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DECLARATION OF CONDOMINIUM

OF

PALM ISLAND PLANTATION NO. 1, A CONDOMINIUM

PALM ISLAND PLANTATION, LLC, a Florida Limited Liability Company, herein called
"Developer", on behalf of itself and its successors, grantees, and assigns, hereby makes this
Declaration of Condominium:

1. **SUBMISSION TO CONDOMINIUM - NAME** - The fee simple title or easement
interests, as noted, to the lands located in Indian River County, Florida, and described in attached
Exhibit "A" are submitted to the condominium form of ownership and designated "Palm Island
Plantation No. 1, a Condominium".

2. **NAME - ASSOCIATION** - The name of the Condominium Association is "Palm Island
Plantation No. 1 Condominium Association, Inc." This Association is incorporated as a not-for-profit
Florida corporation.

3. **DEFINITIONS** - The terms used in this Declaration and in its exhibits, including the By-
Laws of the Association, will have the meanings stated in Chapter 718, Florida Statutes
(Condominium Act) and as follows, unless the context otherwise required:

3.1. **ASSESSMENT** - The share of the funds required for the payment of common
expenses that is assessed against a Unit owner from time to time.

3.2. **ASSOCIATION** - The corporation responsible for the operation of the
Condominium.

3.3. BOARD OF DIRECTORS or DIRECTORS or BOARD - The Board of Directors responsible for the administration of the Association. Except for Directors appointed by Declarant, all Directors shall be Owners of Units or spouses of such Owners; provided, however, no Owner and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the individual designated by written notice to the Secretary of the Association to exercise the membership rights of the Owner shall be entitled to serve on the Board of Directors.

3.4. CHARGE or SPECIAL CHARGE - The obligation of a Unit owner to pay or reimburse money to the Association that cannot be secured as an assessment pursuant to F.S. 718.116, but which will, if the charge is not paid, give rise to a cause of action against the Unit owner pursuant to this Declaration.

3.5. COMMON ELEMENTS - The portions of the property submitted to condominium ownership and not included in the Units including:

3.5.1. Land

3.5.2. All parts of improvements that are not included within the Units.

3.5.3. Easements

3.5.4. Installations for the furnishings of services to more than one Unit or to the common elements, such as chilled water air conditioning, electricity, water and sewer.

3.6. COMMON EXPENSES - All expenses and assessments properly incurred by the Association for the Condominium and such expenses as may be declared to be common expenses by this Declaration.

3.7. COMMON SURPLUS - The excess of all receipts of the Association above the

common expenses.

3.8. CONDOMINIUM DOCUMENTS - This Declaration and the attached exhibits setting forth the nature of the property rights in the Condominium and the covenants running with the land that govern these rights. All the other Condominium documents will be subject to the provisions of the Declaration. The order of priority of the documents will be as follows: (1) Declaration; (2) Association Articles of Incorporation; (3) By-Laws; and (4) Rules and Regulations.

3.9. CONDOMINIUM PARCEL - A Unit together with the undivided share in the common elements which is appurtenant to the Unit.

3.10. CONDOMINIUM PROPERTY - The real and personal property, both tangible and intangible, subject to condominium ownership, whether or not contiguous; all improvements thereon; and all easements and rights appurtenant thereto.

3.11. DEVELOPER OR DECLARANT - PALM ISLAND PLANTATION, LLC., a Florida Limited Liability Company, the company that has established this Condominium, and the successors and assigns of the company's development rights.

3.12. EXHIBITS:

- A. Legal Description, Survey, Site Plan, Floor Plans, and Sketch of the Project.
- B. Percentage Shares of Common Elements, Common Expenses, and Common Surplus.
- C. Articles of Incorporation of Association.
- D. By-Laws of Association.

3.13. FAMILY - One natural person or a group of two or more natural persons, each of

whom is related to each of the others by blood, marriage, or adoption (exclusive of household servants); or not more than two adult persons not so related and the children of either or both of them who reside together as a single not-for-profit housekeeping Unit.

3.14. GUEST - Any person who is physically in or occupies a Unit on a temporary basis at the invitation of the Unit owner without the payment of consideration.

3.15. INSTITUTIONAL FIRST MORTGAGEE - The mortgagee or its assignee of a first mortgage on a condominium parcel. The mortgagee may be a bank, a savings and loan association, a mortgage banker, a life insurance company, a real estate or mortgage investment trust, or a pension or profit sharing trust.

3.16. LEASE - The grant by a Unit owner of a temporary right of use of the owner's Unit for a valuable consideration.

3.17. LIMITED COMMON ELEMENTS - Those portions of the common elements that are reserved for the use of a certain Unit or Units to the exclusion of the other Units.

3.18. OCCUPY - The act of being physically present in a Unit on two or more consecutive days, including staying overnight. An occupant is one who occupies a Unit.

3.19. OPERATION - The administration and management of the Condominium Property.

3.20. PERSON - An individual, corporation, trust, or other legal entity capable of holding title to real property.

3.21. SINGULAR, PLURAL, GENDER - Whenever the context permits, use of the plural includes the singular, use of the singular includes the plural, and use of any gender includes all genders.

3.22. UNIT - A part of the Condominium Property that is subject to exclusive ownership

as described in this Declaration.

3.23. UNIT NUMBER - The letter, number, or combination thereof that is designated on the Condominium Site Plan and is used as the identification of a Unit.

3.24. UNIT OWNER - The owner of a record legal title to a condominium parcel.

3.25. VOTING INTEREST - The voting rights distributed to the Association members pursuant to F.S. 718.104(4)(i).

3.26. PALM ISLAND PLANTATION - A certain real property development described in the Declaration of Covenants, Conditions and Restrictions for Palm Island Plantation recorded in O. R. Book 1477, Page 0088, Public Records of Indian River County, Florida, and amendments thereto.

4. CONDOMINIUM UNITS, BOUNDARIES, AND APPURTENANCES - Each Unit and its appurtenances constitute a separate parcel of real property that may be owned in fee simple. The Unit may be conveyed, transferred, and encumbered like any other parcel of real property, independently of all other parts of the Condominium Property, subject only to the provisions of the condominium documents and applicable laws.

4.1. BOUNDARIES - Each Unit will have boundaries as defined below. The boundaries may exist now or may be created by construction, settlement, or movement of the buildings; or by permissible repairs, reconstruction, or alterations. Said boundaries are intended to include each Unit's balconies, terraces and private entry foyer and shall be determined in the following manner:

4.1.1. HORIZONTAL BOUNDARIES - The upper and lower boundaries of the Units will be:

4.1.1.1. UPPER BOUNDARY - The planes of the underside of the

finished and undecorated ceilings of the Unit, extended to meet the perimeter boundaries.

4.1.1.2. LOWER BOUNDARY - The planes of the upperside of the finished and undecorated surface of the floors of the Unit, extended to meet the perimeter boundaries.

4.1.2. PERIMETER BOUNDARIES - The perimeter boundaries will be both the finished and undecorated interior surfaces of the perimeter walls of the unit as shown on the Condominium Plot Plan, and the unit's windows, doors, balconies, terraces, railings and screening that abut the exterior of the building or common elements.

4.2. EXCLUSIVE USE - Each Unit owner will have the exclusive use of such owner's Unit.

4.3. OWNERSHIP - The ownership of each Unit will carry with it as appropriate, and whether or not separately described, all of the rights, title, and interest of a Unit owner in the Condominium Property which will include, but not be limited to:

4.3.1. COMMON ELEMENTS AND COMMON SURPLUS - An undivided share of ownership of the common elements and common surplus.

4.3.2. LIMITED COMMON ELEMENTS - Either the exclusive use or use in common with one or more other designated Units of the limited common elements that may exist. Such elements are the garage parking space(s), each Unit's air conditioning compressor, and the storage area(s).

4.3.3. ASSOCIATION MEMBERSHIP - Membership in the Association and voting rights.

4.3.4. EASEMENT FOR AIR SPACE - An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may be lawfully

altered or reconstructed from time to time. The easement will be terminated automatically in any air space that is vacated from time to time.

4.4. EASEMENTS - The following non-exclusive easements are created by and granted from the developer to each Unit owner; to the Association; to the Palm Island Plantation Community Association, Inc., and their employees, agents, and hired contractors; to utility companies; to Unit owners' families in residence, guests, and invitees; and to governmental and emergency services, as applicable.

4.4.1. INGRESS AND EGRESS - Easements over the common elements for ingress and egress to Units and public ways.

4.4.2. MAINTENANCE, REPAIR, AND REPLACEMENT - Easements through the Units and common elements for maintenance, repair, and replacement.

4.4.3. UTILITIES - Easements through the Common Elements and Units for conduits, ducts, plumbing, and wiring, and other facilities for the furnishing of services and utilities to other Units, the Common Elements, and other utility customers, both existing and future.

4.4.4. PUBLIC SERVICES - Access to both the Condominium Property and the Units for lawfully performed emergency, regulatory, law enforcement, and other public services.

5. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS -

The responsibility for protection, maintenance, repair and replacement of the Condominium Property, and restrictions on its alterations and improvement shall be as follows:

5.1. ASSOCIATION MAINTENANCE - The Association is responsible for the protection, maintenance, repair and replacement of all Common Elements and certain limited common elements (other than the limited common elements that are required elsewhere herein to be maintained

by the Unit owner). The Association's responsibilities include, without limitation:

- 5.1.1. Electrical wiring up to the point where they enter each Unit.
- 5.1.2. Water pipes up to point where they enter each Unit.
- 5.1.3. Cable television lines up to the point where they enter each Unit.
- 5.1.4. Air conditioning condensation drain lines up to the point where they enter each Unit.
- 5.1.5. Sewer lines, up to the point where they enter the Unit.
- 5.1.6. All installations, fixtures and equipment located within a Unit, for the furnishing of utilities to more than one Unit or the common elements.
- 5.1.7. All exterior building walls, including painting, waterproofing, and caulking, together with roof maintenance, repair and replacement, which areas are designated as common elements. The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a Unit and serving only that Unit. All incidental damage caused to a Unit or limited common elements by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition to the common elements made by a Unit owner or his predecessor in title or for damage to paint, wallpaper, panelling, flooring or carpet which, of necessity, must be cut or removed to gain access to work areas located behind them.
- 5.1.8. **HURRICANE SHUTTERS** - The Association or its agents shall be responsible for the repair, replacement and installation of the hurricane shutters or panels within the

common elements upon issuance of a hurricane warning for Indian River County, Florida.

5.1.9. The Condominium Property's paving and elevators are designated as common elements, the maintenance, repair and replacement of which are a common expense shared by all Unit Owners.

5.2. **UNIT OWNER MAINTENANCE** - Each Unit owner is responsible, at his own expense, for all maintenance, repairs, and replacements of his own Unit and certain limited common elements. The owner's responsibilities include, without limitation:

5.2.1. Maintenance, repair and replacement of window screens, windows and window glass in accordance with Association requirements.

5.2.2. All doors to the Unit and their interior and exterior surfaces, except for the exterior of doors opening to common elements.

5.2.3. The circuit breaker panel and all electrical wiring past the point where they enter each Unit.

5.2.4. Appliances, water heaters, smoke alarms and vent fans.

5.2.5. All air conditioning, and heating equipment, thermostats, ducts and installations serving the Unit exclusively, except as otherwise provided in Sections 5.1.

5.2.6. Carpeting and other floor coverings.

5.2.7. Door and window hardware and locks.

5.2.8. Shower pans.

5.2.9. Other facilities or fixtures, including mechanical and plumbing lines, pipes, fixtures, switches, valves, drains and outlets (including connections), which are located or contained entirely within the Unit and serve only the Unit.

5.2.10. All interior, partition walls which do not form part of the boundary of the Unit.

5.2.11. All hurricane shutters or panels on the Unit's windows or doors, including the installation of panels or closing of shutters upon issuance of a hurricane warning for Indian River County, Florida.

5.2.12. Unit balconies or patio areas, including the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; and all glass and sliding glass doors in portions of the entrance way to said area, if any; and the wiring, electrical outlet(s) and fixture(s) thereon, if any; and the replacement of light bulbs. Notwithstanding the foregoing, the Association is authorized to establish and fund an exterior window washing program for both common element and Unit windows in the Condominium.

5.3. OTHER UNIT OWNER RESPONSIBILITIES -

5.3.1. **FLOORING - (UNITS)** - An Owner on the second or third floor who desires to install a substitute hard-surface floor covering (e.g., marble, ceramic tile or wood) in place of the Developer's selected floor covering shall also install a sound absorbent underlayment, as well as perimeter sound isolation material, of which kind and quality as to be equivalent or superior to the Developer's original selection. The soundproofing materials must be installed in accordance with the Rules and Regulations as amended from time to time so as to reduce the transmission of noise to adjoining Units, and the written approval of the Board of Directors must be obtained prior to any such installation. If the installation is made without prior approval, the Board may, in addition to exercising all the other remedies provided in this Declaration, require the Unit Owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the

expense of the offending Unit Owner.

5.3.2. FLOORING - (BALCONIES) - In the event of a substituted balcony floor material other than that specified by the Developer, the owner must receive prior written approval from the Condominium Association as to the underlayment to be installed beneath the flooring.

5.3.3. WINDOW COVERINGS - The covering and appearance of the windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the Unit, visible from the exterior of the Unit, shall be subject to the rules and regulations of the Association.

5.3.4. MODIFICATIONS AND ALTERATIONS OR NEGLECT - A portion of first floor Units' balconies may be enclosed by the Developer during the initial construction of the Condominium in order to add an additional room to each of those Units. All other porches, balconies, loggias and terraces on the condominium property may not be enclosed or otherwise modified without the prior written consent of the Association's Board of Directors.

Any structural modification to a Unit must follow the Association's design guidelines, will be issued by the Association Board of Directors in their sole discretion.

If a Unit owner makes any modifications, installations or additions to his Unit or the common elements or neglects to maintain, repair and replace as required by this Section 5, the Unit owner, and his successors in title, shall be financially responsible for:

5.3.4.1. Maintenance, repair and replacement of the modifications, installations or additions;

5.3.4.2. The costs of repairing any damage to the common elements or other Units resulting from the existence of such modifications, installations or additions; and

5.3.4.3. The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium Property for which the Association is responsible.

5.3.5. USE OF LICENSED AND INSURED CONTRACTORS - Whenever a Unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the Unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

5.4. SERVICE AND MAINTENANCE CONTRACTS - If there shall become available to the Association:

5.4.1. A program of contract maintenance for items which are located within the Units and otherwise the responsibility of the Unit owner, such as water heaters and/or air handlers and related equipment serving individual Units; or

5.4.2. Certain contract services to be delivered within the Units for items otherwise the responsibility of the Unit owner, such as pest control or cable television; the Board may enter into any such contracts which the Board determines are to the benefit of the owners generally. The expenses of such contracted undertakings to the Association shall be a common expense. All maintenance, repairs and replacements not covered by the contracts shall remain the responsibility of the Unit owner. Because the expenses are common expenses, an election by a Unit owner not to take advantage of the services or maintenance provided by such contracts shall not excuse the owner from paying his share of the cost.

5.5. OWNER ALTERATION OF COMMON ELEMENTS RESTRICTED - No Unit owner may make any alterations, add to, or remove any part of the portions of the improvements that are to be maintained by the Association without prior written approval as required by Section 6.3 of this Declaration. The owner must obtain all necessary approvals and permits from applicable government entities. The Association may require approval from engineers or other professionals as a prerequisite. The entire expense must be borne by the owner, including any subsequent maintenance and restoration. No owner will do any work that would jeopardize the safety or soundness of the building, increase insurance requirements or premiums or impair any easements. If approved by the Board, two Units owned by the same owner that are adjacent horizontally, may be connected by doorways through common element walls. Such Board approved work is declared not to constitute material alterations or substantial additions to the common elements.

5.6. EXTERIOR APPEARANCE - A Unit owner shall not remodel, paint, decorate or otherwise change the appearance of any portion of the building, including portions within the boundaries of his Unit which are visible from the exterior of the Unit, unless the written consent of the Association is obtained in advance. In addition, those portions of each Unit that are visible from the exterior shall be repaired or replaced by the Unit owner when needed, as determined by the Association. In order to maintain a consistent, harmonious appearance to the building, when those portions of each Unit that are visible from the exterior are replaced by the Unit owner, such replacement shall comply with design and materials guidelines issued by the Association.

6. COMMON ELEMENTS

6.1. SHARE OF - The common elements will be owned by the Unit owners in undivided shares as set forth in Exhibit "B". Such undivided shares are stated as percentages and are based on

the square footage of each Unit in relation to the total square footage of all Units in the Condominium.

6.2. **USE** - Each Unit owner and the Association will be entitled to use the common elements in accordance with the purposes for which the elements are intended; however, no such use may hinder or encroach upon the lawful rights of other Unit owners.

6.3. **MATERIAL ALTERATIONS AND ADDITIONS** - Material alteration of or substantial additions to the common elements or to Association property, including the purchase, acquisition, sale, conveyance, or mortgaging of such property, may be effectuated only by vote of 67% of the voting interests of the Association at a meeting called for that purpose. The Board of Directors may lease or grant easements or licenses for the use of common elements or Association property if the use will benefit the members of the Association and may charge for such use.

7. **FISCAL MANAGEMENT** - The fiscal management of the Condominium including budget, fiscal year, charges, assessments, and collection of assessments shall be as set forth herein and in the By-Laws (Exhibit "D").

8. **ADMINISTRATION** - The administration of the Condominium shall be by the Board of Directors and its powers and duties shall be as set forth herein and in the Articles of Incorporation and the By-Laws.

9. **INSURANCE** - In order to adequately protect the Unit owners, the Association, and all parts of the Condominium Property and Association property that are required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

9.1. **DUTY AND AUTHORITY TO OBTAIN** - The Board of Directors shall use due

diligence to obtain and maintain adequate insurance. In all insurance purchased by the Association, the name of the insured shall be the Association and the Unit owners and their mortgagees (without naming the mortgagees), as their interests shall appear and shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of institutional first mortgages. In the event that the Palm Island Plantation Community Association, Inc. requests the Association to name it as an additional insured as its interests may appear, the Association shall do so.

9.2. BASIC INSURANCE - The Board will procure insurance covering the building and improvements as well as all insurable Association property (if any such property is acquired by the Association), in an amount determined annually by the Board of Directors. Pursuant to F. S. 718.111(11)(b) the word "building" does not include floor coverings, wall coverings, ceiling coverings nor electrical fixtures, appliances, air conditioning or heating equipment, water heaters or built-in cabinets located within a Unit. Such insurance shall afford the following protection:

9.2.1. PROPERTY - The policy must include replacement cost coverage for loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by the standard "All Risk" property contract.

9.2.2. FLOOD - The policy must include up to the replacement cost for the building and insurable improvements, as available.

9.2.3. LIABILITY - The policy must include premises and operations liability endorsements for bodily injury and property damage in such limits of protection and with such coverage as required by the Board of Directors of the Association, with cross liability endorsements to cover liabilities of the Unit owners as a group to a Unit owner.

9.2.4. AUTOMOBILE - The policy must include automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles used in Association business in such limits of protection and with such coverage as may be required by the Board of Directors of the Association.

9.2.5. WORKERS' COMPENSATION - The Association shall maintain worker's compensation insurance to meet the requirements of law.

9.2.6. FIDELITY BONDING - The Association shall obtain and maintain blanket fidelity bonding for each person who is authorized to sign checks and the President, Secretary and Treasurer of the Association in an amount not less than as required by Section 718.111, Florida Statutes, as amended, for each such person. The Association shall bear the cost of bonding.

9.2.7. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE - The Association shall obtain and maintain adequate Directors' and Officers' liability insurance utilizing the broad form of policy coverage for all Directors and Officers and, if available, committee members of the Association.

9.2.8. OPTIONAL COVERAGE - The Association may purchase and carry such other insurance coverage as the Board of Directors may determine from time to time to be in the best interests of the Association and Unit owners.

9.3. DESCRIPTION OF COVERAGE - A detailed summary of the coverage included in the master policies shall be available for inspection by Unit owners upon request.

9.4. WAIVER OF SUBROGATION - If available and where applicable, the Board of Directors shall endeavor to obtain insurance policies which provide that the insurer waives its rights to subrogation as to any claim against Unit owners, the Association, or their respective servants,

agents or guests.

9.5. SHARES OF INSURANCE PROCEEDS - All proceeds of insurance policies purchased by the Association shall be payable to the Association. The duty of the Association shall be to receive such proceeds and hold and disburse them for the purposes stated herein in the following shares:

9.5.1. COMMON ELEMENTS - Proceeds on account of damage to common elements shall be held in as many undivided shares as there are Units, the shares of each Unit owner being the same as his share in the common elements.

9.5.2. UNITS - Proceeds on account of damage to Units shall be held in as many undivided shares as there are damaged Units, the share of each owner being in proportion to the cost of restoring the damage suffered by each such Unit.

9.5.3. MORTGAGEES - If a mortgagee endorsement has been issued as to a Unit, the shares of the mortgagee and the Unit owner shall be as their interests may appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against Units except to the extent that insurance proceeds exceed the actual costs of repair or restoration of the damaged improvements, and no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty. The Association shall pay all policy deductible amounts on Association policies.

9.6. DISTRIBUTION OF INSURANCE PROCEEDS - Proceeds of insurance policies received by the Association shall be distributed for the benefit of the Unit owners in the following manner:

9.6.1. COST OF RECONSTRUCTION OR REPAIR - When the damage for

which the proceeds are paid is to be repaired or reconstructed by the Association, the proceeds shall first be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be retained by the Association.

9.7. ASSOCIATION AS AGENT - The Association is hereby irrevocably appointed agent for each Unit owner to adjust all claims arising under insurance policies purchased by the Association.

10. RECONSTRUCTION OR REPAIR AFTER CASUALTY If any part of the Condominium Property is damaged by casualty, how it shall be reconstructed or repaired shall be determined as follows:

10.1. DAMAGE TO UNITS - Where loss or damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit owner, any Association insurance proceeds on account of the damage, less the deductible, shall be distributed to such contractors, suppliers and personnel for work done, materials supplied or services required for reconstruction or repair. Payments shall be in such amounts and at such times as the Unit owners may direct. The owners of damaged Units shall be responsible for reconstruction and repair and shall bear the cost thereof, if any, in excess of the insurance proceeds.

10.2. DAMAGE TO COMMON ELEMENTS - Where loss or damage occurs to the common elements, it shall be mandatory for the Association to repair, restore or rebuild the damage caused by the loss, and the following procedures shall apply:

10.2.1. ESTIMATES - The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of reconstruction and repair, and shall negotiate and contract for the work.

10.2.2. INSURANCE INSUFFICIENT - If the net proceeds of insurance plus available reserves are insufficient to pay for the cost of reconstruction and repair of the common elements, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all Unit owners. Such special assessments need not be approved by the Unit owners. The special assessments shall be added to the proceeds available for reconstruction and repair of the property.

10.2.3. APPLICATION OF INSURANCE PROCEEDS - It shall be presumed that the first monies disbursed for reconstruction and repair shall be from the insurance proceeds and they shall first be applied to reconstruction of the common elements and Association property and then to the Units; if there is a balance in the funds held by the Association after the payment of all costs of reconstruction and repair, such balance shall be retained by the Association.

10.3. PLANS AND SPECIFICATIONS - All reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or in lieu thereof, according to plans and specifications approved by the Board of Directors and by the owners of Palm Island Plantation No. 1 Condominium Association, Inc.

11. USE RESTRICTIONS - The use of the property of the Condominium shall be in accordance with the Uniform Rules and Regulations and the following use restrictions:

11.1. LAWFUL USE - All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair upon Condominium Property shall be the same as the responsibility for the repair and maintenance of the property as expressed earlier in this Declaration. No timeshare use shall be permitted.

11.2. RULES AND REGULATIONS - The Uniform Rules and Regulations concerning the use of the Condominium Property including the Units may be amended from time to time by the Board of Directors. Copies of the regulations and amendments shall be furnished by the Association to all Unit owners. No new or amended regulation may be enforced prior to distribution to the owners.

11.3. USE AND OCCUPANCY OF THE UNITS is restricted to one family and their guests per Unit only. Children are permitted to reside in the Units. These use restrictions shall not be construed in such a manner as to prohibit a Unit owner from maintaining his personal professional library, keeping his personal business or professional records or accounts or handling his personal, business or professional telephone calls or correspondence in and from his Unit. Such uses are expressly declared customarily incident to the principal residential use. All guests must be registered with the Association upon arrival and unregistered guests may be denied use of recreational facilities and amenities.

11.4. ACCESS TO UNITS - The Association has an irrevocable right of access to the Units during reasonable hours when necessary for the purpose of maintenance, repair and replacement of the common elements or of any portion of a Unit to be maintained by the Association pursuant to this Declaration or for making emergency repairs which are necessary to prevent damage to the common elements or to another Unit or Units. The right of access to a Unit shall be exercised after reasonable notice to the Unit owners, unless such notice is not possible or practical under the circumstances, and with due respect for the occupants' rights to privacy and freedom from unreasonable annoyance, with reasonable precautions to protect the personal property within the Unit. The Association requires and shall retain a pass-key to all Units. No Unit owner shall install

or alter any lock that prevents access while the Unit is unoccupied without providing the Association with a key.

11.5. PARKING - There are 12 parking spaces in the garage area, with two designated spaces for the exclusive use of each Unit. Additional visitors' parking spaces are located outside of the building on the sides of the Condominium Property.

11.6. PARKING SPACES, AIR CONDITIONING COMPRESSORS AND STORAGE AREAS - The exclusive right to use a limited common element is an appurtenance to the Unit or Units to which it is designated or assigned.

11.7. PETS - Pets shall be as allowed and regulated in the Uniform Rules and Regulations.

11.8. NUISANCES PROHIBITED - No person shall engage in any practice, exhibit any behavior nor permit any condition to exist that will constitute a nuisance or become an unreasonable source of annoyance or disturbance to any occupancy of the Condominium. If, in the opinion of the Association, any Guest or Tenant shall become a nuisance, the Unit Owner shall be notified and shall be responsible for removing the Guest or Tenant from the Unit.

12. LEASE, CONVEYANCE, DISPOSITION - The purpose and object of this Section is to maintain a quiet, tranquil and single-family oriented atmosphere with the residents living in compatible coexistence with other financially responsible persons who are of like-mind and acceptable both in character and comportment. This objective is considered to be both important and justified because of the necessity of sharing facilities and because of the large personal financial investment of each owner. Therefore, the lease, conveyance, and disposal of the Units by owners shall be subject to the following provisions:

12.1. ASSOCIATION APPROVAL REQUIRED - Except for Developer sales, no owner

may sell, lease, give or otherwise transfer ownership of a Unit or any interest therein in any manner without the prior written approval of the Association. The approval shall be a written instrument in recordable form (except for leases) which shall include, without limitation, the nature of the transfer (sale, lease, etc.), the parties to the transaction (sellers, purchasers, etc.), the Unit number, the name of the Condominium and the Official Record Book (O.R. Book) and Page numbers in which this Declaration was originally recorded. For all Unit transfers of title, the approval must be recorded simultaneously in the Indian River County, Florida Public Records with the Deed or other instrument transferring title to the Unit.

12.1.1. DEVISE OR INHERITANCE - If any Unit owner shall acquire title by devise or inheritance or in any other manner not heretofore considered, the continuance of his ownership shall be subject to the approval of the Association. Such owner shall give the Association notice of the acquisition of his title together with such additional information concerning the Unit owner as the Association may reasonably require together with a copy of the instrument evidencing the owner's title. If such notice is not given, the Association at any time after receiving knowledge of such transfer, may approve or disapprove the transfer of ownership.

12.1.2. LEASES - Approvals of leases need not be recorded. Only entire Units may be leased. All leases must provide, and if they do not, shall be deemed to provide the agreement of the lessee(s) to abide by all of the Covenants of the Condominium and Community Associations documents and that a violation of the documents is a material breach of the lease and is grounds for damages, termination and eviction and that the lessee and the owner agree that the Association may proceed directly against such lessee(s) and that the lessee(s) shall be responsible for the Association's costs and attorney's fees, at all trial and appellate levels. If such costs and fees are not immediately

paid by the lessee(s), the Unit owner shall pay them and such funds shall be secured as a charge. Each Unit owner irrevocably appoints the Association as owner's agent authorized to bring actions in owner's name and at owner's expense including injunction, damages, termination and eviction. The rules and regulations must be provided to the lessee(s) by or on the behalf of the Unit owner at or before the commencement of the lease term. The minimum rental period is thirty (30) days and no Unit may be leased more than three (3) times per calendar year. The Lessee must be sponsored by the owner who's Unit is being rented and must provide a completed lease membership application.

12.2. APPROVAL PROCEDURE - The approval of the Association shall be obtained as follows:

12.3. WRITTEN NOTICE - Not later than 15 days before the transfer of ownership occurs, or the first day of occupancy under a lease, legal written notice shall be given the Association by the owner of his intention to sell or transfer his interest in any fashion. The notice shall include the name and address of the proposed acquirer and a correct and complete copy of the proposed documents to be executed to effectuate the transaction. The Association may require such other and further information as it deems reasonably necessary and may impose a transfer fee not to exceed \$100.00 or as permitted by law from time to time.

12.4. ASSOCIATION'S OPTIONS - The Association must, within 15 days after receipt of all the information required above, either approve, disapprove for cause, or, except in the case of disapproval for cause, upon the written demand of the owner, furnish an alternate purchaser it approves or the Association may itself elect to purchase, and the owner must sell to such alternate or to the Association upon the same terms set forth in the proposal given the Association or the owner may withdraw his proposed sale. In exercising its power of disapproval, the Association must

act in a manner that is neither arbitrary nor unlawfully discriminatory and withhold approval only for a reason or reasons rationally related to the protection, preservation and proper operation of the Condominium and the purposes as set forth at the beginning of this Section 12. If the Association fails or refuses within the allotted time to notify the owner of either approval or disapproval in writing, or if it fails to provide an alternate purchaser or made an election to purchase the Unit itself when required to do so, then the Association shall conclusively be presumed to have approved the transaction, and the Association shall, upon demand, provide a recordable certificate of approval;

12.5. CLOSING DATE - The sale shall be closed within 60 days after an alternate purchaser has been furnished or the Association has elected to purchase;

12.6. NOTICE OF DISAPPROVAL - If the Association disapproves the proposed transaction, notice of disapproval shall be promptly sent in writing to the owner or interest holder, and the transaction shall not be made. The Association need not approve any lease until such time as all unpaid assessments and all court costs and attorneys' fees (if any) incurred by the Association and due and owing for the Unit have been paid.

12.7. JUDICIAL SALES - Are exempt from this Section.

12.8. UNAPPROVED TRANSACTIONS - Any transaction which is not approved pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

13. COMPLIANCE AND DEFAULT - Each Unit owner, each tenant and other invitee shall be governed by, and shall comply with the provisions of, the Condominium Act as amended from time to time, this Declaration, including its exhibits, the Association Articles of Incorporation and the Association By-Laws.

13.1. REMEDIES - Failure to comply shall be grounds for relief, which relief may include, but shall not be limited to, an action to recover damages or injunctive relief or both. Actions may be maintained by the Association or by any Unit owner.

13.2. COSTS AND FEES - In any such proceeding, including appeals, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

13.3. OWNER INQUIRIES - DISPUTES - In the event of an inquiry by an owner against the Association, the Board of Directors or a member thereof, such owner, prior to the institution of any proceedings, shall give written notice in detail of the inquiry by Certified Mail to the Board of Directors. The Board shall respond in writing to the Unit owner within 30 days of the receipt of the inquiry. The Board's response shall either give a substantive response, notify the inquiring party that a legal opinion has been requested, or notify the inquiring party that advice has been requested from the Bureau of Condominiums. If the Board requests advice from the Bureau of Condominiums, the Board shall, within 10 days of receipt of the advice, provide in writing a substantive response to the inquiring party. If a legal opinion is requested, the Board shall, within 60 days of the receipt of the inquiry, provide in writing a substantive response to the inquiring party. The failure to act as above set forth precludes the Association from recovering attorney's fees and costs in any subsequent litigation, administrative proceedings, or arbitration arising out of the inquiry. If unresolved, a dispute as defined in F.S. 718.1255(1) must be arbitrated in mandatory non-binding arbitration proceedings prior to commencing litigation.

13.4. NO WAIVER OF RIGHTS - The failure of the Association or any owner to enforce any covenant, restriction or other provisions of the Condominium Documents shall not constitute a waiver of the rights to do so thereafter as to subsequent or other instances.

14. **AMENDMENTS** - Amendments to any of the Condominium documents shall be in accordance with the following:

14.1. **REQUIREMENTS** - An Amendment may be proposed either by the Board of Directors or by 25% of the voting interests of the Association, and may be considered at any meeting of the owners, regular or special, of which due notice has been given according to the By-Laws, which notice includes notice of the substance of the proposed amendment. Passage shall be evidenced by a certificate executed in recordable form signed by the President or Vice President of the Association that it has been enacted by the affirmative vote of the required percentage of the voting interests (which vote may include later written approval of voters not present), and the separate written joinder of mortgagees where required and shall include the recording data identifying the location of the Declaration as originally recorded and which shall become effective when recorded in the public records;

14.2. **CORRECTORY AMENDMENT** - Whenever it shall appear that there is a defect, error or omission in any of the Condominium documents or in order to comply with applicable laws or requirements of government entities, the amendment may be adopted by the Board of Directors alone;

14.3. **REGULAR AMENDMENTS** - Amendments may be enacted by a favorable vote of the owners of sixty-seven percent (67%) of the voting interests in the Association;

14.4. **MERGER AMENDMENT** - In the event that this Condominium should desire to merge with one or more other Condominiums within Palm Island Plantation, it may do so upon the affirmative vote of 75% of the voting interests in this Condominium and the approval of all record owners of liens, after the Board of Directors first notifies the Division of Florida Land Sales,

Condominiums and Mobile Homes in accordance with Section 718.117(1), Florida Statutes.

14.5. DEVELOPER AMENDMENTS - Until relinquishment of Developer control of the Association (Turnover) and except as otherwise provided by law in F.S. 718.110(2), the Developer specifically reserves the right, without the joinder of any person, to make such amendments to the Declaration and its exhibits or to the plan of development, as may be required by any lender, governmental authority or as may be, in its judgment, necessary or desirable. This paragraph shall take precedence over any other provision of the Declaration or its exhibits.

14.6. MORTGAGEE APPROVAL - Amendments materially affecting the rights or interests of mortgagees must have the approval of the holders of institutional first mortgages of record representing 51% of the votes of Units subject to such mortgages who have requested the Association to notify them on any proposed action specified in this Section. Such mortgagee consent may not be unreasonably withheld. Implied approval shall be assumed when such holder fails to respond to any written request for approval within 30 days after the mortgage holder received proper notice of the proposal provided the notice was delivered certified or registered mail, with a "Return Receipt" requested. In the event that mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the Association and recorded in the Public Records of Indian River County, Florida. A change to any of the following shall be considered as material:

- any change in the proportion or percentage by which the owner of the Unit shares the common expenses and owns the common surplus;
- reallocation of interests or use rights in the common elements;
- redefinition of any Unit boundaries;

- convertibility of Units into common elements or vice versa;
- expansion or contraction of the Condominium.

14.7. DEVELOPER'S RIGHTS - No amendment to this Declaration or any of the Condominium documents shall change the rights and privileges of the Developer without the Developer's written approval so long as the Developer has an ownership or leasehold interest in any Unit.

14.8. WRITTEN AGREEMENTS - Any approval of Unit owners on any matter called for by this Declaration, its Exhibits or any statute to be taken at a meeting of Unit owners is hereby expressly allowed to be taken instead by written agreement, without a meeting (which agreement may be in counterparts), subject to F.S. 718.112(2)(d)(4) and F.S. 617.0701.

15. PROVISIONS PERTAINING TO THE DEVELOPER - In addition to all other rights reserved unto the Developer by Chapter 718, Florida Statutes, this Declaration and all exhibits hereto, the following rights are hereby reserved unto the Developer:

The Developer is entitled to control the Association by designation and selection of the members by the Board of Directors of the Association as provided in Article III of the By-Laws of Palm Island Plantation No. 1 Condominium Association, Inc.

Whenever the Developer shall be entitled to designate and select any person to serve on any Board of Directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and Developer shall have the right to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designated and

selected by the Developer need not be a Unit owner or resident of the Condominium.

So long as the Developer has an ownership or leasehold interest in any Unit, none of the following actions may be taken without approval in writing by the Developer:

15.1. Assessment of the Developer as a Unit owner for capital improvements.

15.2. Any action by the Association that would be detrimental to the sale of Units or the completion of the project by the Developer including such use of unsold Units and common elements and Association Property as may facilitate completion, sale, maintenance of a sales office, showing of the property and display of signs.

16. RIGHTS OF MORTGAGEES:

16.1. PARTIAL EXCUSAL FROM PRIOR ASSESSMENTS - A first mortgagee who acquires title to a Unit by purchase at a foreclosure sale, or by deed in lieu of foreclosure, is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed, but in no event shall the mortgagee be liable for more than 6 months of the Unit's unpaid common expenses or assessments accrued before the acquisition of the title to the Unit by the mortgagee or 1 percent of the original mortgage debt, whichever amount is less. This provision shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Such mortgagee may obtain title, own, occupy, lease, sell or otherwise dispose of such Unit without the approval of the Association. This Section shall be deemed amended so as to remain in conformity with the provisions of F.S. 718.116 as it is amended from time to time.

16.2. RIGHTS TO INFORMATION - Upon receipt by the Association from any institutional mortgagee, Guarantor or Insurer of a copy of the mortgage held by such mortgagee, Guarantor or Insurer on a Unit, together with a written request from such mortgagee or an Insurer

or Guarantor of such mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such mortgagee, Insurer or Guarantor the following, and for which the Association may charge a reasonable fee:

17.2.1. FINANCIAL STATEMENTS - A copy of a financial statement of the Association for the immediately preceding fiscal year; and

17.2.2. INSURANCE CANCELLATION - Written notice of the cancellation or termination by the Association of any policies of insurance covering the Condominium or Association Property or any improvements thereon, or any fidelity bonds of the Association except when the reason for the termination or cancellation of the insurance policy or bond is to change insurance companies or because the policy or bond is not needed or is not available; and

17.2.3. DAMAGE TO CONDOMINIUM - Written notice of any damage or destruction to the improvements located on the Common Elements or Association Property which affects a material portion of the common elements or Association Property or the Unit securing its mortgage; and

17.2.4. EMINENT DOMAIN - Written notice of a condemnation or eminent domain proceeding affecting a material portion of the Condominium Property or the Unit securing its mortgage; and

17.2.5. DELINQUENT ASSESSMENTS - Written notice of failure by the Owner of a Unit encumbered by a first mortgage held by such institutional mortgagee, Guarantor or Insurer to pay any Assessments when such failure or delinquency has continued for a period of sixty (60) days or longer.

17.2.6. FAILURE TO NOTIFY - The failure of the Association to send any such

notice to any such mortgagee, Guarantor or Insurer shall have no effect on any meeting, action or thing which was to have been the subject of such notice nor affect the validity thereof and shall not be the basis for liability on the part of the Association.

17. ENFORCEMENT OF ASSESSMENT LIENS - Liens for assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property, and the Association may also bring an action to recover a money judgment. After a judgment of foreclosure has been entered, the Unit owner during his occupancy, if so ordered by the Court, shall be required to pay a reasonable rental. If the Unit is rented or leased during the pendency of a foreclosure action, the Association shall be entitled to the appointment of a receiver to collect the rent. The Association shall have all the powers provided in F.S. 718.116 and shall be entitled to collect interest at the highest lawful rate on unpaid assessments and reasonable attorney's fees, including appeals, and costs incident to the collection of such assessment or enforcement of such lien, with or without suit.

17.1. CREATION AND ENFORCEMENT OF CHARGES - The Association shall have a cause of action against Unit owners to secure payment to the Association by Unit owners of all charges, costs and expenses to the Association which cannot be secured as lien rights under F.S. 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with it costs and attorney's fees, including appeals, incurred in collection.

18. ASSOCIATION AGREEMENTS - The Association is authorized to enter into agreements to acquire leaseholds, memberships, and other possessory or use interest in lands or facilities such as country clubs, golf courses, marinas, and other facilities. Such interests need not be contiguous to the lands of the Condominium if they are intended to provide enjoyment, recreation, or other use or

benefit to the Unit owners.

19. COMMON EXPENSES AND COMMON SURPLUS - Each Unit's share shall be that share of the whole as set forth in Exhibit "B" to this Declaration.

20. CONDEMNATION:

20.1. DEPOSIT OF AWARDS WITH ASSOCIATION - The taking of all or any part of the Condominium Property by condemnation or eminent domain shall be deemed to be a casualty to the portion taken and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty. Even though the awards may be payable to Unit owners, the Unit owners shall deposit the awards with the Association; and if any fail to do so, a special charge shall be made against a defaulting Unit owner in the amount of his award, or the amount of that award shall be set off against any sum payable to that owner.

20.2. DETERMINATION WHETHER TO CONTINUE CONDOMINIUM - Whether the Condominium will be continued after condemnation will be determined in the manner provided in Section 10 above for determining whether damaged property will be reconstructed and repaired after a casualty.

20.3. DISBURSEMENT OF FUNDS - If the Condominium is terminated after condemnation, the proceeds of all awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the owners of condemned Units, if any, will be made whole, and any property damaged by the taking will be made usable in the manner provided below. Proceeds of awards and special charges shall be used for these purposes and shall

be disbursed in the manner provided for disbursements of funds after a casualty.

20.4. ASSOCIATION AS AGENT - The Association is hereby irrevocably appointed as each Unit owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purpose of realizing just compensation for the taking.

21. VOTING - Each Unit shall have one full indivisible vote in all matters as provided for in the Association By-Laws.

22. FUTURE DEVELOPMENT EASEMENTS - Developer, for itself and its successors and assigns, reserves easements over the Condominium Property as necessary to complete future development, if any, including construction access and utilities:

22.1. For the support of the building and improvements to the Condominium Property, including, but not limited to columns, footings and other structural members, and the maintenance, repair and replacement of such improvements.

22.2. For ingress and egress to and from and the maintenance, repair and replacement of the building and improvements to the Condominium Property.

22.3. For public and private utilities and services serving the building and improvements to the Condominium Property.

24. ADDITIONAL PALM ISLAND PLANTATION EASEMENTS - The Developer, for itself and its successors and assigns, further reserves additional perpetual non-exclusive cross use easements in favor of existing or future development lying adjacent to the Condominium Property:

24.1 for the construction and use of driveways, sidewalks and walkways along and across the Condominium Property; and

24.2 for drainage and public or private utilities and services serving the condominiums.

Plantation No. 1, a Condominium exists within the Palm Island Plantation Community, which is administered by a Community Association pursuant to a set of recorded Covenants and Restrictions. Consequently, Palm Island Plantation No. 1 owners are members of, subject to, and are required to pay assessments to the following organization:

25.1 PALM ISLAND PLANTATION COMMUNITY ASSOCIATION, INC. - This Association administers the area within the Palm Island Plantation Community pursuant to the Declaration of Covenants, Conditions, and Restrictions for Palm Island Plantation dated March 21, 2002, and recorded in O. R. Book 1477 at Page 0088 of the Indian River County, Florida Public Records.

26. SEVERABILITY AND NON-WAIVER - If any provision of this Declaration or its exhibits as now constituted or as later amended or any section, sentence, clause, phrase or word, or the application thereof in any circumstances is held invalid, the validity of the remainder and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby. The failure of the Association or the Declarant in any instance, to enforce any covenant or provision of this Declaration or any of the Condominium documents shall not constitute a waiver of its right to do so thereafter in other instances.

THIS DECLARATION OF CONDOMINIUM and exhibits hereto made and entered into
this 7th day of September, 2003.

WITNESSES:

(Sign) [Signature]
(Print) SARAH I. BRUNER

(Sign) [Signature]
(Print) DERUS MATTHEWS

Palm Island Plantation, a Florida
Limited Liability Company

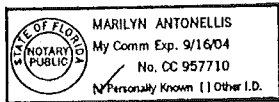
By: [Signature]
David C. Bauer, Managing Member

3003 Cardinal Drive, Suite D
Vero Beach, Florida 32963

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this 7th day of
September, 2003, by David C. Bauer, as Managing Member of Palm Island
Plantation, LLC, a Florida Limited Liability Company, on behalf of the company. He is personally
known to me or has produced _____ as identification.



(SEAL)

[Signature]
Print Name: Marilyn Antonellis
Notary Public - State and County
last aforesaid.
Commission No. CC 957710
My Commission Expires: 9.16.04

Exhibit "A"

LEGAL DESCRIPTION, SURVEY, SITE PLAN, FLOOR PLANS,
SKETCH OF THE PROJECT

PALM ISLAND PLANTATION NO. 1, A CONDOMINIUM

LEGAL DESCRIPTION

A parcel of land being a portion of Tract "C" Palm Island Plantation P.R.D. - Plat 1, according to the plat thereof, as recorded in Plat Book 16, page 72, of the Public Records of Indian River County, Florida, lying in Government Lot 10, Section 36, Township 31 South, Range 39 East, Indian River County, Florida, and being more particularly described as follows.

Commence at the intersection of the West right-of-way line of State Road A1A and the South line of said plat; thence North $81^{\circ}29'56''$ West, a distance of 170.76 feet, to the Point of Beginning of the herein described parcel of land; thence North $89^{\circ}55'02''$ West, along a line which is 25.00 feet North of, as measured at right angles to, the South line of said plat of Palm Island Plantation P.R.D. - Plat 1, a distance of 180.25 feet to the point of curvature of a curve, concave to the West, having a radius of 67.00 feet the radius point of which bears North $37^{\circ}54'53''$ West; thence Northerly, along the arc of said curve, through a central angle of $84^{\circ}43'17''$, a distance of 99.07 feet; thence North $43^{\circ}03'17''$ East, a distance of 16.25 feet; thence North $50^{\circ}52'23''$ East, a distance of 37.43 feet; thence North $77^{\circ}28'56''$ East, a distance of 53.91 feet; thence South $55^{\circ}13'07''$ East, a distance of 123.52 feet; thence South $16^{\circ}57'31''$ East, a distance of 17.37 feet; thence South $34^{\circ}46'53''$ West, a distance of 60.09 feet to the Point of Beginning.

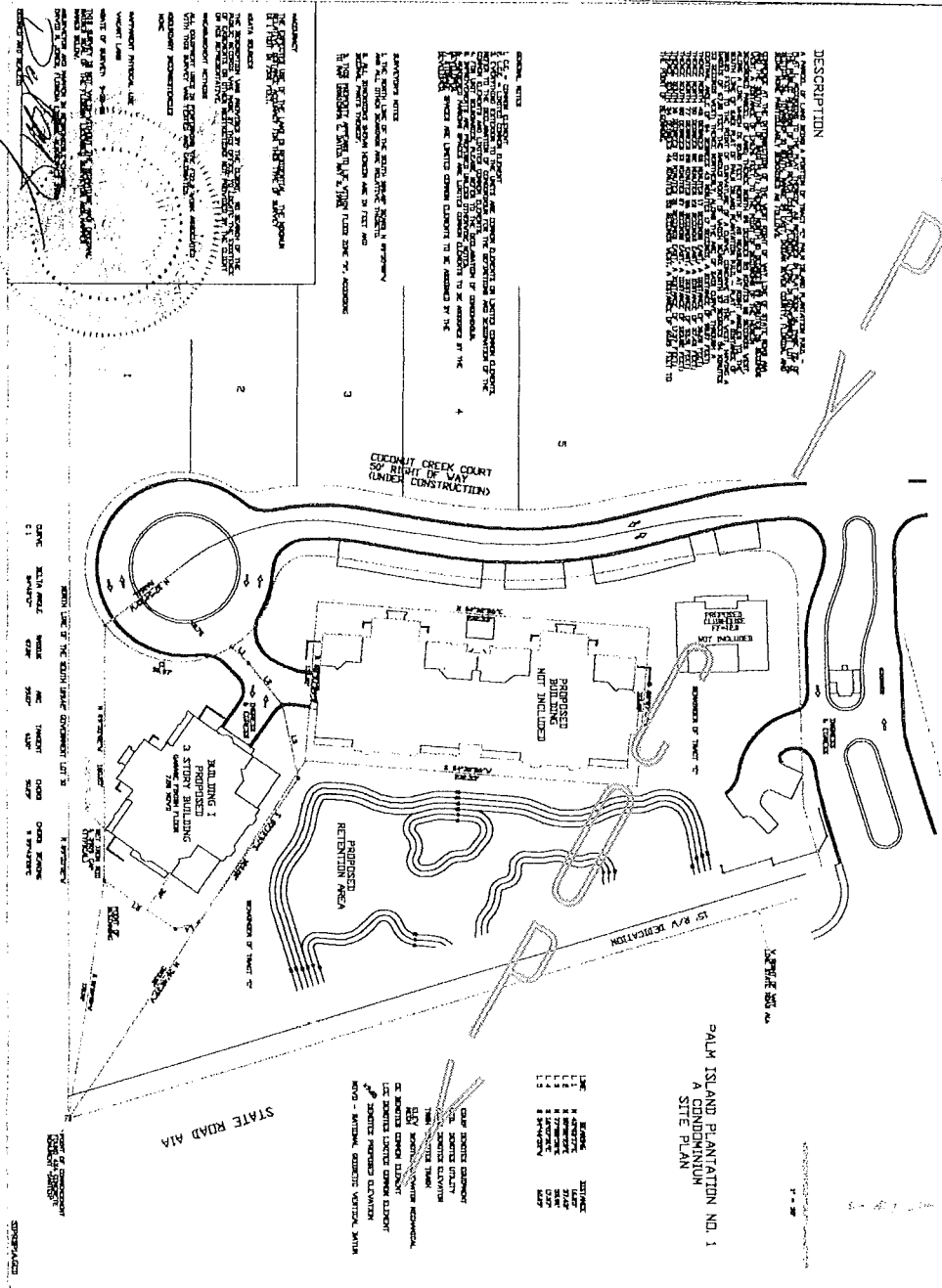
I HEREBY CERTIFY THAT THE CONSTRUCTION OF THE IMPROVEMENTS
SHOWN HEREIN ARE SUBSTANTIALLY COMPLETE SO THAT THIS MATERIAL
TOGETHER WITH THE PROVISIONS OF THE DECLARATION DESCRIBING
THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF
THE LOCATION AND DIMENSIONS OF THE COMMON ELEMENTS AND OF
EACH UNIT CAN BE DETERMINED FROM THESE MATERIAL.

David M. Jones 10/22/03
DAVID M. JONES
PROFESSIONAL SURVEYOR & MAPPER
FLORIDA CERTIFICATE NO. 3909

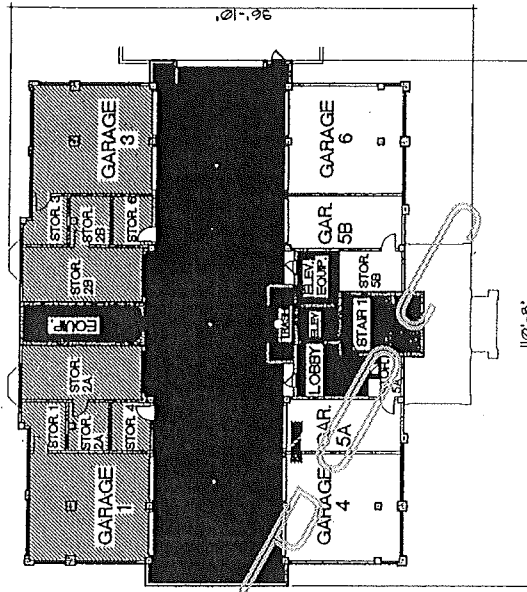
PALM ISLAND PLANTATION
NO. 1,
A CONDOMINIUM

DAVID M. JONES
PROFESSIONAL SURVEYOR & MAPPER

3899 39th SQUARE
(772)567-9875 VERO BEACH, FL 32960



*Palm Island Plantation
No. 1, A Condominium*



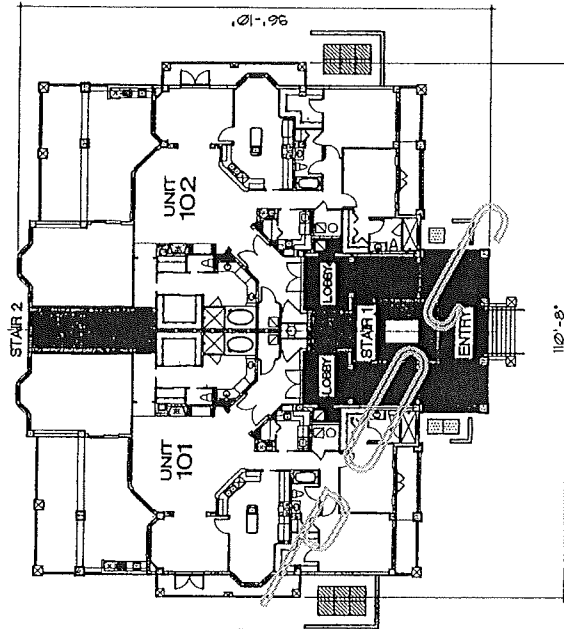
LIMITED
COMMON ELEMENT
COMMON ELEMENT

Ground Floor Plan

PARKING SPACES ARE LIMITED COMMON
ELEMENTS TO BE ASSIGNED BY THE DEVELOPER.
STORAGE SPACES ARE LIMITED COMMON
ELEMENTS TO BE ASSIGNED BY THE DEVELOPER



*Palm Island Plantation
No. 1, A Condominium*



LIMITED
COMMON ELEMENT

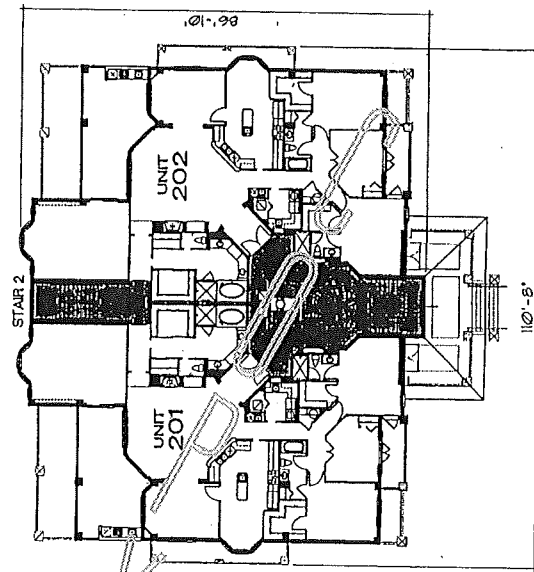
COMMON ELEMENT

First Floor Plan



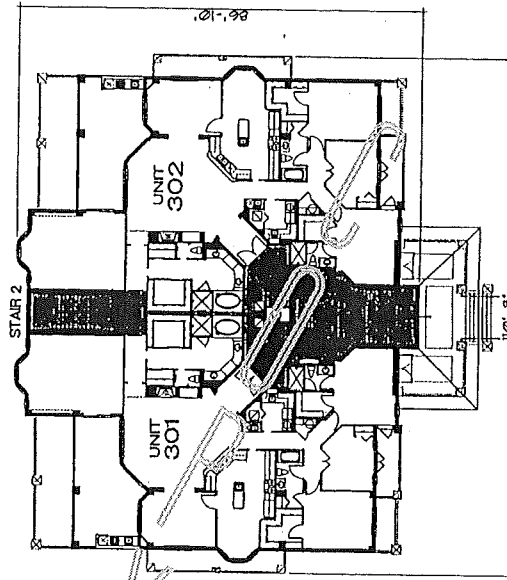
CHARLAN BROCK

*Palm Island Plantation
No. 1, A Condominium*



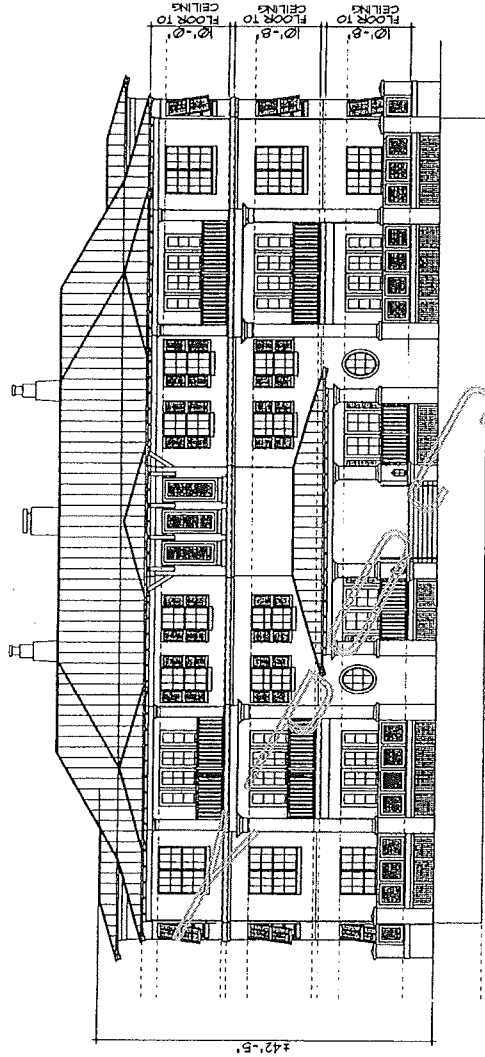
Second Floor Plan

*Palm Island Plantation
No. 1, A Condominium*



Third Floor Plan

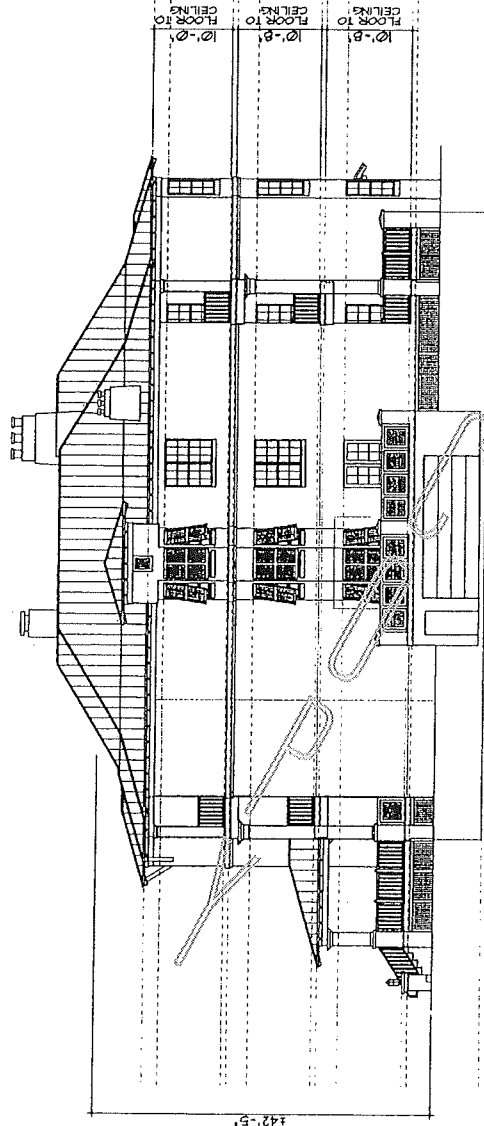
*Palm Island Plantation
No. 1, A Condominium*



Front Elevation



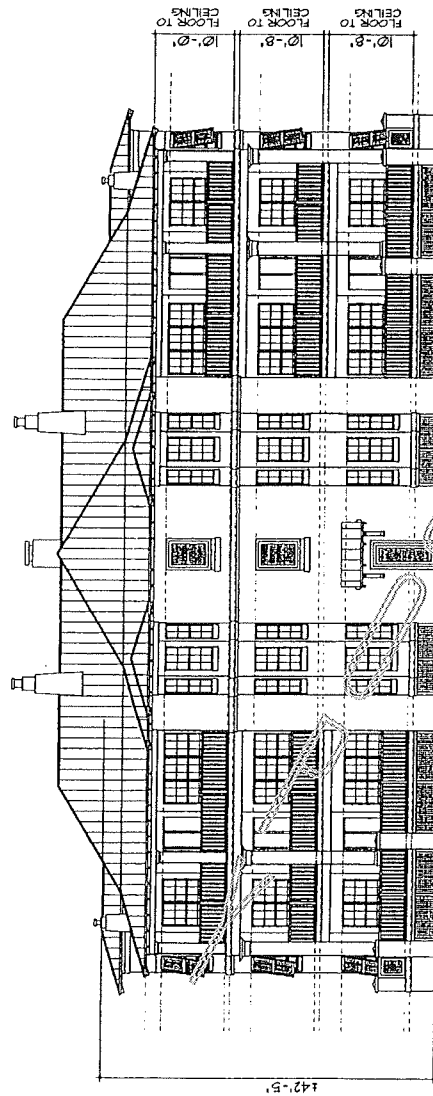
*Palm Island Plantation
No. 1, A Condominium*



Side Elevation



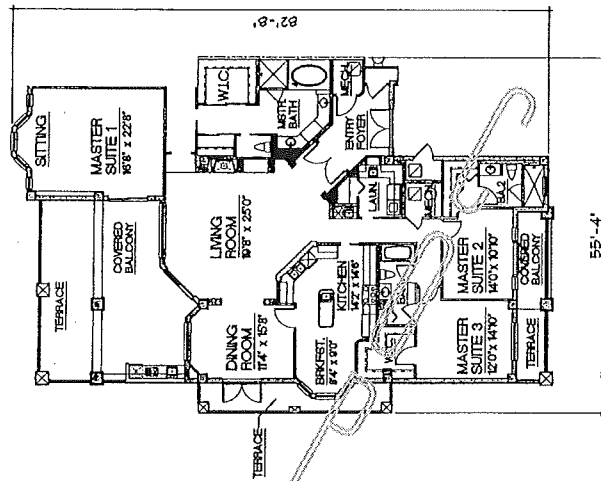
*Palm Island Plantation
No. 1, A Condominium*



Rear Elevation



*Palm Island Plantation
No. 1, A Condominium*



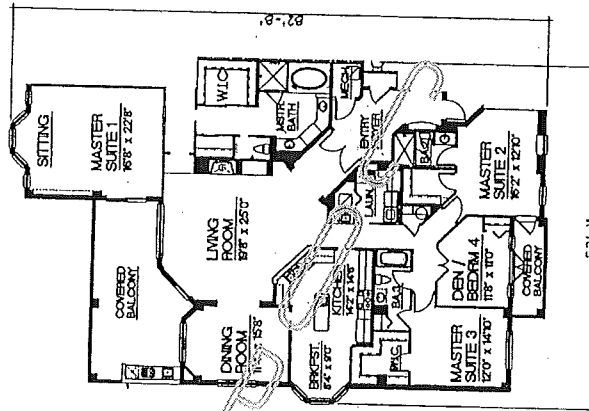
UNITS 101 AND 102 (Rev.)

LIMITED
 COMMON ELEMENT
 COMMON ELEMENT

UNIT A1 - AREA TABULATION DATA	
ENTRY (CONDITIONED)	149 SQ. FT.
UNIT A/C SPACE	2,661 SQ. FT.
TOTAL UNIT A/C	2,808 SQ. FT.
REAR BALCONY	124 SQ. FT.
REAR BALCONY	193 SQ. FT.
SIDE BALCONY	123 SQ. FT.
TOTAL GROSS AREA:	3,652 SQ. FT.



*Palm Island Plantation
No. 1, A Condominium*



UNIT B1 - AREA TABULATION DATA	
ENTRY (CONDITIONED)	173 SQ. FT.
UNIT A/C SPACE	2,870 SQ. FT.
TOTAL UNIT A/C	3,043 SQ. FT.
FRONT BALCONY	78 SQ. FT.
REAR BALCONY	359 SQ. FT.
TOTAL GROSS AREA:	3,480 SQ. FT.

LIMITED
COMMON ELEMENT
COMMON ELEMENT

UNITS 201, 301 AND 202 (Rev.), 302 (Rev.)



Exhibit "B"

PERCENTAGE SHARE OF COMMON EXPENSES AND COMMON SURPLUS

PALM ISLAND PLANTATION NO. 1, A CONDOMINIUM**PERCENTAGE SHARES OF OWNERSHIP OF
COMMON ELEMENTS AND COMMON SURPLUS**

The Unit Owners shall own the following percentages of the common elements and common surplus, and shall be obligated for the same percentages of the common expenses, which percentages have been calculated based upon the square footage of each type of unit in relation to the total square footage of all units in the condominium.

Unit:	Unit Square Footage	Percentage Share of Common Elements and Common Surplus
101	3,652	3,652/21,224
102	3,652	3,652/21,224
201	3,480	3,480/21,224
202	3,480	3,480/21,224
301	3,480	3,480/21,224
302	<u>3,480</u>	<u>3,480/21,224</u>
Total:	21,224	100.00%

Exhibit "C"

ARTICLES OF INCORPORATION OF ASSOCIATION

State of Florida



Department of State

I certify from the records of this office that PALM ISLAND PLANTATION NO.1 CONDOMINIUM ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on June 20, 2001.

The document number of this corporation is N01000004347.

I further certify that said corporation has paid all fees due this office through December 31, 2001, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 601A00037736-062101-N01000004347-1/1, noted below.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-first day of June, 2001

Authentication Code: 601A00037736-062101-N01000004347-1/1



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of PALM ISLAND PLANTATION NO.1 CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on June 20, 2001, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H01000075248. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N01000004347.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-first day of June, 2001

Authentication Code: 601A00037736-062101-N01000004347-1/1



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

**ARTICLES OF INCORPORATION OF
PALM ISLAND PLANTATION NO. 1 CONDOMINIUM ASSOCIATION, INC.**

(a corporation not for profit under Chapter 617, Florida Statutes)

ARTICLE I

Name

The name of this corporation shall be PALM ISLAND PLANTATION NO. 1 CONDOMINIUM ASSOCIATION, INC. (hereinafter called the "Corporation"). The principal office address is 3003 Cardinal Drive, Suite D, Vero Beach, Florida 32963.

ARTICLE II

Purpose

This Corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance and preservation of certain Common Elements within that certain tract of property located in Indian River County, Florida, known as PALM ISLAND PLANTATION NO. 1 CONDOMINIUM ASSOCIATION, INC.; to promote the recreation, common benefit and enjoyment of the residents within the above-described property and any additional property as may be brought within the jurisdiction of this Corporation. The Corporation shall have the proper authority to maintain and administer the community properties and facilities and to administer and enforce the covenants and restrictions as well as the collecting and disbursing of the assessments and charges hereinafter created so that the Corporation shall have the power:

(a) to exercise all of the powers and privileges and to perform all of the duties and obligations of Palm Island Plantation No. 1 Condominium Association, Inc. as set forth in that certain Declaration of Condominium for PALM ISLAND PLANTATION NO. 1, A CONDOMINIUM (hereinafter called the "Declaration"), applicable to the property and recorded or to be recorded in the Office of the Public Records of Indian River County and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation;

(c) to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation (including Units and other properties within the Palm Island Plantation community);

CHRISTOPHER H. MARINE
FL Bar No: 0376221
979 Beachland Blvd.
Vero Beach, Florida 32963

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- (d) to borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) to dedicate, sell or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the membership;
- (f) to participate in mergers and consolidations with other not for profit corporations organized for the same purposes or annex additional residential property and Common Elements as provided in the Declaration;
- (g) to have and to exercise any and all powers rights and privileges which a corporation organized under the Florida Not for Profit Corporation Act by law may now or hereafter have or exercise;
- (h) to contract with third parties to perform the functions of the Corporation;
- (i) to manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Corporation by rule, regulation, Declaration, or contract has a right or duty to provide such services;
- (j) to enforce covenants, conditions, or restrictions affecting any property subject to the Declaration or any other property for which the Corporation may be authorized to do so under the Declaration of By-Laws;
- (k) to engage in activities which will actively foster, promote, and advance the common interests of owners of Units;
- (l) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Corporation, with or in association with any other association, corporation, or other entity or agency, public or private;
- (m) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporation, firms, or individuals;
- (n) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Corporation; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and
- (o) to provide any and all supplemental municipal services as may be necessary or proper.

The exercise in any manner of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article II are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article II.

ARTICLE III

Membership

- (a) The Corporation shall be a membership corporation without certificates or shares of stock.
- (b) The owner of each Unit subject to the Declaration shall be a member of the Corporation and shall be entitled to vote in accordance with the provisions set forth in the Declaration, except there shall be no vote for any Unit owned by the Corporation. The manner of exercising voting rights shall be as set forth in the Declaration and the By-Laws of the Corporation.
- (c) Change of membership in the Corporation shall be established by recording in the public records of Indian River County, Florida, a deed or other instrument establishing record title to a Unit subject to the Declaration. Written notice shall be given to the Corporation of such change in title. Upon such recordation, the owner designated by such instrument shall become a member of the Corporation and the membership of the prior owner shall be terminated.
- (d) The percentage interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of his unit.

ARTICLE IV

Term

The existence of the Corporation shall be perpetual unless it is terminated by law or unless the Declaration which describes the Corporation is terminated.

ARTICLE V

Name and Residence of Incorporator

The name and residence of the incorporator is:

Christopher H. Marine, Esq.
979 Beachland Boulevard
Vero Beach, Florida 32963

The rights and interests of the incorporator shall automatically terminate when these Articles are filed with the Secretary of State.

ARTICLE VI

Officers

The affairs of the Corporation shall be managed by its Board of Directors, who shall be elected at the annual meeting of the Corporation. The principal Officers of the Corporation shall be a President, Vice President, and Secretary/Treasurer, and such other Officers as the Board of Directors may from time to time designate, which Officers shall be elected annually by the Board of Directors. The names of the Officers who are to serve until the first election or appointment are as follows:

David C. Bauer
3003 Cardinal Drive, Suite D
Vero Beach, FL 32963
President

Steve Owen
3003 Cardinal Drive, Suite D
Vero Beach, Florida 32963
Vice President/Secretary/Treasurer

ARTICLE VII

Board of Directors

The affairs of the Corporation shall be conducted, managed, and controlled by a Board of Directors. The initial Board of Directors shall consist of three (3) directors.

The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

David C. Bauer
3003 Cardinal Drive, Suite D
Vero Beach, Florida 32963

Steve Owen
3003 Cardinal Drive, Suite D
Vero Beach, FL 32963

Ron Cavanagh
3003 Cardinal Drive, Suite D
Vero Beach, FL 32963

ARTICLE VIII

By-Laws

The original By-Laws are to be made by the original Board of Directors. The same may thereafter be amended, altered or rescinded only in accordance with the provisions of such By-Laws.

ARTICLE IX

Amendment of Articles

Amendments to the Articles of Incorporation shall be made in the following manner:

(a) The Board of Directors shall adopt a resolution setting forth the proposed amendment and, if members have been admitted, directing that it be submitted to a vote of the members at either the annual or a special meeting. If no members have been admitted, the amendment shall be adopted by a vote of the majority of directors, and the provisions for adoption by members shall not apply.

(b) Written notice consistent with the By-Laws of the Corporation setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member of record entitled to vote thereon. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(c) At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the voting interest of members entitled to vote thereon.

Any number of amendments may be submitted to the members and voted upon by them at one meeting.

If all of the directors and all of the members eligible to vote sign a written statement manifesting their intention that an amendment to the Articles of Incorporation be adopted, then the amendment shall be adopted as though the above Article IX, Sections (a) through (c) had been satisfied.

The members shall not amend the Articles of Incorporation without an act of the directors.

ARTICLE X

Self Dealing, Validity of Agreement
Indemnification and Waiver of Claims

(a) Self Dealing: No contract, agreement or undertaking of any sort between or among the Association, Directors, Officers, Members or the Developer shall be invalidated or affected by reason that any of them hold the same or similar positions with another condominium, homeowners or property owners association within the Property or that they are financially interested in the transaction or that they are employed by the Developer.

(b) Validity of Agreement: No contract, agreement or undertaking of any sort between the Association and any entity or individual shall be invalidated or affected by reason that the Association, its Directors, Officers, the Developer, its agents or employees hold a financial interest in or with the individual or entity.

(c) Indemnification: Every Director and every Officer of the Corporation shall be indemnified by the Corporation against all costs, expenses and liabilities, including legal fees reasonably incurred by or imposed upon him or her in connection with any proceeding, litigation or settlement in which he or she may be a party, or in which he or she may have been involved, by reason of his or her being or having been a Director or Officer at the time such costs, expense or liability is incurred, except in such cases wherein the Director or Officer is adjudged to have engaged in willful malfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of any and all rights to which such Director or Officer may be entitled by common or statutory law.

(d) Waiver of Claims: To the extent permitted by applicable law, by acquisition of title to a Unit, or any interest therein, within the Condominium Property, each and every individual or entity hereby waives any claim for damages or other relief grounded in tort, contract, equity or otherwise arising out of the negotiation, execution, performance and enforcement of contracts, agreements or undertakings described above, that may accrue at the time of purchase or thereafter against the Association, its Directors, Officers, Members, agents or employees.

ARTICLE XI

Registered Agent

The name and residence of the registered agent for the service of process within this State shall be:

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Christopher H. Marine
979 Beachland Boulevard
Vero Beach, Florida 32963

IN WITNESS WHEREOF, the undersigned incorporator hereby has executed these Articles
of Incorporation this 20 day of June, 2001.


CHRISTOPHER H. MARINE

ACCEPTANCE OF DESIGNATION OF REGISTERED AGENT

The undersigned hereby accepts the designation of registered agent on behalf of PALM
ISLAND PLANTATION NO. 1 CONDOMINIUM ASSOCIATION, INC.


CHRISTOPHER H. MARINE

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Exhibit "D"

BY LAWS OF ASSOCIATION

Y P O C

Y P O C

Y P O C

**BY-LAWS
OF
PALM ISLAND PLANTATION NO. 1 CONDOMINIUM ASSOCIATION, INC.**

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BY-LAWS
OF
PALM ISLAND PLANTATION NO. 1 CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

General

Section 1. Applicability. These By-Laws provide for the self-government of Palm Island Plantation No. 1 Condominium Association, Inc., in accordance with the Articles of Incorporation filed with the Department of State of the State of Florida and the Declaration of Condominium recorded in the public records of Indian River County, Florida.

Section 2. Name. The name of the Corporation is Palm Island Plantation No. 1 Condominium Association, Inc. ("Association").

Section 3. Purpose. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Condominium and performing all of the other acts that may be required to be performed by the Association pursuant to the Florida Condominium Act ("Act") and the Declaration. Except as to those matters which either the Declaration or the Florida Not-For-Profit Corporation Act specifically require to be authorized by the vote of or performed by the members, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Section 4. Definitions. Unless the context otherwise requires, the terms used in these By-Laws shall be given their common, generally accepted meanings or the meanings set forth in the Declaration or the Act.

Section 5. Membership. An Owner of a Unit shall automatically become a member of the Association upon taking title to the Unit and shall remain a member for the entire period of ownership; as may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. If title to a Unit is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Unit. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of title to the Unit and may be transferred only in connection with the transfer of title.

Section 6. Majority. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty percent (50%) of

the total number of eligible votes, Owners, or other groups. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those voting in person or by proxy. Unless otherwise provided in the Declaration or these By-Laws, all decisions shall be by a majority vote.

ARTICLE II

Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the members shall be held in the month of January or February, with the date, hour, and place to be set by the Board. Meetings shall be at the Condominium or at some other suitable place designated by the Board.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President and shall be called by the request of any two (2) or more members of the Board of Directors, or upon written request of the members who have a right to vote ten percent (10%) of the total Association vote.

Section 3. Budget Meetings. Meetings for the consideration and adoption of the proposed annual budget for common expenses shall be noticed and conducted in accordance with Section 718.112(2)(e), Florida Statutes, as amended.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail to each Owner of record of a Unit or to cause to be delivered to the Units a notice of each annual or special meeting of the Association at least fourteen (14) days prior to each annual meeting and at least seven (7) days prior to each special meeting and such notice shall be posted in a conspicuous place at the Condominium for the same periods; provided, however, notice of meetings to elect the initial member directors shall be given as required in Article III, Section 3. The notice shall state the purpose of any special meeting, the meeting's agenda, as well as the time and place where it is to be held. Notices shall be delivered personally or mailed to each Owner of record at his Unit. If any Owner wishes notice to be given at an address other than his or her Unit, the owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice. Upon request, any institutional first mortgage holder shall be entitled to written notice of all meetings and shall be permitted to designate a representative to attend and observe any such meeting.

Section 5. Waiver of Notice. Waiver of notice of any meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order.

Section 6. Quorum. Except as may be provided elsewhere, the representation of Owners, in person or by proxy, entitled to cast fifty percent (50%) of the total eligible Association vote shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished.

Section 7. Voting. Each Unit shall be entitled to one (1) vote which may be cast by the Owner, the Owner's spouse, or by a lawful proxy, as provided below. In the case of an Owner which is a corporation or partnership, the Owner shall designate by written notice to the Secretary of the Association the name and address of the individual who shall exercise the Owner's membership rights. When more than one (1) Person owns a Unit, the vote for such Unit shall be exercised as they between or among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit. If only one co-owner attempts to vote for a Unit, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for the Unit. In the event of disagreement among co-owners and an attempt by two (2) or more of them to cast such vote, such Persons shall not be recognized and such vote shall not be counted.

Section 8. Limited Proxies. With the exception of voting to elect Directors, any member entitled to vote may do so by written limited proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, all limited proxies must be filed with the Secretary prior to the opening of the meeting for which they are to be used. In no event shall any limited proxy be valid for more than ninety (90) days after the date of the first meeting for which it was given. Limited proxies must be dated and may be revoked at will by written notice delivered to the Association. Presence in person by the giver of a limited proxy at the meeting for which the proxy is given shall automatically invalidate the proxy.

Section 9. Consents. Any action which may be taken by a vote of the Owners may also be taken by written consent signed by all Owners.

Section 10. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration or these By-Laws. Unless otherwise provided in the notice calling the meeting, the order of business shall be: Roll Call, Proof of Notice, Reading of Minutes, Officers' Reports, Old Business, Elections (if any), New Business, Adjournment.

ARTICLE III

Board of Directors

A. Composition and Selection

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors initially composed of three (3) persons which may be expanded to five (5) persons. Except for directors appointed by Declarant, all directors shall be Owners of Units or spouses of such

Owners; provided, however, no Owner and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the individual designated by written notice to the Secretary of the Association to exercise the membership rights of the Owner shall be entitled to serve on the Board of Directors.

Section 2. Directors During Declarant Control. Subject to the provisions of Section 3 of this Article, the directors shall be selected by Declarant acting in its sole discretion and shall serve at its pleasure until termination of the Declarant's right to appoint directors as provided in Section 16 of the Declaration.

Section 3. Election and Term of Office. Notwithstanding any other provision contained in the Declaration or in these By-Laws, the following provisions shall apply to the election of directors and their terms of office.

(a) When Unit Owners other than Declarant own 15 percent or more of the Units in the Condominium that will ultimately be operated by the Association, the Unit Owners other than Declarant shall be entitled to elect no less than one-third of the members of the Board of Directors of the Association.

(b) Unit Owners other than Declarant are entitled to elect not less than a majority of the members of the Board of Directors:

(i) Three years after 50 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(ii) Three months after 90 percent of the units that will be operated ultimately by the Association have been conveyed to purchasers;

(iii) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by Declarant in the ordinary course of business;

(iv) When some of the Units have been conveyed to Purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or

(v) Seven years after recordation of the Declaration of Condominium; or, in the Association ultimately operating more than one Condominium, 7 years after recordation of the Declaration for the first Condominium it operates, whichever occurs first.

(c) The Declarant is entitled to elect at least one member of the Board of Directors of the Association as long as the Declarant holds for sale in the ordinary course of business at least 5 percent of the Units in the Condominium operated by the Association. Following the time

Declarant relinquishes control of the Association, Declarant may exercise the right to vote any Declarant-owned Units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

(d) At the first annual meeting of the membership after termination of the Declarant's right to appoint any of the directors as set forth in subsection (c) above, the terms of all directors elected as provided above shall expire. Thereafter, the term of each director elected entirely by the membership shall be one (1) year, or until his successor shall be elected and shall qualify. Directors may be elected to serve any number of consecutive terms.

All members of the Association eligible to vote shall be entitled to cast one (1) vote, for each directorship to be filled. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes.

Section 4. Candidacies. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, either by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Unit Owner entitled to a vote, a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda as set forth in Article II, Section 4 hereof, the Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8½ inches by 11 inches, which must be furnished by the candidate not less than thirty five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper.

Section 5. Removal of Members of the Board of Directors. A member of the Board of Directors may be removed in accordance with Section 718.112(2)(j) of the Act, as amended.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new director or directors, but excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each person so selected shall serve until a successor is elected at the next annual meeting of the Association.

Section 7. Compensation. Directors shall not be compensated for services unless and to the extent that compensation is authorized by the members at any meeting duly called for that purpose. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to

the Association in a capacity other than as director; provided that the director's interest is known and the contract is approved by a majority of the Board of Directors, excluding the director with whom the contract is made.

B. Meetings

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board. The newly elected Board shall meet within ten (10) days after each annual meeting of members.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on forty eight (48) hours notice to each director given by mail, in person or by telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 10. Notice and Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting. Adequate notice of all meetings shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours in advance, except in an emergency. Written notice shall be delivered no less than 14 continuous days in advance of any board meeting at which non-emergency assessments or amendments to unit use rules will be considered. If assessments are to be considered at any meeting of the Board, this fact and the nature of the assessment shall be set forth in the notice.

Section 11. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, the Articles of Incorporation, or these By-Laws. A majority of directors shall constitute a quorum for the transaction of business. Meetings shall be open to all Owners as required by law.

Section 12. Telephonic Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Directors participating in such manner shall be counted for quorum purposes. Any such meeting at which a quorum participates shall constitute a regular meeting of the Board.

C. Powers and Duties

Section 13. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all powers and duties necessary for the administration of the Condominium and may do all such acts and things as are not by the Declaration, Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the members. The Board shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose sanctions for violations thereof, including, without limitation, monetary fines. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment (Unless otherwise determined by the Board of Directors, the annual assessment against each Unit for its proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of each quarter for said quarter);
- (c) providing for the operation, care, upkeep, and maintenance of all of the areas to be maintained by the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the areas to be maintained by the Association 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; provided, the Association may contract with the Community Association for performance of some or all of these responsibilities;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (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 Common Elements and the Limited Common Elements 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 Declaration, these By-Laws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;

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

(k) paying the costs of all services rendered to the Association or its members and not chargeable to Owners;

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

(m) contracting with any person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with (by way of illustration, but not limitation) trusts, condominiums, or other property owners' associations, specifically including, without limitation, Palm Island Plantation Community Association, Inc. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity; and

(n) reviewing the accounts of the Association, on an annual basis as directed by the Board of Directors. A copy of the review report shall be mailed or furnished by personal delivery to each Unit Owner within sixty (60) days following the end of the fiscal year of the Association. Such report shall be prepared on a cash basis and show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (i) costs for security;
- (ii) professional and management fees and expenses;
- (iii) taxes;
- (iv) costs for recreation facilities;
- (v) expenses for refuse collection and utility services;
- (vi) expenses for lawn care;
- (vii) costs for building maintenance and repair;

- (viii) insurance costs;
- (ix) administrative and salary expenses;
- (x) reserves for capital expenditures, deferred maintenance, and any other category for which the Association maintains a reserve account or accounts; and
- (xi) the amount of revenues and expenses related to limited common elements.

Such report shall also contain the following reserve disclosures:

- (xii) the beginning balance in each reserve account as of the beginning of the fiscal period covered by the report;
- (xiii) the amount of assessments and other additions to each reserve account including authorized transfers from other reserve accounts;
- (xiv) the amount expended or removed from each reserve account, including authorized transfers to other reserve accounts;
- (xv) the ending balance in each reserve account as of the end of the fiscal period covered by the report; and
- (xvi) the manner by which reserve items were estimated, the date the estimates were last made, the association's policies for allocating reserve fund interest, and whether reserves have been waived during the period covered by the report.

Section 14. Management Agent. The Association may, but shall not be required to, hire a licensed professional management agent or agents, at a compensation established by the Board, to perform such duties and services the Board of Directors shall authorize. Any management contract shall contain a termination clause permitting termination with or without cause upon not more than thirty (30) days written notice; provided, however, no contract shall have a term in excess of one (1) year.

If a manager or managing agent is hired, in addition to such provisions as may be required by law, the following management standards of performance will be followed unless the Board, by resolution, determines otherwise:

- (a) accrual accounting as defined by generally accepted accounting principles shall be employed;
- (b) accounting and controls shall conform to generally accepted accounting

principles;

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

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

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

(f) commencing at the end of the month in which the first Unit is sold and closed financial reports shall be prepared at least quarterly for the Association containing:

(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 for the preceding period on an accrual basis;

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

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

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report, and describing the status of any action to collect such assessments or other charges which remain delinquent. (An assessment installment thereof shall be considered to be delinquent on the fifteenth (15th) day following the due date, unless otherwise determined by the Board of Directors).

Section 15. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of Common Elements and Limited Common Elements and facilities maintained by the Association without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as provided in the Declaration for special assessments if the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Condominium and the total amount of such borrowing exceeds or would exceed Ten Thousand Dollars (\$10,000.00) outstanding debt at any one time.

D. Committees

Section 16. Architectural Standards. The Board may establish an Architectural Standards Committee for the purpose of establishing and maintaining architectural standards at the Condominium as provided in the Declaration.

Section 17. Covenants Committee. The Board of Directors may appoint a Covenants Committee consisting of at least three (3) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established by the Board, shall be the hearing tribunal of the Association.

Section 18. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of each committee shall be appointed by the President and shall serve at the pleasure of the President. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Section 19. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

E. Declarant Rights

Section 20. Board Appointed By Declarant. Notwithstanding anything to the contrary herein, this Article III Sections 4 through 8, shall not apply so long as the Declarant retains the right to appoint and remove a majority of the directors, as provided herein and in the Declaration. The activities of the Board during the period of Declarant control shall be governed by the Declaration, these By-Laws and the Act. Any contract entered by the Association during the time that the Declarant has the right to appoint and remove directors shall be terminable by the Association with or without cause and without penalty upon not more than ninety (90) days' written notice at any time after the members have the right to elect a majority of the directors.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Secretary, and the Treasurer who shall be elected by and from the Board of Directors; provided, however, during the period in which the Declarant has the right to appoint a majority of the Board of Directors such officers are not required to be members of the Board. The Board of Directors may appoint one (1) or more Vice Presidents, Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgement may be necessary. Any Vice President or assistant or subordinate officers shall not be required to be members of the Association or of the Board of

Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election of Officers. The officers of the Association shall be selected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Directors. The President shall have all general powers and duties which are incident to the office of the president of a Florida not-for-profit corporation organized in accordance with the Florida Not-For-Profit Corporation Act, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President, if elected, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting. If no Vice President is appointed, the Secretary shall act in the President's absence.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Florida Law. If no Vice President is appointed, the Secretary shall act in the President's absence and shall have all the powers, duties, and responsibilities of the President when so acting.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 8. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of

Directors.

ARTICLE V

Rule Making and Enforcement

Section 1. Authority and Enforcement. The Condominium shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Units and the Common Elements, provided that copies of all such rules and regulations be furnished to all Owners. However, any rule or regulation may be repealed by the affirmative vote of a majority of the total vote of the Association at an annual or special meeting. Notice of any annual or special meeting at which the repeal of any rule or regulation is to be considered by the members shall state that the repeal of any such rule or regulation shall be considered and voted on at such annual or special meeting.

Section 2. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through its Board of Directors, may elect to enforce any provision of the Act, the Declaration, these By-Laws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought shall pay all costs and reasonable attorney's fees actually incurred.

ARTICLE VI

Miscellaneous

Section 1. 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 Unit Owner, at the address which the Unit Owner 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 Owner;
- (b) If to the Association, the Board of Directors or the managing agent, at the principal office of the Association or managing agent if any, or at such other address as shall be designated by notice to the Owners and Declarant, if required, pursuant to this Section; or
- (c) If to the Declarant, as specified in the Declaration or at such other address as

shall be designated by a notice to the Owners and the Association pursuant to this Section.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association may be set by resolution of the Board of Directors. In the absence of affirmative action by the Board of Directors, the fiscal year shall be the calendar year.

Section 6. Conflicts. In the event of conflicts between the Act, the Florida Not-For-Profit Corporation Act, the Declaration, the Articles of Incorporation, and these By-Laws, the order of control shall be the order listed above.

Section 7. Condemnation. In the event of a taking by condemnation or by eminent domain, the provisions of Florida law shall prevail and govern. Each institutional holder of a first mortgage shall be entitled to written notice of any such condemnation proceedings, and nothing in these documents shall be construed to give a priority to any Unit Owner in the distribution of proceeds to such Unit. The Association shall have a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

Section 8. Amendment. These By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative votes and written consents of the members holding two-thirds (2/3) of the total vote of the Association. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is certified by the officers of the Association and recorded in the public records of Indian River County, Florida. Notwithstanding anything to the contrary herein, any amendment covered by Section 14 of the Declaration shall not be effective until the requirements of that Section are met. Any amendment duly certified and recorded (containing any additional signatures required by the Declaration) shall be conclusively presumed to have been duly adopted in accordance with the Declaration and By-Laws.

Section 9. Books and Records. All members of the Association and any Mortgagee shall, upon written request, be entitled to inspect all books and records of the Association during normal

business hours or upon reasonable notice at the office for the Association or at such other place as is designated reasonably by the Board of Directors as the depository of such books and records. Books and records shall be maintained as required by Section 718.111(12) of the Act.

Section 10. Mandatory Nonbinding Arbitration. Internal disputes among Unit Owners and the Association, and their agents and assigns, arising from the operation of the Condominium may be resolved by mandatory nonbinding arbitration as governed by the rules and procedures of Chapter 61B-50 of the Florida Administrative Code and Section 718.1255, Florida Statutes. The Palm Island Plantation Community Association may, but shall not be obligated to, exercise jurisdiction over and act as an arbiter with respect to any dispute between the Association and any other club, association or "neighborhood" within the Palm Island Plantation Community, as that term is defined in the Community Declaration.

Section 11. Code Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's board as evidence of compliance of the condominium units to the applicable fire and life safety code.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Palm Island Plantation No. 1 Condominium Association, Inc., a Florida corporation.

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 7th day of September, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 7th day of September 2003.


Secretary - STEVE OWEN

(SEAL)