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Board of Directors
Sausalito Shores Homeowners Association, Inc.
P.O. Box 181685
Casselberry, FL 32718-1685

RE: Sausalito Condominium Association, Inc. / Access to the recreation areas

Dear Board members:

As the Sausalito Shores Homeowners Association, Inc. (hereinafter referred to as the "Homeowners Association") should be aware, this firm represents the Sausalito Condominium Association, Inc. (hereinafter referred to as the "Condominium Association"). Unfortunately, our client (the Condominium Association) has once again had to confer with us and engage us to compel the Homeowners Association to abide by the express terms of that certain Special Warranty Deed dated August 31, 1982, by and between The Greater Construction Corp. and the Homeowners Association, recorded in O.R. Book 1411, Page 1906 of the Public Records of Seminole County, Florida (hereinafter referred to as the "Special Warranty Deed"). Additionally, we have once again been engaged to compel the Homeowners Association to comply with that certain Agreement dated February 15, 1978, by and between The Greater Construction Corp. (hereinafter referred to as "Greater"), and the Condominium Association and unit owners of Sausalito, A Condominium Phase I (hereinafter referred to as the "Agreement").

Succinctly put, the Homeowners Association apparently is once again choosing to ignore the terms and conditions of the Special Warranty Deed and the Agreement. More specifically, this firm has been apprised that the Homeowners Association is denying the Condominium Association and its members the requisite access to and use of the recreational area. Of course, such action expressly contravenes said Special Warranty Deed and the Agreement.

It is inconceivable to us that the Condominium Association would once again have to broach this topic with the Homeowners Association given the massive prior communications between the respective Associations,

as well as this firm's April 8, 2004 letter, a copy of which is enclosed herewith. As the Homeowners Association is aware, our April 8, 2004 letter expressly and conclusively delineated the basis upon which the Homeowners Association **must** grant such access and use to the Condominium Association and its members. Therefore, by copy of this letter, we are advising our client that unless immediate access and use of the recreational area is granted, together with the Homeowners Association complying with the express terms and conditions of the Special Warranty Deed and the Agreement, Clayton & McCulloh has no choice but to recommend that the Condominium Association institute legal proceedings to compel the Homeowners Association's compliance. Of course, if the Condominium Association is forced to bring suit, it is contemplated that Clayton & McCulloh shall pursue (on the Condominium Association's behalf) recovery of any and all damages and expenses sustained by the Condominium Association and/or its members as a result of the improper if not unlawful actions by the Homeowners Association.

If for any reason the Homeowners Association believes there is a lawful, proper and reasonable basis upon which the Homeowners Association can ignore the terms and conditions of said Special Warranty Deed and the Agreement, please apprise us. Similarly, if there is any lawful and proper justification for its denial of access and use of the recreational area, please apprise us immediately. However, please do not raise frivolous and silly arguments regarding the Homeowners Association owning the property or it needing funds as its ownership rights and (limited) control of the property are totally subject to the express rights granted to the Condominium Association and its membership by the Special Warranty Deed and Agreement. Similarly, please do not raise any silly arguments regarding verbal representations by the Developer or anyone else. Stated differently, any justification for denying such access and use rights must be predicated on documents recorded in the public record which predate and take precedence over the Special Warranty Deed and the Agreement.

Ultimately, unless unrestricted access and use of the recreational area is granted, together with total and complete compliance with the Special Warranty Deed and said Agreement within 7 days of the date of this letter, then Clayton & McCulloh sees no alternative but to recommend the Condominium Association pursue all lawful recourse to compel the Homeowners Association's compliance with all the terms and conditions set forth in said Special Warranty Deed and the Agreement.

You need to appreciate that the members of the Condominium Association's will not approve paying any money for the use of the recreation area regardless of how such charge is labeled. Moreover, please understand that the use of this area or these facilities ostensibly is guaranteed and granted by virtue of both the Special Warranty Deed as well as the Agreement referenced above. Additionally, it is hoped that the Homeowners Association appreciates that the Condominium Association ostensibly gave up a very valuable piece of land to Greater Construction in return for the terms and conditions granted to the Condominium Association and its membership by the Special Warranty Deed and the Agreement. Of course, if escalation of this matter is required to compel the Homeowners Association's compliance with such terms and conditions, not only can legal action be pursued against the Homeowners Association, but ostensibly against the Homeowners Association's individual Board members and officers as well (i.e., those individuals who are

causing this improper and ostensibly unlawful restriction of the recreation area). Stated differently, ostensibly, the denial of access and use rights is predicated on the decisions of individual Board members which are in total derogation of the terms and conditions set forth in the Special Warranty Deed and the Agreement which ostensibly make their actions totally improper and can expose them to suit if not from the Condominium Association, then from their membership.

In addition to all the risk delineated herein as well as in our April 8, 2004 letter, with the approach of hurricane season, it is hoped that the Homeowners Association and its individual Board members appreciate their escalating risk by virtue of denying such access to the Condominium Association and its members. More specifically, in the event any damage befalls any Condominium Association owner's boat or personal property as a result of such actions, ostensibly such owner would have an additional cause of action for damages against the Homeowners Association.

Ironically, Clayton & McCulloh was prepared to proceed with filing suit against the Homeowners Association in April of 2004 for exactly these types of improprieties. However, we understood at that time that the Homeowners Association commenced to comply with the lawful and reasonable demands of the Condominium Association, grant access and use rights to the Condominium Association and its members, and therefore, the Condominium Association did not pursue litigation against the Homeowners Association with respect to these issues. However, as this matter appears to be re-escalated, the Condominium Association reserves the right to pursue all of such claims including any and all damages previously incurred by the Condominium Association by virtue of the Homeowners Association's improper if not unlawful actions.

To reiterate, if the Homeowners Association fails to provide access to the recreation area and otherwise agree to the other terms and conditions set forth herein on or before 7 days of the date hereof, we anticipate that the Condominium Association will direct us to proceed with this matter specifically including filing litigation against the Homeowners Association.

Sincerely,

CLAYTON & MCCULLOH

Neal McCulloh
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Enclosure(s)
cc: Sausalito Condominium Association, Inc.
Karen Kassik, President
Ken Terrell, Vice President