



THE CLUB AT RAPALLO, INC.

RULES AND REGULATIONS

These Rules and Regulations of The Club at Rapallo, Inc. ("Master Association") shall be deemed in effect until amended and shall apply to and be binding upon all Owners, Guests (including family members), Tenants, and other persons for whom the Owners are responsible. Violation of these Rules and Regulations may subject the violator to any and all remedies available to the Master Association pursuant to its Governing Documents and Florida law. Violations may be remedied by the Master Association through the imposition of fines, injunctive relief or other legal and equitable means, and the Master Association shall be entitled to recover in such actions all costs and reasonable attorney's fees and court costs incurred by it for enforcement of these Rules. The term "enforcement of these Rules" shall be interpreted in its broadest sense to include legal services prior to, during and after the commencement, if any, of any formal legal proceedings before a court, mediator, arbitrator or other manner of alternative dispute resolution. The Master Board of Directors may, from time to time, adopt new Rules and Regulations, or amend or repeal previously adopted Rules and Regulations. Any waivers, consents or approvals given under these Rules and Regulations by the Master Board of Directors shall be revocable at any time and shall not be considered as a waiver, consent or approval for any other purpose other than that which is identified at the time of the giving of such waiver, consent or approval. All capitalized words and phrases are defined in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rapallo, as amended ("Master Declaration").

Any condominium sub-association in Rapallo ("Condominium Associations") namely, Rapallo One Association, Inc., Rapallo Villas Two Association, Inc, Rapallo Three Association, Inc, Rapallo Four Association, Inc., and The Enclave at Rapallo, Inc., may each create its own Rules and Regulations for the management and control of its community. If any conflict or discrepancy shall exist between the Rules of the Master Association and any Condominium Association, the Master Association Rules shall control if they are more limited and stricter than the Condominium Association Rules. If there is any doubt about which Rules will apply, the decision of the Master Board of Directors shall be determinative.

1. USE AND OWNERSHIP OF UNITS.

1.1 **Single-Family Use Only.** The Units may be used for single-family residential living and for no other purpose. The term "single-family" shall mean two or more persons, each of whom are related to each of the others by blood, marriage or adoption, or not more than two persons not so related who reside together as a single housekeeping unit.

1.2 **No Trade or Business.** No trade, business, profession or other type of commercial activity may be conducted on any part thereof; provided, however, that a business which, in the reasonable discretion of the Master Board of Directors, does not result in vehicle or pedestrian traffic and does not cause an annoyance or nuisance to other Owners, Guests or Tenants may be permitted.

1.3 **Property Access Rights.** Rapallo's Proximity Cards provide the means for resident owners and registered tenants to enter Rapallo property, and are for identification when using Rapallo common facilities. Proximity cards are issued to specific individuals, subject to the Association's Application and Background check process. Allowing anyone else to use one's Proximity Card is strictly prohibited, and is a fineable offense. Short-term guests will be issued paper passes, with start and end dates, as per Rule 3.16.

2. **USE OF COMMON ELEMENTS.**

2.1 Intended Purposes Only. All Common Elements shall be used only for their intended purposes and no articles belonging to Owners shall be kept thereon without the written consent of the Master Board of Directors, or its designee.

2.1 Free of Obstruction; Limitation on Certain Activities; Etc. The Common Elements shall be at all times kept free of obstruction. The streets and sidewalks must not be obstructed or used for any purposes other than ingress and egress to and from the community. No portion of any Unit or Common Element shall be used as a drying or hanging area for laundry of any kind. Nothing shall be hung from Unit windows or balconies or placed upon the window sills except as approved by the Master Board of Directors, provided, however, an Owner may display portable flags as described below. Linens, cloths, clothing, curtains, rugs or mops may not be shaken out or hung from any of the windows or doors. No decorative pots, ornamentation, potted plants, decorative lighting, fountains or other decorations may be placed outside a Unit unless not visible from outside the Unit or except as approved by the Master Board of Directors for placement in courtyard entry areas.

3. **UNIT AND OWNER RESTRICTIONS.**

3.1 Children. There is no restriction on occupancy by children. Children shall be closely supervised at all times by an adult to ensure that they do not become a source of annoyance to other residents of the Master Association at Rapallo. The Master Board of Directors, or its designee, shall at all times have the authority to reasonably require that the Owner, Guest, Tenant or other adult who is responsible for a particular child remove him or her from any Common Element or Condominium Association common element if the child's conduct is such that the Master Board of Directors, or its designee, believes this action is necessary. In no event shall children under the age of thirteen (13) years be permitted in the recreational areas, pool areas, locker rooms, clubhouses, community center, fishing piers, tennis courts, bocce courts or other Common Elements or condominium common areas, unless accompanied by an adult. No children under the age of 13 are permitted in the fitness center at any time; children ages 13-15 are permitted only when accompanied by an adult.

3.2 Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit, except that the Owner of each Unit may keep two (2) non-vocal birds or two (2) other domesticated pets either cat(s) and/ or dog(s) in the Unit. Each cat or dog must be thirty (30) pounds or less in weight and must be leashed at all times while outside the Unit. No pets are permitted in the recreation areas and facilities. Each pet owner shall be responsible for the removal and disposal of their pet's waste. The Master Board of Directors is empowered to order and enforce the removal of any pet which becomes a reasonable source of annoyance to other Occupants in the Properties. No reptiles, amphibians or livestock may be kept in or on any Unit. *No pets of any kind are permitted in leased Units.*

3.3 Flags. Any Owner may display one (1) portable, removable United States flag in a respectful manner, pursuant to Florida Statutes.

3.4 Furniture and Umbrellas. All furniture and umbrellas set up within courtyards or lanais in the Condominium Associations' common element shall be of a uniform color, style and fabric, as established by the Master Board of Directors. No umbrellas shall be permitted except as specified by the Master Board of Directors as to size, type and color. ***Master Board Resolution dated December 17, 2013 mandates that...*** Furniture and umbrellas should be either metal/aluminum finished or medium to dark "Earth Tone" colors (primaries, chrome or stainless) or stained "real" wood. Umbrella canopy fabric should be dark green, dark blue, terra cotta, or cream. Furniture size is discretionary throughout but umbrella canopy should not exceed 9 feet in the rear courtyards of the villas. No umbrellas are permitted on other lanais or entry courtyards."

3.5 Aerials, Antennas, Etc. As more specifically set forth in Section 10.2 E of the Master Declaration, no outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or device shall be erected unless expressly approved in writing by the Master Board of Directors.

3.5 Tents, Trailers, Etc. No tents, trailers, shacks, or temporary or accessory buildings or structures shall be erected or permitted to remain on any Unit or the Common Elements or Condominium Association common elements without the Master Board of Directors' written consent.

3.6 Boats and Vehicles. No boats, pick-up trucks with less than four passenger seating, pick-up trucks with more than four wheels, pick-up trucks with open cargo beds, vans with less than four passenger seating, vans with less than four side windows, commercial vehicles, vehicles with signage (other than law enforcement or public safety vehicles), motorcycles, trailers, recreational vehicles, vehicles with a tire size more than 33 inches high, vehicles in need of visual repair (unpainted surfaces, missing components, perforated rust, etc.), vehicles with ladder racks, tool boxes, etc., highly customized vehicles (unless approved by the Master Board of Directors), extra-large vehicles that will not fit in a Rapallo one-car garage, except normal four-wheel passenger automobiles or normal four-wheel passenger vans with seating for four or more passengers (such as a Dodge Caravan, etc.) or normal four-wheel, sport utility vehicle (SUV) passenger trucks with seating for four or more passengers (such as Ford Explorer, etc.), or normal four-wheel passenger pick-up trucks with seating for four or more passengers (such as King Cab, Explorer Sport Trac, Avalanche, etc.), equipped with a manufacturer installed or equivalent hard body topper and/or bed cover in a color matching the truck body and not higher than the top of the cab, shall be placed, parked or stored in the Common Elements or the common elements of any Condominium Association for a period of more than four (4) hours unless such vehicle is necessary in the actual construction or repair of a structure or vehicle. No maintenance or repair shall be performed upon any boat, trailer, automobile or other motor vehicle not owned or controlled by the Master Association or a Condominium Association, except within a building where it is totally isolated from public view. All highly customized vehicles must be approved by the Master Board of Directors.

The Master Board of Directors, or its designee, is empowered to post signs prohibiting unauthorized vehicles and to order and enforce the removal of said vehicles at the Owner's expense. No vehicles may be parked on the roadways for more than four hours and no vehicles may be parked on the roadway directly across from a driveway.

3.7 Garages. No automobile garage shall be permanently enclosed or converted to other use without the written permission of the Master Board of Directors. All garage doors must remain closed except upon entering or exiting the garage.

3.8 Waste Materials. No rubbish, trash, garbage or other waste materials shall be kept or permitted at the driveway of any Unit. Waste shall be kept in sanitary containers approved by the Master Board of Directors which shall be kept in a neat condition and screened from view of neighboring Units. Sanitary containers may not be placed outside the driveway area of any Unit except for a reasonable period for refuse pickup to be accomplished. No garbage bags shall be placed at the curb on pickup days.

3.9 Maintenance of Lawn and Landscape. All areas not covered by structures, walkways, or paved or paver stone parking facilities shall be maintained as a lawn or landscape areas with underground sprinkler systems to the pavement edge of any abutting streets and to the waterline of any abutting lakes or water management areas. No stones, gravel, concrete or paving or any types shall be used as a lawn.

3.10 Weeds and Unsightly Growth. No weed, underbrush or other unsightly growth shall be permitted to grow or remain upon any Unit or Condominium Association common element and no refuse or unsightly object shall be placed or allowed to remain on any Unit or Condominium Association common element. Any property, structure, improvements and appurtenances shall be kept in a safe, clean, orderly and attractive condition and all structures shall be maintained in a finished, painted and attractive condition. All lawns, landscaping and sprinkler systems shall be installed and maintained in a neat, orderly and attractive condition.

3.11 Increase in Unit Size Prohibited. No Unit or any Condominium Association common element shall be increased in size by filling in any water retention or drainage area on which it abuts. The established water retention and drainage areas that have been or may be created by easement may not be altered without approval by the Master Board of Directors and upon receipt of appropriate governmental permits.

3.12 Water Retention Areas. Swimming, bathing and boating in the lakes or water retention areas shall be prohibited. All other uses of the lakes and water retention areas shall be regulated by the Master Board of Directors and the South Florida Water Management District or other appropriate governmental agency. The lakes and water retention areas within Rapallo are extremely important to the ecological makeup of the surrounding water flow areas out to Estero Bay and further. There will be no tolerance of any dumping of anything into the lakes, or sewer and storm drain systems of Rapallo. Feeding and/or harassment of any wildlife within these areas are strictly prohibited. Residents are required to treat the lakes and water retention areas, along with the full preserve space, as the vital sanctuary it is.

3.13 Utility Lines. All utility lines and lead-in wires including, but not limited to, electrical lines, cable lines, telephone lines, other utility services lines, potable water, recycled water, gas, storm water drainage and sewerage systems located in the Properties shall be located underground.

3.14 Signage. No sign of any kind including, but not limited to "For Sale" or "For Rent" signs, shall be displayed to public view on any Unit, the exterior, entranceway or porch or terrace of any Unit, any Condominium Association common element or Common Elements, except a sign identifying the Master Association at Rapallo, individual Condominium Associations within Rapallo, individual residential and amenity buildings or spaces, street or traffic control signs, as approved by the Association. Owners may place one "Open House" sign in a form and size approved by the Master Board of Directors at the road side in front of their Unit for a maximum period of two days per week with a maximum of four (4) days per month to advertise that Unit for sale.

3.15 Unsightly or Nuisance Activities. Nothing shall be done or maintained on any Unit, Common Element or the common elements of the Condominium Association which may be or become unsightly or a nuisance to residents of the Master Association at Rapallo. Any dispute or question as to what may be or become unsightly or a nuisance shall be submitted in writing to the Master Association whose decision shall be dispositive. The Club at Rapallo is a non-smoking community to mean there is no smoking of cigarettes, e-cigarettes, pipes or cigars in any common area.

3.16 Guests. Overnight Guests may occupy a Unit when the Primary Occupant is present. All Guests (including family members and visitors) must register with the Master Association. Unit Owners must fill out a Guest Registration form for all Adult visitors who will then be provided with a dated paper guest pass to be valid for no more than 10 days within a thirty day period. Please see Section 3.1 for common element policy regarding children. Unit owners may purchase proximity passes for their children and parents only.

3.17 Grandfathering. The Master Board of Directors may, for good cause, in its sole and absolute discretion, but with no obligation to do so, grandfather and waive, in whole or in part, any violation of the use restrictions in this section. Any such grandfathering or waiver shall not be deemed a precedent waiver or estoppel for other violations by the same person or other persons.

3.18. Motorized Transportation. Motorized transportation of any type must be operated by a person having a valid driver's license, or being 16 years of age or older. Motorized transportation is not allowed on any sidewalks, walking paths, boardwalks or inside gated common areas, including but not limited to, pools and tennis courts. The only exception to this rule would be for motorized wheelchairs prescribed by a physician, or motorized transportation that is necessary for an individual to maintain a quality of life.

3.19. Basic Pool Rules. There is absolutely No Glass or Smoking around any Pool Area. The Pool and Spa

are closed Dusk to Dawn, with absolutely no night swimming.

Prohibited:

- Floats
- Food or Drink Within 4 Feet of Pool or Spa
- Pets
- Rollerblades, Skateboards, Bicycles
- Throwing of Objects, Footballs, Baseballs

Permitted:

- Pool 'Noodles' as used in classes
- 18" Kickboards as used by lap swimmers
- Infant 'rings' or other child Personal Floatation Devices

3.20. Water Shut Off Requirement. When absent from your unit, the water to the unit must be shut off at the water heater. If the water to the unit is left on, and should water damage to the unit or units occur, the unit owner will be responsible for the Association's expenses and subject to a possible fine.

4. CLUB FACILITIES.

4.1 Providing of Professional and Non-Professional Services. The Master Board of Directors may, in its reasonable discretion, allow the Club Facilities to be used to provide its Members professional and non-professional services such as, but not limited to, tennis lessons, exercise and yoga classes, etc. for which the sponsors or promoters of such services may or may not charge a fee.

5. VOTING AND ELECTION PROCEDURES.

5.1 Master Board of Directors. The Master Board of Directors shall be composed of six (6) members elected as follows: one (1) member shall be elected by the owners from each of the five (5) Condominium Associations and one (1) member shall be elected at-large by all Owners within Rapallo who will serve as the Master Board President. The voting and election procedures for the Master Board of Directors shall be as set forth in the Master Association Bylaws, as amended, and Florida law.

5.2 First Notice of Election. Not less than sixty (60) days before a scheduled election, the Association shall mail, hand-deliver or electronically transmit, whether by separate Association mailing or included in a regularly published newsletter, to each Owner entitled to vote, a first notice ("First Notice of Election") of the date of the election. The First Notice of Election shall contain the name and correct mailing address of the Association for the purpose of receiving materials from the membership with regard to the election.

5.3 Notice of Candidacy. Any Owner desiring to be a candidate for the Board of Directors must give written notice ("Notice of Candidacy") to the Association not less than forty (40) days before the scheduled election. The form of Notice of Candidacy shall be prepared by the Association and shall specify whether the Owner wishes to be a candidate representing his or her Condominium Association or an at-large candidate. The Notice of Candidacy is effective when received by the Association, and thus must actually reach the Association not later than the fortieth (40th) day before the scheduled election. The Notice of Candidacy may be delivered by certified mail, return receipt requested, and directed to the office of the General Manager, which is the method encouraged by the Association. The Notice of Candidacy may also be delivered by regular mail, facsimile, e-mail, hand delivered or other method.

5.4 Second Notice of Election. The Association must mail, hand deliver or electronically transmit a second notice ("Second Notice of Election") of the election to all Owners entitled to vote, along with a ballot that must list all candidates. The list of candidates shall specify which candidates are running as representatives of each Condominium Association and which are running at-large. On request of the candidate, the Association must

include an information sheet, no larger than 8 ½ by 11 inches, that must be furnished by the candidate not less than 35 days before the election, to be included with the mailing, hand delivery, or electronic transmission of the ballot. The Association is not obligated to include in the delivery of ballot materials any candidate information sheet that was not timely received.

5.5 Ballots. The ballot shall indicate in alphabetical order by surname, each and every Owner who desires to be a candidate for the Board and shall specify whether each candidate wishes to run on behalf of his or her Condominium Association or at-large. The only exception is where a person has, prior to the mailing or delivery of the ballot, withdrawn his or her candidacy in writing. Ballots cannot indicate which candidates are incumbents on the Board and cannot require or provide a space for the signature or other identification of the voter. Write-in candidates are not permitted. Ballots for the election of candidates from different Condominium Associations may be different colors. Otherwise, the ballots shall be uniform in appearance.

5.6 When Balloting Not Necessary. Balloting is not necessary to fill any vacancy unless there is a contest of at least two or more eligible candidates for a vacancy. In the event there will be no balloting at all because of the lack of a contest or lack of candidate, the Association must call and hold a meeting of the membership to announce the names of the new board members, or must notify the Owners that one or more Board positions remain unfilled, as appropriate under the circumstances. Or, in the alternative, the announcement may be made at the annual meeting.

5.7 Cast of Ballots. No Owner may permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. However, any voter who requires assistance to vote by reason of blindness, disability or inability to read or write, may request the assistance of the office of the General Manager or other Owner to assist in casting his or her vote.

6. **LEASING OF UNITS.** In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of Units by their Owners shall be restricted as provided in this section. All leases of Units must be in writing. An Owner may only lease the entire Unit, and then only in accordance with this section, after receiving the approval of the Master Association. The Tenant must be a natural person as opposed to an artificial entity such as a corporation, partnership, trust, etc. The provisions of the Governing Documents shall be deemed expressly incorporated into any lease of a Unit. An Owner may lease his entire Unit only in accordance with the following provisions:

6.1 Procedures.

(A) Notice by the Owner. An Owner intending to lease his Unit, or include new individuals to reside in their unit, shall give to the Master Board of Directors or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy together with the name and address of the proposed Tenant/Resident, a fully executed copy of the proposed lease, if applicable, and such other information as the Board of Directors may reasonably require. The applicant must sign for having received copies of the Rules and Regulations of the Association. The Board of Directors or its designee may require the personal appearance of any Tenant/Resident and his or her spouse, if any, as a condition of approval.

(B) Master Board of Directors Action. After the required notice and all information have been provided, the Master Board of Directors or its designee shall have 20 days in which to approve or disapprove the proposed lease. If the Master Board of Directors or its designee neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval.

(C) Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board of Directors or its designee so determines and, in such case, the lease shall not be made. Appropriate grounds for disapproval shall be the following:

- (1) The Owner is delinquent in the payment of Assessments at the time the application is

considered;

(2) The Owner has a history of leasing his Unit without obtaining approval or leasing to troublesome Tenants and/or refusing to control or accept responsibility for the occupancy of his Unit. The real estate company, or rental agent handling the leasing transaction on behalf of the Owner has a history of screening Tenant applicants inadequately, recommending undesirable Tenants, or entering into leases without prior Master Association approval;

(3) The application on its face gives the Master Association reasonable cause to believe that the applicant intends to conduct himself in a manner inconsistent with the Governing Documents;

(4) The prospective Tenant has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;

(5) The prospective Tenant has a history of conduct which evidences disregard for the rights and property of others;

(6) The Tenant, during previous occupancy, has evidenced an attitude of disregard for the Master Association covenants and rules;

(7) The prospective Tenant has failed to provide the information, fees or interviews required to process the application in a timely manner or provided false information during the application process; or

(8) The Owner fails to give proper notice of his intention to lease his Unit to the Master Board of Directors.

The foregoing shall give the Associations, or its designee, the right in its sole and absolute discretion, but not the legal obligation, to do credit and/or background checks upon any applicants of the nature and to the extent it deems necessary and appropriate. The failure of the Associations to do a credit and/or background check on any applicant shall not waive or restrict any right to do so as to any other applicant nor shall such failure result in any liability to the Associations, its board members, officers, employees or agents.

(D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Master Board of Directors, at its election, may approve or disapprove the lease without prior notice. If it disapproves, the Master Association shall proceed as if it received notice on the date of such disapproval; however, the proposed Tenant/Resident may provide the Master Board of Directors with the required notice and request reconsideration. Any lease entered into without approval may, at the option of the Master Board of Directors, be treated as a nullity, and the Master Board of Directors shall have the power, but not the obligation, to evict or eject the Tenant/Resident without securing consent to such eviction, or ejection, from the Owner.

(E) Applications. Applications for authority to lease shall be made to the Master Association on such forms and include such terms as the Master Board of Directors may provide from time to time. The legal responsibility for paying Assessments may not be delegated to the Tenant.

6.2 Term of Lease and Frequency of Leasing. No Unit may be leased for a period of less than sixty (60) days or more than three (3) times per year. For purposes of this restriction, the first day of occupancy under the lease shall conclusively determine in which year the lease occurs. No lease may be for a period of more than one (1) year. While it is not necessary for a lease renewal to be approved by the Master Association, the Master Board of Directors may, in its reasonable discretion, deny the renewal of a lease for any of the grounds set forth above not less than 30 days prior to the expiration of such lease. No subleasing or assignment of lease rights by the Tenant is allowed.

6.3 Occupancy During Lease Term. No one but the Tenant, his family members within the first degree of relationship by blood, adoption, legal custody or marriage, and their spouses, or significant other, and Guests may

occupy the Unit. A Tenant in residence may not have overnight Guests for more than ten (10) days in any calendar month, and such Guests must be registered with the manager.

6.4 Occupancy in Absence of Lessee. If a Tenant absents himself from the Unit for any period of time during the lease term, his family, within the first degree of relationship already in residence, may continue to occupy the Unit and may have Guests subject to all the restrictions contained in the Governing Documents. If the Tenant and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the Unit.

6.5 Use of Common Elements and Master Association Properties. To prevent overtaxing the facilities, an Owner whose Unit is leased may not use the recreation or parking facilities during the lease term.

6.6 Fees and Deposits for the Lease of Units. An Application Fee of \$100, payable in advance, shall be charged to each Owner for the review of an Application for Lease Approval. A Security Deposit is required for any individual living in the unit as a resident without the owner for more than 15 days. Each Owner shall post at the time any lease is approved and as a condition of such approval a Security Deposit of one month's rent up to an amount of \$3,000. If the Application is just a residency approval, a Security Deposit is still required in the amount of \$300. The Security Deposit shall be held by the Master Association to pay for any unpaid amenity services, damage to the Common Elements or the common elements of a Condominium Association by the Owner's Tenants or Guests of Tenants. If any such damage, or unpaid amenity services, shall occur during the term of the lease, the Master Association may, after not less than five (5) days written notice to the Owner, deduct an amount equal to the cost of repairing such damage, or the cost of the unpaid amenity services. If any such damage/services do not occur during such term, the security deposit shall be returned promptly to the Owner but in no event later than ten (10) business days after receipt of written demand by the Owner. Security Deposits will be held in a separate interest-free account of the Master Association.

6.7 Unapproved Leases. Any lease of a Unit not approved pursuant to this section shall be void and unenforceable unless subsequently approved by the Master Board of Directors.

7. **FORM AND TRANSFER OF OWNERSHIP OF UNITS.** In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the Units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of Ownership of a Unit shall be subject to the following provisions:

7.1 Forms of Ownership. The forms of ownership in Rapallo may include individuals, co-ownership, corporations, partnerships, trusts and other entities that are not a natural person as set more fully described in Subsection 12.1 of the Master Declaration.

7.2 Designation of Primary Occupants. Each Owner of a Unit which is owned in the forms of co-ownership or entities that are not a natural person shall designate not more than two (2) Primary Occupants in writing to the Association. If any Owner fails to do so, the Master Board of Directors may make the initial designation for the Owner, and shall notify the Owner in writing of its action.

7.3 Life Estate. Units subject to a life estate are governed by the provisions contained in Subsection 12.1 of the Master Declaration.

7.4 Transfers. Transfer of a Unit by sale, gift, devise, inheritance or other transfer is governed by the provisions contained in Subsection 12.2 of the Master Declaration.

7.5 Procedures.
(A) Notice to Association.

(1) Sale. An Owner intending to make a sale of his Unit or any interest therein shall give to the Association or its designee written notice of such intention at least twenty (20) days before the intended closing date, together with the name and address of the proposed purchaser, a copy of the executed sales contract, if any, and such other information as the Association may reasonably require. The Board of Directors may require a personal interview with any purchaser and purchaser's spouse, or significant other, if any, as a precondition to approval.

(2) Devise, Gift, Inheritance or Other Such Transfers. As to the devise, gift, inheritance, or other such transfer of a Unit, the transferee must notify the Association of his ownership and submit a certified copy of the instrument evidencing his ownership and such other information as the Board of Directors may reasonably require. The transferee shall have no occupancy or use rights until and unless approved by the Board of Directors, but may sell or lease the Unit following the procedures in Sections 11 or 12 of the Master Declaration.

(3) Failure to Give Notice. If no notice is given, the Board of Directors, at its election, may approve or disapprove at the time it learns of the transfer. If any Owner fails to obtain the Association's approval prior to conveying an interest in a Unit, such failure shall create a rebuttal presumption that the seller and the purchaser intend to violate the covenants of the Governing Documents and shall constitute good cause for Master Association disapproval.

(B) Master Board of Directors Action. Within 20 days after receipt of the required notice and all information or interview requested, or not later than 60 days after the notice required by paragraph (A) above is received, whichever occurs first, the Association shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed by the Association, or its designee, in recordable form and delivered to the transferee. If the Association neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and, upon request, the Association, or its designee, shall issue a Certificate of Approval to the transferee.

(C) Disapproval.

(1) With Good Cause. Approval of the Association, or its designee, shall be withheld for good cause only if a majority of the whole Master Board of Directors so votes. Only the following may be deemed to constitute good cause for disapproval.

(a) The person seeking approval has been convicted of a felony involving violence to persons or Property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;

(b) The person seeking approval has a history of disruptive behavior or disregard for the rights or property of others;

(c) The person seeking approval has evidenced an attitude of disregard for Master Association rules by his conduct in this Master Association as a Tenant, Owner or Occupant of a Unit;

(d) The person seeking approval has failed to provide the information; fees or interviews required to process the application in a timely manner or provided false information during the application process.

(e) The transaction, if a sale or gift, was concluded by the parties without having sought and obtained the prior approval required herein.

The foregoing shall give the Associations, or its designee, the right in its sole and absolute discretion, but not the legal obligation, to do credit and/or background checks upon any future Owner of the nature and to the extent it deems necessary and appropriate. The failure of the Associations to do a credit and/or background check on any future Owner shall not waive or

restrict any right to do so as to any other future Owner nor shall such failure result in any liability to the Associations, its board members, officers, employees or agents.

(2) Without Good Cause. The Association's approval shall not be denied unless a majority of the whole Master Board of Directors so votes. If the Board of Directors disapproves without good cause, the process and procedures set forth in Section 12.3B.(2) of the Master Declaration, as amended, shall apply herein.

(3) If the Board of Directors fails to deliver the name of the approved purchaser within thirty (30) days as required above, then the original proposed purchaser shall be deemed to be approved, despite the Board of Director's former disapproval, and upon demand a Certificate of Approval shall be issued.

7.6 Exception. The provisions of this Section are not applicable to the acquisition of title by a first institutional mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure, nor shall the Association's approval be required for the subsequent resale or lease of a Unit by such mortgagee of the Unit so acquired, but shall apply to the acquisition of title by any other person.

7.7 Unapproved Transfers. Any sale or transfer which is not approved, or which is disapproved pursuant to the terms of the Governing Documents, shall have no occupancy right unless subsequently approved in writing by the Master Board of Directors.

7.8 Fees and Deposits Related to the Sale of Units. Whenever the Master Association's approval is herein required to allow the sale or other transfer of an interest in a Unit, the Master Association may charge the Owner a fee for processing the application, such fee not to exceed the maximum amount allowed by law.

8. **Club Facilities.** The following rules shall apply to all common facilities of The Club ("Club Facilities"):

8.1. **Requirements of Behavior.** It is the expectation that all who come to the Club Facilities be treated with respect and dignity. Employees and agents of The Club shall be courteous and professional at all times. Any complaints against employees or agents shall be reported directly to the General Manager, or his/her designee. It is improper for any Owner, tenant, guest or other user of the club Facilities to loudly argue with, verbally or otherwise abuse, reprimand, harass, threaten, or attempt to discipline any employees or agents of The Club. Such conduct will not be tolerated. Any such conduct with any employee or agent may result in fines, suspension of use of the Club Facilities, or other sanctions as permitted in The Club's governing documents and as permitted by law. The General Manager, or designee, shall have the authority to demand that any abusive persons leave the Club Facilities. If any person commits a criminal or quasi-criminal act, law enforcement officials will be contacted immediately.

8.2. **Long Term Parking at the Main Clubhouse Area Only.** Parking spaces adjacent to the Rapallo Clubhouse are for day use only by Rapallo residents, employees, vendors and guests. Rapallo residents requiring overnight parking in excess of three days may apply for a permit at the Club Office during business hours. If granted, residents will receive a Parking Permit to be displayed on the vehicle's dashboard. See Appendix F.16. Violators are subject to a fine.

8.3. **Hours of Operation.** Hours of Operation of the Club at Rapallo facilities, including, but not limited to, the Clubhouse, fitness center, tennis complex, Lake Pool House, and Enclave Clubhouse are 5:00 am – 10:30 pm. Owners, tenants, or guests utilizing these facilities outside these hours of operation are considered trespassing, and subject to a fine and/or suspension. Hours of Operation of Rapallo pool facilities are governed by Rule 3.19 Basic Pool Rules.

9. **FINING AND SUSPENSION PROCESS AND PROCEDURES.** The Master Board of Directors may

impose fines and suspend use rights to the Common Elements in accordance with Sections 19 and 20 of the Master Declaration. The Board's designee may recommend fines and/or the suspension of use rights to the Common Elements as violations occur. Such imposition shall remain subject to and conditioned upon the violators receiving notice for and an opportunity to attend a hearing before the Adjudication Committee described below. All fines and suspensions shall be subject to the process and procedures set forth below and in accordance with Florida law.

9.1 Compliance. Every Owner, his Guests, Tenants, Guests of Tenants and all other Occupants of the Owner's Unit shall comply with the Governing Documents. Failure to comply with the Governing Documents shall be grounds for immediate action which may include, without limitation, fines and suspensions to the use rights of the Common Elements.

9.2 Forms and Notices. The Master Board of Directors, or its designee, may from time to time create such notices and other forms for the imposition of fines and suspension of use rights consistent with the Governing Documents, these Rules, and Florida law. See Adjudication Documents.

9.3 Right to Hearing; Adjudication Committee. No imposition of a fine and/or suspension by the Master Board, shall be final and conclusive until the notice under subpart 9.4 below is delivered to all Violators against whom a fine and/or suspension has been conditionally imposed and a hearing, as set forth in subpart 9.4(B)(5) below, has either been waived or held. For purposes of conducting such hearings, the Master Board of Directors shall establish a standing Adjudication Committee consisting of 10 members, of whom at least 3 shall be necessary for a quorum to conduct a hearing. The members shall consist of two (2) Owners from each Rapallo Condominium Association who are neither Master Board members nor persons residing in a Master Board member's household. The members of the Adjudication Committee shall be appointed from volunteer candidates of the Condominium Associations. If there are not sufficient volunteers to select two members from any Condominium Association, the Master Board may select more than two (2) members from other Condominium Associations.

9.4 Imposition of Fine and/or Suspensions: Procedure. In addition to all other remedies, and except as otherwise permitted under applicable law, a fine and/or suspension may be levied upon an Owner, his Guests, Tenants, Guests of Tenants and all other Occupants, collectively referred to below as "Violator(s)" for failure to comply with the Governing Documents. An Owner will be considered a Violator if his or her Guest, Tenant, Guests of Tenant, or other Occupant of his Unit violated the Governing Documents, even if he or she was not personally involved in or condoned such violation.

(A) Fines and/or Suspensions: Waiver; Warning Notice. The Master Board, or its designee, may, in their discretion, waive any fine and/or suspension of use against a Violator, for a violation of the Governing Documents which, in their opinion, is minor and non-recurring in nature or which will be enforced through arbitration, litigation or some other remedy or method of dispute resolution. Nothing contained in these Rules shall restrict the imposition of a fine and/or suspension at the sole and exclusive remedy of the Master Association, nor shall failure to impose a fine and/or suspension be deemed a waiver of such right in the future against the same or any other party. In the event any fine and/or suspension is waived, the Master Board, or its designee, shall send to the Owner and any Guest, Tenant, Guest of a Tenant or other Occupants who have violated the Governing Documents, a warning notice, in writing. The warning notice shall include a clear and concise description of the violation(s), a recital or copy of the provision(s) violated, and a statement that all fines and/or suspensions are being waived if the violations are stopped and do not recur, and that any such violation(s) in the future can be subject to fines, use suspensions, and other sanctions.

(B) Notice of Violation(s) and Right to Hearing.

(1) Duty to Investigate. Promptly upon being made aware of an alleged violation(s) of the

Governing documents, the Master Association or its designee shall conduct an investigation. Unless delayed due to extraordinary circumstances, the investigation shall be concluded within thirty (30) days of such commencement.

(2) Amount of Fine and/or Suspension. Except as otherwise permitted under Florida law, no fine shall exceed \$100.00 per violation. As to any on-going violation, the fine may be up to \$100 per day [not to exceed \$1,000]. In lieu of, or in addition to such fine, the Master Board may, in their discretion, suspend all or some of the services and amenities at the Club at Rapallo of the Violator(s) for a reasonable period. If an Owner is more than ninety (90) days delinquent in paying a monetary obligation to the Master Association and/or any Condominium Association including, without limitation, Assessments, fines and other charges, the Master Board of Directors may suspend the foregoing services and amenities of such Owner until the monetary obligation has been paid in full. To the extent permitted by the Condominium Act, such suspension shall include, but not be limited to, the following: (i) the right to use the clubhouse, tennis courts, bocce courts and other recreational facilities; (ii) the right to use the other Common Elements and any other Properties; (iii) the right to use a scanner or other automated gate entry system; (iv) the right to Wi-Fi services provided by the Master Association; and (v) the right to serve as a member of any Association Board of Directors, or community committee/panel. The foregoing sentence does not apply to limited Common Elements intended to be used only by that Unit, Common Elements that must be used to access the Unit, utility services provided to the Unit, parking spaces or elevators. All suspensions imposed must be approved at a properly noticed board meeting. The Master Board of Directors shall, at their discretion, have the right to reduce the amount of any fine or suspension, in whole or in part, to encourage and promote the waiver of hearings and the speedy and efficient disposition of the fining and/or suspension process.

(3) Notice of Fine and/or Suspension. In the event a fine and/or suspension is conditionally imposed, the Board, or its designee, shall send to the Owner and all other known alleged Violator(s) who are subject to such fines and/or suspensions, a written notice of the fine and/or suspension. The Notice shall contain the following:

- (a) The name and address of all Unit Owner(s) who themselves or through their Guests, Tenants or other Occupants were alleged Violators. If the mailing address of the Owner(s) is different than the Unit address, the Unit address shall be included.
- (b) The name and address of all other known alleged Violators against whom a fine and/or suspension is being conditionally imposed.
- (c) A clear and concise statement of the violation of the Governing Documents, together with recital or copy of the provision(s) of the Governing Documents being violated and the date(s) on which the violations occurred.
- (d) If a fine is being imposed, a statement of the amount of the fine. If the violation is on-going, the amount of the fine being conditionally imposed each day, up to \$1,000, until the alleged violations are stopped. If the amount of the fine is offered to be reduced as set forth in subpart 9.4(B)(2) above, the notice shall set forth the amount, terms, and conditions of such reduction.
- (e) If a suspension is being imposed, a clear and concise statement of the nature of the suspension including when the suspension shall commence and that it will continue until all alleged violations are stopped. If a reduction in the duration of the suspension is offered as set forth in subpart 9.4(B)(2) above, the notice shall set forth the amount, terms and conditions of such reduction.
- (f) A statement, in bold and conspicuous type, that the alleged Violator(s) are entitled to a hearing before the Adjudication Committee and the date, time and place of the hearing which shall not be less than fourteen (14) days nor more than sixty (60) days from the date

of the notice. Nothing herein shall prevent the parties from agreeing in writing to a hearing date other than that set forth in the notice.

- (g) A provision in the notice (or in a separate form) whereby the alleged Violator(s) are given the election to waive the hearing and pay a waiver. The alleged Violator(s) shall be instructed that they must make such election and return it within 10 days from the date of the notice to the Association Office. If, within the 10-day period, the alleged Violator(s) have elected to waive the right to a hearing, and paid the waiver the matter shall be finalized. If, within the 10-day period, the Violator(s) elect to have a hearing or fail to make any election, a hearing date shall be held as scheduled.

(4) Delivery of Notice of Violation. All violations will be noticed by delivery of Violation Notices in the approved forms. Delivery may be made in person, by e-mail, mailed to the current address for the unit owner on file at the Association Offices, or by leaving at the main entrance to the unit while the unit is occupied by the owner, tenant, guest, or invitee, or in the case of vehicle violations by attaching to the vehicle.

(5) Adjudication Committee. At the hearing, the General Manager, or her designee, shall provide an oral and/or written statement of each violation and proposed fines and/or suspensions, and shall present witnesses and evidence establishing the grounds for all violations. The Violators in attendance at the hearing shall have a reasonable opportunity to respond, to present evidence, cross-examine witnesses, provide written and oral argument on all issues involved, and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Adjudication Committee. The Adjudication Committee may, at its discretion, allow any Violator who cannot reasonably attend the hearing in person to appear by speaker phone. After all testimony, evidence and statements have been submitted, the Adjudication Committee shall either (i) confirm the imposition of the fines and/or suspensions that were conditionally recommended by the Master Board's designee, (ii) increase or reduce such fines and/or suspensions; or (iii) not impose any fines and/or suspensions against any or all of the alleged Violators.

(6) Final Fine/Suspension Letter. If any alleged Violator has submitted a waiver of hearing under subpart 9.4(B)(2)(g), or is found responsible for the payment of a fine and/or suspension of use rights after a hearing under subpart 9.4(B)(5), such alleged Violator shall be sent a written notification ("Final Fine/Suspension Letter") by the Master Board's designee, that the fine and/or suspension has become final, the amount of the fine (including any on-going amounts) and/or duration of the suspension, the date on which the fine is due and the suspension will commence, where and to whom the fine should be delivered, and such other information as is deemed appropriate. Such Notice shall also state that if the fine is not paid within 30 days from the date of such Notice, the Master Association may, without further notice, take legal action against the Violator for the collection of the fine.

9.5 Non-Exclusive Remedy. The fines and suspensions provided for herein shall not be construed to be an exclusive remedy of the Master Association, and shall exist in addition to all other rights and remedies to which the Master Association may be otherwise legally entitled.

ADOPTED ON the 7th day of December 2013
Updated on September 23, 2014