

From: Keith Thompson, President

Subject: Amended & Restated Declaration of Covenants, Conditions and Restrictions.

The Amended & Restated Declaration of Covenants, Conditions and Restrictions were approved by a majority of homeowners in December 2020. On January 6th 2021 they were recorded in the Official Records Book 3375, Page 567, et seq., of the Public Records of Indian River County, Florida. This document can be viewed, printed or downloaded through their website.

The Amended & Restated Declaration of Covenants, Conditions and Restrictions have also been posted on The Island Club and Property Management websites. They can be viewed or downloaded from those websites.

A copy of the Amended and Restated Bylaws is available upon written request to the Property Management Company at no charge.

Keith Thompson

1/20/2021

3120210000847 RECORDED IN THE RECORDS OF JEFFREY R. SMITH, CLERK OF CIRCUIT COURT INDIAN RIVER CO FL
BK: 3375 PG: 567, 1/6/2021 4:22 PM

**CERTIFICATE OF AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE ISLAND CLUB OF VERO BEACH**

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for The Island Club of Vero Beach has been duly recorded in the Public Records of Indian River County, Florida, in Official Records Book 1103, Page 238 and amended at O.R. Book 1118, Page 979, et seq.; O.R. Book 1130, Page 1026, et seq.; O.R. Book 1135, Page 1434, et seq.; O.R. Book 1172, Page 1741, et seq.; O.R. Book 1210, Page 275, et seq.; O.R. Book 1235, Page 1779, et seq.; O.R. Book 1318, Page 1216, et seq.; O.R. Book 1323, Page 629, et seq.; O.R. Book 1327, Page 1943, et seq.; O.R. Book 1412, Page 1, et seq.; O.R. Book 1432, Page 60, et seq.; O.R. Book 2089, Page 182, et seq.; and O.R. Book 2490, Page 2470, et seq.; and

WHEREAS, at a duly called and noticed meeting of the membership of The Island Club of Vero Beach Homeowners Association, Inc., a Florida not-for-profit corporation, held December 10, 2020, the aforementioned Declaration of Covenants, Conditions and Restrictions was amended and restated pursuant to the provision of said Declaration of Covenants, Conditions and Restrictions.

NOW THEREFORE, the undersigned hereby certify that the following Amended and Restated Declaration of Covenants, Conditions and Restrictions is true and correct as amended by the membership at the membership meeting held December 10, 2020.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name, by its President and Secretary, and its corporate seal affixed on this 6th day of January 2021.

WITNESSES AS TO PRESIDENT:

**THE ISLAND CLUB OF VERO BEACH
HOMEOWNERS ASSOCIATION, INC.**

[Signature]
Print Name: ELIZABETH P. BOWAN

By: [Signature]
KEITH THOMPSON, President

[Signature]
Print Name: ANITA BURCHETT

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was subscribed, sworn, and acknowledged before me by means of physical presence or online notarization, by KEITH THOMPSON, as President of The Island Club of Vero Beach Homeowners Association, Inc., who is personally known to me, or who has produced FLORIDA DRIVERS LICENSE as identification on JANUARY 6, 2021.

Notarial Seal



[Signature]
Notary Public
Print Name: ANITA BURCHETT
My Commission Expires: 2/23/21

BK: 3375 PG: 568

WITNESSES AS TO SECRETARY:

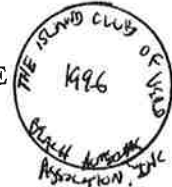
THE ISLAND CLUB OF VERO BEACH HOMEOWNERS ASSOCIATION, INC.

[Signature]
Print Name: ELIZABETH P. BONAN

By: Gayle P. Legore
Gayle P. Legore Secretary

Anita Burchett
Print Name: ANITA Burchett

CORPORATE SEAL



STATE OF FLORIDA
COUNTY OF Indian River

The foregoing instrument was subscribed, sworn, and acknowledged before me by means of physical presence or online notarization, by Gayle P. Legore, as Secretary of The Island Club of Vero Beach Homeowners Association, Inc., who is personally known to me, or who has produced Florida Drivers License as identification on JANUARY 6,, 2021.

Notarial Seal

Anita Burchett
Notary Public
Print Name: ANITA Burchett
My Commission Expires: 2/23/21



**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
THE ISLAND CLUB OF VERO BEACH
(through December 10, 2020)**

ARTICLE I: DEFINITIONS

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1. "Architectural Standards" shall mean the "Community-Wide Architectural Standards, Rules and Regulations" heretofore adopted by the Board as a separate document, as amended from time to time, and as further referenced and described in Article XI below.

2. "Articles" shall mean the Articles of Incorporation of The Island Club of Vero Beach Homeowners Association, Inc. as filed with the Florida Secretary of State, and attached as Exhibit "B", as may be amended from time to time.

3. "Assessment" means a share of the funds which are required for the payment of Common Expenses, which from time to time is assessed against the Members of the Association. Assessments include "Base Assessments" and "Special Assessments".

4. "Association" shall mean and refer to The Island Club of Vero Beach Homeowners Association, Inc., its successors and assigns.

5. "Association Property" shall mean all real and personal property transferred to the Association for the benefit of all Members or for which the Association has maintenance responsibilities.

6. "Board" shall mean the Board of Directors of the Association.

7. "Business" and "Trade" shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis, which involves the provision of goods or services to persons other than the provider's family, and for which the provider

receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

8. "By-Laws" shall mean and refer to the By-Laws of the Association, attached as Exhibit "C", as amended from time to time.

9. "Common Area" shall mean all real and personal property which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term "Common Area" may sometimes be used interchangeably with the term "Association Property" or "Common Property".

10. "Common Expenses" shall mean and include the actual and estimated expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including any reasonable reserve, as the Board may find necessary or appropriate pursuant to this Declaration, the By-Laws, and the Articles.

11. "County" shall mean Indian River County, Florida.

12. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standard may be reasonably and more specifically determined by the Board from time to time.

13. "Declaration" shall mean the easements, covenants, conditions, restrictions, and all other terms set forth in this document, as may be amended from time to time. The Declaration shall be governed at all times by the laws of the State of Florida in effect from time to time, including without limitation the provisions of Chapter 720 of the Florida Statutes, as amended from time to time.

14. "Developer" shall mean and refer to BEAZER HOMES CORP., a Tennessee corporation, its successors and assigns.

15. "Environmental Conservation Area" shall mean that portion of the Common Area, if any, which is intended to be preserved and maintained by the Association in a natural state in perpetuity. The Environmental Conservation Area shall include preserved and created wetlands, and the preserved upland areas as more specifically described and located on any plat of any portion of The Island Club.

16. "Homeowners Documents" means in the aggregate this Declaration, the Articles, and the By-Laws of the Association; as well as all of the instruments and documents referred to herein (including without limitation the Architectural Standards and any separate Rules and Regulations that may be adopted by the Board) and executed in connection with The Island Club (defined herein).

17. "Institutional Mortgagee" shall mean any lending institution having a first lien on any property subject to this Declaration, including but not limited to any of the following institutions: an insurance company or subsidiary thereof, a federal or state savings and loan association, a federal or state building and loan association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a federal or state banking association, a real estate investment trust, or any mortgage banking company authorized to do business in the State of Florida.

18. "Lot" shall mean and refer to any unimproved portion of the Property (and a subdivided lot of record) upon which it is intended that a Unit, defined herein, shall be constructed.

19. "Member" shall mean a member of the Association.

20. "Mortgage" shall mean a mortgage, a deed to secure a debt, or any form of security deed.

21. "Mortgagee" shall mean a beneficiary or holder of a Mortgage. The term, "Mortgagee", shall include the term, "Institutional Mortgagee", defined above.

22. "Mortgagor" shall mean a Person who gives a Mortgage.

23. "Owner" shall mean and refer to one (1) or more Persons (defined herein) who hold the record title to any Lot and/or Unit (defined below) which is created on the property subject to this Declaration, but excluding any party holding an interest merely as security for the performance of an obligation.

24. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

25. "Property" shall mean all of the real and personal property subject to this Declaration.

26. "Recreational Facility" shall mean and refer to the tennis, swimming, social, and other recreation facilities constructed within the Property.

27. "Roads" shall mean and refer to any street or thoroughfare within the Common Areas, and which is dedicated to the Association, or to any governmental agency, whether same is designated, for example, by way of illustration and not as limitation, as a street, avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, walk, or similar designation.

28. "Rules and Regulations" shall mean the restrictions, rules, regulations, and policies relating to use of the Property and referenced in Article XII, as adopted by the Board from time to time, which -- in addition to those set forth herein -- may be further set forth in a separate document hereafter adopted by the Board.

29. "Special Assessment" shall mean and refer to those assessments levied in accordance with the further terms of this Declaration.

30. "Subsequent Amendment" shall mean an amendment to this Declaration which may subject additional property to this Declaration, may withdraw property from the coverage of this Declaration, and may also, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the Property, or on any land submitted by a Subsequent Amendment to the provisions of this Declaration.

31. "Unit" shall mean the home and related improvements constructed upon a Lot within the Property. Upon completion of construction of a Unit on a Lot, such Lot and the improvements thereon shall collectively be considered to be a "Unit" for purposes of this Declaration. As of December 1, 2020, there are 252 Units constructed within the Property.

32. "Water Management System" shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

1. Initial Property. The Property which is initially subject to the covenants, conditions, and restriction imposed by this Declaration is described in Exhibit "A".

2. Other Real Property Interests. Any real property rights and/or interests owned by or benefiting the Association, including but not limited to rights and/or interests created through easement agreements, may be subjected to the covenants, conditions and restrictions contained in this Declaration.

3. Rights Pursuant to Plat Dedication. The Plat for Island Club Riverside, Phase IV provides that "Island Club Manor right-of-way is hereby dedicated for access and egress purposes to the owners of the adjacent property lying northward of this site, their successors and assigns, conditioned on a pro-rata sharing of the maintenance cost and recovery of capital costs based upon the number of trips generated by county approved development projects for the properties of the respective parties: and also conditioned on the Grantor and Grantee entering into an Easement Agreement mutually agreeable to the parties as to reasonable terms, conditions and considerations."

4. Easement Agreement Executed by Developer and by the Owners of the Property Located Adjacent to and North/Northwest of Island Club Manor. The Association acknowledges that Beazer Homes Corp. as the Developer of the Property entered into the easement agreement referenced on The Plat for Island Club Riverside, Phase IV and described in the immediately preceding paragraph 3 by executing a certain instrument entitled "Easement Agreement" dated as of June 12, 2003, with the then owners of a certain tract of land containing approximately 19 acres, legally described therein, and located immediately north of Island Club Manor (the "Adjacent Property"); such Easement Agreement was recorded on August 8, 2003 in the Public Records of Indian River County, Florida as Document Number 1465687 (the "Easement Agreement"). The Easement Agreement describes and sets forth in further detail a number of conditions and restrictions and assumptions to which the grant of access over Island Club Manor created thereby is subject, including without limitation:

- a. the requirement for pro rata sharing and contribution of certain maintenance costs and capital costs, referenced in the preceding paragraph 3;
- b. the restriction of any development on the Adjacent Property solely to "single family residential and appropriate related purposes";
- c. the requirement that any residential units to be constructed on the Adjacent Property shall be of "at least a substantially similar quality of design, construction, landscaping, and maintenance" as the residential units located in the other developed sections of the Island Club Property; and
- d. the assumption that the total number of residential units to be constructed on the Adjacent Property is forty-five (45) units.

ARTICLE III: PROPERTY RIGHTS

1. Use of Common Areas. Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time, and subject to any restrictions or limitations contained in this Declaration or in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board, and in accordance with procedures which it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee. The rights and easements of enjoyment created hereby shall be subject to the following:

- a. The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real and personal property as security for money borrowed or debts incurred.
- b. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure.
- c. The right of the Association to suspend:
 - (i) the right of an Owner to use Recreational Facilities within the Common Areas for any period during which an Assessment or any other charge against such Owner's Unit remains delinquent in excess of ninety (90) days; and
 - (ii) the enjoyment rights and easements of any Owner for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (other than a delinquent Assessment), of the Declaration, any applicable Subsequent Amendment, the Articles, the By-Laws, or the Rules and Regulations of the Association after notice and hearing pursuant to the By-Laws.
- d. The right of the Association to maintain the Common Property.
- e. The right of the Board to adopt rules and regulations affecting the use and enjoyment of the Common Area, including, without limitation, rules restricting use of Recreational Facilities within the Common Area to occupants of Units and their guests and rules limiting the number of guests who may use the Common Area.
- f. The Board shall have the right to post motor vehicle speed limits throughout the Common Areas, and to promulgate traffic regulations for the Roads. The Board may also promulgate procedures for the enforcement of the traffic regulations, including, without limitation, the assessments of fines against Owners who violate the traffic regulations and against Owners, whose family members, guests, invitees, licensees, employees, or agents violate the traffic regulations. The fines will be levied as a Special Assessment upon the Owner who violates the traffic regulations, or upon the Owner whose family members, guests, invitees, licensees, employees, or agents violate the traffic regulations. Before any fine shall be effective, the Owner shall be entitled to notice and an opportunity to be heard before a committee appointed or designated by the Board. Notwithstanding anything contained herein to the contrary, the foregoing shall be subject to the provisions in the By-Laws which provide for the assessment of fines, subject to applicable law, as amended from time to time.

- g. The right of the Association to dedicate or transfer all, or any part, of the Common Property to any governmental or quasi-governmental agency, authority, utility, water management or water control district.
- h. The Restrictions contained on any plat, or filed separately, with respect to all or any portion of the Property.
- i. All of the provisions of this Declaration, the Articles, and By-Laws of the Association and all exhibits thereto, and all Rules and Regulations adopted by the Association, as same may be amended from time to time.
- j. The Owners' easements of enjoyment shall be subject to easements, hereby reserved over, through and underneath the Common Property, and the Units for present and future utility services to the Property, including, but not limited to, easements for water pipes, sanitary sewer pipes, drainage pipes, irrigation pipes, telephone cables, and street lights. Easements for such utility services were reserved by Developer for all buildings and improvements which have been or may be constructed on the Property.
- k. In case of any emergency originating in, or threatening the Property or any Unit, regardless of whether the Owner is present at the time of such emergency, the Board, or any other Person authorized by the Board, or the management agent under a management agreement, shall have the right to enter the Property or such Unit, for the purpose of remedying, or abating, the cause of such emergency, and such right of entry shall be immediate.

2. Title to Common Area. The title to the Common Area is held by the Association. The Association shall be responsible for the management, maintenance, and operation of the Common Areas, and for the payment of all real estate taxes and other charges which are liens against the Common Area, from and after the recording of this Declaration. Certain portions of the Common Areas may be reserved as limited common areas for the exclusive use and benefit of certain Unit Owners.

ARTICLE IV: ASSOCIATION FUNCTION; MEMBERSHIP AND VOTING RIGHTS

1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area within the Property. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable Rules and Regulation as the Board may adopt. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration. The Association

shall perform its functions in accordance with this Declaration, the By-Laws, the Articles, and Florida Law.

2. Membership. The Association shall have one (1) class of membership. A person shall automatically become a Member upon acquisition of fee simple title to any Unit, by filing a deed in the Public Records of the County. Membership shall continue until such time as the Member transfers or conveys his interest of record or the interest is transferred or conveyed by operation of law, at which time Membership, with respect to the Unit conveyed, shall automatically be conferred upon the transferee. Membership shall be appurtenant to, and may not be separated from, ownership of property subject to the Declaration. No person holding an interest of any type or nature whatsoever in a Unit only as security for the performance of an obligation, shall be a member of the Association.

3. Voting. Matters on which Members are entitled to vote shall be determined by a majority of votes cast. Each Member shall be entitled to one (1) equal vote for each Unit owned by such Member, as to matters on which the Members are entitled to vote. When more than one person holds the title to a Unit, such persons shall together constitute one Member and the vote attributable to such Unit shall be exercised as they, among themselves, determine, with notice of such determination in writing to the Association Secretary; provided, however, that in no event shall more than one (1) vote be cast with respect to each Unit. As for any Member that is an entity other than a natural person, the entity shall likewise file with the Secretary a written notice designating the name of an individual who shall be authorized to represent the Member's vote for that Unit.

4. Procedure for Voting. Membership voting shall be in the manner provided for in the By-Laws.

ARTICLE V: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall own, manage, and control the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, consistent with this Declaration and the Community-Wide Standard.

2. Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Such property shall be maintained as Common Area by the Association at

its expense for the benefit of its Members, subject to any restrictions set forth in the conveying deed or instrument.

3. Rules and Regulations. The Association, through its Board, may make and enforce reasonable rules governing the use of the Property, including Lots, Units and the Common Area, in addition to, further defining or limiting, and, where specifically authorized hereunder, creating exceptions to those covenants and restrictions set forth in this Declaration. Such rules shall be binding upon all Owners, occupants, invitees, and licensees.

4. Implied Rights; Board Authority. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the Membership.

5. Indemnification. To the greatest extent allowed by law, the Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligence or other act or failure to act, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall defend, indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment, action or inaction. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6. Dedication of Common Areas. The Association may dedicate portions of the Common Areas to the County, or to any other local, state, or federal governmental entity, subject to such approval as may be required by this Declaration.

7. Security. The Association may, but shall not be obligated to, make improvements to, and/or maintain or support certain activities within the Property designed to make the Property safer than it otherwise may be. The Association shall not in any way be considered an insurer or guarantor of security within the Property, nor shall it be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, alarm system, or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will prevent loss, or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its lessees that the Association, its Board of Directors and committees are not insurers and that each person using the Property assumes all risks for loss or damage to persons, to Units, and to the contents of Units resulting from acts of third parties.

8. Recycling Programs. The Association may establish a recycling program and recycling center within the Property and in such event, all occupants of Units shall support such program by recycling, to the extent reasonably practical, all materials which the Association's recycling program or center is set up to accommodate. The Association may, but shall have no obligation to, purchase recyclable materials in order to encourage participation and any income received by the Association as a result of such recycling efforts shall be used to reduce Common Expenses.

9. Surface Water Rights. The Association may establish programs for reclamation of surface water and storm water runoff for appropriate uses within the Property, and may require Owners and occupants of Units to participate in such programs to the extent reasonably practical. No Owner or occupant of a Unit shall have any right to be compensated for water claimed or reclaimed from Units. The Board shall also have the right to establish restrictions on the use of surface water within the Property. Lakes, canals, and other open surface waters within the Property are designed as water retention and water management areas and are not designed solely as aesthetic features. From time to time, low ground water elevations or drought conditions may cause the Common Area lakes, canals, and other water management areas to be shallow.

10. Water Management System.

a. Maintenance of Water Management System. The Association shall be responsible for the maintenance, operation and repair of the Water Management System. Maintenance of the Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management

capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the Water Management System shall be as permitted or, if modified, as approved by the St. Johns River Water Management District. As further provided in this Declaration, the Association shall be entitled to (i) assess Members for the cost of operation, maintenance and repair of the Water Management System including but not limited to work within retention areas, drainage structures and drainage easements, (ii) establish rules and regulations with respect to the operation and maintenance of the water management system, and, (iii) contract with third parties for the provision of such operation and maintenance. In addition, in the event that a drainage swale is constructed upon any Lot, for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time, the owner of such Lot, including builders, shall be responsible for the maintenance, operation and repair of the drainage swales on the Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow a drainage swale to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in a drainage swale is prohibited. No alteration of a drainage swale shall be authorized and any damage to a drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the damaged drainage swale shall be returned to its former condition as soon as possible by the Owner of the Lot upon which the drainage swale is located.

b. Notices and Disclaimers as to Water Bodies. Neither the Association, nor any of its officers, directors, committee or Board members, employees, management agents, contractors or subcontractors (collectively, the "Listed Parties"), shall be liable or responsible for maintaining or assuring the water quality or level in any lake, pond, canal, creek, stream or other water body within the property, except as such responsibility may be specifically imposed by, or contracted for with, an applicable governmental or quasi-governmental agency or authority. Further, all Owners and users of any portion of the Property located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of the deed to or use of such Property, to have agreed to hold harmless the Listed Parties for any and all changes in the quality and level of the water in such bodies. Contractors, subcontractors, licensees and other designees shall, from time to time, excavate, construct and maintain lakes and water bodies within or in proximity to the Property. Notwithstanding the foregoing, excavation or

construction of water bodies shall be prohibited unless authorized by the applicable St. Johns River Water Management District permit. In the event that the excavation or construction of water bodies is not authorized by said permit, such excavation or construction may only take place if a permit modification is obtained from the St. Johns River Water Management District. By the acceptance of their deed or other conveyance or mortgage, leasehold, license or other interest, and by using any portion of the property, each such Owner, occupant or user automatically acknowledges, stipulates and agrees: (i) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, hereunder or at law generally; (ii) not to enter upon, or allow children, guests or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any lake or water body within the Property, except as specifically permitted by this Declaration; (iii) that the Association and the other Listed Parties shall not be liable but, rather, shall be held harmless, from any and all losses, damages (compensatory, consequential, punitive or otherwise), injuries or deaths arising from or relating to the aforesaid activities ; (iv) any purchase or use of any portion of the Property has been and will be made with full knowledge of the foregoing. All persons are hereby notified that from time to time alligators and other wildlife may inhabit or enter into water bodies within the Property and may pose a threat to persons, pets and property, but that the Listed Parties are under no duty to protect against, and do not in any manner warrant against, any death, injury or damage caused by such wildlife.

c. Assessments for Maintenance of Off-site Water Management Systems. In addition to the Water Management Systems, defined herein, the Association has or may, from time to time, in its sole discretion, enter into agreement(s) or arrangement(s) with third parties for the management and drainage of excess (beyond the capacity of the Water Management System) surface water and stormwater discharge into off-site surface water and stormwater management systems ("Off-site Water Management Systems"). Any costs associated with said agreements or arrangements, including but not limited to a proportionate share of the costs of maintenance of such Off-site Water Management Systems, shall be assessed equally among the Unit Owners, as part of the Common Expenses pursuant to the provisions of this Declaration.

d. Indemnification. Each Owner shall severally indemnify, defend and hold the Association harmless from and against any and all costs, expenses, liabilities, fines, penalties and clean-up costs incurred by the Association, as a result of any damage or alteration to the Water Management System caused

by such Owner, or any unlawful discharge of such Owner into the Water Management System. In the event any damage to the Water Management System by a Owner is not reimbursed by such Owner upon demand, the Association shall levy and assess an individual Assessment against such Owner to cover the cost incurred by the Association in correcting such damage, alteration or unlawful discharge, and shall pay over the amount thereof to the Association.

e. Enforcement by the St. Johns River Water Management District. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Water Management System.

ARTICLE VI: MAINTENANCE

1. Association's Responsibility.

a. The Association shall maintain and keep in good repair the Common Areas. The maintenance of the Common Areas shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all Roads and rights-of-way; all plantings and sodding of such rights-of-way; all perimeter plantings and sod; right-of-way, perimeter, and other Association irrigation facilities and pumps; perimeter walls or fences; bridges; bicycle/pedestrian paths; sidewalks; lakes; water features; Recreational Facilities: office facilities; street lights; road and identification signage, including Water Management System and Environmental Conservation Area signage; security facilities and equipment; drainage facilities and water control structures; water and lake treatment facilities; Association parking facilities; sod, landscaping and other flora located on the Common Areas; the Water Management System; any Environmental Conservation Area; and other structures and improvements situated upon the Common Area.

b. The cost to the Association of maintaining the Common Areas shall be assessed equally among the Unit Owners, as part of the Common Expenses pursuant to the provisions of this Declaration.

c. The Association may maintain property which it does not own, including, without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

d. The Association, through a Landscape Management Committee (the "LMC") established by the Board and operating pursuant to its direction and oversight, shall be responsible for overseeing the maintenance of the lawn and landscaping on each Unit. Such maintenance shall include, but shall not be limited to mowing the lawn and operating and maintaining an irrigation system, which serves the entire Property, including all individually owned Units. The cost to the Association of maintaining the lawn and landscaping on each Unit shall be assessed equally among the Unit Owners, as part of the Common Expenses pursuant to the provisions of this Declaration. The Association shall have the right to enter upon all Lots to perform such lawn and landscaping maintenance. Notwithstanding the foregoing, in the event that any portion of a Unit is enclosed by a fence, screened enclosure or any other enclosure, of any kind, pursuant to the terms and conditions of this Declaration: (i) the Owner of said Unit shall be required to maintain the lawn and landscaping within the enclosed portion of the Unit, such maintenance to be consistent with maintenance performed by the Association throughout the Island Club and the Community-Wide Standard, (ii) the Owner shall continue to pay any and all assessments associated with the Unit, without any reduction, whatsoever, in connection with the Owner's maintenance responsibilities, and (iii) the Association shall continue to have the right to enter upon the enclosed portion of the Unit for the operation and maintenance of any portion of the irrigation system installed on the Unit.

e. The Association shall be responsible for garbage pickup and removal. The procedure for such pickup and removal shall be established by the Association, in its sole discretion.

ARTICLE VII: EASEMENTS

1. Access Easements. A perpetual non-exclusive easement is held by the Association and the Unit Owners, their families, guests, invitees, licensees and lessees upon, over, and across the bicycle/pedestrian paths, sidewalks, walkways, rights-of-way and other Common Areas. An additional perpetual non-exclusive easement is held by the Association over, across, through, and under all portions of the Property for the purpose of performing the maintenance and repair requirements of the Association as described in this Declaration. Except in the event of an emergency or as otherwise provided in this Declaration, the Association, its assigns or representatives may enter upon a Unit Owner's property only after

reasonable notice has been given to the Owner (except that no notice shall be required in order for members of the LMC to enter upon any portions of the Property in order to supervise the maintenance of the landscaping of the Property, and only a general notice to all Owners shall be required in the case of any periodic general inspection of the Property, including without limitation the lakes that may be adjacent to an individual Unit Owner's property).

2. Easements for Utilities.

a. There are hereby reserved to the Association, and its assignees and designees, access and maintenance easements upon, over, across, and under all of the Property to the extent reasonably necessary for the purpose of constructing/installing, replacing, repairing, maintaining Roads, bicycle/pedestrian paths, walkways, sidewalks, lakes, wetlands, drainage systems, street lights, identification signage, and all utilities, including, without limitation, water, irrigation, sewer, electricity, telephone, cable tv, or communication lines and systems, and for the purpose of installing any of the foregoing on property which the Association owns or within easements designated for such purposes on recorded plats of the Property.

Except as otherwise provided herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under, or through any existing Unit, and any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Unit, and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

b. The Association hereby also reserves the right to grant a perpetual non-exclusive easement to all utility or service companies servicing The Island Club upon, over, across, through, and under the Common Areas and such other portions of the Property on which utility facilities may be located or relocated for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to water, irrigation, sewer, telephone, electricity, cable tv, or communication lines and systems. It shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on said Property, to excavate for such purposes and to affix and maintain wires, facilities, circuits, and conduits on, in, and under the Common Areas, providing such company restores any disturbed area substantially to the condition existing prior to their activity. No utility service line or system

may be installed or relocated within the Common Areas without the consent of the Association.

3. Easements for Encroachments. The Association hereby reserves the right to grant easements for encroachment in the event any improvements upon the Common Areas now or hereafter encroaches upon a Unit, or in the event that any Unit now or hereafter encroaches upon any other Unit, as a result of minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement or otherwise to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. The encroaching improvements shall remain undisturbed as long as the encroachment exists. This easement for encroachment shall also include an easement for the maintenance and use of the encroaching improvements, provided, however, that at no time shall there be any encroachment onto the Water Management System or any Environmental Conservation Area, without the written consent of the St. Johns River Water Management District. In no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant or the Association.

4. Easements for Drainage. Every Unit and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Property, provided, however, no Person may alter the natural drainage on any Unit so as to materially increase the drainage of storm water onto adjacent portions of the Property without the consent of the Owner of the affected property.

5. Right of Entry. The Association shall have the right, but not the obligation to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to this Declaration, and to inspect for the purpose of ensuring compliance with this Declaration, any Subsequent Amendment, By-Laws, and the Rules and Regulations, which right may be exercised by any member of the Board its officers, agents, employees, and managers, and by any members of a committee established by the Board, and by all policemen, firemen, emergency medical personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation or as otherwise provided in this Declaration, entry shall only be during reasonable hours and after notice to the Owner as provided in Section 1 above of this Article VII. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after a written request of the Board, but shall not

authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

6. Water Management System Easement. The Association shall have a perpetual non-exclusive easement over all areas of the Water Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter any portion of any Unit which is part of the Water Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Water Management System as required by the St. Johns River Water Management District permit. Additionally, the Association shall have the perpetual non-exclusive easement for drainage over the entire Water Management System. No person shall alter the drainage flow of the Water Management System, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District. The foregoing easements shall cover all lakes and drainage easements located anywhere within the Property. The Association shall have the right to contract for maintenance of any portion of the Water Management System with an established water management or water control district or with any other party.

7. Easement for Recreational Facilities. Subject to the terms and provisions of this Declaration and the rules, regulations, fees and charges from time to time established by the Board of Directors, every Owner and his or her family, tenants and guests shall have the non-exclusive right, privilege and easement of access to and the use and enjoyment of any Recreational Facilities and amenities as may be located in the Common Areas. An Owner may assign to the tenant of his or her Unit such Owner's rights of access to and use of said Recreational Facilities so that such tenant, his or her family and guests shall be entitled to the access to and use and enjoyment of the Recreational Facilities on the same basis as an Owner and his or her family and guests.

8. Ocean and Intracoastal Access Easements. There is an ocean access easement and an intracoastal access easement, which easements are recorded in the public records of the County and benefit the Property. Said easements shall provide Owners, their guests, families and invitees with access from the Property to the ocean and the intracoastal waterway. These easements shall be used (i) exclusively for pedestrian ingress and egress, and no vehicular traffic shall be permitted thereon, and (ii) in accordance with any terms and conditions contained therein.

ARTICLE VIII: ASSESSMENTS

1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may from time to time specifically be authorized by the Board to be commenced at the time and in the manner set forth in this Article. There shall be two (2) types of Assessments: (a) Base Assessments to fund expenses for the benefit of all Members of the Association; and (b) Special Assessments as described herein.

- a. Base Assessments shall be levied equally on all Units, except as otherwise provided herein. Special Assessments shall be levied as provided herein. Each Owner, by acceptance of his or her deed is deemed to covenant and agree to pay these Assessments.
- b. The Association shall, upon demand at any time, furnish to any Owner liable for any type of Assessment, a certificate in writing signed by an officer of the Association setting forth whether such Assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such Assessment therein stated to have been paid.
- c. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of any Assessment for delinquent Members. Unless the Board otherwise provides, the Base Assessments shall be payable not less frequently than quarter-annually in advance, and shall be due and payable on the first day of January, April, July, and October, respectively of each year. In the event that any Owner fails to pay said Assessments in a timely manner, the Association shall be entitled to assess such Owner with interest and/or a late fee in an amount established by the Board of Directors, in accordance with applicable law.
- d. No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any

action taken to comply with any law, ordinance, or with any order or directive of the County or other governmental authority.

2. Computation of Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include and shall separately list all revenues and Common Expenses, and an estimate of the previous year's surplus or deficit. All fees (if any) for Recreational Facilities must be set out separately. Except as otherwise provided by law, the Board shall cause a copy of the budget and the amount of assessments to be levied against each Unit for the following year to be delivered to each Owner, or to be made available to each Owner, within the time limits established in the By-Laws for inspection of Association Records and Books.

Notwithstanding the foregoing, however, in the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

The budget may include, without limitation, the following listed line items:

- a. All expenses necessary to meet the Association's responsibility to maintain the Common Areas and Units in accordance with the requirements of this Declaration. Including, by way of illustration and not as limitation, such Common Area expenses as: maintenance of the Water Management System (including any maintenance charges for the Off-site Water Management System defined herein), irrigating, grass cutting, trimming, fertilizing, pest control, and the like, in a manner consistent with the Community-Wide Standard.
- b. All charges levied for utility services to the Common Areas, whether supplied by a private or public firm including, without limitation, all charges for water, electricity, telephone, sewer, cable tv, and any other type of utility or service charge.
- c. The premiums on any policy or policies of insurance required under this Declaration, together with the costs of such other policies of insurance as the Board shall determine to be in the best interest of the Association, as well as all expenses associated with the retention of any "Insurance Trustee".
- d. The costs of administration for the Association, including any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association under the Declaration, including the collection of sums owed by a particular Unit. In addition, the Association may retain a managing company or contractors or property manager to assist

in the operation of the Association and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs or expense of any management company or contractor or property manager so retained shall be deemed to be part of the Association's expense.

e. All taxes levied or assessed upon the Common Areas, by any and all taxing authorities, including all taxes, charges and assessments, imposition and liens for public improvements, special charges and assessments; and, in general, all taxes on personal property and improvements which are now and which hereinafter may be placed in the Common Area, including any interest penalties and other charges which may accrue on such taxes.

f. The cost to the Association to indemnify its officers and members of the Board and its committees for all costs and expenses whatsoever incurred in pursuance of their duties, obligations and functions hereunder as set forth in the Articles of Incorporation.

g. The costs to establish an adequate reserve fund for replacement and/or capital refurbishment of the Common Areas and the payments of other common expenses (the "reserves") in the amounts determined proper and sufficient by the Board, if any. Each Owner acknowledges, understands and consents that reserves are the exclusive property of the Association as a whole, and that no Owner shall have any interest, claim or right to any such reserves or funds composed of the same. The Association shall be responsible for maintaining any reserves in a separate reserve account and to use such funds only for capital costs and expenses as aforesaid, in accordance with Chapter 720 Florida Statutes, as may be amended from time to time.

3. Special Assessments.

a. The Association may levy a Special Assessment or Special Assessments against all Owners. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

b. The Association may levy a Special Assessment to obtain all sums necessary to repair, replace, construct or reconstruct (collectively referred to as "repair") any buildings or improvements located in the Common Areas damaged by any casualty to the extent insurance proceeds are insufficient for repair. Any difference between the amount of insurance proceeds received on behalf of the Association with respect to repair and the actual cost of the repair ("repair sums") shall be a Common Expense for which the Association may levy a Special Assessment against all Units and Owners thereof to obtain the

funds necessary to pay for such repair. The Association shall proceed so that repairs shall be completed within one (1) year from the date of damage, if possible.

c. The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, By-Laws, and the Rules and Regulations.

d. The Association may also levy a Special Assessment or Special Assessments against all Owners and Units for any Common Expenses for which the budget or Base Assessments is/are insufficient. Such Special Assessment or Special Assessments may be determined by the Board of Directors, from time to time, and shall be payable in such manner and in such installments as determined by the Board, and if so determined by the Board, the installments may extend beyond the fiscal year in which the Special Assessment is levied or adopted.

4. Date of Commencement of Base Assessments. The Base Assessments provided for herein shall commence as to each Unit at the time that a certificate of occupancy is issued for the Unit by the appropriate governmental authority. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first Base Assessment shall be adjusted according to the number of days remaining in the fiscal year at the time Assessments commence on a Unit.

5. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from the payment of Base Assessments and Special Assessments: all Common Areas; and all property dedicated to and accepted by any governmental authority or public utility.

6. Capital Contribution. Each initial and subsequent purchaser of a Unit shall pay to the Association, upon the closing of the purchase of such Unit, an amount equal to one-quarter (1/4) of the then current annual assessment applicable to such Unit, as a contribution for capital expenditures of the Association ("Capital Contribution"). The Capital Contributions shall be held in a segregated account and may be used only for the purpose of defraying, in whole or in part, the cost of any (i) unforeseen expenditures, (ii) capital construction, (iii) reconstruction, repair or replacement of a capital improvement or (iv) capital equipment, fixtures or personal property used in conjunction with the Common Area or other properties maintained by the Association pursuant to this Declaration. The Capital Contributions may only be used as provided for herein. The Capital Contribution shall be in addition to, and not in substitution or satisfaction of, all other assessments due with respect to such

Unit. The Association shall have a lien against each Unit for the Capital Contribution in the same manner and to the same extent as the Association's lien for other assessments as set forth in this Article VIII.

ARTICLE IX: COLLECTION OF ASSESSMENTS.

1. Liability for Assessments. A Unit Owner, regardless of how title is acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, shall be liable for all Assessments and other charges coming due while that person is the Unit Owner. Except as provided in Section 4 of this Article IX, the Unit Owner shall also be jointly and severally liable with the previous Owner for all unpaid Assessments and other charges that came due up to the time of the transfer of title. This liability is without prejudice to any right the Owner may have to recover from the previous Owner the amounts paid by the Owner. The person acquiring title shall pay the amount owed to the Association within thirty (30) days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Lot and proceed in the same manner as provided herein and in Chapter 720 Florida Statutes, as same may be amended from time to time, for the collection of unpaid Assessments. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Areas or Association Property or by the abandonment of the Unit for which the Assessments are made or otherwise.

2. Default in Payment of Assessments for Common Expenses. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the highest lawful rate from the date due until paid. In addition to the above stated interest, the Association shall charge an administrative late fee in an amount not to exceed the highest amount provided for in Chapter 720 Florida Statutes, as same may be amended from time to time, on Assessments and installments thereof not paid when due. All partial payments upon account shall be applied in the manner prescribed in Chapter 720 Florida Statutes, as same may be amended from time to time. The Association has a lien on each Lot to secure the payment of Assessments. The lien is effective from and shall relate back to the earliest date permitted by law, but in no event later than the date of recording of the original Declaration. However, as to a First Mortgagee of record, the lien is effective as of the date of the recording of a claim of lien in the Public Records of Indian River County. All claims of lien must state the description of the Lot, the name of the record Owner, the name and address of the Association, the amount due and the due dates and must be executed and acknowledged by an officer or authorized agent of

the Association. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, which are due at the time a claim of lien is recorded, as well as all regular and special Assessments which may be levied or which may accrue subsequent to the recording of the claim of lien and prior to satisfaction of the lien or the issuance of a certificate of title, together with interest, late charges and all reasonable costs and attorney's fees incurred by the Association incident to the collection and foreclosure process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose its lien in the same manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments. As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid, the Association may declare the Assessment installments for the remainder of the fiscal year in which a claim of lien has been filed to be accelerated, as provided in Section 7 of this Article IX.

3. Appointment of Receiver to Collect Rental. If the Unit Owner remains in possession of the Unit or rents the Unit, the rents are hereby deemed assigned to the Association upon default by the Unit Owner in the timely payment of assessments and the Association may collect rental from the Unit Owner if the Unit Owner remains in possession after an action for foreclosure is filed, and may request the Court in its discretion to require the Unit Owner to pay such rental for the Unit into the Court Registry or the Association is entitled to the appointment of a receiver to collect such rental.

4. First Mortgagee. A First Mortgagee acquiring title to a Lot as a result of foreclosure of its first mortgage, or by deed in lieu of foreclosure, may not, during the period of its ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership. In addition, the First Mortgagee is liable for the share of Common Expenses or Assessments or other charges imposed by the Association pertaining to such Lot which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such deed; provided, however, the First Mortgagee's liability may be limited to the maximum amount set forth in Chapter 720 Florida Statutes, as the same may be amended from time to time. If any unpaid share of Common Expenses or Assessments or other charges is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of Common Expenses or Assessments are Common Expenses collectible from

all of the Unit Owners, including such acquirer, and such acquirer's successors and assigns.

5. Certificate of Unpaid Assessments. Within fifteen (15) days after request by a Unit Owner or mortgagee of a Unit, the Association shall provide a certificate stating whether all Assessments and other moneys owed to the Association by the Unit Owner with respect to his Unit have been paid. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby. The Association or its authorized agent may charge a reasonable fee for the preparation of the Certificate.

6. Installments. Regular Assessments may be collected no more frequently than monthly nor less frequently than quarterly, in advance, at the option of the Board of Directors. Special assessments shall be payable on such terms as may be established by the Board.

7. Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an Assessment, the Board may accelerate the remaining installments of the Assessment upon notice to the Unit Owner, and the then unpaid balance of the Assessment shall be due upon the date stated in the notice.

8. Set Off. Any funds due and payable by the Association to a Unit Owner under this Declaration, the Articles of Incorporation or the By-Laws, or under Chapter 720 Florida Statutes, shall be subject to a right of set-off for any amounts due and owing to the Association by the Unit Owner under this Declaration, the Articles of Incorporation, the By- Laws, or Chapter 720 Florida Statutes, as the same may be amended from time to time.

ARTICLE X: INSURANCE

1. Common Area Insurance. The Association shall maintain a policy or policies to insure the Common Area Improvements and personal property from casualty losses, and said policies shall be in such amounts so that the insured will not be a co-insurer except under deductible clauses required to obtain coverages at a reasonable cost.
 - a. The coverages for casualty losses will EXCLUDE the following:
 - (i) Land, foundations, excavations or other items that are usually excluded from insurance coverage.

b. The coverage for casualty losses will INCLUDE, where applicable, the following:

(i) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement;

(ii) All other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement;

(iii) Agreed Amount and Inflation Guard Endorsement, when it can be obtained;

(iv) Demolition Cost Endorsements, Contingent Liability from Operation of Building Laws Endorsement, and Increased Cost of Construction Endorsement (if available);

(v) Steam Boiler Endorsement, if applicable, providing at least \$50,000.00 coverage for each accident at each location; and

(vi) A standard mortgagee clause naming, when appropriate, the Federal National Mortgage Association (FNMA) or the servicers for mortgages held by FNMA, their successors and assigns.

c. When appropriate and possible, the policies shall waive the insurer's right to:

(i) Subrogation against the Association and against the Owners, individually and as a group;

(ii) The prorate clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and

(iii) Avoid liability for a loss that is caused by an act of the Board, or by a member of the Board or by one or more Owners.

d. In addition, the policy shall provide that:

(i) Any Insurance Trust Agreement will be recognized;

(ii) The policy shall be primary, even if an Owner has other insurance that covers the same loss; and

(iii) The named insured shall be the Association for the use and benefit of the Unit Owners. The "loss payable" clause should show said Association or the designated insurance trustee as the agent for each Owner and each Owner's mortgagee.

2. Unit Insurance. Each Unit Owner shall maintain a policy or policies to insure his or her Unit from all casualty losses for the full replacement cost

thereof (less any applicable reasonable deductible). If a Unit is damaged by a casualty, the affected Unit Owner shall promptly have his Unit repaired and rebuilt substantially in accordance with the architectural plans and specifications of the Unit.

3. Reconstruction and Repair after Casualty.

a. Under ordinary circumstances, Common Area improvements which are damaged by casualty shall be reconstructed and repaired. If a dispute arises as to whether a Common Area improvement should be repaired or reconstructed, the Board shall make the determination to repair or reconstruct. The Owners shall be bound by this determination. The Association shall have the right to specially assess all members of the Association if insurance proceeds are insufficient, for any reason, to repair or rebuild the affected Common Areas in accordance with this paragraph. The levy of any Special Assessment authorized pursuant to this paragraph shall be made in accordance with the Assessment powers and lien rights of the Association for Common Expenses.

b. Although it is impossible to anticipate all problems which may arise from a casualty, the intent is to try to assure that the Community-Wide Standard is maintained by requiring damaged Association property to be rebuilt or repaired and that unsightly and dangerous conditions are remedied as soon as possible. Any reconstruction and repair must be substantially in accordance with the plans and specifications for such property as originally constructed, or as existing at the time of the casualty, and in any event, according to plans and specifications approved by the Board.

4. Public Liability Coverage. The Association shall obtain comprehensive general liability coverage insuring the Association against any and all claims and demands made by any Person for injuries received in connection with the operation and maintenance of the Common Areas and improvements located thereon and the portions of the Unit maintained by the Association as provided herein, or for any other risk insured against by such policies which the Association, in its sole discretion, determines to insure against. Each policy purchased by the Association shall have limits of not less than \$1,000,000.00 covering all claims for personal injury and property damage arising out of a single occurrence. The liability coverage shall include protection against liability for non-owned and hired automobiles, and liability of hazards related to usage. In addition, if available, the coverage shall include protection against liability that results from actions related to employment contracts in which the Association is a party. All such policies will name the Association as an insured party under such policy or policies. The original of each policy shall be held by the Board or in the office of the Insurance Trustee (if any).

5. Fidelity Bond Coverage. The Association shall obtain Fidelity Bonds (or insurance) covering officers, directors, employees and other persons who handle or are responsible for handling or disbursing Association funds. The Fidelity Bonds (or insurance) shall meet the following requirements.

- a. All such fidelity insurance or bonds shall name the Association as an obligee; and
- b. Such fidelity insurance or bonds shall be written in the amount equal to the maximum funds in the custody of the Association or its managing agent at any time or such amount as may be required by Chapter 720 Florida Statutes, as the same may be amended from time to time; and
- c. Such fidelity insurance or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or a similar expression; and
- d. Such insurance or bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days prior written notice of the servicer or the insured.

6. Flood Insurance. If any part of the Common Areas are in a special flood hazard area, and are insurable as defined by the Federal Emergency Management Agency, the Association shall insure same. The coverage shall be 100% of the current replacement cost of any Common Area improvements or structures and other insurable common property, or the maximum coverage available for such improvements, structures, or property under the National Flood Insurance Program.

7. Workers Compensation. The Association shall obtain and maintain workers compensation insurance if required by law.

8. Directors and Officers. The Association shall obtain and maintain Directors and Officers liability coverage as deemed appropriate by the Board.

9. Other. The Association may obtain and maintain such other insurance as the Board may determine from time to time to be desirable.

10. Insurer. All insurance shall be issued by a company authorized to do business in the State of Florida.

11. Named Insured. For all policies obtained by the Association, the named insured shall be the Association individually and as trustee or agent for the Owners without naming them, and as agent for Institutional Mortgagees who hold Mortgages upon Units covered by the policy whether or not the Institutional Mortgagees are named. The Board may authorize the Insurance Trustee, if any, to maintain the policies and receive any proceeds of such policies.

12. Premiums. Premiums on policies purchased by the Association shall be paid as a Common Expense. However, if the amount of a premium is increased because a Unit or its appurtenances is misused or abandoned, then the Owner of such Unit is liable for the amount of such increase. The Association will furnish evidence of premium payment to each Institutional Mortgagee upon request.

13. Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their Mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as agent, or to a Certified Public Accountant, Licensed Community Association Manager, or such institution in Florida with trust powers as may be designated as Insurance Trustee by the Board. The Board is not obligated or required to designate an Insurance Trustee. The Association or the Trustee shall hold the proceeds for the benefit of the Unit Owners and their mortgages in the following shares:

a. An undivided share for each Unit Owner, that share being the same as such Owners undivided share in the Common Expenses.

b. If a mortgagee endorsement of an insurance policy has been issued as to a Unit, the share of the Owner shall be held in trust for the Mortgagee and such Owner, as their interests may appear; however, no Unit Owner or Mortgagee shall have any right to determine or participate in the determination as to whether or not the Common Area shall be reconstructed or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution of proceeds made to the Owner and the Mortgagee, as may be determined by the Board.

14. First Mortgagees. This Article is additionally for the benefit of first Mortgagees of Units and may not be amended without the consent of all such Mortgagees.

15. Policy Cancellation. All insurance policies purchased by the Association shall require the insurer to notify in writing the Association or the designated Insurance Trustee, if any, and each first Mortgagee named in any Mortgage clause at least 10 days before it cancels or substantially changes the coverage.

16. Association as Agent. The Association is irrevocably appointed agent for each Unit owner and for each Mortgagee or other lien holder of a Unit, and for each owner of any other interest in the property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

ARTICLE XI: ARCHITECTURAL CONTROL

1. Architectural Control Committee. The Architectural Control Committee (“ACC”) shall consist of an odd number of five (5) or more persons appointed by the Board. In the absence of such appointment, the Board shall act and function as the ACC. The function of the ACC is to ensure that all architectural changes are in compliance with the requirements set forth below. The Board shall have the authority and standing, on behalf of the Association, to create reasonable architectural standards and amend such standards from time to time, and to enforce in courts of competent jurisdiction the decisions of the ACC and all other architectural matters pertaining to the Association.

2. Community-Wide Standard. The ACC shall regulate, subject to the direction and oversight of the Board, any construction, the external appearance and property improvements in such a manner as to comply with and meet the Community- Wide Standard, to best preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. The Community-Wide Standard shall be more fully set forth and described in a written “Community-Wide Architectural Standards, Rules and Regulations” document created by the ACC and approved by the Board, as amended from time to time (“the Architectural Standards”), and shall be published and made available to all Members of the Association. It shall be the responsibility of all Members to obtain a copy of the then-applicable Architectural Standards, and to familiarize themselves with the provisions and requirements set forth in such document. Such Architectural Standards shall provide specific guidelines for, among other things, and without limitation:

- a. any changes, alterations, or additions to the exterior of a Unit visible in any manner outside of the Unit;
- b. paint colors of the exterior walls of a Unit;
- c. the color and design of the roof of a Unit, including the roof tiles and other roof materials and finishes, roof valleys and gutters and downspouts;
- d. the color and style of the exterior doors and windows of a Unit;
- e. the construction, extension, modification and additions to any driveways of a Unit;
- f. the style and color of all exterior lighting fixtures, and any desired additional lighting for a Unit; and
- g. the installation and use of Unit hurricane shutters, external antennas, solar panels, etc.

3. General Provisions.

- a. The address of the ACC shall be the principal office of the Association as designated by the Board. Such address shall be the place for the submittal of plans and specifications and the place where the current architectural standards, if any, shall be kept.
- b. The ACC may establish time limitations for the completion of any architectural improvements for which approval is required. The Association may establish, from time to time, the requirements for submitted plans and specifications.
- c. Plans and specifications are not approved or reviewed by the ACC for (i) engineering design, and by approving such plans and specifications, neither the ACC, the members thereof, the Association, the Members, nor the Board assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications, or (ii) compliance with any applicable governmental rules and regulations.
- d. An application for architectural change shall be made by the applying Owner on forms prepared by the ACC. The completed application together with all plans and specifications as well as the damage and debris deposit fee required by the Association will be submitted to the ACC. The decision of the ACC will be returned to the applying Owner.

4. Failure to Approve. In the event the ACC fails to approve, modify, or disapprove in writing an application within thirty (30) days after complete plans and specifications (including any required damage and debris deposit fee) in writing have been submitted to it, in accordance with its adopted procedures, if any, approval will be deemed granted.

5. Disapproval. In the event plans and specifications submitted to the ACC are disapproved, the party or parties making such submission may appeal in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the ACC. The Board shall have forty-five (45) days following receipt of the request for appeal to render its written decision. The Board may reverse or modify the ACC decision by a majority vote of the Board. The failure of the Board to render a decision within the forty-five (45) day period shall be deemed decision in favor of the appellant.

6. Conditions.

- a. No construction, which term shall include, without limitation, within its definition, staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs shall take place except in

strict compliance with this Article, until the requirements of this Article have been fully met, and until the approval of the ACC has been obtained.

b. No construction of improvements (including without limitation, pools, saunas, spas, Jacuzzis, screened enclosures, buildings, mailboxes, dog runs, animal pens, fences, basketball poles and nets, and playground equipment of any kind whatsoever), decorations, attachments, fixtures, alterations, repairs, change of paint or stain color, or other work shall be erected, constructed, affixed, placed, or altered on any Unit until the proposed plans, specifications, exterior colors and/or finishes, landscaping plan, and plot plan showing the proposed location of such improvements shall have been approved by the ACC, its successors or assigns. Refusal of approval plans, locations, or specifications may be based by the ACC upon any reason, including purely aesthetic conditions, which in the sole discretion of the ACC shall be deemed sufficient. Unless furnished to the ACC in an electronic format, two (2) copies of all plans and specifications shall be furnished to the ACC for its records. No permission or approval shall be required to repaint in accordance with the originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired.

c. No additional plantings shall be permitted on that portion of any Unit, which may be maintained by the Association except as may be approved by the Association.

d. Subject to applicable law, no clothing, laundry, or wash shall be aired or dried on any portion of the Units in an area exposed to view from any other Unit. Drying areas will be permitted only in locations approved by the ACC, and only when protected from view by approved screening or fencing.

e. Unless specifically excepted by the ACC, all improvements, for which an approval of the ACC is required under this Declaration, shall be completed within twelve (12) months from the date of approval of said improvements by the ACC.

f. No construction shall be commenced unless and until a returnable damage and debris deposit of \$500.00 has been posted by the Unit Owner with the Association. The damage and debris deposit shall be used to correct any damage to the Common Areas resulting from the construction activity. If no damage is done to the Common Areas resulting from the construction activity, the damage and debris deposit will be returned to the Unit Owner. The damage and debris deposit may be kept in a non-interest bearing account. Unless

otherwise provided by law, any portion of the damage and debris deposit returned to the Owner shall be without interest. The ACC is hereby authorized to require a greater damage and debris deposit where, in the judgment of the ACC, a greater deposit is warranted.

g. No landscaping improvements shall be installed on any Unit without the prior approval of the ACC.

h. No playground equipment including without limitation jungle gyms, swing sets or slides shall be installed on any Unit without the prior approval by the ACC.

7. Variances. The ACC may authorize variances from compliance with any of the provisions of the current architectural standards, if any, when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted Rules and Regulations. Such variances may only be granted, however, when unique circumstances dictate, and no variance shall be effective unless in writing, unless in compliance with the restrictions set forth in this Declaration, and unless such variance will not estop the Association from denying a variance in other circumstances. For the purposes of this paragraph, the inability to obtain approval of any governmental agency; the issuance of any permit; or the terms of any financing shall not be considered a hardship warranting a variance. Approval of any variance shall not be regarded as approval of any subsequent similar request for a variance, which the ACC may disapprove. The approval of the ACC of any plans or specifications shall not be deemed to be a waiver by the ACC of the right to object to any of the features or elements embodied in such plans or specifications if the same features or elements are embodied in any subsequent plans and specifications submitted for approval.

8. Construction to be in Conformance with Plans. After such plans and specifications and other data submitted have been approved by the ACC, no building, outbuilding, garage, fence, wall, retaining wall, or other improvement or structure of any kind shall be erected, constructed, placed, altered or maintained upon any Unit unless the same shall be erected, constructed or altered in conformity with the plans and specification plans approved by the ACC.

9. Local Building Code. This Article shall not be deemed to excuse any Owner from compliance with local building and construction codes, ordinances and/or regulations, and improvements constructed shall conform to the requirements of such laws, codes, ordinances and regulations, nor shall the ACC's approval create any presumption that Owner's plans comply with the applicable laws, codes,

ordinances and regulations, nor that the work will serve its purpose as intended by Owner.

10. Restoration in Event of Damage or Destruction. In the event any improvement on a Lot or Unit is damaged or destroyed, in whole or in part, the Owner shall take action deemed necessary by the ACC to correct any unsightly or dangerous condition resulting from such damage or destruction. The Owner shall take corrective action to either restore or remove the condition. The work shall be completed within six- months after the date of the damage or destruction, which may be extended by the ACC for good cause shown. The Owner shall undertake such corrective action as soon as practicable in order to avoid unsightly or dangerous condition(s). In the event the Owner fails or refuses to take the required corrective action, as deemed appropriate by the ACC, or in the aftermath of a catastrophic event, such as hurricane, the Association shall have the right, but not the obligation, to go upon the Lot and Unit and remove or correct the damaged or destroyed property, which shall be accomplished at the sole cost and expense of the Owner of the property, in which event, the Association shall have the right to place a lien on the Lot and Unit for the full amount of the corrective work, together with attorneys' fees and costs, if any, which lien shall be enforceable in the same manner as other liens created by or under this Declaration.

11. Non-Waiver of Future Approvals. The approval of the ACC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ACC, shall not be deemed to be or constitute approval or waiver of any right to withhold approval as to any similar proposals, plans and specifications or matter subsequently or additionally submitted for approval.

12. Fill and Grade By Owner. No fill shall be added to or removed from any Lot or Unit nor shall the Owner of any Lot or Unit do anything to change or interfere with the drainage of storm water; and no change shall be made with respect to the original grade and contour of swales unless first approved in writing by the Board. The approval of the applicable Water Management District may also be required.

ARTICLE XII: USE RESTRICTIONS

1. Residential Uses. The Property shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Association).

2. Use Restrictions. The Board shall have the authority to make and enforce standards and restrictions governing the use of the Property (“Rules and Regulations”), in addition to those contained herein, and to impose reasonable user fees for use of the Recreational Facilities. Such regulations and use restrictions shall be binding upon all Owners and occupants and their guests and invitees.

a. Signs. No sign, symbol, name notice, or advertisement of any kind, including but not limited to signs which advertise the sale of a Lot or Unit, shall be posted on any Lot or inscribed or exposed on any window or other part of a Unit or the Common Areas without the prior written approval of the Board. The Board shall have the right to erect any sign as it, in its sole discretion, deems appropriate. Notwithstanding the foregoing, the restrictions of this paragraph shall not apply to any signs displayed for security purposes, provided that such signs are approved as to size, color and location by the Board, at their sole discretion, or are authorized by Chapter 720 Florida Statutes, as may be amended from time to time.

b. Parking and Garages. Vehicles shall be parked only in the garages or in the driveways serving the Units or in the appropriate spaces or designated areas in which parking may be assigned, and then subject to the reasonable rules and regulations adopted by the Board. Vehicles shall not be parked overnight on Roads or swales. A maximum of two (2) vehicles may be parked overnight in a driveway. All commercial vehicles, recreational vehicles, trailers, campers, camper trailers, boats, watercraft, motorcycles, atvs, and boat trailers must be parked entirely within a garage unless otherwise approved by the Board. No garage shall be used as a living area. No garage shall be altered in such a manner that the number of automobiles which may be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed. For purposes of this provision, “overnight” shall be defined as from midnight to six o’clock a.m.

c. Occupants Bound. All provisions of the Homeowners Documents and of any Rules and Regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners, and which provide for sanctions against Owners, shall also apply to all occupants, guests or invitees of any Unit.

d. Animals and Pets. No animals shall be raised, bred, or kept in any Unit, except that dogs, cats, or other household pets may be kept on the Unit, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animal may be kept in the Unit, which in the judgment of the Board results in a nuisance or is obnoxious to the residents in the vicinity. No

Owner shall be permitted to maintain in his or her Unit a bull terrier (pit bull) or any pets or animals of mean or of violent temperament or otherwise evidencing such temperament. Pets shall not be permitted in any of the Common Areas unless under leash. Each pet owner shall be required to clean up after his or her pet. Each Owner by acquiring a Unit agrees to indemnify the Association, and hold it harmless against any loss or liability resulting from his or her, his or her family member's or guests, or his or her lessee's ownership of a pet. If a dog or any other animal becomes obnoxious to other Unit Owners by barking or otherwise, the Owner shall remedy the problem, or upon written notice from the Association, he or she will be required to permanently remove the pet from the Property.

e. Nuisance. No Unit Owner shall store or maintain any plant, animal, device, substance, material, property or thing within a Unit, or do any activity or thing, or make any noise or disturbance which (i) causes the Unit to be or appear to be in an unreasonably dirty, untidy or unsanitary condition, (ii) emits an unreasonably foul or obnoxious odor; (iii) is unreasonably obnoxious or offensive to the eye; (iv) creates an unreasonably dangerous condition; or (v) causes an unreasonable interference with any other Owner's or said Owner's invitees', guests' or families' peaceful, quiet and safe use and enjoyment of said Owner's Unit, the Common Areas or any other part of the Property. No illegal activity shall be carried on in any Unit or any other part of Property. Unit Owners and all residents, and their guests and family members, shall not engage in any abusive or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at other members, residents, guests, occupants, invitees, directors, officers or Association employees, agents, contractors or vendors.

f. Unsightly Conditions. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the Units, and shall not be allowed to accumulate thereon. All refuse containers (except on scheduled trash pick-up days), all machinery and equipment, and other similar items of personal property shall be obscured from view of adjoining streets, Units or Common Areas. All Units shall be kept in a clean and sanitary condition and no rubbish, refuse, or garbage shall be allowed to accumulate, or any fire hazard allowed to exist. In the event an Owner fails to maintain his Unit as required, for a period of at least thirty (30) days, the Association shall have the right, exercisable in its discretion, to clear any rubbish, refuse, or unsightly debris and/or growths from any Unit deemed by the Association to be a health menace, fire hazard or a detraction from the aesthetic appearance of The Island Club; provided, however, that at least fifteen (15) days prior notice shall

be given by the Association to the Owner of such Unit before such work is done by the Association. In the event the Association, after such notice, causes the subject work to be done, then, and in that event, the costs of such work, together with interest thereon at the maximum rate permitted by the usury laws of the State of Florida, shall be charged to the Owner and shall become a lien on the Unit, which lien shall be effective, have priority and be enforced pursuant to the procedures set forth in this Declaration.

g. Antennas. No wires, masts, towers, antennae, aerial, weathervanes, anemometers, or exposed wiring for any purpose or other equipment or structures may be erected, constructed or maintained on the exterior of any home, on the exterior of any Lot or Unit, nor in any of the Common Areas except with the prior written consent of the ACC, and except as the Association may be required to permit under applicable law. The Board of Directors may make and amend rules and regulations with regard to permissible installations under this paragraph; provided, however, that antennae or satellite dishes authorized by the regulations of the Federal Communications Commission shall be allowed without the prior written consent of the ACC.

h. Subdivision of Unit. Units shall not be further subdivided or separated by any Owner, and no portion less than all of any such Unit, nor any easement shall be conveyed or transferred by an Owner; provided, however, that this shall not prevent corrective deeds, deeds to resolve boundary disputes and other similar corrective instruments.

i. Pools and Decks. No pool, spa, hot tub, Jacuzzi or deck shall be installed on any Unit without the prior approval of the ACC. Notwithstanding the foregoing, in no event shall an above ground pool be installed on any Unit.

j. Fences. No fence or similar enclosure shall be installed on any Unit, including around a pool, without the prior written approval of the ACC. Notwithstanding the foregoing, in no event shall any fence or similar enclosure be (i) greater than four (4) feet in height, as measured from top to the bottom of said fence or enclosure, unless otherwise provided by applicable law, (ii) installed in the front yard of any Unit, or (iii) installed on a Unit which is adjacent to a lake or other water body, other than immediately around a pool.

k. Irrigation. No sprinkler or irrigation systems of any type which draw water from lakes, rivers, ponds, canals, wells or other ground or surface waters within the Property shall be installed, constructed or operated by an Owner within the Property, including on individually owned Units, without the prior

written approval by the ACC. In addition, no Unit Owner shall interfere with, disturb or destroy the irrigation system or any part thereof which is installed within the Property, including on and under individually owned Units. The entire irrigation system, including but not limited to all irrigation pumps and piping installed on and under individually owned Units, is owned by the Association.

l. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Septic systems are prohibited on the Property.

m. Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved by the LMC.

n. Plants. The following plants shall not be used within the Property: (i) catlay, (ii) common guava, (iii) loquat, (iv) roseapple and (v) surinam cherry. The Board may identify and by resolution prohibit such other plants as the Board determines from time to time to be undesirable.

o. Sight Distance. All property located at street intersections shall be landscaped so as to permit safe sight across street corners. No fence, wall, hedge, shrub, or planting shall be placed or permitted to remain where it would create a traffic or sight problem.

p. Lighting. Except for seasonal decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved by the ACC.

q. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Property. Exterior sculpture, fountains, flags, and similar items must be approved by the ACC.

r. Energy Conservation Equipment. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and domestic Water Systems. Subject to applicable law concerning the installation and/or use of energy saving or conservation devices, no solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the ACC. Subject to applicable law concerning the installation and/or use of energy saving or conservation

devices, no solar panel, vents, or other roof-mounted, mechanical equipment shall project more than 1.5 feet above the surface of the roof of a Unit; and all such equipment shall be painted consistent with the color scheme of the roof of the Unit. This provision is not intended to prohibit the use of solar energy devices.

s. **Lakes and Water Bodies.** All lakes, canals, and water bodies ("Water Bodies") within the Property shall be primarily aesthetic amenities and all other uses thereof shall be subject to the Rules and Regulations of the Board. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of Water Bodies within the Property. Fishing, swimming and boating in the Water Bodies shall be prohibited. No Owner shall construct any dock or other similar structure adjacent to or within the Water Bodies. Notwithstanding the foregoing, certain portions of the Water Bodies may be more environmentally sensitive than others and the Board and the Association, herein reserves the right to further restrict the use of said portions. There shall be no dumping of any kind into the Water Bodies.

t. **Recreational Facilities.** All recreational facilities and playgrounds furnished by the Association or erected within the Property, if any, shall be used at the risk of the user, and the Association shall not be held liable to any person or persons for any claim, damage, or injury occurring thereon or related to use thereof.

u. **Business Use.** Under no circumstances may any Unit be used for any business purpose which would cause a level of noise, odor, traffic, debris or other activity inconsistent with residential use.

v. **Vehicles.** No motorcycles, all-terrain vehicles, dune buggy, tractors, trucks (including pick-up trucks), trailers, boats or other water craft, business or commercial vans, campers, mobile homes, recreational vehicles, motor homes, buses, or similar vehicles shall be parked on any part of the Property, any driveway, lawn, or designated parking space within the Property except: (1) within a garage at all times, (2) commercial vehicles, vans or trucks, with a total length of less than forty (40) feet, delivering goods or furnishings services temporarily during daylight hours, and (3) upon such portions of the Property as the Board may allow in their discretion. Commercial vehicles with a total length of forty (40) feet or more are strictly prohibited from the Property. The restrictions contained in this provision shall in no way prohibit non-commercial passenger vehicles classified as mini vans or sports utility vehicles. In the event there is a dispute or uncertainty concerning the classification or type of a vehicle, then the decision of a majority of the Board

shall control. In addition, no vehicle which is inoperable, or not properly licensed or registered, or which is an eyesore (as determined by the Board of Directors in its sole and absolute discretion) shall be permitted to be parked, stored or kept on any part of the Property except in an enclosed garage. The Association shall have the right and authority (after prior notice to the owner thereof, to the extent reasonably ascertainable, except in cases of an emergency) to authorize the towing away of any vehicle in violation of this restriction and the vehicle owner or violator shall be responsible for and pay all costs and fees, including attorneys' fees, associated with the towing and or storage of the vehicle.

w. Hurricane Protection.

(1) For those Unit Owners who choose to install hurricane protection, the Owners are responsible for installing, maintaining, repainting and replacing hurricane protection installed on any apertures in the walls bounding their respective Units. The hurricane protective coverings installed shall be consistent with such guidelines and specifications as may be made and amended from time to time by the Board of Directors. The cost of installing, maintaining, repairing, replacing and operating the hurricane protective coverings shall be the responsibility of each Owner. All hurricane protective covering installations must have prior written approval from the Board of Directors, which may be conditioned upon the submission of appropriate plans and specifications evidencing that the proposed installation will conform to the Association's guidelines and specifications.

(2) Each Unit Owner who intends to be absent from his home during the hurricane season (June 1 to November 30 of each year) shall prepare his Unit prior to his departure by doing the following:

(i) Removing all furniture, potted plants, and other movable objects from any portion of the Lot which is not enclosed by a permanent structure; and

(ii) Designating a responsible person or firm to care for his Unit should it suffer hurricane damage. Such person or firm shall also contact the Association for permission to install temporary hurricane shutters, which must be removed when no longer necessary for storm protection. At no time shall hurricane shutters be permanently installed, without the consent of the ACC.

x. Rules and Regulations. The Unit Owners (and their family members, guests, lessees and invitees) shall abide by each and every Rule and

Regulation promulgated from time to time by the Board. The Board shall give an Owner in violation of the Rules and Regulations, written notice of the violation by U.S. Certified Mail, return receipt requested, hand delivery or overnight courier, and fifteen (15) days (or less if circumstances require a shorter cure period) in which to cure the violation. Should the Association be required to seek enforcement of any provision of this Declaration or the Rules and Regulations and prevail in such action, then the offending Unit Owner (for himself or for his family, guests, invitees, or lessees) shall be liable to the Association for all costs incurred in the enforcement action, including reasonable attorneys' fees, whether incurred in trial or appellate proceedings or otherwise.

ARTICLE XIII: MORTGAGEE PROVISIONS, AND AMENDMENTS TO HOMEOWNERS DOCUMENTS

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Units in the Property. The provisions of this Article apply to all of the Homeowners Documents, notwithstanding any other provisions contained therein.

1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- a. Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- b. Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Homeowners Documents which is not cured within sixty (60) days;
- c. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- d. Any proposed action which would require the consent of a specified percentage of Eligible Holders.

2. Members Approval. The approval of at least two-thirds (2/3) of the Members of the Association (i.e. at least 168 Members) shall be required with respect to any actions or amendments to any of the Homeowners Documents which:

- a. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Areas shall not be deemed a transfer within the meaning of this subsection);
- b. Change the current method of charging Owners of Units the amount with respect to Assessments or fees or other charges or financial obligations which may be levied against a Unit (which current method does not take into account the size or location or any other features or differences among the Units);
- c. By act or omission abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area;
- d. Fail to maintain insurance, as required by this Declaration; or
- e. Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such property.

3. Other Provisions for Mortgagees. To the extent possible under Florida law:

- a. Any restoration or repair of the Property after a partial condemnation or damage due to an uninsurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications.
- b. Any election to terminate the Association after substantial destruction or substantial taking in condemnation shall require the approval of at least two-thirds of the Eligible Holders of first Mortgages on Units.

4. Amendments to Homeowners Documents.

- a. Consent to Termination: The consent of Voting Members representing at least two-thirds (2/3) of the Members of the Association (i.e. at least 168 Members) shall be required to terminate the Association.
- b. Consent to Amendments. The consent of Voting Members representing more than one-half (1/2) of the Members of the Association (i.e. at least 127 Members) shall be required to amend any provisions of the Declaration or to add any provision thereto, including but not limited to provisions which establish, provide for, govern, or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens, or subordination of such liens;
- (iii) Insurance or fidelity bonds;
- (iv) Rights to use the Common Areas;
- (v) Responsibility for maintenance and repair of the Property;
- (vi) Expansion or contraction of the Property or the addition, annexation, or withdrawal of Property to or from the Association;
- (vii) Boundaries of any Unit;
- (viii) Leasing of Units;
- (ix) Imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
- (x) Any provisions included in the Declaration which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units;

provided, however, that the foregoing provisions of this Section 4 do not apply to amendments to the Homeowners Documents or termination of the Association made as a result of destruction, damage, or condemnation as provided above or to the addition of land in accordance with this Declaration.

5. Required Prior Notice to Members and Opportunity for Member Input.

Within a reasonable amount of time before the Board of Directors finalizes and is prepared to schedule a vote to approve any amendment to any of the Homeowners Documents (including without limitation the Declaration, the By-Laws, the Architectural Standards, any separate Rules and Regulations, and the Articles), and whether or not approval of the Members is required thereto pursuant to the provisions of this Article XIII, the Board shall (a) provide a specific communication to all Members through the website of the Association or some other equivalent means of communication describing the nature and general scope of the amendment it is considering for adoption, and (b) give the Members a reasonable opportunity to submit in writing for consideration by the Board any comments, suggestions or other input which such Members may so desire to communicate to the Board.

6. No Priority. No provision of any of the Homeowners Documents gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

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

8. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

9. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

ARTICLE XIV: ENFORCEMENT OF DECLARATION

The enforcement of this Declaration may be by proceeding at law for damages or in equity to compel compliance with its terms or to prevent violation or breach of any of the covenants or terms herein. The Association, or any Unit Owner may, but shall not be required to, seek enforcement of the Declaration. Any Unit Owner who seeks enforcement of this Declaration shall by his actions be deemed to have indemnified the Association from all liabilities resulting from his actions. Should the party seeking enforcement be the prevailing party in any action, then the person against whom enforcement has been sought shall pay all costs and reasonable attorneys' fees at all trial and appellate levels to the prevailing party. In addition to, and not in lieu of, all other rights and remedies available to the Association, the Association may impose fines and/or suspend the right to use the Common Areas.

ARTICLE XV: GOVERNMENTAL APPROVAL OF CERTAIN AMENDMENTS AFFECTING COMMON AREAS

1. Limitation on Amendments. Any amendment which would affect the Water Management System, including the water management portions of the Common Areas or any Environmental Conservation Area, must have the prior approval of the St. Johns River Water Management District. Any amendment which would affect the responsibility for the maintenance and repair of the Common Areas,

including the imposition of assessments and assessments liens, must have the prior approval of Indian River County, Florida.

2. Effective Date of Amendments. An amendment to this Declaration shall become effective upon recording in the public records of Indian River County, Florida.

ARTICLE XVI: CONVEYANCES

In order to assure a community of congenial residents and thus protect the value of the Units in The Island Club, the sale or lease of Units shall be subject to the following provisions:

1. Notice to Association. Not less than 30 days prior to: (i) the date of any closing of a sale, or (ii) the effective date of any lease; the Unit Owner shall notify the Association in writing of his or her intention to sell or lease his or her Unit and furnish with such notification a copy of the contract for purchase and sale or a copy of the lease, whichever is applicable. Except as provided below, it is not the intention of this Article to grant to the Association a right of approval or disapproval of purchasers or lessees. It is, however, the intent of this paragraph to impose an affirmative duty on the Unit Owners to keep the Association fully advised of any changes in occupancy or ownership for the purposes of facilitating the management of the Association's membership records. As this Article is a portion of the Declaration which runs with the land, any transaction which is conducted without compliance with this Article may be voidable by the Association.

2. Lease Agreement Terms. Any and all lease agreements between an Owner and a lessee of such Owner shall be in writing, shall provide for a term of not less than four (4) months, and must provide that the lessee shall be subject in all respects to the terms and provisions of this Declaration and that any failure by the lessee under such lease agreement to comply with such terms and conditions shall be a material default and breach of the lease agreement. The lease agreement shall also state the party who will be responsible for the assessments as stated above, and it shall be the obligation of all Unit Owners to supply the Board with a copy of said written agreement prior to the lessee occupying the premises. Unless provided to the contrary in a lease agreement, a Unit Owner, by leasing his Unit, automatically delegates his right of use and enjoyment of the Common Areas and facilities to his lessee; and in so doing, said Owner relinquishes said rights during the term of the lease agreement. Furthermore, an Owner shall be entitled to lease his Unit a maximum of one (1) time each calendar year.

3. Association Approval. Upon receipt of a copy of the contract for purchase and sale or a copy of the lease, the Association shall within fifteen (15) business days, issue Certificate indicating the Association's approval of the transaction provided the provisions of this Paragraph are complied with. In the event of a sale, it shall then be the responsibility of the purchaser to furnish the Association with a recorded copy of the deed of conveyance indicating the owner's mailing address for all future assessments and other correspondence from the Association. Provided, however, prior to the issuance by the Association of a Certificate indicating the Association's approval of the transaction, the purchaser or lessee shall be required to agree to comply with the Rules and Regulations of the Association.

4. Delinquent Unit Owners. Notwithstanding the provisions above, in the event that a Unit Owner is delinquent in paying any assessment, or the Owner or his buyer, family, guests, agents, licensees or invitees are not in compliance with any provisions of any of the Homeowners Documents, the Association has the right to disapprove of any sale; and in the case of a lease, the right to disapprove of and to void any lease at any time prior to or during the leasehold tenancy until any delinquent assessment is paid and/or until any violation of any of the Homeowners Documents is corrected.

ARTICLE XVII: TERMINATION

1. Consent to Termination. Except as otherwise provided in this Declaration, the consent of at least two-thirds of the Members of the Association (i.e. at least 168 Members) shall be required to terminate the Association.

2. Termination and Documents. If this Declaration is terminated in accordance herewith, it is hereby declared that each and every Owner of a Unit by acquiring title to his Unit covenants and agrees, that the termination documents shall require that (i) all Units shall continue to be used solely for residential purposes, and (ii) all Common Areas shall be owned and held in equal shares by the Unit Owners as tenants in common, and each Unit Owner shall remain obligated to pay his pro rata share of expenses to continually maintain the Common Areas.

3. Limitation on Termination. The Unit Owners and their grantees, successors, and assigns by acquiring title to a Unit covenant and agree that no termination of this Declaration shall be made for a period of fifty (50) years from the date of recordation of this Declaration. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the subject property and inure to the benefit of the

Association, the Owners, Institutional Mortgagees and their respective legal representatives, heirs, successors, and assigns for said period. After this period, the Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50) year term or any such ten (10) year extension there is recorded amongst the Public Records of the County, an instrument signed by at least 67% of all Mortgagees holding Mortgages encumbering the Units agreeing to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of fifty (50) years or the ten (10) year extension thereof during which the termination instrument is recorded.

4. Water Management System. In the event of termination, dissolution or final liquidation of the Association ("Termination"), the responsibility for the operation and maintenance of the Water Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and be approved by the St. Johns River Water Management District prior to such Termination.

5. Common Area Maintenance. In the event of Termination, the responsibility for maintenance and operation of the Common Areas, including Roads, must be transferred to and accepted by an entity which would assume such responsibility, and be approved by the Board of County Commissioners of Indian River County prior to such Termination.

ARTICLE XVIII: ENVIRONMENTAL CONSERVATION AREAS

1. Maintenance of Environmental Conservation Areas. Portions of the Property may be designated and dedicated as Environmental Conservation Areas. All such portions of the Property shall be operated and maintained by the Association pursuant to any plan or agreement approved by the County or other appropriate governmental authority. The Association shall permit representatives of all appropriate governmental agencies to inspect and monitor such portions of the Property upon reasonable notice. The costs of all maintenance expenses on such portions of the Property shall be assessed to the Members as a Common Expense in perpetuity.

2. Prohibited Activities. The following activities shall be prohibited in or on any Environmental Conservation Area:

- a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

- b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;
- c. Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic vegetation in accordance with a governmentally approved maintenance plan;
- d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;
- e. Surface use except for purposes that permit the land or water area to remain predominantly in its natural condition, and which receive prior governmental approval;
- f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation; or diking; or fencing;
- g. Acts or uses detrimental to such retention of land or water areas.

ARTICLE XIX: MISCELLANEOUS

1. No Waiver. The failure of the Association, or any Owner to object to an Owner's or another person's failure to comply with this Declaration shall in no event be deemed a waiver of any right to object to same and to seek compliance therewith in accordance with the provisions herein.

2. Headings. Article and paragraph captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit or in any way affect any of the terms and provisions of this Declaration.

3. Pronouns. Whenever the context requires, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns or pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

4. Severability. In the event any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

5. Partition. The Association may not convey, encumber, abandon, partition or subdivide any of the Common Areas without the approval of all Institutional Mortgagees.

6. Controlling Law. The terms, covenants and conditions and all of the provisions set forth in this Declaration, as heretofore and herein and hereafter amended from time to time, shall be subject at all times to the laws of the State of Florida in effect from time to time, including without limitation Chapter 720 Florida Statutes, as the same may be amended from time to time.

EXHIBIT A

Legal Description of Property Subject to Declaration

Vertical line of text on the right side of the page, likely a page number or reference marker.

EXHIBIT A

The Property which is subject to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Island Club of Vero Beach is comprised of six (6) phases described in five recorded plats of subdivision, as well as in two separate parcels (one of which provides access to the Atlantic Ocean) contained in a recorded Quitclaim Deed.

The five Plats of Subdivision, and the Quitclaim Deed, are recorded in the records of the Clerk Circuit Court Indian River County, Florida, in the following books and pages:

THE ISLAND CLUB OF VERO BEACH SUBDIVISION – PHASE 1,

Plat Book 14, Pages 69, 69A, 69B, 69C

THE ISLAND CLUB OF VERO BEACH SUBDIVISION – PHASE II,

Plat Book 15, Pages 13, 13A

THE ISLAND CLUB OF VERO BEACH SUBDIVISION – PHASE III,

Plat Book 15, Pages 54, 54A

ISLAND CLUB RIVERSIDE, PHASE IV,

Plat Book 15, Page 94, 94A, 94B

ISLAND CLUB RIVERSIDE, PHASES V AND VI,

Plat Book 16, Pages 35, 35A, 35B, 35C, 35D

QUITCLAIM DEED, from BEAZER HOMES CORP., to THE ISLAND CLUB OF VERO BEACH HOMEOWNERS ASSOCIATION, INC., recorded in

Book 2280, PAGES 29, 30

EXHIBIT B

**Articles of Incorporation of The Island Club of Vero Beach Homeowners
Association, Inc.**

04/10/96 13:00 GUNSTER YONKLEY

NO. 529 003

Prepared by:
TONY M. FINNMAN, Esq.
FLA. BAR NO. 48526
Gunster, Yoakley, Valdes-Paul & Stewart, P.A.
800 S.W. Monterey Commons Boulevard, Suite 200
Stuart, Florida 34996
0074930.01

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**ARTICLES OF INCORPORATION OF
THE ISLAND CLUB OF VERO BEACH HOMEOWNERS ASSOCIATION, INC.**

(A not-for-profit corporation)

The undersigned hereby executes these Articles of Incorporation for the purpose of forming a corporation not-for-profit under Chapter 617 (1995) of the Florida Statutes in existence commencing on the date of subscription and acknowledgment of these Articles (the "Florida Not-For-Profit Corporation Act") and certifies as follows:

ARTICLE I: NAME

The name of the corporation shall be The Island Club of Vero Beach Homeowners Association, Inc., hereinafter referred to as the "Association" and its duration shall be perpetual.

ARTICLE II: PURPOSE

The purpose for which the Association is organized is to engage as a non-profit organization in protecting the value of the property of the Members of the Association, to exercise all the powers and privileges and to perform all of the duties and obligations of the Association as defined and set forth in that certain Declaration of Covenants, Conditions and Restrictions for The Island Club of Vero Beach (the "Declaration") to be recorded in the office of the Clerk of the Circuit Court in and for Indian River County, Florida, including the establishment and enforcement of payment of charges and Assessments contained therein, and to engage in such other lawful activities as may be to the mutual benefit of the Members and their Property. All terms used herein which are defined in the Declaration shall have the same meaning herein as therein.

ARTICLE III: POWERS

The powers of the Association shall include and be governed by the following provisions:

Section 1. Common Law and Statutory Powers. The Association shall have all of the common law and statutory powers of a not-for-profit corporation which are not in conflict with the terms of these Articles and the Declaration.

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Section 2. Necessary Powers. The Association shall have all of the powers reasonably necessary to implement its purpose, including, but not limited to, the following:

A. To operate and manage the Property and the Common Area in accordance with the purpose and intent contained in the Declaration;

B. To make and collect Assessments against Members to defray the common expenses of the Association;

C. To use the proceeds of Assessments in the exercise of its powers and duties;

D. To maintain, repair, replace and operate the Common Area;

E. To reconstruct improvements upon the Property after casualty and to further improve the Property;

F. To make and amend By-Laws for the Association and rules and regulations respecting the use of the Property;

G. To pay all taxes and other assessments which are liens against the Common Area;

H. To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws and the rules and regulations for the use of the Property;

I. To provide for management and maintenance and to authorize a management entity to assist the Association in carrying out its powers and duties by performing such functions as the collection of Assessments, preparation of records, enforcement of rules and maintenance of the Common Area. The Association shall, however, retain at all times the powers and duties granted it by common law, Florida Statutes and local ordinances including, but not limited to, the making of Assessments, the promulgation of rules, and the execution of contracts on behalf of the Association;

J. To possess, enjoy and exercise all powers necessary to implement, enforce, and carry into effect the powers above described, including the power to acquire, hold, convey, and deal in real and personal property.

K. To operate, maintain and manage the Water Management System in a manner consistent with the St. Johns River Water Management District Permit No. 40-061-0093ERP requirements and applicable St. Johns River Water Management rules and regulations.

L. To assist in the enforcement of the Declaration as the same relates to the Water Management System.

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M. To levy and collect adequate Assessments against Members for the costs of maintenance and operation of the Water Management System.

Section 3. Funds and Title to Properties. All funds and title to all properties acquired by the Association and the proceeds thereof shall be held only for the benefit of the Members in accordance with the provisions of the Declaration. No part of the income, if any, of the Association shall be distributed to the Members, directors, or officers of the Association.

Section 4. Limitations. The powers of the Association shall be subject to and be exercised in accordance with the provisions of the Declaration.

ARTICLE IV: MEMBERSHIP AND VOTING

Qualification for, and admission to, membership in the Association, and the voting rights of each class of membership in the Association, shall be as provided in and regulated by the Declaration and the By-Laws of the Association.

ARTICLE V: BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than nine (9) directors. Until Developer relinquishes control of the Association and the Board of Directors, pursuant to the By-Laws and the Declaration, Developer shall have the right to appoint all members of the Board of Directors and to approve the appointment of all officers of the Association, and no action of the membership of the Association or the Board of Directors shall be effective unless, and until, approved by the Developer. Further, until turnover of control by Developer, as aforesaid, no director or officer need be a Member of the Association. Thereafter, Developer shall have the right to appoint at least one (1) member of the Board for so long as Developer holds for sale in the ordinary course of business at least five percent (5%) of all Lots and/or Units in the Property, and any member of the Board appointed by the Developer need not be a Member of the Association. The number of directors constituting the initial Board is five (5) and they shall serve until such time as Developer relinquishes control of the Association or until replaced by Developer. Commencing with the first annual meeting of Members following the date on which Developer relinquishes control of the Association, the directors shall be elected by the Members of the Association at the annual meeting. The Developer shall be entitled at any time, and from time to time, to remove or replace any director originally appointed by the Developer. The Developer may waive or relinquish in whole or in part any of its rights to appoint any one or more of the

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directors it is entitled to appoint. The following persons shall constitute the initial Board of Directors:

<u>Name</u>	<u>Address</u>
Keith Williams	10 Central Parkway, Suite 130 Stuart, Florida 34994
Edward Bauer	10 Central Parkway, Suite 130 Stuart, Florida 34994
Steven Barone	10 Central Parkway, Suite 130 Stuart, Florida 34994
Kathryn Treadwell	10 Central Parkway, Suite 130 Stuart, Florida 34994
Joanne Kelly	10 Central Parkway, Suite 130 Stuart, Florida 34994

ARTICLE VI: OFFICERS

Officers shall be elected by the Board of Directors at the annual meetings of the directors, as provided in the By-Laws. Until such time as Developer relinquishes control of the Association, as provided in the Declaration, however, Developer shall have the right to approve all of the officers elected. The initial officers shall consist of a President, two Vice-Presidents, a Secretary and a Treasurer. The following persons shall serve as officers until the first election:

<u>Name</u>	<u>Title</u>
Keith Williams	President
Edward Bauer	Vice President
Steven Barone	Vice President
Kathryn Treadwell	Secretary
Joanne Kelly	Treasurer

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ARTICLE VII: INDEMNIFICATION OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

The Association hereby indemnifies any director, officer or Association committee member made a party to or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

- A. whether civil, criminal, administrative or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity as director, officer or committee member, or in his capacity as director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful. The termination of an such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such director, officer, or committee member did not act in good faith and in the reasonable belief that such action was in the best interests of the Association or that he had reasonable grounds for belief that such action was unlawful; and
- B. by or in the right of the Association to procure a judgment in its favor by reason of his being or having been a director, officer or committee member for the Association, or by reason of his being or having been a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, if such person acted in good faith and in the reasonable belief that such action was in the best interests of the Association. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of gross negligence or willful misconduct in the performance of his duty to the Association unless and only to the extent that the court, administrative agency, or investigative body before which such action, suit or proceeding is held 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 indemnification for such expenses which such tribunal shall deem proper.

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The Board of Directors shall determine whether amounts for which a director, officer or committee member seeks indemnification were properly incurred and whether such director or officer acted in good faith and in a manner he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.

The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

ARTICLE VIII: INCORPORATOR

The name and address of the incorporator of the Association is:

<u>Name</u>	<u>Address</u>
PAUL K. HINES, ESQ.	Gunster, Yonkley, Valdes-Fauli & Stewart, P.A. 800 S.E. Monterey Commons Boulevard Suite 200 Stuart, FL 34996

ARTICLE IX: BY-LAWS

The By-Laws of the Association may be adopted, amended, altered or rescinded as provided therein; provided, however, that at no time shall the By-Laws conflict with these Articles of Incorporation or the Declaration, or adversely affect the rights of Developer, without Developer's prior written approval; and provided further that no amendment, alteration or rescission may be made which impairs the security of any mortgage of record as to any Lot or other portion of the Property without the express, prior written consent of the mortgagee so affected. Until such time as Developer relinquishes control of the Association, no amendments to the By-Laws shall be effective unless Developer shall have joined in and consented thereto in writing. Any attempt to amend, alter or rescind contrary to these prohibitions shall be of no force or effect.

ARTICLE X: AMENDMENTS

These Articles of Incorporation of the Association may be amended, altered or rescinded as provided in the Florida Not-For-Profit Corporation Act; provided, however, that no such amendments shall conflict with the terms of the Declaration or adversely affect the rights of

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Developer, without Developer's prior written approval; and provided further that no amendment, alteration or rescission may be made which affects the rights or privileges of any Institutional Mortgagee, without the express, prior written consent of the Institutional Mortgagee so affected. Any attempt to amend contrary to these prohibitions shall be of no force or effect.

ARTICLE XI: TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and Developer, or between the Association and one (1) or more of its members, directors or officers, or between the Association and any other entity in which Developer or any of the Association's members, directors or officers has any interest shall be invalid, void or voidable solely for this reason, or solely because such interested person is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely the votes of such interested person(s) are counted for such purpose. Neither Developer nor any member, director or officer of the Association shall incur liability by reason of the fact that Developer or such member, director or officer is or may be interested in any such contract or transaction.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XII: DISSOLUTION OR MERGER OF THE ASSOCIATION

Upon termination, dissolution or final liquidation of the Association, all of its assets remaining after provision for creditors and payment of all cost and expenses of such dissolution shall be distributed in the following manner:

- A. Real property contributed to the Association without the receipt of other than nominal consideration by the Developer (or its predecessor in interest) shall be returned to the Developer unless it refuses to accept the conveyance in whole or in part.
- B. Common Elements designated as streets shall be dedicated to the appropriate local government agency.
- C. The Water Management System owned by the Association at dissolution, termination or final liquidation shall, prior to such dissolution, termination or final liquidation, be conveyed to and accepted by an entity which complies with Section 40C-42.027 (Florida Administrative Code) and which is approved by the St. Johns River Water Management District prior to such dissolution, termination

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or final liquidation. Upon such conveyance, said entity would provide for the continued operation and maintenance of the Water Management System.

- D. Remaining assets shall be distributed among the Members as tenants in common, each Member's share of the assets to be determined in accordance with its voting rights.

The Association may be dissolved upon a resolution to that effect being recommended by not less than three-fourths (3/4) of the Board of Directors, and, if a decree be necessary at the time of dissolution, after receipt of an appropriate decree as set forth in Section 617.1433, Florida Statutes (1995) or statute of similar import, and approved by three-fourths (3/4) of the voting rights of each and every class of membership as voted by the Members; provided, however, that no such dissolution shall be effective without the consent of Developer until such time as all Lots in the Property have conveyed to Consumers, which consent may be withheld for any reason whatsoever.

The Association may be merged into another not-for-profit corporation upon a resolution to that effect being recommended by three-fourths (3/4) of the members of the Board of Directors, and approved by three-fourths (3/4) of the voting rights of each and every class of membership, as voted by the Members; provided, however, that no merger shall be effective without the consent of the Developer as long as it has the right to appoint any director to the Board of the Association, which consent may be withheld for any reason whatsoever.

ARTICLE XIII: REGISTERED AGENT AND REGISTERED OFFICE

The name of the initial registered agent shall be Paul K. Hines and the street address of the registered office of the Association shall be Gunster, Yoakley, Valdes-Fauli & Stewart, P.A., 800 S.E. Monterey Commons Boulevard, Suite 200, Stuart, Florida 34996. The Association shall have the right to designate subsequent registered agents without amending these Articles of Incorporation.

ARTICLE XIV: ADDRESS

The principal place of business or mailing address of the Association shall be:

10 Central Parkway, Suite 130
Stuart, Florida 34994

ARTICLE XV: SEVERABILITY

If any provision of these Articles of Incorporation is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed

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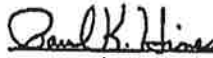
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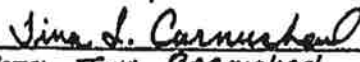
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omitted to the extent so contrary, prohibited or invalid, but the remainder of these Articles of Incorporation shall not be invalidated thereby and shall be given full force and effect as far as possible. If any provision of these Articles of Incorporation may be construed in two or more ways, one of which would render the provision invalid or otherwise avoidable or unenforceable, and the other of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

IN WITNESS WHEREOF, the Incorporator has executed these Articles of Incorporation at Martin County, Florida, this 10 day of April, 1996, the date when corporate existence shall begin.


Name: Tony Fineman


Name: Paul K. Hines
Paul K. Hines, Incorporator


Name: Tina Carmichael

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ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for the above named corporation at the place designated in these Articles of Incorporation, I hereby agree to act in this capacity, and agree to comply with the provision of Chapter 48.091, Florida Statutes, relative to keeping said office open for service of process.



Paul K. Hines, Registered Agent

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT C

By-Laws

(as in effect as of the date of recording of this instrument)

BK: 3375 PG: 631

3120190075603 RECORDED IN THE RECORDS OF JEFFREY R. SMITH, CLERK OF CIRCUIT COURT INDIAN RIVER CO FL
BK: 3265 PG: 1953, 12/31/2019 10:48 AM

**CERTIFICATE OF AMENDMENT
TO THE
BY-LAWS OF
THE ISLAND CLUB OF VERO BEACH
HOMEOWNERS ASSOCIATION, INC.**

A Corporation Not-For-Profit Under
the Laws of the State of Florida

The By-Laws for The Island Club of Vero Beach Homeowners Association, Inc. have been recorded in the public records of Indian River County, Florida at Official Records Book 1103, Page 295, et. seq., and amended at OR Book 1650, Page 1747, et. seq., OR Book 2292, Page 396, et. seq., OR Book 3029, Page 1985, et. seq., and OR Book 3152, Page 1465, et. seq. The Island Club of Vero Beach Homeowners Association, Inc., by its duly authorized officers, hereby certifies that the amendments to these By-Laws were approved by the Board of Directors by vote sufficient for approval, at their Board Meeting held on December 5, 2019.

**See Attached Amended and Restated By-Laws of
The Island Club of Vero Beach Homeowners Association, Inc.**

2. The foregoing amendment to the By-Laws of The Island Club of Vero Beach Homeowners Association, Inc. was adopted by the board by a vote sufficient for approval at a Board Meeting held on December 5, 2019.
3. The adoption of this amendment appears upon the minutes of said meetings and are unrevoked.
4. All provisions of the By-Laws of The Island Club of Vero Beach Homeowners Association, Inc. are herein confirmed and shall remain in full force and effect, except as specifically amended herein.

BK: 3375 PG: 632

BK: 3265 PG: 1954

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name by its President, its Secretary and its corporate seal affixed this 17th day of December, 2019.

WITNESSES AS TO PRESIDENT:

THE ISLAND CLUB OF VERO BEACH HOMEOWNERS ASSOCIATION, INC.

Casey Sanders
Printed Name: CASEY SANDERS
Barbara Kaplan
Printed Name: BARBARA KAPLAN

By: Keith Thompson
KEITH THOMPSON, President

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me on December 17th, 2019, by Keith Thompson as President of The Island Club of Vero Beach Homeowners Association, Inc. [] who is personally known to me, or [] who has produced identification [Type of Identification: _____].

Notarial Seal



Brandon S. Traynor
Notary Public

WITNESSES AS TO SECRETARY:

THE ISLAND CLUB OF VERO BEACH HOMEOWNERS ASSOCIATION, INC.

Barbara Kaplan
Printed Name: BARBARA KAPLAN
Casey Sanders
Printed Name: CASEY SANDERS

By: Jon J. Prager
Jon J. PRAGER, Secretary

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

CORPORATE
SEAL

The foregoing instrument was acknowledge before me on December 17th, 2019, by Jon Prager as Secretary of The Island Club of Vero Beach Homeowners Association, Inc. [] who is personally known to me, or [] who has produced identification [Type of Identification: _____].

Notarial Seal



Brandon S. Traynor
Notary Public

**AMENDED AND RESTATED
BY-LAWS OF
THE ISLAND CLUB OF VERO BEACH
HOMEOWNERS ASSOCIATION, INC.
(AS OF DECEMBER 5, 2019)**

Article I
Name and Definitions

Section 1.1 Name. The name of the Association shall be THE ISLAND CLUB OF VERO BEACH HOMEOWNERS ASSOCIATION, INC. (hereinafter sometimes referred to as the "Association").

Section 1.2 Principal Office. The principal office of the Association shall be determined by the Board of Directors from time to time.

Section 1.3 Seal. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.

Section 1.4 Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Association's Articles of Incorporation (the "Articles"), and in the Declaration of Covenants, Conditions and Restrictions for The Island Club of Vero Beach (said Declaration, as amended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit. The Property, as such term is defined in the Declaration, may sometimes herein be referred to as the "Community".

Article II
The Association: Membership Meetings, Quorum, Voting, Proxies

Section 2.1 Membership. The Association shall have one (1) class of membership ("Member"). A person or entity shall automatically become a Member upon acquisition of fee simple title to any Unit, by filing a deed in the Public Records of Indian River County. Membership shall continue until such time as the Member transfers or conveys his interest of record or the interest is transferred or conveyed by operation of law, at which time Membership, with respect to the Unit conveyed, shall automatically be conferred upon the transferee. Membership shall be appurtenant to, and may not be separated from, ownership of property subject to the Declaration. No person or entity holding an interest of any type or nature whatsoever in a Unit only as security for the performance of an obligation, shall be a member of the Association.

Section 2.2 Place of Meetings. Meetings of the Association shall be held in Indian River County or at such suitable place convenient to the Members as may be designated by the Board, either within the Property or as convenient thereto as possible and practical.

Section 2.3 Annual Meetings. Annual meetings of the Association shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that

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there shall be an annual meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding annual meeting. However, the failure to hold an annual meeting within the required time frame shall not serve to invalidate actions of the Association, or the Board. The purpose of the meeting shall be to elect directors and to transact any other business authorized to be transacted by the Members.

Section 2.4 Special Meetings. The President may call special meetings in his or her discretion, but shall be required to do so: (i) if so directed by resolution of a majority of a quorum of the Board; or (ii) upon receipt of a petition signed by Members representing at least ten percent (10%) of the total votes of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose(s) therefor. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.5 Notice of Meetings. Notice of a meeting of Members shall state the time, place, date, and the purpose(s) for which the meeting is called. The notice shall include an agenda. The notice of any Members' meeting shall be provided to every Member by one of the following methods: (1) mailed postpaid and correctly addressed to the Member's address shown in the current records of the Association, or (2) be hand delivered to the Member who must in that event sign a receipt, or (3) be electronically transmitted to a correct facsimile number or electronic mail address at which the Member has consented in writing to receive notice. Each Member bears the responsibility of notifying the Association of any change of address. Consent by a Member to receive notice by electronic transmission shall be revocable by the Member by written notice to the Association. The mailing, delivering or electronic transmission of the notice shall be affected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting. Notice must also be posted conspicuously and continuously at the Community property for not less than 14 days before the meeting. Proof of notice shall be given by affidavit of the person giving notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address as it appears on the records of the Association, with postage thereon prepaid.

Section 2.6 Waiver of Notice. Waiver of notice of a meeting shall be deemed the equivalent of proper notice. Members may, in writing, waive notice of any meeting either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to the calling or convening of the meeting for which proper notice was not given is raised before the business is put to a vote.

Section 2.7 Adjournment of Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting.

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The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum; however, any action thereafter taken at such continued meeting shall require approval by (a) a majority of the Members present and voting at such meeting, and (b) more than ten percent (10%) of the total number of votes of the Association.

Section 2.8 Voting. Matters on which Members are entitled to vote shall be determined by a majority of votes cast unless otherwise provided in the Declaration, the Articles, these By-Laws, or by applicable law. Each Member shall be entitled to one (1) equal vote for each Unit owned by such Member, as to matters on which Members are entitled to vote. The total number of votes ("voting interests") is equal to the total number of Units. The vote of a Unit is not divisible. The right of a Member to vote may be suspended by the Board of Directors for the nonpayment of quarterly or other regular or special assessments that are delinquent in excess of ninety (90) days. The following persons shall be authorized to cast a vote on behalf of a Unit depending on the specified ownership interests:

(a) If a Unit is owned by one natural person, that person has the right to cast a vote on behalf of the Unit.

(b) If a Unit is owned jointly by two or more persons, any one of the record owners may cast a vote on behalf of the Unit.

(c) If a Unit is subject to a life estate, any of the life tenants may cast a vote on behalf of the Unit, or the holder(s) of the remainder interest may cast the vote.

(d) If the owner of a Unit is a corporation, any officer of the corporation may cast the vote on behalf of the Unit.

(e) If a Unit is owned by a partnership, any general partner may cast the vote on behalf of the Unit.

(f) If a limited liability company owns a Unit, any authorized agent may cast the vote on behalf of the Unit.

(g) If a Unit is owned by a trust, the vote for the Unit may be cast by any trustee of the trust, or by any grantor or beneficiary of the trust.

In a situation where there are two or more persons authorized to cast a vote on behalf of a Unit, it shall be presumed that the person casting the vote has the consent of all such persons. In the event the persons who are authorized to vote on behalf of a Unit do not agree among themselves how their one vote shall be cast, and which disagreement is provided to the Association in writing, the vote shall not be counted.

Any statement by an Owner of a Unit that he or she is entitled to cast the vote for that Unit shall be accepted by the Association in the absence of any other person to such entitlement.

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Section 2.8.1. Electronic Voting. Notwithstanding anything in these By-Laws to the contrary, the Association may conduct elections and other membership votes through an internet-based online voting system if a Member consents, in writing, to online voting and so long as said online voting system complies with all statutory requirements, as amended from time to time, including, but not limited to Section 720.317, Florida Statutes. The words "written ballot" or "absentee or mail-in ballots" whenever used in these By-Laws shall include for all purposes any and all such ballots cast electronically pursuant to Chapter 720.317, Florida Statutes.

Section 2.9 Proxies and Absentee Ballots. Members shall not vote by proxy; Members may vote in person or by absentee or mail-in ballot or by electronic ballot or, if applicable, by written consent in lieu of a meeting. The absentee or mail-in ballot or electronic ballot procedure shall be the same as set forth in Article III of these By-Laws for the election of Directors excluding the candidate self-nomination procedure which only applies to the election of Directors. Proxies may be used for the purpose of establishing a quorum only. Absentee or mail-in ballots or electronic ballots and proxies properly submitted shall count towards establishing a quorum.

Section 2.10 Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by absentee or mail-in ballot or electronic ballot or proxy of Members representing twenty percent (20%) of the total votes of the Association shall constitute a quorum at all meetings of the Association.

Section 2.11 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and keep a record of all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting, which shall be made available and in a form suitable for review by any Unit Owner desiring to review such minutes.

Section 2.12 Order of Business. If a quorum has been attained, the order of business at annual Members' meetings, and, if applicable, at other Members' meetings, shall be:

- (a) Call to order by President;
- (b) At the discretion of the President, appointment by the President of a chairperson of the meeting (who need not be a Member or a director);
- (c) Calling of the roll and determination of a quorum, or in lieu thereof, certification and acceptance of the preregistration and registration procedures establishing the owners represented in person and by absentee or mail-in ballot or by electronic ballot or by proxy;
- (d) Proof of notice of the meeting or waiver of notice;
- (e) Reading and disposal of any unapproved minutes;
- (f) Reports of officers;
- (g) Reports of committees;

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(h) Call for the names of those individuals who are eligible (pursuant to Section 3.2 below) and who timely declared their candidacy for open director positions, call for final balloting on election of directors and close of balloting;

(i) Appointment of inspectors of election;

(j) Election of directors;

(k) Unfinished business;

(l) New business;

(m) Adjournment.

Such order may be waived in whole or in part by direction of the President or the chairperson.

Section 2.13 Minutes of Meeting. The minutes of all meetings of Unit Owners shall be kept available for inspection by Unit Owners or their authorized representatives at any reasonable time. The Association shall retain these minutes for a period of not less than seven years. Minutes for each meeting must be reduced to written form within sixty (60) days after the meeting date.

Section 2.14 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required or permitted to be taken at any annual or special meeting of Members may be taken without a meeting, provided the Association mails or delivers a letter or similar communication to each owner that explains the proposed action. The communication shall include a form of consent to permit each owner to consent to the proposed action, and instructions on consent procedures. The Association may proceed with the proposed action without further notice and without a vote at a membership meeting provided consents in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of Members at which a quorum of Members entitled to vote thereon were present and voted. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved by vote of the Members at a meeting of the Members held on the sixtieth (60th) day. Within ten (10) days after obtaining such authorization by written consent, written notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

Article III

Board of Directors; Powers, Meetings

Section 3.1 Number and Tenure. The number of Directors which shall constitute the whole Board of Directors shall be seven (7), unless fewer than six (6) self-nominated candidates are

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named on the Final Candidate List described in Section 3.3 b (iii) below, in which case the number of Directors shall not be less than five (5). Each Director shall be elected for a one (1) year term until his/her successor is confirmed to be eligible and duly elected. Directors shall be elected by the Members as described in Section 3.3 below, or in the case of a vacancy, as provided in Section 3.4 below.

Section 3.2 Eligibility. Every Director must be at least 18 years of age and a person that is eligible to cast a vote on behalf of a Unit as set forth in Section 2.8 of these By-Laws, or a spouse of an eligible voter.

Section 3.3 Election of Directors. The following procedures shall apply to the election of Directors:

a. Election of Directors shall be held at the Annual Meeting. The members of the Board of Directors shall be elected by written ballot, which may be cast in person or by absentee or mail-in ballot or by electronic ballot as provided herein.

b. Self-Nomination of Candidates to Serve as Directors.

(i) Not less than seventy-five (75) days prior to each annual meeting, the Board through the Manager shall invite all interested and eligible individuals to declare in writing and submit to the Manager notice of their desire to stand as a candidate for election as a Director of the Board.

(ii) Any person meeting the eligibility requirements of Section 720.306, Florida Statutes (2019), as amended from time to time, and as set forth in Section 3.2 above who is willing to stand for election to serve as a Director shall self-nominate and declare himself/herself to be a candidate by submitting a written declaration of that person's candidacy to the Manager (as defined and described in Section 3.16.3 below) for the Association no later than forty (40) days prior to each annual meeting. The Manager shall maintain a current list of the names of all eligible individuals who have submitted from time to time to the Manager their names as candidates for election to the Board of Directors, and such current list of declared and eligible candidate names shall be made available upon request to any Member seeking such information.

(iii) The Manager shall deliver to the Board of Directors no later than thirty-five (35) days prior to the annual meeting a written list (the "Final Candidate List") in alphabetical order of the names of all individuals who have declared in writing their willingness to stand as a candidate for election as a Director. There shall be no declarations of candidacy for the position of Director or any nominations permitted from the floor at any annual meeting, or otherwise delivered to the Manager after the forty-day deadline set forth in the preceding subparagraph (ii). All candidates named in the Final Candidate List shall have the right to participate in any candidate forums or other such similar means of candidate communications, and shall further have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

c. Elections shall be decided by a plurality of those ballots cast. A quorum for the purpose of having an election of one or more members of the Board of Directors shall be

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established by Members representing at least twenty percent (20%) of all the eligible votes in the Association.

d. In the event there are the same number of candidates as vacancies to be filled an election shall not be necessary and such candidates shall be deemed elected at the Annual Meeting or other election meeting. In respect to each vacancy, Members may cast his/her vote for each or fewer than as many candidates as vacancies being filled. Cumulative voting is prohibited. Only one (1) ballot per Unit may be cast in any election.

e. Ballots may be cast in person or by absentee or mail-in ballot or by electronic ballot, as provided herein. At the Annual Meeting, the ballots shall be turned over to an election committee which shall consist of not less than three (3) members appointed by the Board of Directors. The election committee shall not consist of any candidates, nor the spouse, child, sibling or parent of any candidate, nor shall any officer or Director (or the spouse of an officer or Director) serve on the election committee. The election committee shall count the ballots.

f. There shall not be any communication by the Board of Directors which endorses, disapproves, or otherwise comments on any candidate (provided, however, that the foregoing shall not preclude or prevent any Director acting in his/her individual capacity and not as a member of the Board from endorsing, disapproving, or otherwise commenting upon any other eligible individuals to self-declare their candidacy for election to the Board). The ballot shall not indicate which candidates are incumbents on the Board. Accompanying the notice of the Annual Meeting or other election meeting shall be a written ballot listing all eligible candidates who are named on the Final Candidate List prepared and submitted by the Manager to the Board of Directors (such candidates shall be named in alphabetical order by surname), unless a person has withdrawn his or her candidacy in writing prior to the mailing or delivery of the ballots. In the case of absentee or written ballots, accompanying the notice and ballot shall be an outer envelope addressed to the Association, and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name or names of the Unit Owner(s) of the Unit and the address of such Unit, and shall contain a signature space for an authorized voter for the Unit. The completed ballot shall be placed in the inner smaller envelope. The inner envelope shall be placed within the outer larger envelope which shall be sealed. An authorized voter for the Unit shall sign the exterior of the outer envelope in the space provided for such signature. The envelope shall either be mailed or hand delivered to the Association. In the case of ballots cast electronically, such ballots shall be completed and submitted as provided in the instructions accompanying transmission of such electronic ballots. Upon receipt by the Association, no ballot may be rescinded or changed. Additional written ballots shall be available at the meeting for voters who have not cast their votes. These ballots shall also be placed in an inner and outer envelope in the manner described above and the outer envelope must be signed by an authorized voter for the Unit. At the election meeting, the signature and Unit identification on the outer envelope (in the case of absentee or written ballots, or on the electronic ballot, in the case of ballots cast electronically) shall be checked against a list of Members of the Association and authorized voters by the election committee. Any exterior envelope not signed by an authorized voter, and any electronic ballot not completed as required in accordance with the instructions transmitted with the delivery of such electronic ballot, shall be marked "disregarded" or with words of similar import and any ballot contained therein shall not be counted. The voters shall be checked off on the list as having voted.

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Then, subsequent to the commencement of the meeting and in the presence of any Unit Owners in attendance, all inner envelopes shall be removed from the outer envelopes and placed in a receptacle, and access to all ballots cast electronically shall be made available to the election committee. Upon the commencement of the opening of the outer envelopes and inspection of the electronic ballots, the polls shall be closed, and no more ballots shall be accepted. The inner envelopes shall then be opened and the ballots removed, and together with each ballot cast electronically, shall be counted by the election committee in the presence of any Unit Owners in attendance. Any inner envelope containing more than one ballot shall be marked "disregarded", or with words of similar import, and any ballots contained therein shall not be counted. If an Owner owns two (2) or more Units, such Owner shall submit separate ballots for each Unit in the manner described above, with each ballot being placed in separate inner and outer envelopes, or submitted electronically and separately with respect to each ballot.

g. If two or more candidates receive the same number of votes which would result in one or more candidates not serving, then the Association shall in that instance conduct a runoff election in accordance with the following procedure. Within seven (7) days of the date of the election at which the tie vote occurred, the Board shall mail or deliver to the Unit Owners a Notice of Runoff Election. The only candidates eligible for the runoff election are the candidates who received the tie vote at the previous election. The notice shall inform the voters of the date scheduled for the runoff election to occur and shall include a ballot conforming to the requirements of this Article. The runoff election must be held not less than twenty-one (21) nor more than thirty (30) days after the date of the election at which the tie vote occurred.

Section 3.4 Vacancies on the Board. If the office of any director becomes vacant for any reason prior to the expiration of the term of office, a successor or successors to fill the remaining unexpired term or terms shall be appointed or elected as follows:

(a) If a vacancy is caused by the death, ineligibility or resignation of a director, a majority of the remaining directors, even though less than a quorum, shall appoint a successor, who shall hold office for the remaining unexpired term.

(b) If a vacancy occurs as a result of a recall and less than a majority of the directors are removed, the vacancy may be filled by appointment by a majority of the remaining directors, though less than a quorum. If vacancies occur as a result of a recall in which a majority or more of the directors are removed, the vacancies shall be filled by the Members in the agreements used to recall the Board Members, or by vote at the recall meeting, as applicable, unless otherwise provided by law.

For purposes of the foregoing provisions, in order to establish a quorum at the Board of Directors meeting held to appoint a replacement Member to the Board, it shall be necessary only for a majority of the remaining directors to attend the meeting, either in person or by telephone conference participation.

Section 3.5 Removal of Directors. Any or all directors, may be removed with or without cause by a majority vote of the entire voting interests, either by written agreement or at any meeting called for that purpose. The question shall be determined separately as to each director sought to

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be removed. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. All recall proceedings shall be in accordance with the provisions of Section 720.303(10), Florida Statutes (2004), as amended from time to time.

Section 3.6 Organizational Meeting. The organizational meeting of newly-elected directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors. Notice of the organizational meeting shall be posted at the designated location on the Association property at least 48 continuous hours in advance of the meeting.

Section 3.7 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as shall be determined by a majority of the directors. Except for meetings with the Association's attorney which are subject to the attorney-client privilege, or may otherwise be closed, as provided by law, meetings of the Board of Directors shall be open to all Unit Owners. Conspicuous notice of such meetings shall be posted at a designated location in the Community at least forty-eight (48) continuous hours in advance for the attention of the Members of the Association, except in the event of an emergency. Conspicuous written notice of any meeting at which a special assessment, or at which rules regarding Unit use, will be considered, shall be provided to the Unit Owners via one of the methods set forth in Section 2.5 of these By-Laws and posted at a designated location in the Community not less than fourteen (14) continuous days prior to the meeting. Evidence of compliance with this 14-day notice shall be by affidavit by the person providing the notice, and filed among the official records of the Association.

Section 3.8 Special Meetings. Special meetings of the directors may be called by the President, or Vice President, and must be called by the President or Secretary at the written request of two (2) directors. Special meetings of the Board of Directors shall be noticed and conducted in the same manner as provided herein for regular meetings. Unit Owners may petition for an item of business to be discussed at a Board meeting to the extent and so long as permitted by Section 720.303(2)(d), Florida Statutes, as amended from time to time.

Section 3.9 Notice to Board Members/Waiver of Notice. Notice of Board meetings shall be given to Board Members in person, by telephone or one of the methods set forth in Section 2.5 of these By-Laws which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than forty-eight (48) hours prior to the meeting. Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said director of notice. Attendance by any director at a meeting shall constitute a waiver of notice of such meeting, except when attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

Section 3.10 Quorum. Except as provided in Section 3.4 hereof, a quorum at Board of Directors meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present in person or telephonically (provided a speaker phone is utilized such that the Director(s) attending telephonically and all Directors and members of the Association attending in person can hear and speak to each other) at a meeting at which a quorum is established shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is specifically required by the Declaration, the Articles or these By-Laws. Directors may

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not vote by proxy. Directors may vote by secret ballot for the election of officers. At all other times, a vote or abstention for each director present shall be recorded in the minutes for all votes taken by the Board.

Section 3.11 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted.

Section 3.12 Joinder in Meeting by Approval of Minutes. A Member of the Board may submit in writing his or her agreement or disagreement with any action taken at a meeting that the Member did not attend, but such action may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

Section 3.13 Presiding Officer. The presiding officer at the directors' meetings shall be the President (who may, however, designate any other person to preside). In the absence of the presiding officer, the directors present may designate any person to preside.

Section 3.14 Order of Business. If a quorum has been attained, the order of business at directors' meetings shall be:

- (a) Proof of due notice of meeting;
- (b) Reading and disposal of any unapproved minutes;
- (c) Report 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 President, or the presiding officer.

Section 3.15 Minutes of Meetings. The minutes of all meetings of the Board of Directors, and the minutes of all regular meetings of the standing committees of the Board, shall be kept in a form (which may include, without limitation, posting such minutes on the website of the Association) suitable and available for inspection by Unit Owners, or their authorized representatives, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

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Section 3.16 Powers and Duties.

Section 3.16.1 Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not reserved exclusively to the membership generally by law or the Declaration, Articles or these By-Laws.

In addition to the duties imposed by the Articles, by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparing and adopting annual budgets at least thirty (30) days prior to the end of the Association's fiscal year setting forth the Common Expenses;

(b) establishing the amount of Assessments to pay the Common Expenses, establishing the means and methods of collecting such Assessments, and establishing a period for installment payments of Assessments;

(c) collecting the Assessments and depositing the proceeds thereof in a federally insured depository and/or in a depository or depositories secured by a bond naming the Association as beneficiary approved by the Board of Directors;

(d) providing for the operation, care, upkeep and maintenance of all of the Common Area;

(e) designating, hiring and dismissing any manager or any other personnel necessary for the operation of the Association, and the maintenance, operation, repair and replacement of the Association Property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(f) making and amending rules and regulations for the purposes set forth in Section 7.19 of these By-Laws;

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

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Association Property and Common Areas in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Articles, the Declaration, these By-Laws, and any rules and regulations, and bringing and defending any proceedings which may be instituted on behalf or against the Association;

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(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available, at a reasonable copy charge to the extent permitted by law, to any prospective purchaser of a Unit, any Owner of a Unit, any first mortgagee, and the holders, insurers, and guarantors of a first mortgage on an Unit, current copies of the Declaration, the Articles, these By-Laws, rules and regulations, and all other books, records, and financial statements of the Association;

(n) granting licenses to utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operations of the Property;

(o) purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee;

(p) contracting for the maintenance of the Community, and management services. All contracts for the purchase, lease or renting of materials or equipment, all contracts for services, and any contract that is not to be fully performed within one year, shall be in writing. For so long as required by law, the Association shall obtain competitive bids for any contract which requires payment exceeding ten (10%) percent of the total annual budget of the Association (except for contracts with employees of the Association, management firms, attorneys, accountants, architects, engineers, or landscape architects), unless the products and services are needed as the result of any emergency or unless the desired supplier is the only source of supply within the county serving the Association. The Board need not accept the lowest bid; and

(q) exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws (ii) all powers incidental thereto, and (iii) all other powers granted by statute or other law to a Florida corporation not for profit.

Section 3.16.2 Manager. The Board may employ for the Association professional management (the "Manager"), at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), (i) and (n) of Subsection 3.16.1.

Section 3.16.3 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

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(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

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

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no material benefit shall be accepted by the Manager from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finders fees, service fees, prizes, gifts, or otherwise, and anything of value so received shall be the property of the Association, except as otherwise approved by the Board, provided nothing herein shall prohibit the Manager from earning commissions for services performed by the Manager in leasing Units on behalf of the Owners of such Units, but all such actions shall be in compliance with applicable laws, ordinances and regulations;

(e) any financial or other interest which the Manager may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) financial reports shall be prepared for the Association at least annually in conformance with the requirements of Chapter 720, Florida Statutes, as renumbered or amended from time to time and shall contain, at a minimum:

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

(ii) a statement reflecting all cash receipts and disbursements, by classification, for the preceding period if necessary;

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

(iv) a balance sheet as of the last day of the preceding period, which shows the beginning and ending cash balance of the Association; and

(v) a delinquency reporting listing all Owners who are delinquent in paying the quarterly or other periodic installments of assessments and describing the status of any action to collect such installments which remain delinquent. A regular installment of an assessment shall be considered to be delinquent if payment is not received on the date it is due.

The annual financial report shall be prepared within sixty (60) days after the close of the fiscal year, or such greater period after the close of the fiscal year as permitted by law, and said report shall be mailed to each Member or each Member shall receive notice that the report is available, within the time limits set forth below for inspection of Association records and books.

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Such annual report shall be prepared on an audited basis, by an independent certified public accountant.

Section 3.17 Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of Association Property and Common Area without the approval of the membership. The Board shall also have the power to borrow money for other purposes, provided the Board shall obtain membership approval in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which such borrowing occurs. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws or the Articles, unless otherwise provided by applicable law, the Association (through Board resolution) may pledge personal property (including assessments and reserve funds and collection and lien rights) as security for a loan, however, no mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of a majority of all voting interests.

Section 3.18 Rights of the Association. In accordance with the Articles and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions with respect to the Common Area. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, and other owners or residents associations, both within and without the Property. Such agreements shall require the consent of at least a majority of the directors.

Section 3.19 Enforcement. The Board shall have the power to impose reasonable fines not to exceed One Hundred Dollars (\$100.00) per violation and a fine may be levied on the basis of each day of a continuing violation (subject to the provisions of Section 3.19(b) herein concerning continuing violations), or such greater amount allowed by law from time to time, and to suspend a Member's right to use the Common Areas for a reasonable period for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations. Such fine(s) and suspension(s) may be imposed against a Member or a Member's tenants, guests or invitees, or both. No fine shall constitute a lien upon the Unit(s) of the violating Owner unless permitted by applicable law as amended from time to time. In the event that any occupant of a Unit other than an Owner violates the Declaration, By-Laws or rules and regulations and a fine is imposed, if the fine is not paid within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Articles or By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction or fine hereunder, except for any sanction imposed because of the violator's failure to pay Assessments or other charges when due, the Board or its delegate shall serve the alleged violator with written notice stating (i) the nature of the alleged violation; (ii) the proposed sanction or fine imposed by the Board; and (iii) a date, not earlier than fourteen (14) days after service of such notice, of a hearing to be conducted before a Committee designated by the Board, at which the alleged violator shall be permitted to address the Committee and present any relevant information relating

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to the alleged violation, prior to any final decision by the Committee whether or not to impose the proposed sanction and/or fine.

(b) **Hearing.** The hearing described in the preceding subparagraph (a) shall be held before a committee of at least three members, appointed by the Board, who are not officers, directors, or employees of the Association, or the spouse, child, parent or sibling of an officer, director or employee. If the committee does not approve the proposed fine or sanction, it may not be imposed. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board or its applicable Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within or before the fourteen (14) day period preceding the commencement of such hearing. Such suspension shall not constitute a waiver of the right to sanction further violations of the same or other provisions and rules by any Person. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, and such fine shall continue to accrue on a per diem basis up to Two- Thousand Dollars (\$2,000.00) unless the Board and the Committee approve a greater amount. In any action to recover a fine, the prevailing party shall be entitled to collect its reasonable attorney's fees and costs from the non-prevailing party as determined by the court.

(c) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking and traffic rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above or by an action of eviction against any occupant of a Unit other than the Owner. In any such action, to the maximum extent permissible, the Owner and occupant responsible for the violation of which abatement is sought shall pay all costs, including attorney's fees, paralegal and law clerk fees and costs actually incurred.

(d) **Non-Payment of Assessments.** Notwithstanding the foregoing, the Board shall be authorized to levy late charges for non-payment of annual, special or individual assessments, in addition to any interest or costs of collection related thereto, in an amount determined by the Board of Directors from time to time, up to the maximum amount allowed by law, as amended from time to time, and to suspend a Member's, or the Members' tenants', guests' or invitees' rights to use the Common Areas for any period during which any assessment remains unpaid, provided such suspension shall not impair the right to have vehicular and pedestrian ingress to and egress from the Member's Unit, without the necessity of complying with the notice and hearing procedure set forth above.

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(e) Enforcement Costs. The Board shall be entitled to collect from the offending party reasonable attorney's fees and other fees and costs of any action or proceeding under this Section to enforce any provision of the Declaration, the Articles, these By-Laws or the rules and regulations of the Association.

Section 3.20 Emergency Board Powers. In the event of any "emergency" as defined below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Section 617.0207, Florida Statutes (2004), and Section 617.0303, Florida Statutes (2004), as amended from time to time.

(a) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(b) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(c) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(d) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttable presumption of being reasonable and necessary.

(e) The Board may use reserve funds to meet Association needs.

(f) Any officer, Director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency By-Laws shall incur no liability for doing so, except in the case of willful misconduct.

(g) These emergency By-Laws shall supersede any inconsistent or contrary provisions of the By-Laws during the period of the emergency.

(h) For purposes of this Section only, an "emergency" exists only during a period of time that the Property, or the immediate geographic area in which the Property is located, is subjected to:

- (1) a state of emergency declared by local civil or law enforcement authorities;
- (2) a hurricane warning;
- (3) a partial or complete evacuation order;
- (4) federal or state "disaster area" status;
- (5) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the Community, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or act of terrorism; or,

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(6) an unanticipated set of circumstances, which, if not acted upon with immediacy, is likely to cause imminent and significant financial harm to the Association, the Owners, the Community, or Association Property.

(i) **Additional Board Authority.** In addition to Board authority granted by law and the Governing Documents, the Board shall have the following power and authority to declare any portion of the Common Area unavailable for occupation by owners, tenants, or guests after a casualty, including during the rebuilding process. Such decision by the Board shall be made only if necessary to protect the health, safety, or welfare of the Association, owners, tenants, or guests.

Article IV Officers

Section 4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer; who shall all be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two (2) or more offices may be held by the same person, except that the same person shall not hold the offices of both President and Secretary.

Section 4.2 Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members, as herein set forth. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.3 Removal. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

Section 4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective officers, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4.5 Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, and other instruments of the Association shall be executed by at least two (2) officers

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or by such other person or persons as may be designated by resolution of the Board, provided, however, that checks may be signed by any officer authorized by the Board of Directors or such other person or persons authorized by the Board from time to time.

Section 4.7 Compensation. Neither directors or officers shall receive compensation for their services as such, provided, however, the Board of Directors may hire a director or officer as an employee of the Association, and may contract with a director or officer for management or any other compensable service, in their reasonable business discretion.

Article V Committees

Section 5.1 General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each Committee shall operate in accordance with the terms of the resolutions of the Board appointing the Committee or with rules adopted by the Board.

Section 5.2 Covenants Committee. In addition to any other Committees which may be established by the Board pursuant to this Article, the Board shall appoint a Committee (the "Covenants Committee") consisting of at least three (3) and no more than seven (7) Members who are not officers, directors or employees of the Association, or the spouse, parent, child, brother or sister of any such officer, director or employee, which shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to these By-Laws.

Section 5.3 Executive Committee: Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more Members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Association during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Expenses required for the affairs of the Association, (b) to determine the assessments payable by the Unit Owners to meet the Common Expenses, (c) to adopt or amend any rules and regulations governing the details of the operation and use of the Units or Common Areas, (d) to fill vacancies on the Board of Directors or (e) to borrow money.

Any Committee authorized to take final action on behalf of the Board regarding (1) the approval or disapproval of architectural decisions or (2) the authorization of expenditures of Association funds, as well as all standing Committees established by the Board from time to time (e.g. the Finance Committee, the Architectural Control Committee, the Landscape Management Committee, the Documents Committee, etc.) shall conduct all regular meetings in the same manner as provided in these By-Laws for Board of Directors meetings. All subcommittees of a standing committee and all ad hoc committees (i.e. single-purpose committees then newly-created by the Board to address a single, specific issue facing the Community) established from time to time by

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the Board may meet and conduct their affairs in private without prior notice or owner participation, unless otherwise provided by applicable law as amended from time to time, except that in the case of an ad hoc committee established by the Board for the specific purpose of studying and making a recommendation to the Board concerning a specific matter affecting all homeowners, the Board shall -- to the extent feasible and so long as no emergency situation is involved -- provide a communication to all owners through the website of the Association which shall (1) notify the owners of the creation of the ad hoc committee and the nature of any specific recommendation requested by the Board from that ad hoc committee, and (2) invite such owners to submit (a) in writing, (b) by a date certain, and (c) to an identified person, any comments or suggestions or input which such owners may desire to communicate to such ad hoc committee relating to the topic of such requested recommendation.

Notwithstanding any other law or documentary provision, the requirement that certain committee meetings be open to the Unit Owners is inapplicable to meetings between any committee and the Association's attorney which is subject to the attorney-client privilege, as provided by law.

Article VI

Transactions in Which the Directors or Officers are Interested

No contract or transaction between the Association and one or more of its Members, directors or officers, or between the Association and any other entity in which any of the officers, directors or Members of the Association has any interest, shall be valid, void or voidable solely for this reason, or solely because such interested person is present at or participates in meetings of the Board or any Committee thereof which authorized the contract or transaction, or solely because the votes of such interested person(s) are counted for such person. No director, officer or Member of the Association shall incur liability by reason of the fact that the director, officer or Member may be interested in any such contract or transaction.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a Committee which authorized the contract or transaction.

Article VII

Miscellaneous

Section 7.1 Fiscal Year. The fiscal year of the Association shall begin on October 1st each year and end on September 30th of the following year, unless otherwise set by resolution of the Board.

Section 7.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with applicable law, the Articles, the Declaration, or these By-Laws.

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Section 7.3 Conflicts. If there are conflicts between the mandatory provisions of applicable law, the Articles, the Declaration and these By-Laws, the provisions of applicable law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

Section 7.4 Official Records. The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

(a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Areas or other property that the Association is obligated to maintain, repair or replace.

(b) A copy of the By-Laws of the Association and of each amendment thereto.

(c) A copy of the Articles of Incorporation of the Association and of each amendment thereto.

(d) A copy of the Declaration of Covenants, Conditions and Restrictions and of each amendment thereto.

(e) A copy of all Rules and Regulations of the Association.

(f) The minutes of all meetings of the Board of Directors and the Members, which minutes must be retained for at least 7 years.

(g) A current roster of all Members and their mailing addresses and parcel identifications.

(h) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least 7 years.

(i) A current copy of all contracts to which the association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of 1 year.

(j) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of 7 years. The financial and accounting records must include:

1. Accurate, itemized, and detailed records of all receipts and expenditures.

2. A current account and a periodic statement of the account for each Member, designating the name and current address of each Member who is obligated to pay

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Assessments, the due date and amounts of each Assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

3. All tax returns, financial statements, and financial reports of the Association.

4. Any other records that identify, measure, record or communicate financial information.

(k) Any other item required to be kept or maintained among the official records of the Association by applicable law.

Section 7.5 Inspection of Official Records.

(a) Inspection by Members. The official records shall be maintained within the state and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within 10 business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying in the Community.

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

Section 7.6 Minutes. Minutes of all of the meetings of the Members and of the Board of Directors must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each director present at a Board meeting must be recorded in the minutes.

Section 7.7 Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board of Directors, or the Manager, at the principal office of the Association or the Manager, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 7.8 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Members with seventy-five percent (75%) of the total votes. This Section shall not apply, however, to (a) actions brought by the

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Association to enforce the provisions of the Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments, (c) proceedings involving challenges to ad valorem taxation, (d) actions by the Association against any party, or (e) counterclaims brought by the Association in proceedings instituted against it. The prevailing party shall be entitled to recover as part of the award reasonable attorneys' fees and related costs, fees or expenses of such claim or litigation.

Section 7.9 Amendment. In addition to any consent by the Members that may be required pursuant to Article XIII of the Declaration, these By-Laws may be amended only by the affirmative vote of directors representing two-thirds (2/3) of the total votes of the Board. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

No amendment may impair the validity or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to that Mortgagee herein, without the prior written consent of such Mortgagee.

Section 7.10 Statutory Requirements. These By-Laws and the powers and duties of the Association, the Board and the Members shall be subject to the mandatory provisions of Florida Statute Chapter 720, as amended, and such other laws hereafter enacted to govern or regulate homeowners associations, provided, however, that these By-Laws shall prevail when any such law or statute permits the By-Laws of an association to supersede the statutory provision.

Section 7.11 Severability. If any provision of these By-Laws is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder of these By-Laws shall not be invalidated thereby and shall be given full force and effect so far as possible.

Section 7.12 Budget. The Board of Directors shall adopt a budget of Common Expense for the Association and Community. The assessment is payable quarterly, unless the Board resolves to require monthly payments. The Board of Directors shall post notice of the budget meeting, and after adoption of the budget, shall provide a copy of the budget to each Unit Owner or written notice by mail, delivery or electronic transmission advising that a copy of the budget shall be provided upon request at no cost to the Member.

Section 7.13 Reserves. The Board may establish one or more reserve accounts in the operating budget for contingencies, operating expenses, repairs, capital improvements or special projects. These reserves may be used to offset cash flow shortages, provide financial stability, and avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be included in the proposed annual budget. These funds may be spent for any purpose approved by the Board.

Section 7.14 Special Assessments. Special assessments may be approved by the Board of Directors at a Board meeting for which notice is provided pursuant to Section 2.5 of these By-Laws. All special assessments shall be secured by a lien in the same manner as regular annual assessments per the Declaration.

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Section 7.15 Fidelity Bonds. The President, Vice-President, Secretary and Treasurer, and all other persons who are authorized to sign checks, or have access to or control of Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premium on such bonds is a Common Expense.

Section 7.16 Roster of Unit Owners. Each Unit Owner shall, within thirty (30) days of taking title, file with the Association a copy of the recorded deed or other recorded document showing his ownership. The Association shall maintain such information and may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other owners shall produce adequate evidence, as provided above, of their ownership interest and shall waive in writing notice of such meeting.

Section 7.17 Indemnity. The Association shall indemnify any officer, director, or committee member who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, unless (i) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (ii) such court also determines specifically that indemnification should be denied. 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 best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their officers, directors, and committee members as permitted by Florida law.

Section 7.17.1 Defense. To the extent that a director, officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.17 above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

Section 7.17.2 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of a request from the officer, director or committee member, provided such director, officer or committee member shall repay such amount if it shall ultimately

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be determined by the Board or a court of competent jurisdiction that he is not entitled to be indemnified by the Association as authorized by this Section 7.17.

Section 7.17.3 Miscellaneous. The indemnification provided by this Section 7.17 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members, or otherwise, and shall continue as to a person who has ceased to be a director, officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

Section 7.17.4 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, or agent of the Association, or 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 Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 7.18 Delegation. To the extent permitted by law, the powers and duties of the directors and officers may be delegated for the purpose of management.

Section 7.19 Rules and Regulations. The Board of Directors may, from time to time, adopt, amend or add to rules and regulations governing the use of Common Areas and the Units, the operation of the Association, and architectural standards to the extent permitted by the Declaration.

Section 7.20 Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 7.21 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.