providence, one of the islands in The Commonwealth of The Bahamas. The Association may have such other offices as the Board may determine or as the Association's affairs require, either within or outside The Bahamas.

1.4. Definitions.

The words used in these Articles of Association shall be given their normal, commonly understood definitions. Capitalized terms shall have the meaning ascribed to them in the recorded Declaration of Covenants, Conditions and Restrictions for Cape Eleuthera, as it may be amended (the "Declaration"). The term "majority," as used in these Articles of Association, means those votes totaling more than 50% of the total eligible number.

Article 2 Membership: Meetings, Quorum, Voting, Proxies

2.1. Membership.

The Association shall have two classes of membership, Owner Membership and Declarant Membership, as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are incorporated by this reference.

2.2. Place of Meetings.

The Association shall hold meetings at the Association's principal office or at such other suitable place as the Board may designate.

2.3. Association Meetings.

(a) *General.* Association meetings shall be of the Members unless the Board otherwise specifies or Bahamian law otherwise requires. The first Association meeting,

whether an "Ordinary Meeting" or an "Extraordinary Meeting" (as defined below), shall be held within one year after the Association's incorporation.

(b) Annual General Meetings. General Meetings shall be held once per year at such time and place, either within or outside The Bahamas, as may be prescribed by the directors. At these meetings, the directors shall be elected for the ensuing year, and general business of the Association shall be transacted. The Statutory General Meeting of the Association shall be held within the time period required by Section 70 of the Act.

(c) Extraordinary Meetings. The above-mentioned Annual General Meetings shall be called "Ordinary Meetings"; all other General Meetings of the Association shall be called "Extraordinary Meetings." In addition to the requirements set forth in Section 71 of the Act, the President or the directors may call Extraordinary Meetings. In addition, the President or the Secretary shall call an Extraordinary Meeting upon a written petition of Members representing at least 10% of the total votes in the Association.

2.4. Notice of Meetings.

The President, the Secretary or 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 a written notice stating the place, day and hour of the meeting. In the case of an Extraordinary Meeting or when otherwise required by statute, the Declaration or these Articles of Association, the purpose or purposes for which the meeting is called shall also be stated in the notice. No business shall be transacted at an Extraordinary Meeting except as stated in the notice.

Such notice shall be delivered by such means as permitted under Section 9.5, at least 10 but not more than 50 days before the date of such meeting.

2.5. Waiver of Notice.

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

2.6. Adjournment of Meetings.

If any Association meeting cannot be held because a quorum is not present, the Members representing a majority of the votes present at such meeting may adjourn the meeting to a time at least 5 but not more than 30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted

that might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, the Board shall provide notice to the Members of the time and place for reconvening the meeting in the manner prescribed for regular meetings.

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 enough Members to leave less than a quorum, provided at least a majority of the votes required to constitute a quorum must approve any action taken.

2.7. Voting.

In all matters that are to be decided by a vote of the membership of the Association, each Parcel shall be allocated one vote, subject to the limitations on voting set forth in these Articles of Association and the Declaration, which provisions are specifically incorporated by this reference.

2.8. Proxies.

Any Owner Member entitled to cast the vote(s) for his or her Parcel pursuant to the Declaration may cast such vote(s) in person or by proxy, subject to the limitations of Bahamian law and subject to any specific provision to the contrary in the Declaration or these Articles of Association. Any person may be appointed a proxy. The instrument appointing a proxy shall be deposited with the Secretary of the Association not less than 48 hours before commencement of the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Every proxy shall be in writing, shall identify the Parcel for which it is given, shall be signed by the Member or the Member's duly authorized attorney-in-fact, or, if the Member is a corporation, under its Common Seal or under the hand of an officer or attorney so authorized. Unless the proxy specifically provides otherwise, a proxy shall be presumed to cover all votes that the Member giving such proxy is entitled to cast, and in the event of any conflict between two 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.

A proxy is effective only for the specific meeting for which it was originally given, as such meeting may be lawfully adjourned and reconvened, and automatically expires 90 days after the date of the meeting for which it was originally given. Every proxy is revocable at any time at the pleasure of the Member who executes the proxy.

2.9. Quorum.

Except as these Articles of Association or the Declaration otherwise provide, the presence of Owner Members representing 15% of the total votes in the Association shall constitute a quorum at all Association meetings, and the vote of Owner Members representing

a majority of the total eligible votes cast shall constitute the action of the Members, subject to the provisions requiring Declarant's consent, as set forth in the Declaration.

2.10. Conduct of Meetings.

The President or a Board-approved designee shall preside over all Association meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with the Association's books.

2.11. Action Without a Meeting.

Any action required by the Declaration, the Articles of Association or Bahamian law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if approved by Members representing at least the minimum number of votes in the Association necessary to authorize such action at a meeting, if all Members entitled to vote were present and voted. Such approval shall be evidenced by one or more written consents specifically authorizing the proposed action, dated and signed by Members holding the requisite votes. The Association need not give prior notice before soliciting such consent; however, the Association must send written consent forms to all Members for action authorized pursuant to this section to be valid. Members shall sign, date and deliver such consents to the Association within 60 days after the Association's receipt of the earliest dated consent. The Association's Secretary shall file (or cause to be filed) such consents with the Association's minutes, and the consents shall have the same force and effect as a vote of the Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall deliver a written summary of the material features of the authorized action to all Members who did not give their written consent to such action

Article 3

Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1. Governing Body; Qualifications.

The Board shall govern the Association's affairs. Except with respect to directors appointed by the Declarant Member, directors shall be Members, Owners or residents. However, no Owner and resident representing the same Parcel may serve on the Board at the same time. A "resident" shall be any natural person 18 years of age or older who occupies a Parcel or Unit for at least 60 days during a calendar year.

If an Owner is not an individual, any officer, director, partner, trustee or other written designee of such Owner shall be eligible to serve as a director unless a written notice to the Association signed by the Owner specifies otherwise. However, no Owner may have more

than one such representative on the Board at a time except in the case of directors that the Declarant Member appoints.

3.2 Voting.

Each director shall have one vote. A director who is present at a meeting of the directors is deemed to consent to any resolution passed or action taken at the meeting unless: (a) the director requests that his dissent be, or the dissent is, entered in the minutes of the meeting; or (b) the director sends his or her written dissent to the Secretary before the meeting is adjourned or he or she sends a dissent by registered post or delivers it to the registered office of the Association immediately after the meeting is adjourned.

Any director who was not present at a meeting of the directors at which a resolution was passed or action taken shall be presumed to have consented thereto unless, within 7 days after the director becomes aware of the resolution or action, the director causes his or her dissent to be placed with the minutes of meetings or sends a dissent by registered post or delivers it to the Association's registered office.

3.3. Number and Selection of Directors; Term of Office.

The Board shall consist of three to seven directors, as provided below.

(a) **Initial Board.** The initial Board shall consist of the three directors appointed by the Declarant Member, who shall serve until their successors are appointed or elected as provided in this section.

(b) **Directors During Declarant Control Period.** Except as otherwise provided in this subsection, the Declarant Member may appoint, remove and replace Board members until termination of the Declarant Control Period. During such period, the Parcel Owners shall be entitled to elect a minority of the total number of directors according to the following schedule (directors elected by the Parcel Owners are referred to as "Owner Directors"):

(i) Within 60 days after the time that Owners other than Parcel Developers own 25% of the maximum number of Parcels permitted by the Land Use Plan or whenever the Declarant earlier determines, the President shall call for an election by which the Parcel Owners, as a group, shall be entitled to elect one of the three directors, who shall be at large. The remaining directors shall be appointees of the Declarant. The Owner Director shall be elected for a term of two years or until the happening of the event described in subsection (b)(ii) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b)(ii), a successor shall be elected for a like term.

(ii) Within 60 days after the time that Parcel Owners other than Parcel Developers own 50% of the maximum number of Parcels permitted by the Land Use Plan or whenever the Declarant earlier determines, the Board shall be increased to five directors, and the President shall call for an election by which the Parcel Owners, as a

group, shall be entitled to elect two of the five directors, who shall be elected at large. The Declarant shall appoint the remaining three directors. The Owner Directors shall be elected for a term of two years or until the happening of the event described in subsection (c)(i) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c)(i) below, successors shall be elected for a like term.

(c) Directors After the Declarant Control Period.

(i) Not later than termination of the Declarant Control Period, the number of directors shall increase to seven, and the President shall call for an election by which the Parcel Owners shall be entitled to elect five directors. Three directors shall be elected to serve until the second Annual General Meeting following their election, and two directors shall be elected to serve until the third Annual General Meeting following their election, as such directors determine among themselves.

(ii) The Declarant shall be entitled to appoint, remove and replace the remaining two directors until termination of the Declarant Membership, at which time the directors appointed by the Declarant shall resign. Upon termination of the Declarant Membership, the number of directors shall be reduced to five, and the Board shall be comprised of the five directors previously elected by the Parcel Owners.

(iii) Upon expiration of the term of office of each Owner Director, the Parcel Owners entitled to elect such director shall be entitled to elect a successor to serve a term of two years. Owner Directors shall hold office until their respective successors have been elected. Directors may serve any number of consecutive terms.

The diagram below illustrates the concept of transition of control of the Board during and after the Declarant Control Period.

TRANSITION OF CONTROL OF BOARD OF DIRECTORS				
Initial Board	25% of Total Parcels Conveyed	50% of Total Parcels Conveyed	Termination of Declarant Control Period	Termination of Declarant Membership
Declarant	Owner (at large)	Owner (at large)	Owner (at large)	Owner (at large)
Declarant	Declarant	Owner (at large)	Owner (at large)	Owner (at large)
Declarant	Declarant	Declarant	Owner (at large)	Owner (at large)
		Declarant	Owner (at large)	Owner (at large)
		Declarant	Owner (at large)	Owner (at large)
			Declarant	
			Declarant	

3.4. Nomination and Election Procedures.

(a) **Nomination of Candidates.** At least 30 days prior to any election of directors by the Parcel Owners, the Board shall appoint a Nominating Committee consisting of a chairman, who shall be a Board member, and three or more Owners or representatives of Owners. The Nominating Committee shall serve a term of one year or until its successors are appointed. The names of the Nominating Committee members 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 Parcel Owners at such election. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates. 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 Parcel Owners and to solicit votes.

(b) **Election Procedures.** At each election, voting shall be by written ballot. Each Parcel Owner may cast all votes assigned to its Parcel(s) for each position to be filled from any slate of candidates on which such Parcel Owner is entitled to vote.

3.5. Removal of Directors and Vacancies.

Any Owner Director may be removed, with or without cause, by the vote of Parcel Owners holding a majority of the votes entitled to be cast for the election of such director. 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 Parcel Owners, the Parcel Owners entitled to elect the removed director shall elect a successor for the remainder of the term of such director.

In the event of the death, disability or resignation of an Owner Director, the Board may declare a vacancy, and a quorum of directors may appoint a successor to fill the vacancy until the next Annual General Meeting, at which time the Parcel Owners entitled to fill such directorship shall elect a successor for the remainder of the term. If a quorum of directors is not available to appoint a successor Owner Director, the directors must call an Extraordinary Meeting of the Members entitled to elect such director for the purpose of electing a successor.

This section shall not apply to directors that the Declarant appoints. The Declarant may appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Declarant.

B. Meetings.**3.6. Organizational Meetings.**

The Board shall hold an organizational meeting within 10 days following each annual Association meeting at such time and place as the Board shall fix.

3.7. Regular Meetings.

The Board shall hold regular meetings at such time and place as a majority of the directors shall determine, but the Board shall meet at least two times during each fiscal year, with at least one meeting every six months.

3.8. Extraordinary Meetings.

The President, Vice President or any two directors may call an Extraordinary Meeting of the Board.

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 an Extraordinary Meeting, the nature of any special business to be considered. The Board shall notify each director of meetings 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, electronic mail or other electronic communication device, with confirmation of transmission. All such notices shall be given at or sent to the director's telephone number, fax number, electronic mail address or sent to the director's address as shown on the Association's records. The Board shall deposit notices sent by first class mail into a recognized governmental mailbox at least five business days before the day of the meeting. The Board shall give notices by personal delivery, telephone or electronic communication at least 72 hours before the time set for the meeting.

(b) The Board shall notify the Association members of each Board meeting by either: (i) posting notice of the meeting in a conspicuous place at Cape Eleuthera at least 48 hours in advance of the meeting; (ii) publication of a schedule of the Board meetings in a newspaper, newsletter, on a community intranet or website or by similar means at least 7 days prior to the meeting; or (iii) mailing notice of the meeting to each Association member.

(c) 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 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 the Board designates may participate in a Board or committee meeting by conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

3.11. Quorum of Board.

At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless Bahamian law, these Articles of Association or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present may adjourn the meeting to a time not less than five or more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact, without further notice, any business it might have transacted at the original meeting.

3.12. Conduct of Meetings.

The President or any designee the Board approves by resolution shall preside over all Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions and all transactions occurring at such meetings are included in the Association's records.

3.13. Open Meetings; Executive Session.

(a) Subject to the provisions of subsection 3.13(b) and Section 3.14, all Board meetings shall be open to all Owners within Cape Eleuthera, but only directors may participate in any discussion or deliberation unless a director requests that attendees 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 Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as proposed, pending or threatened litigation, or other matters specified by law.

3.14. Action Without a Formal Meeting.

Any action to be taken or that may be taken at a Board meeting may be taken without a meeting if the directors sign a written consent setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.**3.15. Powers.**

The Board shall have the power to administer the Association's affairs, perform the Association's responsibilities and exercise the Association's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those that the Governing Documents or Bahamian law require to be done and exercised exclusively by the membership generally.

3.16. Duties.

The Board's duties shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Service Area Expenses;

(b) fixing and collecting assessments and other charges to be levied pursuant to the Declaration;

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

(d) designating, hiring and dismissing personnel necessary to carry out the 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) opening bank accounts on the Association's behalf and designating the signatories required;

(f) depositing all funds received on the Association's behalf in a bank depository that it shall approve and using such funds to operate the Association;

(g) making or contracting for the making of repairs, additions and improvements to or alterations of the Exclusive Common Areas or the Mutual Benefit Area in accordance with the Governing Documents;

(h) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association; however, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;

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

- (j) paying the cost of all services rendered to the Association;
- (k) keeping a detailed accounting of the Association's receipts and expenditures;
- (l) making available to any prospective purchaser of a Unit or Parcel, any Owner and the holders, insurers and guarantors of any mortgage on any Unit or Parcel, current copies of the Governing Documents and all other books, records and financial statements of the Association as provided in Article 9; and
- (m) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by Bahamian law or these Articles of Association.

3.17. Conflicts of Interest.

Unless otherwise approved by a majority of the other directors, no Owner Director may transact business with the Association or any Association contractor during his or her term as director or within two years after the term expires. An Owner Director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. An Owner Director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members.

Notwithstanding the above, directors appointed by the Declarant may be employed by or otherwise transact business with the Declarant or one of its affiliates, and the Declarant may transact business with the Association or its contractors.

Article 4 Officers

4.1. Officers.

The Association's officers 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 Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office.

The Board shall elect the Association's officers at the first Board meeting following each General Meeting of the Association, to serve until their successors are elected.

4.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Association's best interests will be served and 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 Association's officers shall 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. The President shall be the Association's chief executive officer. The Treasurer shall have primary responsibility for preparing the Association's budgets as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

4.5. Resignation.

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 a later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

Article 5 Committees

5.1. General.

The Board may appoint 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. In the conduct of its duties and responsibilities, each committee shall abide by the notice and quorum requirements applicable to the Board under Sections 3.9, 3.10 and 3.11. Except as otherwise provided by Board resolution or the Governing Documents, members of a committee may act by unanimous written consent in lieu of a meeting.

5.2. Service Area Committees.

The Owners within any Service Area that has no formal organizational structure or association may elect a Service Area Committee to determine the nature and extent of services, if any, which it desires to have the Association provide to the Service Area, over and above those services that the Association may provide to all Parcels in Cape Eleuthera. A Service Area Committee, if elected, shall consist of three Owners of Parcels in the Service Area; however, if approved by the vote of at least 51% of the Owners of Parcels within the Service Area, the number may be increased to five.

Elections of Service Area Committees may be held by written ballot sent to all Owners of Parcels within the Service Area, or at a meeting of the Owners of Parcels within the Service Area, as the Board determines. The Board or any Owner of a Parcel in the Service Area may nominate candidates for election to the Service Area Committee. That number of candidates equal to the number of positions to be filled receiving the most votes shall be elected. Service Area Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board from a Service Area shall be an *ex officio* member of the Service Area Committee. The members of the committee shall elect a chairperson from among themselves, who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

Meetings of a Service Area Committee shall be open to all Owners of Parcels in the Service Area and their representatives.

Article 6

Standards of Conduct; Liability and Indemnification

6.1. Standards for Directors and Officers.

The Board shall exercise its powers in a reasonable, fair and nondiscriminatory manner and 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 of companies under Bahamian 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 Association and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. A director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by others to the extent authorized under Bahamian law.

6.2. Liability.

(a) A director or officer shall not be personally liable to the Association, any Owner or any other Person for any action taken or not taken as a director or officer if he or she has acted in accordance with Section 6.1.

(b) Pursuant to the business judgment rule, 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 that the director reasonably believes are necessary for the Association's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on a disinterested basis, promptly disclosing any real or potential conflict of interest (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he has a conflict of interest (beyond that which any directors have by virtue of their ownership or occupancy of a Unit or Parcel or relationship to the Declarant or a Declarant Affiliate); and

(iv) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs.

(c) The Association's officers, directors and committee members 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 the Association's behalf (except to the extent that such officers or directors may also be Owners).

6.3. Indemnification.

Subject to the limitations of Bahamian law, the Association shall indemnify every officer, director and committee member against all damages and expenses, including counsel fees and expenses, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member, except that the Association shall have no obligation to indemnify any individual against liability or expenses incurred in connection with a proceeding:

(a) brought by or in the right of the Association, although it may reimburse the individual for reasonable expenses incurred in connection with the proceeding if it is determined, by the court or in the manner provided above, that the individual met the relevant standard of conduct under Bahamian law; or

(b) to the extent that the individual is adjudged liable for conduct that constitutes:

(i) appropriation, in violation of his or her duties, of any business opportunity of the Association; or

(ii) intentional misconduct or knowing violation of the law; or

(iii) an unlawful distribution to members, directors or officers; or

(iv) receipt of an improper personal benefit.

This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.4. Advancement of Expenses.

In accordance with the procedures and subject to the conditions and limitations set forth under Bahamian law, the Board may authorize the 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 Association.

Article 7 Management and Accounting

7.1. Compensation of Directors and Officers.

The Association shall not compensate directors and officers for acting as such unless Parcel Owners representing a majority of the total votes in the Association approve such compensation at an Association meeting. The Association may reimburse any director or officer for expenses he or she incurs on the Association's behalf upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director or officer, or any entity with which a director or officer is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director or officer pursuant to a contract or agreement with the Association. However, such director must make known his or her interest to the Board prior to entering into such contract, and a majority of the Board, excluding any interested director, must approve such contract.

7.2. Right of Declarant Member to Disapprove Actions.

So long as there is a Declarant Membership, the Declarant Member shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the Declarant Member's sole judgment, would tend to impair rights of the Declarant or Parcel Developers under the Declaration or these Articles of Association, interfere with development or construction of any portion of Cape Eleuthera or diminish the level of services the Association provides. The Board shall not implement any action, policy or program subject to the right of disapproval set forth herein until and unless the requirements of this section have been met.

(a) **Notice.** The Association shall give the Declarant Member written notice of all meetings of the membership, the Board and committees and any actions that any of them propose to take by written consent in lieu of a meeting. The Association shall give such notice by certified mail, return receipt requested, or by personal delivery at the address the Declarant Member has registered with the Association. Such notice shall comply as to Board meetings

with Section 3.9, and shall, except in the case of regular Board meetings pursuant to these Articles of Association, set forth with reasonable particularity the agenda to be followed at such meeting.

(b) Opportunity to be Heard. At any such meeting, the Association shall give the Declarant Member the opportunity to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy or program that would be subject to the right of disapproval set forth herein.

The Declarant Member, its representatives or its agents shall make its concerns, thoughts and suggestions known to the Board and/or the members of the subject committee. The Declarant Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 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 10 days following receipt of written notice of the proposed action.

The Declarant Member may use this right to disapprove to block proposed actions but shall not use it to require any action or counteraction of any committee, the Board or the Association. The Declarant Member shall not use its right to disapprove to reduce the level of services the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

7.3. Managing Agent.

The Board may employ for the Association professional management 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 shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 3.16. The Board may employ the Declarant or its affiliate as managing agent or manager.

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

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Declarant Control Period unless such contract contains a right of termination that may be exercised by the Association, with or without cause and without penalty, at any time after termination of the Declarant Control Period upon not more than 90 days' written notice.

The managing agent shall not accept remuneration from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Association. The managing agent shall promptly disclose to the Board any

financial or other interest that it may have in any firm providing goods or services to the Association.

7.4. Accounts and Reports.

(a) The Board shall follow the following accounting standards unless the Board by resolution specifically determines otherwise:

(i) accounting and controls should conform to generally accepted accounting principles; and

(ii) the Association's cash accounts shall not be commingled with any other accounts, and during the Declarant Control Period, operating accounts shall not be commingled with reserve accounts;

(b) Commencing at the end of the first quarter after the commencement of Base Assessments, the following financial reports shall be prepared for the Association within 60 days after the end of each quarter:

(i) an income statement reflecting all income and expense activity for the preceding period;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless the Board specifies otherwise by resolution). A copy of the quarterly financial report shall be made available at no charge to any Member requesting a copy.

(c) An annual report consisting of at least the following shall be made available for Members' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (Income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed or compiled basis, as the Board determines.

7.5. Borrowing.

The Association shall have the power to borrow money for any legal purpose. However, the Board shall obtain Parcel Owner approval in the same manner provided in the Declaration for Special Assessments if the proposed borrowing is for the purpose of making

discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 20% of the Association's budgeted gross expenses for that fiscal year.

7.6. Right to Contract.

The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational or other agreements with trusts, condominiums, cooperatives, any Parcel Association and other owners or residents associations within and outside Cape Eleuthera.

7.7. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Association agreements, contracts, deeds, leases, checks and other instruments shall be executed by at least two officers or by such other person or persons as the Board may designate by resolution.

Article 8 Enforcement Procedures

The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

8.1. Notice and Response.

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) the alleged violator shall have 15 days to present a written request for a hearing before the Board; and (d) a statement that the proposed sanction may be imposed as contained in the notice unless a hearing is requested within 15 days of the notice.

The alleged violator shall respond to the notice of the alleged violation in writing within such 15-day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board in writing within such 15-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. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-day period.

Prior to the effectiveness of sanctions imposed pursuant to this Article, 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 15-day period, the hearing shall be held before the Board or any committee established by the Board for such purpose. 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 (*i.e.*, the Board's decision) and the sanction, if any, to be imposed.

Article 9 Miscellaneous

9.1. Fiscal Year.

The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

9.2. Parliamentary Rules.

Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Association proceedings when not in conflict with Bahamian law or the Governing Documents.

9.3. Conflicts.

If there are conflicts among the provisions of Bahamian law, the Memorandum of Association, the Declaration and these Articles of Association, the provisions of Bahamian law, the Declaration, the Memorandum of Association and the Articles of Association (in that order) shall prevail.

9.4. Books and Records.

(a) Turnover of Books and Records. Within 90 days after termination of the Declarant Control Period, the Declarant shall deliver to the Association all property, books and records of the Association.

(b) Inspection of Records. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first mortgage on a Parcel or 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 Parcel: the Governing

Documents, the membership register, books of account, the minutes of meetings of the Members, the Board and committees, and any other records as required by Bahamian law. The Board shall provide for such inspection to take place within 10 business days after receipt of a written request for access at the Association's office or at such other place within Cape Eleuthera as the Board shall designate.

(c) **Rules for Inspection.** The Board shall establish rules with respect to:

- (i) the frequency and manner of inspection;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(d) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all Association books, records and documents and the physical properties owned or controlled by the Association. A director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

9.5. Notices.

(a) **Form of Notice and Method of Delivery.** Except as otherwise provided in the Declaration or these Articles of Association or by Bahamian law, all notices, demands, bills, statements or other communications under the Declaration or these Articles of Association shall be in writing and may be delivered in person, by mail, by private carrier or if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

(b) **Delivery Address.** Notices shall be delivered or sent to the intended recipient as follows:

- (i) if to a Member or Unit Owner, at the address, facsimile number or e-mail address that the Member or Unit Owner has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Parcel or Unit of such Member or Unit Owner;
- (ii) if to the Association, the Board or a committee of either, at the address, facsimile number or e-mail address of the registered office of the Association or its managing agent, or at such other address as the Association shall designate by notice in writing to the Members pursuant to this section; or
- (iii) if to the Declarant, at the Declarant's principal address, or at such other address as the Declarant shall designate by notice in writing to the Association pursuant to this section.

(c) Effective Date. Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by mail, when deposited with the Bahamian or U.S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if delivered personally or by private carrier, 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; or

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation of transmission.

9.6. Amendment.

(a) By Declarant Member. Prior to termination of the Declarant Control Period, the Declarant Member may unilaterally amend these Articles of Association. Thereafter, the Declarant Member may unilaterally amend these Articles of Association at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Parcels; or (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans to make, purchase, insure or guarantee mortgage loans on the Parcels. So long as there is a Declarant Member, the Declarant Member may unilaterally amend these Articles of Association for any other purpose, provided the amendment has no material adverse effect upon any Member's rights.

(b) By Members Generally. Except as provided above, these Articles of Association may be amended only by the affirmative vote or written consent, or any combination thereof, of Parcel Owners representing 67% of the total votes in the Association, and the consent of the Declarant Member, if such exists. 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.

(c) Validity and Effective Date of Amendments. Amendments to these Articles of Association shall become effective upon recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation, 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 Articles of Association.

No amendment may remove, revoke or modify any right or privilege of the Declarant or the Declarant Member without the written consent of the Declarant, the Declarant Member or the assignee of such right or privilege.

9.7. Duration.

The Association shall have perpetual duration, unless otherwise merged, consolidated or dissolved in accordance with these Articles of Association.

9.8. Merger and Consolidation.

The Association may merge or consolidate only upon a resolution duly adopted by its Board of Directors and the affirmative vote of Parcel Owners representing not less than two-thirds (2/3) of the total votes in the Association other than the Declarant. In addition, so long as the Declarant owns any property subject to the Declaration or that it may unilaterally make subject to the Declaration, the written consent of the Declarant shall be required.

9.9. Dissolution.


The Association may be dissolved only upon a resolution duly adopted by its Board of Directors and approved by the affirmative vote of Parcel Owners representing not less than two-thirds (2/3) of the total votes in the Association other than Declarant. In addition, so long as the Declarant owns any property subject to the Declaration or that the Declarant may unilaterally make subject to the Declaration pursuant to the Declaration, the written consent of the Declarant shall be required. In the event of dissolution, liquidation or winding up of the Association, the provisions of the Memorandum of Association regarding each Member's obligations at the winding up of the Association shall apply.

We, Susanne Rolle and Kenya Bethel both of P.O. Box N-7776-348, Nassau, Bahamas, the undersigned subscribers to the Memorandum of Association, have hereunto subscribed our names to these Articles of Association this 2nd day of June A.D., 2016 in the presence of a witness.

SUBSCRIBERS



P.O. Box N-7776-348
Nassau, Bahamas



P.O. Box N-7776-348
Nassau, Bahamas

SIGNED and SEALED by the Subscribers to the Memorandum of Association in the presence of:



Witness

COMMONWEALTH OF THE BAHAMAS

New Providence

I, Candia Culmer, of the Island of New Providence, Legal Assistant, make oath and say that I was present and saw:

Susanne Rolle

Kenya Bethel

both of the said Island of New Providence, sign and deliver the annexed Articles of Association for the purposes therein mentioned; and that I subscribed my name as the witness to the due execution thereof.

SWORN to this 02nd)
of June, A.D., 2016)

Candia Culmer

Before me,

John P. Stovess
NOTARY PUBLIC
NASSAU
BAHAMAS



COMMONWEALTH OF THE BAHAMAS

Registrar General's Department

I certify the foregoing
to be a true and correct copy
of the document filed in the office.

CECA LIMITED



A handwritten signature in cursive script, appearing to read "D Maycock".

DEIRDRE A. CLARKE-MAYCOCK
Acting Registrar General
7th June 2016

Authentication Number: m7ETEVD
You may verify this certificate online at www.bahamas.gov.bs/rgd

COMMONWEALTH OF THE BAHAMAS

THE COMPANIES ACT, 1992

STATUTE LAWS OF THE BAHAMAS

A COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

CECA LIMITED

Article 1. Name. The name of the company is **CECA LIMITED** (the "Company").

Article 2. Registered Office. The Registered Office of the Company will be situated at Holowesko Pyfrom Fletcher, Templeton Building, Lyford Cay, New Providence, Bahamas.

Article 3. Registered Agent. The Registered Agent of the Company will be Holowesko Pyfrom Fletcher, Templeton Building, Lyford Cay, New Providence, Bahamas.

Article 4. Duration. The Company shall have perpetual duration.

Article 5. Purposes and Powers. The Company does not contemplate pecuniary gain or profit, direct or indirect, to its members. The objects for which the Company is established are to engage in any act or activity that is not prohibited under any law for the time being in force in The Commonwealth of The Bahamas.

(a) By way of explanation and not limitation, the purposes for which the Company is formed are to be and constitute the association called "**CECA**" to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Cape Eleuthera ("**Declaration**"), to perform all obligations and duties of CECA and to exercise all rights and powers of CECA, as specified in the Declaration, in the Company's Articles of Association ("**Articles of Association**") and as provided by law.

(b) In furtherance of its purposes, the Company shall have the following powers, which, unless indicated otherwise by the Declaration or the Articles of Association, may be exercised by its Board of Directors:

(i) all of the powers conferred upon companies under the laws of The Commonwealth of The Bahamas;

(ii) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in this Memorandum of Association, the Articles of Association or the Declaration, including, without limitation, the following:

(1) to fix and to collect assessments and other charges to be levied pursuant to the Declaration;

(2) to manage, control, operate, maintain, repair and improve property subject to the Declaration or any other property as to which CECA has a right or duty to provide such services pursuant to the Declaration, the Articles of Association or any covenant, easement, contract or other legal instrument;

(3) to enforce covenants, conditions or restrictions affecting any property to the extent CECA may be authorized to do so under the Declaration, the Articles of Association or other recorded covenant;

(4) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal in and with real, personal and mixed property of all kinds and any right or interest therein for any purpose of the Company;

(5) to borrow money for any purpose;

(6) to enter into, make, perform or enforce contracts of every kind and description, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Company, with or in association with any other association, corporation or other entity or agency, public or private;

(7) to act as agent, trustee or other representative of other companies, firms or individuals, and as such to advance the business or ownership interests of such companies, firms or individuals;

(8) to adopt, alter and amend or repeal such Articles of Association as may be necessary or desirable for the proper management of the affairs of the Company; provided, such Articles of Association may not be inconsistent with or contrary to any provisions of the Declaration; and

(9) to provide any and all services to the real property subject to the Declaration as the Board of Directors may determine to be necessary or desirable to supplement the services provided by local government.

(c) The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers that may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other provision of this Article 5.

Article 6. Membership. The Company shall be a membership company without certificates or shares of stock. The Declarant, for such period as is specified in the Declaration, and each Person who is the Owner of a Parcel or Unit (as such capitalized terms are defined in the Declaration) subject to the Declaration shall be a member of the Company and shall be entitled to such voting rights and membership privileges as are set forth in the Declaration and the Articles of Association.

Article 7. Board of Directors. The business and affairs of the Company shall be conducted, managed and controlled by a Board of Directors. The composition, powers and duties of the Board of Directors shall be as set forth in the Articles of Association.

Article 8. Amendments. This Memorandum of Association may be amended only upon a resolution duly adopted by the Board of Directors and approved by the affirmative vote of members entitled to cast at least two-thirds (2/3) of the total eligible votes of the members; provided, the members shall not be entitled to vote on any amendment to this Memorandum of Association adopted for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity or any institutional lender authorized to fund, insure or guarantee mortgages on individual Parcels or Units, which amendments may be adopted by the Board of Directors. In addition, so long as the Declarant owns any property subject to the Declaration or that it may unilaterally make subject to the Declaration, the consent of the Declarant shall be required for any amendment.


Article 9. Limited Liability. The liability of the members is limited by guarantee, and the Company shall not have a share capital.

Article 10. Winding Up. Each and every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year afterwards for the payment of the debts and liabilities of the Company contracted before he ceases to be a member and the costs, charges and expenses of winding up the Company and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding \$10.00.

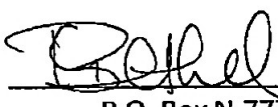
We, Susanne Rolle and Kenya Bethel both of P.O. Box N-7776-348, Nassau, Bahamas, the undersigned subscribers are desirous of forming a company limited by guarantee and not having a share capital under the laws of the Commonwealth of The Bahamas and In pursuance

thereof hereby subscribe our names to this Memorandum of Association this 2nd day of June A.D., 2016 in the presence of a witness.

SUBSCRIBERS



P.O. Box N-7776-348
Nassau, Bahamas



P.O. Box N-7776-348
Nassau, Bahamas

SIGNED and SEALED by the Subscribers to this Memorandum of Association in the presence of:



Witness

COMMONWEALTH OF THE BAHAMAS

New Providence

I, Candia Culmer, of the Island of New Providence, Legal Assistant, make oath and say that I was present and saw:

Susanne Rolle

Kenya Bethel

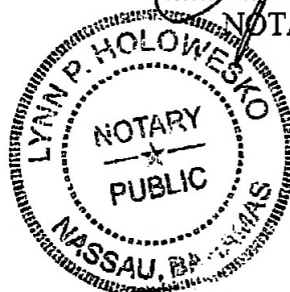
both of the said Island of New Providence, sign and deliver the annexed Memorandum of Association for the purposes therein mentioned; and that I subscribed my name as the witness to the due execution thereof.

SWORN to this 02nd day)
of June, A.D., 2016)

) *Culmer*

Before me,

Lynn P. Holowesko
.....
NOTARY PUBLIC





COMMONWEALTH OF THE BAHAMAS

Registrar General's Department

I certify the foregoing
to be a true and correct copy
of the document filed in the office.

CECA LIMITED



A handwritten signature in cursive script, appearing to read "D Maycock".

DEIRDRE A. CLARKE-MAYCOCK
Acting Registrar General
7th June 2016

Authentication Number: m7ETEViD
You may verify this certificate online at www.bahamas.gov.bs/rgd