

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
90433612 ISLAMORADA AT CORAL BAY

THIS DECLARATION, made by FN PROJECTS, INC., a California corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the sole owner of all of that certain real property, located in Broward County, Florida, as more particularly described in Exhibit A, annexed hereto ("the Village"); and

WHEREAS, in order to develop the Village and preserve and enhance the values and amenities of the Village and the architectural integrity and standard of the Village, it is necessary to declare and subject the Village to certain land use covenants, restrictions, reservations, regulations, burdens and liens and to delegate and to assign to a homeowners' association certain powers and duties of ownership, administration, operation and enforcement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Declarant hereby declares that the Village shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, reservations, regulations, burdens and liens hereinafter set forth and that the provisions of this Declaration shall be covenants running with the lands which comprise the Village and shall be binding on all parties having any right, title or interest in the Village or in any portion thereof, their heirs, personal representatives, successors and assigns and shall inure to each portion of the Village.

ARTICLE 1
ESTABLISHMENT OF VILLAGE

1.1 Authorization for Establishment. The Village is being established by Declarant pursuant to Article 4 of that certain Declaration of Covenants, Conditions and Restrictions for Coral Bay (together with any amendments thereto existing as of the date hereof), as originally recorded in Official Records Book 17206 at Page 62 of the Public Records of Broward County, Florida ("the Master Declaration").

1.2 Supremacy of the Master Declaration. The provisions of this Declaration and the rights and obligations granted herein or pursuant hereto are expressly subject to and subordinate to the provisions of the Master Declaration.

1.3 Obligations of the Village and Village Association. It is the intention of the Master Declaration that each Village Association established pursuant thereto, including but not limited to this Village Association, shall be a discrete and autonomous organization subject, however, to the provisions of the Master Declaration in general and Section 1.2 hereof in particular. Anything herein to the contrary notwithstanding, there shall remain vested in the Owners, Declarant, the CDD and all the Village Associations the right, jointly and/or severally, to take whatever steps they deem appropriate to insure that this Village Association and all other Village Associations shall comply with any, every and all of their obligations hereunder and under the Master Declaration in

Kenia Mack, EDAF
111 NE 1st Street
Miami, FL 33132

90 OCT 30 AM 10:37

BK 17876 PG 0169

101
513
20

a full, faithful and timely manner. By way of example, but not of limitation, in the event that, for whatever reason, the Village Association shall fail to enforce rules regarding uniformity of exterior colors against Owners in its particular Village, Declarant, the CDD, the other Village Associations and the Owners shall have the right to enforce such rules on behalf of the Village Association, and shall have all of the rights against the Village Association as set forth in the Master Declaration.

1.4 Cooperation with the CDD and Other Village Associations. Nothing contained herein shall be deemed to preclude the Village Association from cooperating with the CDD, Declarant or other Village Associations if such cooperation would, in the Board's opinion, be in the best interests of this Village.

ARTICLE 2 DEFINITIONS

Interpretation and Flexibility. The defined terms set forth below shall apply unless the context shall require a contrary interpretation. In the event of any ambiguity or question as to whether any person, entity, property or improvement shall fall within any of the definitions contained in this Article, Declarant's determination (as evidenced by a recorded Supplemental Declaration) shall be binding and conclusive.

A. "Articles of Incorporation" means the Articles of Incorporation of the Village Association.

B. "Board" or "Board of Directors" means the board of directors of the Village Association.

C. "Builder" means a purchaser/owner of Land from Declarant engaged in the construction and sale of Units thereon.

D. "By-Laws" means the By-Laws of the Village Association.

E. "CDD" means the Community Development District (or special taxing district) established by Declarant for lands subject to the Master Declaration, including the Village, pursuant to Chapter 190 of the Florida Statutes, or an existing special taxing district of which the Village shall become a part.

F. "Commercial Building" means a structure containing one or more Commercial Units.

G. "Commercial Land" means any portion of the Village now or hereafter zoned for commercial use or shown as being intended for such use on an applicable plat or site plan.

H. "Commercial Unit" means a portion of the Village subject to exclusive ownership and used or to be used as a physically separate retail, service, office or other non-residential purpose.

I. "Committee" means the Architectural Control Committee of the Village Association.

J. "County" means Broward County, Florida and its duly authorized agencies and authorities, as applicable.

K. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for the Village being established pursuant to this Declaration, including all Exhibits annexed hereto, as well as Supplemental Declarations.

L. "Declarant" means: (a) FN Projects, Inc., a California corporation, its successors and those to which Declarant's rights hereunder shall be assigned specifically; and (b) for purposes of taking actions on Declarant's behalf under this Declaration, Declarant's duly appointed agent(s). Declarant shall have the right to assign all or a portion of its rights hereunder in connection with all or a portion of the Village. In the event of any partial assignment, the assignee shall not be deemed "a Declarant," but shall have all such rights as specifically assigned to it. As used with regard to Declarant, "successors and/or assigns" specifically does not include transferees of individual Units.

M. "Improvement" means any structure or artificially and intentionally created condition, together with all appurtenances thereto, of every type and kind located within the Village, including, without limitation, buildings, outbuildings, walkways, sprinkler pipes, roads, sidewalks, alleys, street lights, driveways, parking areas, recreation facilities, bodies of water, fences, screening walls, retaining walls, stairs, decks, landscaping, windbreaks, planted trees and shrubs, conduits for telephone lines, storm drainage, cable television lines and site lighting poles, signs and shared equipment and/or utility-type services such as water, sewer and electrical systems, and other commonly shared equipment and/or utility-type services, if any.

N. "Institutional Lender" means any bank, insurance company, FHA approved mortgage lending institution, recognized pension fund investing in mortgages or federal or state savings and loan association which has a mortgage lien upon any Residential Unit or which has acquired and holds title to such Unit either as a result of its foreclosure of any such mortgage lien or by its receipt of a deed in lieu of foreclosure.

O. "Lake" means that certain body of water presently having a surface area of approximately sixty-nine (69) acres, at least a portion of which is located within the Community, as more particularly shown in the Plats. The Lake is a part of "the Common Properties" as defined in the Master Declaration.

P. "Land" means any Commercial Land and/or Residential Land.

Q. "Member" means a member of the Village Association.

R. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Land or Unit.

S. "Plat" means the plat of any portion of the Village, as may, from time to time, be recorded in the Public Records of Broward County, Florida.

T. "Permitted Unit" means a Unit planned to be built within the Village, but not yet constructed or not yet issued a certificate of occupancy. The number of Permitted Units within this Village shall be:

- (1) the total number of Units permitted to be built within this Village as determined by site plan or land use plan approved by the applicable governmental authority, recorded plat, or Declarant's estimate of the number of Units permissible within this Village;
less
- (2) the total number of Units actually existing at such time within this Village.

U. "Residential Land" means any portion of the Village zoned or shown on an applicable plat or site plan as being intended for residential use.

V. "Residential Unit" means a part of the Village subject to exclusive ownership and used or to be used for single-family residential purposes, including, without limitation, each single-family dwelling, detached or attached, villa, patio home, condominium or other form of dwelling, whether planned, constructed or occupied.

W. "Supplemental Declaration" means an amendment to this Declaration as may be recorded from time to time in the Public Records of Broward County, Florida.

X. "Unit" means any Commercial Unit or Residential Unit in this Village.

Y. "Village" means all of the Land, including Units and Common Properties, located within the real property described in Exhibit A attached hereto, and any and all additions to or withdrawals from the real property described in Exhibit A, as may hereafter be made subject to the provisions of this Declaration.

Z. "Village Association" means Islamorada at Coral Bay Village Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

AA. "Village Expenses" means all costs and expenses properly incurred by the Village Association.

ARTICLE 3
PROPERTY SUBJECT TO THIS DECLARATION

3.1 Existing Property. The parcel of real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Broward County, Florida, as more particularly described in Exhibit A annexed hereto.

3.2 Supplements. Declarant may, from time to time, submit other parcel(s) of real property to the provisions of this Declaration by recorded Supplemental Declaration(s), none of which shall require the consent of any then existing Owner or of the CDD. Nothing herein shall obligate Declarant to add to the Village property other than as set forth in Exhibit A; nor shall anything herein prohibit Declarant from causing some or all of such property to be rezoned and/or from changing development plans with respect to such property. Each Owner by acceptance of the deed to his Land or Unit, automatically consents to any such rezoning, change, addition or deletion sought or made by Declarant after acceptance and, if requested by Declarant, shall execute, acknowledge and deliver such documents or joinders as Declarant, in its sole discretion, shall deem necessary.

3.3 Withdrawal. Declarant reserves the right, unilaterally, at any time and from time to time, to amend this Declaration without prior notice to and without the consent of any person or entity, for the purpose of removing any portion of the Village then owned by Declarant from the provisions of this Declaration, but only to the extent that such portion(s) shall have been included originally in error or as a result of any change whatsoever in the plans for the Village made by Declarant; provided, however, that such withdrawal shall not be unequivocally contrary to the overall uniform scheme of development for the then remaining portions of the Village. Any withdrawal of land not then owned by Declarant shall not be effective without the joinder of the then owner(s) of such land.

ARTICLE 4
EASEMENTS AND OTHER PROPERTY RIGHTS

4.1 Easements in General. If any grant of any easement in this Declaration would otherwise fail by virtue of the nonexistence of the grantee thereof as of the date of this Declaration, then the Village Association or the CDD, as the case may be, automatically shall be deemed to be the attorney-in-fact for such grantee to hold the interest created by such grant of easement until such grantee shall come into existence, at which time the interest created by such grant of easement automatically shall become vested in such grantee.

4.2 Easements for Access. Declarant hereby reserves for itself, the Village Association, the CDD and their respective successors and assigns, perpetual non-exclusive easements of ingress and egress over and across any and all roads and accessways to and from any public roadway(s) constructed from time to time within the Village, which easements shall be for the use of Declarant, the Village Association, the CDD, Owners and their respective lessees, employees, agents, invitees, licensees and all of their respective successors and assigns.

4.3 Easements for Maintenance. Easements are hereby reserved in favor of the Village Association and the CDD under, upon, across, through and over all portions of the Village for the purpose, as deemed necessary by the Village Association, or by the CDD, as the case may be, for preserving and maintaining the Land, the Units and carrying out its responsibilities under this Declaration; provided, however, that all such activity shall be undertaken in a manner so as to minimize interference with any Owner's use of his property.

4.4 Easements for Zero Lot Line Maintenance. When any Land ("the Servient Estate") shall abut a zero lot line lot ("the Dominant Estate") upon which a dwelling has been or is permitted to be constructed contiguous to the interior property line between the Dominant Estate and the Servient Estate, then the Owner of the Dominant Estate shall have an easement over the Servient Estate, which easement shall be four (4) feet wide contiguous to the interior property line running from the front to the rear property line of the Servient Estate for the following purposes:

A. For painting, repairing and otherwise maintaining each wall of the Residential Unit in such Dominant Estate abutting the aforesaid property line.

B. For support in and to all structural members, footings and foundations of any Improvements on the Dominant Estate; provided, however, that nothing herein shall be construed as requiring the Owner of the Servient Estate to erect (or permit erection of) columns, load bearing walls or other structures on the Servient Estate for support of the Improvements on the Dominant Estate.

C. For entry upon and ingress and egress through the Servient Estate with persons, materials and equipment to the extent reasonably necessary in the performance of maintenance, repair, replacement of any of the Improvements on the Dominant Estate.

D. For overhanging troughs, gutters and downspouts and the discharge therefrom of rainwater and subsequent flow thereof over the easement area.

4.5 Easement for Improvements. If, for any reason:

A. Any Improvements or any portion of the Common Properties are built or exist upon any portion of the Land or Units; or

B. Any other similar situation shall hereafter or heretofore exist as a result of:

i. Construction by Declarant of any Improvement;

ii. Settling or shifting of any Improvement;

- iii. Any alteration or repair made to the Common Properties or any other portion of the Community; or
- iv. Any repair or restoration of any Improvement after damage by fire or other casualty or taking by condemnation or eminent domain proceedings;

then, in any such event, an easement shall exist for such Common Properties or Improvements, as the case may be, and for the maintenance of same so long as the said Improvements or Common Properties shall exist. The term Improvements shall include, but not be limited to, walkways, sidewalks, parking areas, walls, landscaping, fences and the Perimeter Wall.

4.6 Extent of Easements. The rights and easements created hereby shall be subject to the following:

A. The Village Association's right reasonably to limit the number of each Owner's guests and invitees using such rights and easement;

B. The Village Association's right to suspend the rights and easements of enjoyment of any Member for the period during which any assessment levied against such Member shall remain unpaid, and, for a period not to exceed sixty (60) days, for any infraction of its Rules and Regulations by such Member, it being understood that any suspension for either non-payment of any assessment or breach of any Rules and Regulations of the Village Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment; provided, however, that the Village Association shall not suspend the right to use any roads within the Village; and provided, further, that the Village Association shall not suspend any rights and easements reserved herein by Declarant.

C. The right of the CDD to place any reasonable restrictions upon the use of any roads within the Village, including, but not limited to, the maximum and minimum speeds of vehicles using the roads and other traffic and parking regulations.

D. The title holder's right to give, dedicate or sell all or any portion of the Village Properties to the CDD, any other public agency, authority or utility or private concern for such purposes and subject to such conditions as may be determined by such title holder.

E. All rights and easements retained in the Master Declaration in general, and in Article 3 thereof in particular.

BK 17876PG0175

4.7 Construction Activities. Declarant, its agents, contractors, subcontractors, licensees and/or other designees may, from time to time, be engaged in construction, excavation, blasting and other activities within or in proximity to the Village. By acceptance of a deed or other conveyance or mortgage, leasehold, license or other interest, each such Owner, lender and user and their respective successors and assigns automatically acknowledge, stipulate and agree:

A. None of the aforesaid activities shall be deemed a nuisance or offensive activity;

B. Not to enter upon or allow other persons under their direction or control to enter upon any portion of the Village where such activity is being conducted (even if not being conducted actively at the time of entry, such as at night or otherwise during non-working hours); and

C. Declarant, its agents, contractors, subcontractors, licensees and designees, shall not be liable for any direct or consequential losses, damages, injuries or deaths arising from or relating to the aforesaid activities.

ARTICLE 5 FUNCTIONS OF THE VILLAGE ASSOCIATION

5.1 In General. The Village Association shall be subject to the authority of the CDD and the provisions of the Master Declaration.

5.2 Maintenance and Repair. All maintenance, repairs and replacements of, in or to any Unit, whether structural or non-structural, ordinary or extraordinary, including without limitation, maintenance, repair and replacement of screens, windows, and the electrical (including wiring), plumbing (including fixtures and connections), heating and air-conditioning equipment, fixtures and outlets, appliances, carpets and other floor covering, sod, landscaping, driveways or other property belonging to the Owner, shall be performed by the Owner of such Unit at the Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein.

5.3 Village Association Expenses. The Village Association shall, through the Board, fix and determine from time to time the sum(s) necessary and adequate to provide for the Village Association's expenses.

5.4 Security. Certain security procedures may be adopted to promote the safety, security and welfare of the Village. No representation, guaranty, warranty or assurance is made or given that any security systems or procedures instituted within the Village shall prevent personal injury or damage to or loss of personal property. Neither Declarant nor the Village Association shall be liable for any personal injury or for any loss or damage to personal property which may result from the failure of any security system or procedures adopted from time to time. Each Owner will be obligated to pay a portion of the expenses for maintenance of security within the Village.

5.5 Effect of CDD on Operations. The Village is a part of the CDD. The CDD's powers include the authority to operate and maintain systems and facilities for the following basic infrastructures:

A. Water and waste water management and control for the lands within the CDD (and the Village) and connection of some or any of such facilities with roads and bridges;

B. Bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill or cut, and roadways over levies and embankments and to construct any and all of such works and improvements across, through, or over any public right-of-way, highway, grade, fill or cut; and

C. Roads equal to or exceeding the specifications of Broward County.

In addition to these general powers, the CDD may obtain from the local government, power to regulate parks, fire prevention and control, schools, security, mosquito control and waste collection and disposal and any other power permitted under Section 190.012, Florida Statutes. Nothing contained herein is intended to limit the authority of the City of Margate, Florida to operate and maintain the water supply and sewer system serving the Village.

5.6 Discharge of Declarant. To the extent that the CDD shall undertake to provide any of the services or perform any of the functions that Declarant and/or the Village Association is required or permitted to perform, or shall undertake any of the responsibilities and obligations of Declarant or the Village Association, then Declarant and the Village Association shall be discharged of those responsibilities undertaken by the CDD, and the applicable assessments and budgets shall be adjusted accordingly.

ARTICLE 6 ASSESSMENTS

6.1 Purpose. The assessments levied by the Village Association shall be used to promote the common health, safety, benefit, recreation, welfare and aesthetics of the Owners. The assessments shall be at the rates and shall commence as provided below.

A. Residential Land and Units. Each parcel of Residential Land shall be assessed at a rate equal to twenty percent (20%) of the assessments which would be applicable to such Land if all Residential Units permitted to be constructed thereon were to be constructed and conveyed; provided, however, that all Residential Units within the Village shall be assessed equally at the full (i.e., 100%) rate commencing on the first day of the second calendar month after the earlier of: (1) the issuance of the Certificate of Occupancy (or its equivalent) for the Residential Unit; or (2) the recording of the deed to the Residential Unit to the first purchaser thereof from the party constructing such Unit.

B. Commercial Land and Commercial Units. In recognition of the fact that varying uses of any Commercial Land will have different impacts on the Village and in order to preserve Declarant's flexibility in providing for appropriate applications of this Declaration, Declarant shall determine the assessment rate and its commencement date as to each parcel of Commercial Land and/or each Commercial Unit by providing for same in a Supplemental Declaration. It is specifically contemplated, though not mandated, that any Commercial Units shall pay assessments at generally lower rates than Residential Units and shall not be subject to any assessment until a Certificate of Occupancy (or its equivalent) shall have been issued therefor.

6.2 Annual Assessments: Budget. The Board shall fix, determine and collect the sums necessary and adequate to pay for the Village Association's expenses. The annual assessment shall be determined by the Board based upon an estimated annual budget, which shall be prepared at least forty-five (45) days prior to the commencement of the fiscal year. The Village Association's fiscal year shall be the calendar year. Its first fiscal year shall begin on the date this Declaration shall be recorded in the Public Records of Broward County, Florida and shall end on the last day of such year. Assessments shall be payable monthly in advance at the Village Association's main office or at such other time or place as determined by the Board. The payment of any assessment shall be in default if it shall not be paid to the Village Association on or before its due date.

6.3 Special Assessments and Special Individual Assessments. In addition to the annual assessments, the Village Association shall have the power to levy special assessments to pay the costs of such items as are determined to be necessary or appropriate by the Board. Special Assessments shall be allocated to and paid by each Unit on the same basis as all other assessments and shall be due and payable in the amount and at the time determined by the Board. Special Individual Assessments are assessments which may be levied by the Village Association against one or more specific Units and Owners and in differing amounts as determined necessary or appropriate, to be by the Board in accordance with the provisions of this Declaration.

6.4 Lien: Personal Obligations: Enforcement. The Village Association shall have a lien against each parcel of Land and each Unit for assessments thereon, which lien shall be effective upon recording a Claim of Lien in the Public Records of Broward County, Florida. A Claim of Lien shall state the description of the Land or Unit encumbered thereby, the name of the record owner (as set forth in the Village Association's records), the amount due and the date when due. No lien shall continue for a period longer than one (1) year after the Claim of Lien shall have been recorded, unless within that time an action to enforce the lien shall be commenced in a court of competent jurisdiction. The Claim of Lien shall secure all unpaid assessments, interest, costs and attorneys' fees which are due and which may accrue subsequent to the recording of the Claim of Lien and prior to the entry of a Final Judgment of Foreclosure. Such Claim of Lien shall be signed and verified by an officer or agent of the Village Association. Upon full payment of all sums secured by such lien, the same shall be satisfied of record by the Village Association. Declarant, for each parcel of Land and Unit owned by it, and each Owner, by acceptance of a deed to his Land or

Unit, shall be deemed to covenant and agree to pay to the Village Association: (1) annual assessments; (2) special assessments; and (3) special individual assessments. Each such assessment, together with interest, late charges, costs and reasonable attorneys' fees shall also be the personal obligation of the person(s) or entity(ies) owning such Land or Unit at the time when the assessment shall have come due. Assessments shall bear interest from the due date until paid at the maximum rate allowed by law for an individual. A late charge shall be due in the amount of Twenty-Five Dollars (\$25.00) per monthly assessment or portion thereof past due or fifty percent (50%) of the monthly assessment past due, whichever is greater, and the Village Association may bring an action at law against the Owner personally obligated to pay the same or an action to foreclose the lien against the Land or Unit, and there shall be added to the amount of such assessment reasonable attorneys' fees and costs incurred in collecting such assessment, and in the event that judgment shall be obtained, such judgment shall include interest on the assessment and late charges as above provided and reasonable attorneys' fees, together with the cost of the action, including attorneys' fees and costs on appeal. Liens may be foreclosed in the same manner as mortgages are foreclosed.

6.5 Subordination of Liens to Mortgages. Assessment liens shall be superior to all other liens, except tax liens and first mortgage liens in favor of Institutional Lenders or Declarant which are amortized in monthly or quarterly payments over a period of not less than ten (10) years. The sale or transfer of a Residential Unit, pursuant to a judgment of foreclosure or where the Institutional Lender shall take a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due and payable prior to the date of such judgment or deed in lieu of foreclosure only pursuant to superior mortgages as provided above. Such sale or transfer shall not relieve such Residential Unit from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

6.6 Certificates. The Village Association shall, upon demand at any time, furnish to any Owner liable for an assessment a certificate signed by an officer of the Village Association, setting forth whether assessments have been paid. Such certificate shall be conclusive evidence of payment as to any assessment therein stated.

6.7 Declarant's Options as to Assessments. Anything herein to the contrary notwithstanding, Declarant shall have the following options so long as it shall be the Owner of any Land or Units within the Village, which options shall be exercisable in Declarant's sole and absolute discretion:

A. Pay assessments upon Land and Units owned by it; or

B. Not pay assessments on some or all of the Land or Units owned by it, and, in lieu thereof, fund any resulting deficit in the Village Association's operating expenses not produced by assessments receivable from Owners other than Declarant. For the purposes of this Section, "deficit" means the difference between: (i) actual operating expenses (excluding capital improvement costs, reserves and management fees) and (ii) the sum of all monies receivable by the Village Association (including without limitation assessments, interest, late charges, fines

and incidental income) from Owners other than Declarant, together with any surplus carried forward from the preceding year(s). Declarant, from time to time and at any time, may change its election as to the above-stated options by notice to the Village Association.

ARTICLE 7
USE STANDARDS AND RESTRICTIONS

7.1 Improvements. All Improvements shall comply with all applicable minimum standards established by the Village Association, the CDD and zoning laws. No Improvement shall be constructed, removed, changed or installed without the Committee's prior written approval (except as hereinafter provided as to Declarant). The Committee shall control not only the initial structures and improvements, landscaping, walls and fences to be constructed, but also any additions, changes or modifications thereof on any Unit, except that all structures constructed by Declarant as well as landscaping, walls and fences installed or constructed by Declarant shall be deemed approved by the Committee. Anything herein to the contrary notwithstanding, any Owner may make alterations, changes and modifications within the interior of his Unit without obtaining the Committee's consent. The Village Association shall have the power to enact Rules and Regulations define to more specifically the provisions of this Section.

7.2 Maintenance of Improvements. All Improvements shall be kept in a clean, neat and attractive condition consistent with the general appearance of the Village (as more particularly set forth from time to time in the Rules and Regulations). In the event that an Owner shall fail to so maintain his Land or Unit(s), then, upon approval by two-thirds (2/3) vote of the Board and upon the continuing failure to maintain same following ten (10) days' written notice from the Village Association to the Owner, the Village Association shall have the right, through its agents, employees or designees, to enter upon the subject Unit and to repair, maintain and restore same. The sums expended by the Village Association for such repair, maintenance and restoration shall be assessed against the subject Unit as a special individual assessment. The cost of curing of such defects shall bear interest at the highest rate allowed by law for an individual from the date such costs were incurred. All of said costs, interest and fees shall be a lien upon the affected Land or Unit(s). In order to discourage Owners from abandoning their duties hereunder and additionally to reimburse the Village Association for administrative expenses incurred, the Village Association shall have the right to impose a surcharge of not more than twenty-five percent (25%) of the cost of the applicable remedial work, such surcharge to be a part of the aforesaid special individual assessment. The Village Association shall not be required to obtain bids for any of the work performed pursuant to this Section.

ARTICLE 8
PARTICULAR RESTRICTIONS, RULES AND REGULATIONS

8.1 Applicability. The provisions of this Article shall apply to the Village, but shall not apply to Declarant, any of its affiliates, or Builders. If requested by any interested party, Declarant shall give a written statement as to whether any particular person or entity shall be exempt from the provisions of this Article and to which Land or Units and for what period of time such

exemption shall exist. The Board may adopt such additional use restrictions, rules and regulations applicable to all or any portion of the Village and may waive or modify application of existing restrictions, rules and regulations as the Board, in its sole and absolute discretion, shall deem appropriate.

8.2 Use of Residential Land. No Improvement on Residential Land shall be used for any purpose other than residential; provided however that temporary uses by Declarant, its affiliates and designees for model homes, sales displays, parking lots, sales offices and other offices, or any combination of such uses shall be permitted until Declarant shall determine that such use is no longer needed.

8.3 Nuisances. No noxious, offensive or unlawful activity shall be carried on within the Village nor shall anything be done in the Village which may be or may become an annoyance or nuisance to other Owners.

8.4 Temporary, Play and Auxiliary Structures. No structure of a temporary character, trailer, basement, tent, shack, shed, barn or other outbuilding shall be built, installed or used in the Village at any time. No shed or storage container shall be built, installed or used on a Unit except if located in the backyard of the Unit and if not visible from the street. No platform, doghouse, playhouse or similar structure shall be constructed in any part of the Village without the Committee's prior written approval. No outdoor clotheslines shall be permitted. No building, fence, screen enclosure, wall or other structure shall be erected or maintained, nor shall any exterior addition, change or alteration thereof be made, unless consistent with the general aesthetics of the Community and unless and until plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted and approved in writing by the Committee. The Committee shall be permitted to employ aesthetic values in making its determinations.

8.5 Oil and Mining Operations. No oil drilling, oil development operations, oil refining or mining operations of any kind shall be permitted in the Village, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted in the Village. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Village.

8.6 Livestock, Poultry and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept in the Village, except that not more than two (2) household pets may be kept provided that they not be kept, bred or maintained for any commercial purpose. "Household pets" shall mean those types of dogs, cats and other animals if expressly permitted by the Village Association, if any. Household pets also shall include fish and domestic (household-type) birds, so long as they shall be kept indoors and shall not become a source of annoyance to neighbors. Nothing herein shall be deemed to prohibit pet shops, kennels and/or stables being operated upon Commercial Land or Commercial Units within the Village.

8.7 Garbage, Refuse and Sewage Disposal. No portion of the Village shall be used or maintained as a dumping ground for rubbish. Trash and garbage shall not be kept except in sanitary containers or as required by the Village

Association, the CDD or the applicable County ordinances. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition. No individual sewage disposal system shall be permitted in the Village.

8.8 Water Supply. No individual water supply system shall be permitted in the Village without the Committee's prior written approval.

8.9 Exterior Colors. The exterior colors of all improvements shall remain the colors initially established by Declarant.

8.10 Satellite Dishes: Exterior Antennas. No satellite dishes, exterior radio antenna, television antenna, citizens band antenna or any other antenna of any type or nature shall be permitted in the Village without the Committee's prior written approval.

8.11 Motor Vehicles, Boats and Boat Trailers. No trucks (other than those for private use having a load capacity not exceeding one-half (1/2) ton), commercial vehicles, recreation vehicles, campers, derelict automobiles, boats or boat trailers may be parked in the Village, except when kept in a garage within a Unit. If such vehicle shall be parked in such garage, the garage door shall be kept closed. Anything herein to the contrary notwithstanding, commercial vehicles shall be allowed upon Commercial Land subject to the Rules and Regulations. Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations now or hereafter adopted may be towed by the Village Association at the owner's sole expense if such vehicle shall remain in violation for a period of twenty-four (24) hours after the time a notice of violation shall have been placed on the vehicle or if such owner shall be a repeat offender. The Village Association shall not be liable to the owner of such vehicle or to any other persons or entity for trespass, conversion, damages or otherwise, nor guilty of any criminal act by reason of such towing and once the notice shall have been posted, neither its removal nor such owner's failure to receive it for any other reason shall be grounds for relief of any kind. An affidavit by the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

8.12 Windows: Shutters. No Owner shall place aluminum foil or any reflective material on either the interior or exterior surface of any exterior window or glass door. No storm shutters shall be installed without the Committee's prior written approval, which approval shall be given if the proposed shutters shall be of the type, style and color then currently approved by the Committee and consistent with the general aesthetics of the Community.

8.13 Exterior Lighting. No Owner shall install exterior lighting (in addition to such exterior lighting as originally provided for the Unit by Declarant) without the Committee's prior written approval and consistent with the general aesthetics of the Community.

8.14 Signs. No sign of any kind shall be permitted on any Residential Land or Unit; provided, however, that when an Owner shall offer any Land or Unit for sale, one (1) "For Sale" sign shall be permitted on the Land or Unit being so

offered. The size of the face of the sign shall be not larger than forty (40) square inches and the sign shall be attached to a supporting member driven into the ground not exceeding two (2) inches in diameter and not exceeding four (4) feet in height above the finished grade of the property. The signs shall, in all respects, be in accordance with rules and regulations promulgated by the Declarant. None of the foregoing restrictions shall apply to Commercial Land or Commercial Units to the extent that signs thereon shall have been originally permitted by Declarant, such permission being subject to later modification with Declarant's approval to permit additional or different signage.

8.15 Displays. No permanent statues, artifacts, religious objects or other displays shall be permitted on the Land or on the exterior of any Unit.

8.16 Swimming Pools, Hot Tubs and Whirlpool Baths. Any and all swimming pools, hot tubs or whirlpool baths to be constructed shall be subject to the Committee's requirements, which shall include, without limitation: (a) composition shall be of material thoroughly tested and accepted by the industry for such construction; (b) the location of any swimming pool, hot tub or whirlpool bath shall be subject to the Committee's prior written approval; and (c) no screening shall stand beyond a line extended and aligned with the side walls of a Unit without the Committee's prior written approval.

8.17 Utility Connections. Building connections for all utilities, including, but not limited to water, electricity, telephone and television, shall be run underground from the proper connecting points to the Unit in a manner which shall comply with all governmental requirements.

8.18 Lakefront Property and Lake. As to all portions of any Land or Unit contiguous to the Lake, the following additional provisions shall apply:

A. No boathouse, dock, wharf, pilings or other structure of any kind shall be erected, placed, altered or maintained on the shores of Lake without Declarant's prior written approval, which approval may be withheld in Declarant's sole and absolute discretion.

B. No solid or liquid waste, litter or other materials may be discharged into the Lake.

C. Each Owner shall maintain his Land or Unit to the water line of the adjacent Lake.

D. In order to provide for uniform water vegetation control, neither this Association nor any Owner shall undertake the performance of such vegetation control.

E. No motorized boat or personal watercraft shall be operated on the Lake or Lake shore without the prior written consent of either Declarant or the CDD.

8.19 Fences. No fences shall be permitted within the Village unless installed by Declarant or a Builder during construction periods or as otherwise approved by Declarant or the Village Association.

ARTICLE 9
COMPLIANCE AND ENFORCEMENT

9.1 General. Every Owner and all tenants, guests, invitees, officers, employees, contractors, subcontractors and agents thereof shall comply with this Declaration and all Rules and Regulations enacted pursuant hereto. Failure to so comply shall subject the violator to damages, injunctive relief, or any combination thereof.

9.2 Fines. In addition to all other remedies, and to the maximum extent lawful, the Board, in its sole and absolute discretion, may impose a fine or fines upon an Owner ("the Alleged Violator") for failure to comply with this Declaration or with any of the Rules and Regulations, in accordance with the following procedures:

A. Notice. The Village Association shall notify the Alleged Violator of the infraction(s). Included in the notice shall be the date and time of a special Board meeting at which time the Alleged Violator shall be allowed to present reasons why fines should not be imposed. At least ten (10) days' notice of such meeting shall be given.

B. Hearing. The alleged non-compliance shall be presented to the Board after which the Board shall hear reasons as to whether the fine should be imposed. The Board's written decision shall be submitted to the Alleged Violator not later than twenty-one (21) days after the Board's meeting. The Alleged Violator shall have a right to be represented by counsel and to cross-examine witnesses. If the Board's impartiality shall be questioned by the Alleged Violator, the Board shall appoint three (3) impartial Members to a special hearing panel which shall perform the functions described in this Section.

C. Amounts of Fines. Upon a finding of non-compliance, the Board may impose special assessments against the Land or Unit owned by the violator(s) as follows:

(1) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100).

(2) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500).

(3) Third and subsequent non-compliance or violation or violations of a continuing nature: a fine not in excess of One Thousand Dollars (\$1,000).

D. Payment of Fines. Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties.

E. Collection of Fines. Fines shall be treated as a special individual assessments subject to the provisions for the collection of assessments as set forth herein.

F. Cumulative Remedies. These fines shall not be exclusive and shall exist in addition to all other rights and remedies to which the Village Association may be otherwise legally entitled; however, any fine paid by the offending Owner shall be deducted from or offset against any damages which the Village Association may otherwise be entitled to recover by law from such Owner.

ARTICLE 10
ARCHITECTURAL CONTROL

10.1 Architectural Control Committee: Composition. The Committee shall consist of three (3) persons ("Committee Members") selected by the Board, one of whom shall be appointed Committee Chairman by the Board. The initial Committee Members shall be designated by Declarant; such initial Committee Members (and their replacements designated by Declarant) shall hold office until all Land and Units shall have been conveyed by Declarant, or sooner at Declarant's option in its sole and absolute discretion. Thereafter, each Committee Member shall be appointed by the Board and shall hold office until such time as he shall have resigned or have been removed or his successor shall have been appointed as provided herein. The Board shall have the right to remove any Committee Member at any time without cause. The Board further shall have the right to change the number of, appoint and remove all Committee Members, except those initially appointed by Declarant (and their replacements designated by Declarant) until all Land and Units shall have been conveyed by Declarant or sooner at Declarant's option.

10.2 Review of Proposed Construction. No Improvement shall be commenced, altered, removed, painted, erected or maintained in the Village, nor shall any addition, removal, change or alteration (including paint or exterior finishing) visible from the exterior of any Unit be made, nor shall any awning, canopy or shutter be attached to or placed upon outside walls or roofs of Buildings or other Improvements, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing by the Committee and the Declarant in accordance with the Master Declaration. This Article shall also apply to interior alterations to Commercial Units when such alterations would have an effect upon the use of the exterior portions of the applicable Commercial Unit(s) (including, without limitation, as to the use of parking spaces or facilities). The Committee shall approve proposals or plans and specifications submitted for its approval only if it shall determine that: (a) the construction, alteration, removal or addition contemplated thereby in the location(s) indicated not detrimental to the appearance of the Village as a whole; and (b) the appearance of any structure affected thereby will be in harmony with the surrounding structures and otherwise desirable. The Committee may condition its approval of proposals and plans and specifications as it shall deem appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval. The Committee may require such detail in plans and specifications submitted for its review as it shall proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples

of exterior materials and colors. Until the Committee shall have received all required plans and specifications, it may postpone review of any plans submitted for approval. Upon such receipt, the Committee shall have thirty (30) days in which to accept or reject any proposed plans; if the Committee shall not reject same within such period, said plans shall be deemed approved. The Committee shall be the ultimate deciding body. All changes and alterations also shall be subject to all applicable permit requirements and to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. The Committee may require the payment of fees by a party requesting its approval hereunder, such fees to be applied to Committee-related costs, expenses and salaries at the Committee's discretion. The provisions of this Article shall apply both to Land and Units, and to common areas/common elements of the Village Association.

10.3 Meetings. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may, from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of the Committee Members) to take any action or perform any duties for and on the Committee's behalf. In the absence of such designation, the vote of any two (2) Committee Members shall constitute a Committee act.

10.4 No Waiver of Future Approvals. The Committee's approval of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the Committee's approval and consent, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

10.5 Compensation. The Committee Members shall be entitled to receive compensation for services rendered and reimbursement for expenses incurred by them in the performance of their duties hereunder as set and determined by the Board.

10.6 Inspection of Completed Work; Corrections. Inspection of work for which plans have been approved and correction of defects therein shall proceed as follows:

A. Upon completion of work, the submitting Owner ("the Applicant") shall give written notice of completion to the Committee.

B. Within sixty (60) days thereafter, the Committee (or its agent) may inspect the work. If the Committee shall find the work not in compliance with the approved plans, it shall notify the Applicant in writing within such 60-day period and shall require corrections for compliance. The Committee's failure to notify the Applicant of any non-compliance within the 60-day period after receipt of written notice of completion shall be deemed an approval of the work.

C. If the Applicant shall not have corrected the noncompliance within thirty (30) days after the date of notification, the Committee

shall notify the Board of such failure. The Board, at its option, shall be entitled either to remove the noncomplying work or remedy the noncompliance, and in either case, the Applicant shall reimburse the Village Association upon demand for all expenses incurred, plus an administrative charge to be determined by the Village Association (to cover administrative expenses and to discourage the Applicant from failing so to comply). If such expenses shall not be promptly repaid by the Applicant to the Village Association, the Board shall levy a special individual assessment against such Applicant and his Land or Unit for reimbursement.

10.7 General Powers. The Village Association (and the Committee, as appropriate) shall have the absolute power to: (a) veto any action (taken or contemplated); (b) require specific action to be taken in connection with applicable sections of the Village. Without limiting the generality of the foregoing, the Village Association (and the Committee, as appropriate) may: (i) require specific maintenance or repairs or aesthetic changes to be effected; (ii) require that a proposed budget include certain items and that expenditures be made therefor; and (iii) otherwise require or veto any other action as the Village Association shall deem appropriate from time to time. For this purpose, any proposed action not made in the ordinary operations of the Committee approved practices must first be brought to the attention of the Village Association by written notice and no such action shall be effected unless and until approved in writing by the Village Association or the Committee, as appropriate. Any action required by the Community Association shall be taken within the time set by the Community Association. If an Owner shall fail to comply with such requirements, the Village Association shall have the right to effect such action on the Owners' behalf and to assess the Land and Units owned by the Owner in connection therewith, together with an administrative charge determined by the Village Association under the circumstances (to cover applicable administrative expenses and to discourage the Owners from failing to obey such requirements). Such assessments may be collected as special assessments hereunder and shall be subject to all lien rights provided for herein.

10.8 Exemptions. Declarant (and its affiliates and designees) shall be exempt from the provisions hereof with respect to Improvements, alterations and additions and removals desired to be effected by any of them and shall not be obligated to obtain Committee approval for any construction or changes which any of them may elect to make at any time. It is specifically contemplated that Declarant, in its sole and absolute discretion, may, at any time and from time to time, designate Builders, Owners and others as being exempt from some or all of the provisions of this Article and some or all of the procedures set forth herein and may alter the procedures set forth herein as to any such designee.

10.9 Disclaimer. Neither the Committee nor any member, employee or agent thereof shall be liable to the Village Association, any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties, unless due to the willful misconduct or bad faith of such individual, in which event only that individual shall have any liability. The Committee shall not be responsible for reviewing, nor shall its approval of any plan be deemed approval of, structural safety of any building or other code compliance.

ARTICLE 11
DECLARANT AND THE MASTER DECLARATION

11.1 Cumulative Effect: Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Master Declaration; provided, however, that in the event of conflict between or among any such covenants, restrictions and provisions, or any Articles of Incorporation, By-Laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of this Association shall be subject and subordinate to those of the Master Declaration. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Village Association.

11.2 Development Review, Maintenance and Use Restrictions. The Village Association (through the Committee) shall have any development review rights and powers as assigned to it by Declarant in connection with applicable deed restrictions, contracts or other instruments, which rights and powers shall be exclusive unless otherwise provided in the applicable assignment. The Village Association shall have the power to enforce its own use restrictions.

11.3 Collection of Assessments. Declarant shall, initially, act as collection agent for the Village Association as to all assessments payable to it by the Members. Declarant will remit the assessments so collected to the respective payees pursuant to such procedures as may be adopted by the Village Association. All capital improvement assessments, special assessments, fines, interest, late charges, recovered costs of collection and other extraordinary impositions shall be remitted to the respective entity imposing same separate and apart from the priorities established above.

ARTICLE 12
GENERAL PROVISIONS

12.1 Declarant's Additional Reserved Rights. Notwithstanding anything herein to the contrary, Declarant shall have the right, with respect to the development of the Village, to construct buildings and Units and other Improvements and install landscaping of such type, nature, shape, height, color, materials and location as Declarant shall determine in its sole and absolute discretion; provided, however, that same shall comply with the applicable building codes and County zoning laws in force at that time. Until such time as Declarant shall own no Land or Units within the Village, Declarant shall be entitled to place on Land and/or Units owned by Declarant temporary construction or sales trailers and other temporary facilities and conduct its sales and marketing efforts as Declarant shall deem appropriate.

12.2 Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Land and Units in the Village and shall be enforceable by the Village Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date the Master Declaration shall be recorded ("the Initial Term"), after which time said covenants shall be extended automatically for successive periods of ten (10) years, unless this Declaration shall be terminated at the end

of the Initial Term or prior to a successive ten (10) year period at a special meeting of the Membership of the Village Association held not less than five (5) years prior to the end of the Initial Term or not less than five (5) years prior to the commencement of any successive ten (10) year term by the affirmative vote of not less than seventy-five (75%) percent of the Owners, in which event an instrument to this effect shall be recorded in the Public Records of Broward County, Florida, subject, however, to Declarant's rights as set forth in this Declaration. Further, termination of the Master Declaration in accordance with Section 10.2 thereof shall automatically result in the termination of this Declaration.

12.3 Protection of Institutional Lenders. Upon its written request to the Village Association, each Institutional Lender shall be entitled to: (a) examine this Declaration, the Articles of Incorporation, the By-Laws and the other books and records of the Village Association; (b) receive a copy of the Village Association's financial statements for the immediately preceding fiscal year; (c) receive notice of and attend Village Association meetings; (d) receive notice from the Village Association of any alleged default under this Declaration by the Owner of a Residential Unit encumbered by such Institutional Lender's mortgage; (e) receive notice of any substantial damage or loss to the Village Properties; (f) the lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Village Association; and (g) any proposed action requiring consent of the Institutional Lenders.

12.4 Amendments. This Declaration may be amended by Declarant unilaterally from time to time and at any time and without the joinder of any Owner or this Village Association: a) to accomplish any of the purposes or objectives set forth in this Declaration; and/or b) to correct any scrivener's errors. This Declaration also may be amended at any regular or special meeting of the Members by the affirmative vote of members owning not less than sixty-seven percent (67%) of the Units and the approval by Institutional Lenders holding at least sixty-seven percent (67%) of the mortgages on Residential Units in the Village; provided, however, that: (a) during the period that Declarant shall control the Village Association, the Board, by a two-thirds (2/3) vote, may amend this Declaration; (b) no amendment shall change the method of determining a Residential Unit's share of Village Association expenses, unless the record owners of the affected Residential Units shall join in the execution of the amendment; (c) no amendment shall materially and adversely affect the rights of an Institutional Lender holding a mortgage on a Residential Unit within the Village without such Institutional Lender's prior written consent; (d) no amendment shall materially and adversely affect the surface water management system without the South Florida Water Management District's prior written approval; and (e) so long as the Declarant shall own any Units, the prior approval of the United States Department of Housing and Urban Development/Veterans Administration shall be required. Each amendment shall be recorded in the Public Records of Broward County, Florida.

12.5 Covenants Running with the Land. Anything herein to the contrary notwithstanding, the covenants, conditions and restrictions of this Declaration shall be covenants running with the land. If any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if

possible, to reflect the intent of such provision or application and then shall be enforced in a manner allowing the covenants, conditions and restrictions to so run with the land. In the event that any such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the covenants, conditions and restrictions hereof running with the land shall be achieved.

12.6 Not a Condominium Association. Nothing in this Declaration shall be deemed to make the Village Association a condominium association within the meaning of the Florida Condominium Act (Chapter 718, Florida Statutes).

12.7 Notices. Any notice required to be sent hereunder shall be deemed to have been properly sent when delivered or mailed, postpaid, to the last known address of the Owner or other addressee on the records of the Village Association at the time of such mailing.

12.8 Enforcement: No Waiver. The Village Association, the CDD, the County and/or any Owner shall have the right to enforce the provisions of this Declaration by any proceeding at law or in equity against any person(s) or entity(ies) violating or attempting to violate any covenant or restriction, either to restrain such violation, to recover damages or to enforce performance and against the applicable Land and/or Unit to enforce any lien created herein; and failure by the Village Association, the CDD or any Owner to enforce the provisions of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Where litigation shall occur to enforce said provisions or to recover damages or to enforce any lien created herein, the prevailing party in such litigation shall be entitled to recover court costs and reasonable attorneys' fees, including court costs and reasonable attorneys' fees in any appellate proceeding.

12.9 Severability. Invalidation of any portion of this Declaration by judgment, court order or statute shall in no way affect any other provisions which shall remain in full force and effect.

12.10 Gender and Plurals. The use in this Declaration of the male gender shall include the female and neuter, and the use of the singular shall include the plural and vice versa, as the context requires.

(SIGNATURE AND ACKNOWLEDGMENT APPEARS ON THE FOLLOWING PAGE)

BK 17876PG0190

ARTICLES OF INCORPORATION
OF
ISLAMORADA AT CORAL BAY VILLAGE ASSOCIATION, INC.

The undersigned Subscriber desiring to form a corporation not-for-profit, pursuant to the laws of the State of Florida, hereby adopts the following Articles of Incorporation:

EFFECTIVE DATE
M. 5-23-71

ARTICLE 1
NAME

The name of the corporation shall be Islamorada at Coral Bay Village Association, Inc. For convenience, the corporation shall be referred to in this instrument as "the Village Association," these Articles of Incorporation as "these Articles," and the By-Laws of the Village Association as "the By-Laws."

ARTICLE 2
PURPOSES

The purposes for which the Village Association is formed are to bring about civic and social improvements: (a) by providing for the preservation of the architecture and appearance of the planned residential development known as Islamorada at Coral Bay ("the Village") located in Broward County, Florida; and (b) by owning, operating and maintaining the Village Properties within the Village which may be granted and conveyed by Declarant (as defined in the Declaration of Covenants) to the Village Association for the use of all residents of the Village.

ARTICLE 3
DEFINITIONS

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of Covenants, Conditions and Restrictions for Islamorada at Coral Bay ("the Declaration of Covenants"), unless herein provided to the contrary or unless the context otherwise requires.

ARTICLE 4
POWERS

4.1 General. The Village Association shall have all of the powers and privileges granted under the Florida Not-For-Profit Corporation Law and all of the powers and privileges which may be granted under any other applicable laws of the State of Florida reasonably necessary to effectuate and implement the purposes of the Village Association, including, but not limited to, the following:

A. To enter into, make, establish and enforce, rules, regulations, by-laws, covenants, restrictions and agreements to carry out the purposes of the Village Association.

B. To make and collect assessments against members of the Village Association to defray the costs, expenses, reserves and losses incurred or to be incurred by the Village Association and to use the proceeds thereof in the exercise of the Village Association's powers and duties.

C. To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.

D. To hold funds for the exclusive benefit of the members of the Village Association as set forth in these Articles and as provided in the Declaration of Covenants and the By-Laws.

E. To purchase insurance for the protection of the Village Association, its officers, directors and members, and such other parties as the Village Association may determine to be in the best interests of the Village Association.

F. To operate, maintain, repair and improve all common areas, and such other portions of the subject property as may be determined by the Board from time to time.

G. To exercise architectural control over all buildings, structures and improvements to be placed or constructed upon any portion of the subject property pursuant to the Declaration of Covenants.

H. To provide for private security services within the subject property as the Board, in its discretion, determines necessary or appropriate.

I. To provide, purchase, acquire, replace, improve, maintain and/or repair such buildings, structures, street lights and other structures, landscaping, paving and equipment, both real and personal, related to the health, safety and social welfare of the members of the Village Association and the owners and residents of the subject property as the Board, in its discretion, determines necessary or appropriate.

J. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the Village Association and/or to contract with others for the performance of such obligations, services and/or duties.

K. To operate and maintain, if necessary, the surface water management and drainage system for the Village as permitted by the South Florida Water Management district, including all lakes, retention areas, culverts and related appurtenances.

4.2 Village Properties. All funds and titles of all properties acquired by the Village Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration of Covenants, these Articles and the By-Laws.

4.3 Distribution of Income. The Village Association shall make no distribution of income to its members, directors or officers.

4.4 Limitation. The powers of the Village Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Covenants and the By-Laws.

4.5 Effect of Community Development District. The nature, objects and purposes of the Village Association as outlined above, shall be limited to the extent they are performed by the Community Development District established by Declarant and comprised, in whole or in part, of the Villages.

ARTICLE 5 TERM OF EXISTENCE

The Village Association shall have perpetual existence. Its existence shall commence on the date these Articles are acknowledged.

ARTICLE 6 SUBSCRIBER

The name and address of the Subscriber to these Articles are as follows:

Terry V. Hauser
111 N.E. First Street
Miami, Florida 33132.

ARTICLE 7 MEMBERS

7.1 Membership. The members of the Association shall consist of all of the record owners of units in the Village, including but not limited to Declarant.

7.2 Assignment. A member's share of the funds and any assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the member's unit.

7.3 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each unit, which vote shall be exercised or cast in the manner provided by the Declaration of Covenants and the By-Laws. Any person or entity owning more than one unit shall be entitled to one vote for each unit owned.

7.4 Meetings. The By-Laws shall provide for an annual meeting of members, and may make provision for regular and special meetings of members other than the annual meeting.

ARTICLE 8
BOARD OF DIRECTORS

8.1 Management by Directors. The affairs of the Village Association shall be managed by a Board consisting of the number of directors set forth in the By-Laws, but no fewer than three (3). Except for directors appointed by the Declarant, at least a majority of the directors shall be members of the Association.

8.2 Duties and Powers. All of the duties and powers of the Association existing in the Declaration of Covenants, these Articles and the By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by the members when such approval is specifically required.

8.3 Election; Removal. Declarant shall appoint the first Board of Directors who shall hold office for the periods described in the By-Laws.

8.4 First Directors. The names and addresses of the first Board who shall hold office until their successors are elected and have qualified are as follows:

Dirk Neumann
6600 South Bay Drive
Margate, FL 33063

Paul Bilton
6600 South Bay Drive
Margate, FL 33063

Barbara Green
6600 South Bay Drive
Margate, FL 33063

ARTICLE 9
OFFICERS

The affairs of the Village Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board at its first meeting and they shall serve at the Board's pleasure. The By-Laws may provide for the removal of officers, the filling of vacancies and the duties of the officers.

ARTICLE 10
INDEMNIFICATION

10.1 In General. The Village Association shall indemnify any person who was or is a party or is threatened to be made a party to any proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Village Association) by reason of the fact that he is or was a director, employee, officer or agent of the Village Association. The Village Association's indemnification of each such person shall be for expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such legal action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Village Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which

such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the Village Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application, that despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the Village Association's best interest, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

10.2 Expenses. To the extent that a director, officer, employee or agent of the Village Association has been successful on the merits or otherwise in defense of an action, suit or proceeding referred to in Section 10.1 or in defense of any claim, issue or matter herein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith, which expenses shall be repaid forthwith.

10.3 Approval. Any indemnification under Section 10.1 (unless ordered by a court) shall be made by the Village Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 10.1. Such determination shall be made: (a) by a majority vote of a quorum of the Board consisting of directors who were not parties to such action, suit or proceeding; or (b) if such quorum is not obtainable, or, even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by a majority of the members.

10.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Village Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case.

10.5 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of Members or otherwise. The indemnification shall pertain to the individual while in office after he is no longer a director, officer, employee and/or agent and shall inure to the benefit of the heirs and personal representative of said person.

10.6 Insurance. The Village Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Village Association, or is or was serving at the request of the Village Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Village Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE 11

BY-LAWS

The first By-Laws of the Village Association shall be adopted by the Board designated herein. Thereafter, the By-Laws may be altered, amended or rescinded by the directors and members in the manner provided by the By-Laws.

ARTICLE 12

AMENDMENTS

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

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

12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by those voting members of the Association owning not less than one-third (1/3) of the total number of Units in the Village. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing the approval is delivered to the secretary at or prior to the meeting. Any proposed amendment shall require the approval of either:

A. Those members of the Association owning not less than one-third (1/3) of the total number of Units in the Village and by not less than a majority of the Board; or

B. Than those members of the Association owning not less than a majority of the total number of Units in the Village.

12.3 Limitation. Anything herein to the contrary notwithstanding, no amendment shall make any changes in the qualifications for membership or in the voting rights or property rights of members, or any changes in Sections 4.2, 4.3 and 4.4 of Article 4, hereof, without approval in writing by all members and the joinder of all record holders of the mortgages upon units in the Village. No amendment shall be made that is in conflict with the express provisions of Declaration of Covenants, nor shall any amendments make any changes which would in any way affect any of the rights, privileges, powers or position in favor of or reserved by Declarant, or any institutional first mortgages, or an affiliate of Declarant, unless Declarant, such mortgages or affiliate shall join in the execution of the amendment.

12.4 Permissible Number of Amendments. Any number of amendments may be submitted to the Board and voted upon by them at any one meeting.

12.5 Written Action without Meeting. If all of the Directors eligible to vote and those members owning not less than a majority of the Units in the Village

sign a written statement manifesting their intention that an amendment to these Articles be adopted and such statement is executed in the manner provided by Florida law for amending the Articles of Incorporation of a Florida corporation not for profit, then the amendment shall thereby be adopted as though the requirements of Sections 12.1 and 12.2 have been satisfied.

12.6 Amendment by Declarant. In addition to the above, so long as Declarant is entitled to appoint a Majority of the Directors of the Village Association, Declarant shall be entitled to amend these Articles and the By-Laws unilaterally. Furthermore, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, Declarant, unless Declarant joins in the execution of the amendment.

12.7 Filing of Amendment. Upon the approval of an amendment to these Articles, Articles of Amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the Public Records of the county in which the subject property is located.

ARTICLE 13 REGISTERED AGENT

The name and street address of the first registered agent authorized to accept service of process within Florida for the Village Association is:

Terry V. Hauser
111 N.E. First Street
Miami, Florida 33132.

ARTICLE 14 DISSOLUTION

14.1 Proposal of Dissolution. A majority of the Board may propose the Dissolution of the Village Association at a regular or special meeting of the Board called for that purpose. Such proposal must set forth with particularity and specificity the manner in which the Village Properties are to be owned and managed, the interests which each Landowner or Unit owner will have in the Village Properties, the disposition, if any, of the funds and assets of the Village Association, and such other items as the Board deems appropriate. Adoption of the proposal shall require the affirmative vote of all members of the Board and all of the Owners of Land or Units in the Village and shall further require compliance with Section 14.2, below.

14.2 Additional Consent Required. The Village Association may not be dissolved without the prior written consent of the City of Margate, the South Florida Water Management District, any successor governmental authorities, or the Community Development District specified in Section 4.5 hereof. In the event of dissolution or final liquidation of the Village Association, the assets, both real and personal, of the Village Association, shall be dedicated to an appropriate

public agency or utility to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Village Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Village Association. No such disposition of Village Association properties shall be effective to divest or diminish any right or title of any member vested under the Declaration of Covenants unless made in accordance with the provisions of such Declaration of Covenants.

IN WITNESS WHEREOF, the Subscriber has affixed his signature this 23 day of May 1991.

WITNESSES:

Bernard D. Stein
Bladys Bold

Terry V. Hauzer
TERRY V. HAUSER

STATE OF FLORIDA)
) ss:
COUNTY OF BAKK)

Before me personally appeared TERRY V. HAUSER, to me well known and known to me to be the person described in and who executed the foregoing instrument, and he acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal, this 23 day of May 1991.

Bernard D. Stein
Notary Public
State of Florida at Large

My commission expires





BY-LAWS
OF
ISLAMORADA
AT CORAL BAY VILLAGE
ASSOCIATION, INC.

INSTR # 101391110
OR BK 32218 PG 0793
RECORDED 10/09/2001 04:21 PM
COMMISSION
BROWARD COUNTY
DEPUTY CLERK 1037

The following are adopted as the By-Laws of
Islamorada at Coral Bay Village Association, Inc., by the Directors.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Islamorada at Coral Bay Village Association, Inc., hereinafter referred to as the "Association". The principle office of the Association shall be Margate Florida, but meetings of members and Directors may be held at such places within the State of Florida, county of Broward as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The term "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Islamorada at Coral Bay as recorded in the Official Records Book 17876, Page 169, of the Public Records of Broward County, Florida. The provisions of these By-Laws and the rights and obligations granted herein or pursuant hereto are expressly subject to and subordinate to the provisions of the Master Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The Annual meeting of members shall be held at least once each calendar year on a date and at a time to be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Association. Business conducted at any special meeting shall be limited to the purpose and matters described in the notice thereof.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by

mailing a copy of such notice, postage paid, to the address on file with the Association, at least ten (10) days before such meeting to each member entitled to vote thereat or may be properly posted on the property forty-eight (48) hours before such meeting. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Members Participation in Meetings. Members have the right to participate in Meetings of Members with respect to items in the agenda. However, the Association may adopt reasonable Rules governing the frequency and duration and manner of member participation.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, thirty (30%) percent of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Declaration of Covenants, Conditions and Restrictions. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and, if not revoked shall terminate ninety (90) days from the date of the proxy. No holder of a proxy shall have greater voting rights than the person giving the proxy. To be valid, a proxy must be dated, state the date, time and location of the meeting for which it is given, and must be signed by the person giving the proxy. A proxy shall be valid only for the meeting described in the proxy, including any adjournments or reconvening thereof.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of this association shall be managed by a Board of Directors consisting of not less than three (3), nor more than five (5), persons who must be members of the Association.

Section 2. Term of Office. The Board of Directors shall serve a term of one year. At the expiration of any term, any Director may be re-elected.

Section 3. Removal. At such time as the members of the Association are permitted to elect Directors, any Director may be removed from the Board with or without cause by a majority vote of the members of the Association entitled to vote. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the un-expired term of his/her predecessor.

Section 4. Compensation. No Director shall receive compensation for any services he/she may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his/her duties.

Section 5. Action taken without a meeting. The Directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effects as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

At such time as members of the Association are permitted to elect Directors, the nominations and election of Directors shall be conducted as follows:

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a nominating committee or from the floor at the Annual Meeting. Nominations may also be made from the floor at the annual meeting. The Nominating Committee may consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association who are not members of the Board. The nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to each annual meeting of the members to serve until the close of that annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret ballot, unless unanimously waived by all members present. At such election the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration of Covenants. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Number of Votes. In any meeting of owners, there shall only be one (1) vote per unit.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time, at such place and hour as may be fixed, from time to time, by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by one-third (1/3) of the Directors then in office after not less than 2 days notice to each Director.

Section 3. Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Order of Business. If a quorum has been attained, the order of business at Director's meetings shall be:

- (a) Proof of due notice of meeting;
- (b) Reading and disposal of any unapproved minutes;
- (c) Reports of officers and committees;
- (d) Unfinished business;
- (e) New business;
- (f) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of directors shall have the powers reasonably necessary to operate and maintain the Association, including, but not limited to, the following:

- (a) Adopt and publish rules and regulations governing the use of the common areas, and the personal conduct of the members and their guest thereon, and to establish procedures for the imposition of penalties, including fines for the infraction thereof;
- (b) Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other

provisions of these By-Laws, the Articles of Incorporation or the Declaration.

- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- (e) Employ a manager, management company, an independent contractor, or such other employees as they deem necessary, prescribe their duties and delegate any or all of the delegable duties and functions of the Association and/or its officers; and

Section 2. Duties. It shall be the duty of the Board of Directors to cause the Association to perform the purposes for which it was formed, including, but not limited to, the following:

- (a) Cause to be kept a record of its acts and corporate affairs and to present a report or reports thereof to the members at the annual meeting of the members, including a financial report.
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) As more fully provided in the Declaration, to fix the amount of the annual assessment against each home and send notice thereof to every Owner at least thirty (30) days in advance of each annual assessment period.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not an assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a Certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (e) Procure and maintain such insurance as required by the Declaration, and such other insurance as deemed appropriate or necessary.
- (f) Perform all other duties and responsibilities as provided in the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice- President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The Board shall elect the officers of this Association annually and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. The Board may remove any officer from office with or without cause. 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 receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by election by the Board. The officer so elected to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 6. Multiple Officers. No Board member may hold more than two offices during his/her term.

Section 7. Duties. The duties of the officers are as follows:

PRESIDENT

- (a) The President shall preside at all meetings of the members and Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments.

VICE PRESIDENT

- (b) The Vice President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

SECRETARY

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

TREASURER

- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of accounts; and shall prepare an annual budget and a statement of projected income and expenditures to be presented to Board of Directors for review, amendment, and adoption. A copy of the annual

budget as approved by the Board shall be given to each member of the Association.

ARTICLE IX BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours and by appointment, be subject to inspection by any member at the principal office of the Association. The Declaration of Covenants, the By-Laws and Rules & Regulations of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secure, by a continuing lien upon the property against which the assessment is made. Any assessments, which are not paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, a late fee of \$25.00, beginning from the due date, may be levied by the Board of Directors for each month the assessment is late, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees incurred by the Association in connection with collection and/or appeal shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his/her home.

ARTICLE XI FINES

Section 1. In the event of a violation (other than the non-payment of an assessment) by a home owner of any of the provisions of the Declaration of Covenants, By-Laws or the Rules & Regulations adopted pursuant to any of same, as the same may be amended or added to from time to time, and in addition to the means for enforcement provided elsewhere herein, the Association shall have the right to assess fines against a home owner or its lessees, in the manner provided herein, and such fines shall be collectible as any other assessment, so that the Association shall have a lien against each home for the purpose of enforcing and collecting such fines, as provided in the Declaration.

- (a) In the event that the Board of Directors has determined an instance of such probable cause the Board of Directors shall thereupon provide written notice to

the person alleged to be in violation, and to the Owner of the home which that person occupies if that person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board of Directors upon the next monthly meeting. The notice shall further specify, and it is hereby provided, that in lieu of attending the next members meeting the alleged violator or homeowner may respond in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, or will correct or make changes to what the violation letter stipulated, and that performance in accordance therewith, shall terminate further enforcement activity of the Association with regard to the violation.

(b) Nothing herein shall be construed as a prohibition of or a limitation on the right of the Board of Directors to pursue other means to enforce the provisions of Declaration of Covenants, By-Laws or Rules & Regulations.

ARTICLE XII

CORPORATE SEAL

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Corporation Not For Profit". The seal may be used by causing it or facsimile thereof to be impressed, affixed or otherwise reproduced.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3) members present in person or by proxy.

ARTICLE XIII

MISCELLANEOUS

Section 1. All checks and promissory notes shall be co-signed by any two of the corporate officers.


Section 2. In the event of any conflict, any applicable Florida statute, the Declaration, these By-Laws, and the Rules & Regulations of the Association shall govern, in that order.

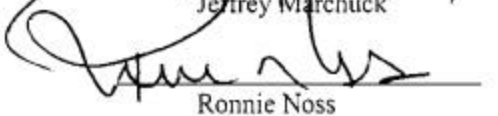
Section 3. Conflict. In the event there should be found any irreconcilable conflict among or between the Declaration, the Articles and/or these Bylaws and in the absence of any express language indicating which document controls the particular subject matter, then the

provisions of the Declaration shall be paramount, the Articles next paramount and these ByLaws subordinate.

Section 4. Indemnification of Officers and Directors. Subject to the further provisions of this paragraph, the Association shall indemnify and hold harmless all officers and Directors, and members of any committee appointed by the Board past or incumbent Directors, and members of any committee appointed by the Board past or incumbent, from and against all costs, claims, damages, reasonable expenses and liabilities of any kind whatsoever, including reasonable attorney's fees and costs at all tribunal levels, arising out of the performance of such person's duties hereunder. Such indemnification and hold harmless provision shall (i) exist regardless of whether the Association itself is named as a party defendant or alleged to have any liability, (ii) include the payment of any settlements upon approval by the Board, and (iii) include indemnification of the estate and heirs of the indemnified party. Such indemnification and hold harmless provision shall not be applicable (i) to the extent the claim or liability is covered by insurance, or (ii) in the event a court of competent jurisdiction finally determines, after all appeals have been exhausted or not timely pursued, that the indemnified party did not act in good faith within what he reasonably believed to be the scope of his duty and/or authority and for purposes which he reasonably believed to be in the best interests of the Association or its Members generally and such court further specifically determines that indemnification should be denied. The provision of this paragraph may not be amended to terminate the effect hereof as to any persons who became officers or Directors while this paragraph was effective.

IN WITNESS WHEREFORE, We, being all of the directors of ISLAMORADA AT CORAL BAY VILLAGE ASSOCIATION, INC., have hereunto set our hands this 2nd day of October, 2001.


Jeffrey Marchuck


Ronnie Noss


Mindy Lee Whitcraft