

AMENDED DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND USE RESTRICTIONS
FOR
SNUG HARBOR VILLAGE

RECORDED & VERIFIED
BREVARD CO., FL.

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CLERK, CIRCUIT COURT

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Clerk Circuit Court
Brevard Co., Florida

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AMENDED DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND USE RESTRICTIONS

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AMENDED DECLARATION OF PROTECTIVE COVENANTS,

CONDITIONS AND USE RESTRICTIONS

FOR

SNUG HARBOR VILLAGE

THIS AMENDED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND USE RESTRICTIONS is made this _____ day of _____, 19____, by PAUL L. GOULD, ROBERT L. GOULD, CHERYL G. SILCOFF and JOAN L. ROTH as co-personal representatives of the estate of HARRY J. GOULD, deceased (all of whom are hereinafter collectively called the "Developer").

W I T N E S S E T H

WHEREAS, the Developer is the lawful successor and assignee of HARRY J. GOULD, a/k/a H. J. GOULD, the original developer of certain land platted as SNUG HARBOR VILLAGE Section I, according to the plat thereof as recorded in plat book 29, page 29, of the public records of Brevard County, Florida, and

WHEREAS, the said HARRY J. GOULD, a/k/a H. J. GOULD, prepared and recorded a Declaration of Protective Covenants, Conditions and Use Restrictions for the said SNUG HARBOR VILLAGE, which original Declaration was recorded July 12, 1982 at official record book 2376, page 1638, of the public records of Brevard County, Florida, which Declaration has been subsequently amended at official record book 2985, page 0387 of the public records of Brevard County, Florida, and

WHEREAS, the said original Declaration reserved unto the said HARRY J. GOULD, a/k/a H. J. GOULD, and his successors and assigns the right to modify and amend that Declaration in order to better assure the protection of the value, salability, desirability and attractiveness of the SNUG HARBOR VILLAGE SUBDIVISION, and

WHEREAS, the undersigned Developer, as successor and assignee of the said HARRY J. GOULD, a/k/a H. J. GOULD, desires to amend the said Declaration for such purposes.

NOW THEREFORE, in consideration of the premises, the Developer hereby fully amends the Declaration of Protective Covenants, Conditions and Use Restrictions for SNUG HARBOR VILLAGE as provided herein, and hereby declares that the land subject hereto shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, reservations, regulations, burdens, liens and easements set forth in this Amended Declaration of Protective Covenants, Conditions and Use Restrictions.

1.0 REAL PROPERTY SUBJECT TO THIS DECLARATION

1.1 LEGAL DESCRIPTION The real property subject to this Declaration shall be all of the land described as being part of and included within the plat of SNUG HARBOR VILLAGE according to the plat thereof recorded in Plat Book 29, Page 29, of the Public Records of Brevard County, Florida (the "LAND" or the "PLAT") and any and all improvements now of hereafter constructed thereon, and any additional parcels which may hereafter be lawfully subjected to this Declaration.

2.0 DEFINITIONS

2.1 The following words and phrases, when used in this Declaration, shall have the following meaning:

- 2.1.1 "Articles" shall mean and refer to the Articles of Incorporation of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.
- 2.1.2 "Association" shall mean and refer to SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC., a Florida Corporation Not for Profit, its successors and assigns.
- 2.1.3 "Bylaws" shall mean and refer to the Bylaws of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.
- 2.1.4 "Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions, and Use Restrictions for SNUG HARBOR VILLAGE.
- 2.1.5 "Developer" shall mean and refer to SNUG HARBOR LAKES DEVELOPMENT, INC., a Florida corporation, its successors and assigns.
- 2.1.6 "Joining Owners" shall mean and refer to those person, firms and corporations that are the record title holders of lots within SNUG HARBOR VILLAGE other than Developer and who have either executed this Declaration of Covenants, Conditions and Restrictions or appropriate joinder agreements for the purpose of subjecting their various lots to the provisions and conditions of this Declaration.
- 2.1.7 "LAND" shall mean and refer to all of the land described as being part of, and included within the plat of SNUG HARBOR VILLAGE according to the plat thereof as recorded in Plat Book 29, Page 29, Public Records of Brevard County, Florida.
- 2.1.8 "Land Use Documents" shall mean and refer to these Articles of Incorporation, the Bylaws of the Association, and the Amended Declaration of Protective Covenants, Conditions, and Use Restrictions for SNUG HARBOR VILLAGE as the same may now exist or may hereafter be amended, together with the Rules and Regulations adopted from time to time by the Association. The Land Use Documents shall also include the Articles of Incorporation and Bylaws for the SNUG HARBOR MASTER ASSOCIATION, together with any restrictive covenants and/or Rules and Regulations which may be established or approved by said Association, the RECREATION AREA PURCHASE AGREEMENT and RECREATION AREA NOTE.
- 2.1.9 "Lot" shall mean and refer to any plot of land shown on the plat of SNUG HARBOR VILLAGE and designated by a numerical designation.
- 2.1.10 "Member" shall mean and refer to those persons or entities entitled to membership in the Association as provided in these Articles of Incorporation and the Bylaws of the Association, and shall include the Developer, so long as the Developer owns at least one (1) lot.
- 2.1.11 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contact sellers but excluding those having such interest merely as security for the performance of an obligation.

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- 2.1.12 "Rules" shall mean and refer to any and all rules and regulations duly enacted and established by the Board of Directors of the Association.
- 2.1.13 "SNUG HARBOR VILLAGE" shall mean and refer to the planned residential community developed or to be developed upon the LAND as hereinbefore defined and to be established in accordance with the laws, ordinances, rules and regulations of all governmental agencies having jurisdiction thereof.

3.0 LAND PLAN

- 3.1 Plat. The LAND has been surveyed, subdivided and platted according to the Plat into eighty-three (83) lots and the Common Areas. Each of the Lots shall be developed and used solely for single-family residential use in accordance with this Declaration. All of the Common Areas shall be conveyed to the Association in accordance with the terms and provisions of this Declaration. No more than the three additional lots described in Exhibit E hereof may be added to the LAND subject to this Declaration by means of the owners of such additional lots recording in the public records of Brevard County, Florida an appropriate instrument subjecting such lots to the terms and conditions set forth herein.
- 3.2 Common Areas. The Common Areas shall consist of open areas shown and described on the Plat as Tract A and any other areas acquired by the Association as Common Areas subsequent to the recording of this Declaration.
- 3.3 General Easements. Developer has granted and the Plat reserves certain utility easements. Developer reserves the further right, for as long as Developer owns any Lot, to grant electric, telephone, gas, water, sewer, drainage, cable television, and any other utility or service easement or easements over and across the Common Areas or any portion thereof and over and across any Lot; provided, however, that any such easement granted over a Lot shall lie within an already existing easement or within five (5) feet of a front, rear or side line of such Lot; and further provided, however, that any such granted easement does not destroy the intended usage of the Lot or portion of the Common Area over which such easement is granted. The consent of the Association or the Owners of the Lots affected by such easements shall not be required.
- 3.4 Drainage Easement. Developer has granted and the Plat reserves certain drainage easements. There is hereby declared and granted to all members of the Association, their families, guests, invitees, and tenants an exclusive easement and right to use such areas, subject to the terms and conditions of the Land Use Documents. Said easement and right to use is not personal, but is appurtenant to and runs with the Lots, is solely for Owners, their family members, invitees, guests and tenants, and is not for the benefit of members of the public at large, and terminates automatically upon an Owner's no longer owning a lot and being a member of the Association.
- 3.5 Sales Easement. Notwithstanding any provision in this Declaration to the contrary, Developer reserves unto itself, for as long as it owns a Lot, an easement and right over, across and appurtenant to the Common Areas for access, ingress, egress and use to carry on development, place signs, park vehicles and carry on a sales and marketing program. Without limiting the foregoing, Developer can use the improvements located in the Common Areas for the purposes and in the manner aforesaid.

4.0 COMMON AREAS

- 4.1 Conveyance. Developer shall convey to the Association all

of the Common Areas subject to the (1) terms and conditions of the Land Use Documents, (2) applicable zoning ordinances, (3) real estate taxes for the year of such conveyance, (4) an easement for encroachments, (5) such facts as an accurate survey may show, and (6) any and all reservations, restrictions and easements of record.

- 4.2 Use. Each Owner is hereby granted an irrevocable, non-exclusive easement and right to use the common Areas subject to the terms and conditions of this Declaration and any and all Rules promulgated by the Board of Directors of the Association. Said easement and right to use is not personal, but is appurtenant to and runs with the Lots, is solely for Owners, their family members, invitees, guests and licensees, is not for the benefit of members of the public-at-large, and terminates automatically upon and Owner's no longer owning a Lot and being a member of the Association. In the event that a corporation, partnership, trust or other entity is an Owner, then such entity shall file with the Association a certificate duly executed by such entity designating one family which shall have the benefit of such easement and right of use of the common Areas.
- 4.3 Ownership and Management. Upon the conveyance to the Association of the Common Areas, the Common Areas may not be thereafter sold, conveyed, transferred, subdivided or otherwise alienated by the Association without the approval of all Owners and institutional first mortgagees. Subject to the foregoing, the Association shall exercise all rights of ownership of the Common Areas, including, without limitation, the right to reserve or grant further easements upon or under any part of the Common Areas, and the Association shall administer, manage, operate, maintain, repair and replace as necessary all of the Common Areas and any improvement located thereon. The Board may promulgate rules and regulations and may thereafter modify, alter, amend, rescind, and augment any of the same as to the use, operation and enjoyment of the Common Areas.
- 4.4 Insurance. The Association shall obtain and maintain policies of insurance for the purpose of providing coverage for the Common Areas, consisting of casualty and hazard insurance for the then full replacement cost of the improvements located thereon, including such coverage against loss or damage by fire, vandalism, windstorm or water; comprehensive public liability insurance; and fidelity insurance against dishonest acts on the part of officers, directors and employees of the Association. Subject to the foregoing coverage, the Board shall determine the insurers, the policy limits, and the coverage and substantive provisions of such policies.
- 4.5 Termination. If and in the event of a termination of this Declaration, a dissolution of the Association, and a liquidation of the property of the Association, it becomes necessary to distribute the Common Areas in kind to the Owners, then the Common Areas shall be distributed and conveyed so as to vest in the Owner of each Lot a fractional undivided interest as a tenant in common in all of the Common Areas, the numerator of which fraction shall equal the number of Lots owned by such Owner and the denominator of which shall be the number of Lots located on the LAND.
- 4.6 Condemnation. In the event the Association receives any award or payment arising from any taking of the Common Areas or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Board, and the remaining balance thereof, if any, shall then be distributed equally among the Owners and mortgagees of Lots as their respective interests may appear.

5.0 SNUG HARBOR VILLAGE HOMEOWNERS ASSOCIATION, INC.

- 5.1 Creation of Association. To efficiently and effectively provide for the maintenance, management, and operation of the Subdivision and Association property by the owners of lots, a non-profit Florida corporation, known and designated as SNUG HARBOR VILLAGE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as Association, has been organized. Said Association shall undertake and perform all acts and duties incident to the maintenance, management and operation of the Subdivision and Association property in accordance with the terms and conditions of the Articles of Incorporation and Bylaws of Association, which documents are attached to this Amended Declaration as Exhibits A and B respectively.
- 5.2 Membership in Association. The owners of each lots shall automatically become members of the Association upon his, her, their or its acquisition of an ownership interest in a lot, and the membership of such owner or owners being divested of such ownership interest in the title to such lot, regardless of the means by which such ownership may be divested.
- 5.3 Right to Maintain Lots and Buildings Thereon. In order to preserve the beauty, quality and value of the LAND, the Association shall have the right and obligation to enter upon any Lot on which there exists a violation of any covenant, condition or restriction set forth in any of the Land Use Documents, to summarily abate, remove and cure such violation. Without limiting the foregoing, upon and during any such violation, the Association shall have the right to repair and paint building exteriors and fixtures attached thereto and to mow, maintain, and clean lawn areas. Developer hereby reserves and grants to the Association a perpetual easement appurtenant to, over and across the Lots for ingress and egress to so preserve and maintain the value of the LAND. Any and all costs of any maintenance of a Lot or structure thereon shall be allocated and assessed by the Board upon the Lot so maintained. Such assessments shall be collected in the same manner as any other assessment levied by the Association.

6.0 ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

6.1 Power of Assessment

ASSOCIATION, by this Declaration of Covenants, Conditions and Restrictions, is given the authority to maintain, operate, and manage the Subdivision and Association property, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all lots. To properly maintain, operate and manage the Subdivision and Association property, ASSOCIATION will incur, for the mutual benefit of all of the owners of lots, costs and expenses which will be continuing or non-recurring, as the case may be, which costs and expenses are sometimes herein referred to as "common expenses." The ASSOCIATION shall fix and determine from time to time the sum or sums of money necessary and adequate to provide for the payment of all common expenses and shall assess the members of the ASSOCIATION for said sums. The ASSOCIATION shall assess lot owners and/or lots in amounts not less than are required to provide funds in advance for the payment of all common expenses and other expenses of the ASSOCIATION and Subdivision and Association property, as and when due. The ASSOCIATION shall enforce the collection of said assessment so that at all times the solvency of the ASSOCIATION, under any definition, is maintained and assured. The assessment to lot owners for both continuing and non-recurring common expenses of the ASSOCIATION, exclusive of the Recreation Area Purchase Assessment provided for in section 6.7 of this Declaration, shall not exceed \$22.50 per month during the period of time that the Developer has the right to select or designate the majority of the members of the Board of Directors of the Association which period of time is set

forth in the Articles of Incorporation and Bylaws of SNUG HARBOR VILLAGE, attached hereto as Exhibits A and B respectively.

6.2 Lien for Assessment

The ASSOCIATION shall have a lien against each lot for any unpaid assessments levied against said lot and the owner thereof, interest accruing thereon, reasonable attorney's fees incurred by the ASSOCIATION incident to the collection of such assessment or enforcement of such lien, whether or not legal proceedings are initiated, provided, however, that no lien for assessments shall become effective until recorded in the Public Records of Brevard County, Florida. The said lien shall be recorded among the Public Records of Brevard County, Florida by filing a claim therein which states the legal description of the lot, the name of the record owner, the amount claimed to be due, and the dates said amounts became due. Provided, however, that no such claim of lien shall continue to be valid for a period longer than one (1) year after the claim of line has been recorded unless, within that time, an action to enforce the line is commenced in a court of competent jurisdiction. The claim of line shall secure all unpaid assessments, interest, costs, and attorney's fees which are due and which may accrue subsequent to the recording of the claim of line and prior to the entry of final judgment of foreclosure. Such claims of line shall be signed and verified by an officer of the ASSOCIATION, or by a managing agent of the ASSOCIATION. Upon full payment, the party making payment shall be entitled to a recordable Satisfaction of Lien, to be prepared and recorded at the owner's expense. All such lines shall be subordinate to the line of institutional first mortgages, and all such lines may be foreclosed by suit brought in the name of the ASSOCIATION in like manner as a foreclosure of a mortgage on real property. In any such foreclosure, the owner of the lot subject to the lien shall be required to pay a reasonable rental for the lot, and the ASSOCIATION shall be entitled to the appointment of a receiver to collect the same. The ASSOCIATION, at its option, may also sue to recover a money judgment for unpaid assessments without thereby waiving the lien securing the same. In the event a mortgagee of a first mortgage of record shall obtain title to the lot as a result of a the foreclosure of such first mortgage, or in the event an institutional mortgagee as to a first mortgage of records shall obtain title to a lot as the result of a conveyance in lieu of foreclosure of such first mortgage, such acquirer of title, its successors and assigns shall not be liable for that share of the common expenses or assessments by the ASSOCIATION chargeable to the lot, or the owner thereof, which became due prior to the acquisition of title by such institutional mortgagee or purchaser at foreclosure sale.

6.3 Notification of Mortgage Holder

The ASSOCIATION shall notify, in writing, the holder of a first mortgage encumbering a lot of any default in the payment of any assessments against said lot where said default shall continue for a period of fifteen (15) days after the date upon which it was due and payable; provided, however, that notice of such default need be given only where the holder of a first mortgage has notified the ASSOCIATION, in writing, of the existence thereof, such notice to include the name and address of the mortgagee.

6.4 Developer's Liability for Assessments. During the period for which the DEVELOPER has guaranteed the assessments made against the owners of all LOTS as provided in Section 6.1 of this Declaration, the DEVELOPER shall be excused from the payment of its share of the common expense in respect to those units owned by the DEVELOPER. However, the DEVELOPER shall be responsible to pay any amount of common expenses incurred

during the guaranteed period in excess of that which shall be produced by the assessment at the guaranteed level receivable from other owners of LOTS.

6.5 Assessment Installments

The assessment levied against the OWNER of each lot and the lot shall be payable in quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of ASSOCIATION. However, in no event shall such assessments be levied against the OWNERS of lots less frequently than quarterly.

- 6.6 Working Capital Fund. The funds represented by the payment of the sum of One Hundred Fifty (\$150.00) Dollars paid by the purchaser of each LOT at the time of conveyance of the MOBILE HOME UNIT by the DEVELOPER shall be a working capital fund of the ASSOCIATION and may not be utilized for start-up expenses or common expenses incurred prior to the expiration of the period during which the DEVELOPER has guaranteed that the percentage of common expenses attributable to LOT OWNERS will not exceed a stated amount. After the expiration of that period, these funds may be used for any purpose for which the ASSOCIATION could levy an assessment pursuant to the provision of this Declaration and the Exhibits hereto.

6.7 Recreation Area Purchase Fund

- 6.7.1 Each LOT OWNER purchasing a Lot from the Developer after January 2, 1988 shall be and are hereby assessed the sum of Two Thousand Dollars and no/100 Cents (\$2,000.00) as a contribution to the ASSOCIATION. This Assessment shall accrue and become a lien on each LOT at the time said LOT is sold and conveyed by Developer and shall remain a lien against the individual LOT until paid. The proceeds of said assessments shall be used by the ASSOCIATION to pay the assessment made by SNUG HARBOR MASTER ASSOCIATION, INC. against the ASSOCIATION for the purpose of providing the necessary funds to enable SNUG HARBOR MASTER ASSOCIATION, INC. to purchase the RECREATION AREA pursuant to the provisions of the RECREATION AREA PURCHASE AGREEMENT and RECREATION AREA NOTE attached hereto as Exhibits "C" and "D" respectively.
- 6.7.2 The Assessment for the RECREATION AREA PURCHASE shall bear interest at the rate of ten per cent (10%) per annum on the unpaid balance thereof, shall be payable in two hundred sixteen (216) equal consecutive monthly installments of principal and interest. A lot owner may prepay this Assessment at any time in accordance with the provisions of the RECREATION AREA PURCHASE AGREEMENT and RECREATION AREA NOTE.
- 6.7.3 If a LOT owner shall fail to pay the RECREATION AREA PURCHASE ASSESSMENT or any installment thereof, the SELLER under the RECREATION AREA PURCHASE AGREEMENT and/or the holder of the RECREATION AREA NOTE, in addition to any other remedies provided by law and the RECREATION AREA PURCHASE AGREEMENT and the RECREATION AREA NOTE shall have a lien against the lot of the defaulting owner for the remaining unpaid balance of the assessments and interest accruing thereon. In the event of such a default, the SELLER under the RECREATION AREA PURCHASE AGREEMENT and/or the holder of the RECREATION AREA NOTE shall have the right to accelerate the remaining balance due, with the then remaining principal balance together

with accrued interest becoming immediately due and payable in full. Said lien shall also secure reasonable attorney's fees, at both the trial and appellate levels, together with all costs incurred incident to the collection of such assessment of or enforcement of such lien, whether or not legal proceedings are initiated. All such liens may be foreclosed in the same manner as a foreclosure of a mortgage on real property.

- 6.7.4 The foreclosure of said lien against a LOT OWNER for his proportionate share of the RECREATION AREA PURCHASE ASSESSMENT shall not be considered or construed as a termination or cancellation of the RECREATION AREA PURCHASE AGREEMENT or RECREATION AREA NOTE or operate as an extinguishment of any other lien rights or remedies provided by said RECREATION AREA PURCHASE AGREEMENT or RECREATION AREA NOTE or by law. The lien herein provided shall be subordinate to the lien of any institutional first mortgage encumbering a lot. Notwithstanding anything contained herein to the contrary, in the event an institutional first mortgagee of record or other purchaser of a lot obtains title thereto as a result of the foreclosure, of an institutional first mortgage or where such institutional first mortgagee accepts a deed to such lot in lieu of foreclosure, such acquirer of title, its heirs, legal representatives, successors and assigns shall remain obligated for that portion of the assessment attributable to such lot as provided for herein remaining unpaid as of such date and interest accruing subsequent to but not prior to the date such acquirer of title obtains title thereto to be paid in full in cash or in equal monthly payments of principal and interest as provided above; provided, however, that payments of such assessment attributable to or upon a lot shall be deferred and no interest shall accrue on such assessment for so long as such institutional first mortgagee shall continue to hold title to such unit and the same shall not be occupied by a tenant or lessee holding under, by or through the said institutional first mortgagee; provided, further, that such deferral of payment shall continue only for such time as the institutional first mortgagee shall remain the title holder of the unit and the same shall not be occupied by a tenant or lessee holding by, through or under the said institutional first mortgagee.

- 6.7.5 It is the intention of the SELLER under the RECREATION AREA PURCHASE AGREEMENT, the holder of the RECREATION AREA NOTE, the ASSOCIATION and the LOT OWNERS that any provisions of a law similar to Florida Statute 718.116(6) heretofore or hereafter adopted pertaining to the termination or extinguishment of the obligation of a LOT OWNER for prior assessments in the event of foreclosure or conveyance in lieu of foreclosure of an institutional first mortgage shall not be applicable to the assessment provided for in this subparagraph, other than for interest thereon accruing prior to the date such mortgagee acquires title thereto, and, if so applicable, the ASSOCIATION shall and does hereby agree and each LOT OWNER by acceptance of title to such LOT in foreclosure or acceptance of such deed in lieu of foreclosure agrees that upon such conveyance to such acquirer of title, the ASSOCIATION shall thereupon reassess such LOT for that portion of the assessment provided for herein attributable to such LOT remaining unpaid as of such date plus interest thereon accruing subsequent to

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such date of conveyance to be paid in full, in cash or in equal monthly payments of principal and interest as provided herein, and each such acquirer of title shall and does hereby consent to the imposition of such assessment.

6.7.6 In the event of prepayment in full of said assessment, the ASSOCIATION shall deliver to the LOT OWNER making such prepayment a receipt therefore in recordable form, joined in by the holder of the RECREATION AREA NOTE, reflecting that no further assessments on account of the purchase price of the RECREATION AREA shall be made against the said unit.

6.7.7 The provisions of this Section 6.7 shall not be amended, modified or deleted from this Declaration of Covenants, Conditions and Restrictions, so long as any amounts are due under the provisions of the RECREATION AREA PURCHASE AGREEMENT or the RECREATION AREA NOTE without the prior written consent of the SELLER under the RECREATION AREA PURCHASE AGREEMENT and the holder of the RECREATION AREA NOTE.

7.0 LIMITATION ON USE OF MOBILE HOME UNITS:
ESTABLISHMENT OF ARCHITECTURAL REVIEW COMMITTEE

7.1 Architectural Review Committee

7.1.1 The Architectural Review Committee (hereinafter referred to as the "ARC") shall consist of five (5) Members. Each Member of the ARC, except those appointed by the Developer, shall be a member of the Association or shall be an authorized representative, officer, or employee of a corporate member of the Association.

7.1.2.1 Developer shall, at the beginning of the election of Members to the ARC, designate and select in accordance with the provisions of this Declaration, and upon such designation and selection by Developer by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by Developer shall be deemed and considered for all purposes Members of the ARC and shall thenceforth perform the offices and duties of such Members until their successors shall have been selected or elected in accordance with the provisions of this Declaration.

7.1.2.2 The Developer of the Subdivision and the corporation developing a condominium of manufactured, mobile or modular homes known as Snug Harbor Lakes, which condominium is adjacent to and abuts the Subdivision are related entities, and are pursuing a common development concepts. As a result, control of the ARC shall depend on sales of Lots and units in both developments. Developer shall be entitled to designate each Member of the ARC until such time as the Owners of Lots in the Subdivision own ten percent (10%) or more of the total Lots that ultimately will be included in the Subdivision. When the Owners of lots own ten percent (10%) or more of the total Lots that ultimately

will be included in the Subdivision, the Lot Owners other than Developer shall be entitled to elect not less than two-fifths (2/5) of the Members of the ARC. Lot Owners other than Developer shall be entitled to elect a majority of the Members of the ARC three (3) years after sales by the developer of Snug Harbor Lakes have been closed on ninety percent (90%) of the units that ultimately will be included in Snug Harbor Lakes, or three (3) months after sales have been closed by the developer of Snug Harbor Lakes on ninety percent (90%) of the units that ultimately will be included in Snug Harbor Lakes, or when all of the Lots and units that ultimately will be included in Subdivision and Snug Harbor Lakes, have been completed and some of them have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever event occurs first. The Association, within sixty (60) days after Lot Owners other than Developer are entitled to elect either two-fifths (2/5) or a majority of the Members of the ARC, shall call a Meeting of the members of the Association for the purpose of electing said Members of the ARC. Notice of said Meeting of the members of the Association shall be given to each member in the manner prescribed in this Declaration, except that said notice shall be given not less than thirty (30) nor more than sixty (60) days prior to said Meeting. The Developer shall be entitled to elect not less than one Member of the ARC so long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the units that will be included in Snug Harbor Lakes.

- 7.1.2.3 All Members of the ARC whom Developer shall not be entitled to designate and select under the terms and provisions of this Declaration shall be elected by a plurality of the votes casts at the Annual Meeting of the members of the Association immediately following the designation and election of the Members of the ARC by Developer.
- 7.1.2.4 Vacancies in the ARC may be filled until the date of the next Annual Meeting by the remaining Members, except that, should any vacancy in the ARC be created in any membership previously filled by a person designated and selected by Developer, such vacancy shall be filled by Developer designating and selecting, by written instrument, the successor Member to fill the vacated membership for the unexpired term thereof.
- 7.1.2.5 At the first Annual Meeting of the members of the Association held after the Owners of Lots other than Developer shall be entitled to elect all of the Members of the ARC, the members shall elect two Members to the ARC for a term of three (3) years, two Members for a term of two (2) years and one Member for a term of one (1)

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year. At each Annual Meeting thereafter, the members shall elect as many Members of the ARC as there are regular terms of Members expiring at the time, and the term of office of the Members of the ARC so elected at the Annual Meeting of members of the Association each year shall be for three (3) years or until their successors are duly elected and qualified, or until removed from office in accordance with this Declaration. Until such time as the Owners of Lots other than Developer shall be entitled to elect all of the Members of the ARC, the term of office for Members shall be one (1) year or until their successors are elected and qualified.

7.1.2.6 In the election of Members to the ARC, there shall be appurtenant to each Lot as many voted for Members as there are members to be selected, provided, however, that no member of the Association or Owner of any Lot may cast more than one (1) vote for any person nominated as a Member of the ARC, it being the intent hereof that voting for Members of the ARC shall be non-cumulative.

7.1.2.7 In the event that Developer, in accordance with the privilege granted unto it, selects any person or persons to serve on the ARC, the said Developer shall have the absolute right, at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on said ARC. Replacements of any person or persons designated by Developer to serve on the ARC shall be made by written instrument delivered to the Secretary of the Association, which instrument shall specify the name or names of the person or persons designated as successor successors to the person so removed from said ARC. The removal of any Member of the ARC by the designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to the Secretary of the Association. Whenever Developer's right to designate and select a Member or Members of the ARC expires, the Developer forthwith shall cause its Member or Members then serving to resign.

7.2 Meetings of the ARC

7.2.1 Regular Meetings of the ARC may be held at such time and place as shall be determined from time to time by a majority of the Members. Notice of regular meetings shall be given to each Member personally or by mail, telephone or telegram, at least three (3) days prior to the date named for such meeting, unless notice is waived. Notice of all regular meetings of the Members of the ARC shall be posted in a conspicuous place within the Subdivision property at least forty-eight (48) hours in advance for the attention of all Owners of Lots.

7.2.2 Special Meetings of the ARC may be called by any Member of the ARC. Not less than three (3) days notice of a meeting shall be given to a Members,

personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Notice of such special meetings of the ARC shall be posted in a conspicuous place within the Subdivision property at least forty-eight (48) hours in advance of the meeting for the attention of all Owners of Lots.

- 7.2.3 All meetings of the ARC shall be open to all Owners of Lots.
- 7.2.4 A quorum at an ARC meeting shall consist of the Members entitled to cast a majority of the votes of the entire Committee. The acts of the ARC approved by a majority of the Members present at a meeting at which a quorum is present shall constitute the acts of the ARC. If any ARC meeting cannot be organized because a quorum has not attended, the Members who are present may adjourn the meeting from time to time until a proper quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- 7.2.5 The Presiding Officer at ARC meetings shall be the Chairman of the Committee, who shall be elected by the Members. In the absence of the Presiding Officer, the Members present shall designate one of their number to preside.

7.3 Compensation of Members. No Member of the ARC shall be entitled to any compensation for services performed as a Member of the ARC .

7.4 Removal of Members. Subject to the provisions granting to the Developer the right to appoint and remove Members of the ARC, any Member or Members of the ARC may be recalled and removed from office with or without cause by the vote of the owners of a majority of all voting interests. A special meeting of the members of the Association may be called by the owners of ten percent (10%) of all voting interests, giving notice of the meeting as required for a meeting of Lot Owners, and the notice shall state the purpose of the meeting. If the recall is approved by a majority of all voting interests by a vote at the meeting, the recall shall be effective immediately, and the recalled Member or Members of the ARC shall turn over to the ARC any and all records of the ARC in their possession within seventy-two (72) hours after the meeting.

7.5 Powers and Duties of the ARC

7.5.1 No mobile, modular or manufactured home, or other improvement or structure of any kind, including without limitation, any building, wall, fence, swimming pool, cabana, carport, or screen enclosure, shall be erected, placed or maintained on any Lot; and no addition, alteration, modification or change to any of the above shall be made without the prior written approval of the ARC.

7.5.2 Two (2) complete site plans shall be submitted to the ARC for its review, and no mobile, modular or manufactured home, accessory, add-on, or other improvement shall be commenced without prior approval of the ARC. Such site plans shall include the following:

7.5.2.1 The location, shape and dimensions of the mobile, modular or manufactured home, accessory, add-on, or other improvement, and their distances from all Lot boundaries.

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- 7.5.2.2 Drainage plan for lots, including the intended method to be utilized in disposing of water run-off, which method must be consistent with the overall drainage plan for the Subdivision and must meet the requirements of all government agencies having jurisdiction thereof.
- 7.5.2.3 The final floor elevation of each mobile, modular or manufactured home to be placed upon the Lot, which final floor elevation shall be no less than thirty-three (33) inches above the crown of the road abutting said Lot; further, the final grade elevation adjacent to the installed mobile, modular or manufactured home, which shall also be the driveway surface in the carport area, shall be no less than twelve (12) inches above the crown of the road abutting such Lot. Notwithstanding anything herein contained to the contrary, clearance under the iron frame of a mobile, modular or manufactured home, between the iron frame and the undisturbed soil shall be no less than sixteen (16) inches or more than twenty-four (24) inches.
- 7.5.2.4 The location of all trees that are more than three inches (3") in diameter.
- 7.5.2.5 The location of all drives and sidewalks.
- 7.5.2.6 The location of all walls, fences, or other artificial decorative or screening devices.
- 7.5.2.7 The ARC may also require the submission of additional information and materials as may be reasonably necessary for the ARC to evaluate the proposed mobile, modular or manufactured home, or alteration.

7.5.3 Any and all approvals or disapprovals of the ARC shall be in writing and shall be delivered to the Board of Directors of Association and the respective Lot Owner. In the event the ARC fails to approve or to disapprove in writing any proposed mobile, modular or manufactured home, accessory, add-on, or alterations within seven (7) days after submission to the ARC of all required information and materials related thereto, then said mobile, modular or manufactured home, accessory, add-on, or alteration shall be deemed to have been approved by the ARC. Further, if the construction of any improvement or structure is completed and the ARC does not indicate disapproval thereof for a period of sixty (60) days after the completion of such construction or landscaping, then such construction or landscaping shall be deemed to have been approved by the ARC.

7.5.4 The ARC shall promulgate such further rules and regulations as it deems necessary for the processing of applications to the ARC. The foregoing rules and regulations shall be subject to approval by the Board of Directors of Association. Without limiting the foregoing, no improvement or structures shall be constructed which is in violation of any covenant or restriction set forth in this Declaration.

7.6 ARCHITECTURAL CRITERIA AND BUILDING RESTRICTIONS

- 7.6.1 Residential Mobile, Modular or Manufactured Homes. No building or structure shall be erected, placed, or permitted to remain on any Lot except one single-family mobile, modular or manufactured home. Notwithstanding the foregoing, cabanas, carports, and other structures accessory to the use of the family occupying the mobile, modular or manufacture home may be erected on the Lot upon approval by the ARC. All such mobile, modular or manufactured homes shall meet the following requirements:
- 7.6.1.1 Be of a width of not less than 24 feet;
- 7.6.1.2 Be of a length of not less than 32 feet;
- 7.6.1.3 Be inspected and approved as to age, appearance, condition and structural standards by the ARC, provided, that the ARC shall not approve any mobile, modular or manufactured home which was manufactured more than three year prior to the date application, is made to the ARC for approval of installation;
- 7.6.1.4 Be installed on the Lot by a lawfully licensed authorized installation agency in the manner designated by the ARC. "Installation" as used in this subparagraph shall include but not be limited to leveling, blocking, tying down, removal or masking of hitch, skirting and installation of approved set of steps;
- 7.6.1.5 Have horizontal siding, stucco skirting and concrete steps;
- 7.6.1.6 Have shingled roof unless a roof of a different type of roof is expressly approved by the ARC;
- 7.6.1.7 Contain a minimum of seven hundred sixty eight (768) square feet of living area.
- 7.6.1.8 If the home in questions is a replacement for a home destroyed by fire, weather or other disaster, the replacement home shall be no smaller than the original house.
- 7.6.2 Building Lines. No mobile, modular or manufactured home or other structure or improvement shall be located nearer than 25 feet to the front lot line, nearer than 7.5 feet to any side lot line, nor nearer than 20 feet to the rear lot line. On a corner lot, the setback from the abutting side street shall be no less than 15 feet.
- 7.6.3 Driveways. All Lots shall have a paved driveway of concrete construction of at least eleven (11) feet in width unless otherwise specified by ARC.
- 7.6.4 Landscaping. No vegetation shall be permitted to remain on a Lot which may damage or interfere with the elevation or slope of the surface of the Lot, create erosion or sliding problems, or change the subdivision drainage system. Sod shall be required in the front rear and side yards of a Lot.
- 7.6.5 Trees. No tree greater than three (3) inches in diameter and greater than five (5) feet in height above the natural grade of the Lot shall be cut or

removed without the specific prior approval of the ARC; provided, however, that all trees located in the area to be occupied by the house pad, driveway, utility room or utility easement area may be removed regardless of size of said tree.

- 7.6.6 Non-Interference with Easements. No structure, planting, or other material shall be placed or permitted to remain on a Lot which may damage or interfere with the installation and maintenance of utilities or drainage facilities located within the Subdivision.
- 7.6.7 Individual Sewage Disposal System. No individual sewage disposal system shall be permitted on any Lot.
- 7.6.8 Air Conditioning Units. No window or wall air conditioning units shall be permitted in any mobile, modular or manufactured home or other structure located on a Lot except as the same may be permitted by the ARC, giving due consideration to noise and aesthetics. Compressors and fans for central air conditioning systems which are located outside of the exterior of a mobile, modular or manufactured home shall be adequately walled, fenced or landscaped.
- 7.6.9 Antennae and Aerials. No antennae, aerials, satellite dishes or other devices or structures for the transmission and/or reception of radio or television signals shall be placed or affixed upon any Lot or affixed to the exterior of any mobile, modular or manufactured home, and no antennae, aerials, satellite dishes or other devices or structures for the transmission and/or reception of radio or television signals, placed or affixed within a mobile, modular or manufactured home shall extend or protrude beyond the exteriors of such unit.
- 7.6.10 Clothes Drying Area. No clothesline or other facilities or apparatus for the drying of clothes outside of a mobile, modular or manufactured home or utility building shall be constructed on a Lot, except that a collapsible umbrella clothes drying facility may be erected. Any such facility shall be collapsed or closed when not in use.
- 7.6.11 Litter, Trash, Garbage. No articles of personal property shall be hung or shaken from the doors or windows of any mobile, modular or manufactured home. No Owner shall sweep or throw onto a Lot from his mobile, modular or manufactured home any dirt or any other materials or otherwise litter in any way his Lot. No garbage, trash, refuse, or rubbish shall be deposited, dumped, or kept on any Lot, except in closed sanitary containers. Such containers shall be kept in sanitary condition in an enclosed area attached to the mobile, modular or manufactured home and constructed in a manner approved by the ARC. Such containers shall be placed on the Lot for pick up no earlier than sundown on the day prior to scheduled pickup and shall be removed no later than sundown of the day of pickup.
- 7.6.12 Drainage. No change in elevation of any Lot shall be made which will cause undue hardship to adjoining property with respect to natural runoff of rainwater. Any change in elevation of a Lot shall be approved by the ARC.

7.6.13 Signs.

- 7.6.13.1 The size and design of all signs located on a Lot shall be subject to the approval of the ARC. No sign of any kind shall be displayed to general view on any Lot except under the following circumstances:
- 7.6.13.2 Directional or traffic signs installed by the appropriate governmental authority or by Developer;
- 7.6.13.3 Developer may display signs on Lots;
- 7.6.13.4 A maximum of one "For Sale" or "For Rent" sign not larger than two (2) square feet may be placed on a Lot by the Owner thereof;
- 7.6.13.5 A name and address of a size and design approved by the ARC.
- 7.6.13.6 The provisions of this section shall not apply to the Developer, who shall have the right to place "For Sale" and "For Rent" signs of Developer's choosing in connection with any unsold or unoccupied Lot it may own from time to time. The same right is reserved to any institutional first mortgagee which may become the Owner of a Lot, and to the Association as to any Lot which may own.

7.6.14 Fences and Walls. No fences or walls shall be constructed or installed for the purpose of enclosing any part of a Lot.

7.6.15 Swimming Pools. No swimming pool, either in-ground or above-ground, shall be located, installed, or constructed on any Lot.

7.6.16 Wells. No well shall be drilled or installed on any LOT without the prior written consent of Connecticut General Development Utilities, Inc. being first obtained. This provision is for the sole benefit of Connecticut General Development Utilities, Inc., its successors and assigns, the sole supplier of potable water to all LOTS in the Subdivision and may not be modified or deleted from this Declaration without the prior written consent of Connecticut General Utilities Development, Inc., being first had and obtained.

7.6.17 Limited Exception for Non-Conforming Use. The provisions contained in these Covenant, Conditions and Restrictions regarding the size, location or age of any mobile, modular or manufactured home, together with provisions for driveways, shall not be applicable to any existing mobile, modular or manufactured home located on a Lot at the time this Declaration of Covenants, Conditions and Restrictions and the exhibits thereto are recorded in the public records of Brevard County, Florida. Any mobile, modular or manufactured home located on a lot at the time this Declaration of Covenants, Conditions and Restrictions is recorded and which is a non-conforming use may be altered, expanded or replaced provided that such alteration or expansion does not increase the degree of such non-conformity and provided further that such alteration or expansion does not violate the then existing zoning ordinances of Brevard County, Florida or any

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municipality having jurisdiction.

7.7 Lots.

- 7.7.1 Each Lot is hereby restricted for use by the Owner or Owners thereof, their immediate families, guests, servants, lessees and invitees.
- 7.7.2 No building or structure shall be erected, placed or permitted to remain on a Lot except one single family mobile, modular or manufactured home. Notwithstanding the foregoing, cabanas, carports and other structures necessary to the use of the family occupying the lot may be erected on the Lot upon the approval of the ARC.
- 7.7.3 The occupancy of each mobile, modular or manufactured home originally designed to have one bedroom is hereby restricted to two (2) occupants. The occupancy of each mobile or modular home originally designed to two bedrooms is hereby restricted to four (4) occupants. Regardless of the number of bedrooms in a mobile, modular or manufactured home located on a lot, the occupancy of said home shall be restricted to maximum of four (4) persons, exclusive of guests, which are otherwise provided for in these documents.
- 7.7.4 In order that the Association may properly be informed of guests using the common facilities, any Lot Owner who has a guest or guests residing on said owner's Lot for a period in excess of three (3) days, and who will use the recreation facilities of the Snug Harbor Master Association, Inc. shall provide the Association the names, addresses and length of stay of each guest.

- 7.8 Age Restriction. A minimum of eighty (80%) percent of all units in Snug Harbor Village, a Mobile Home Subdivision shall be reserved for permanent residents where at least one (1) resident of each LOT shall be over the age of fifty-five (55) years. The remaining twenty (20%) shall be reserved for permanent residents where at least one (1) resident of each LOT shall be over the age of forty-five (45) years; provided, however, that if the death or dissolution of marriage of a person permanently residing on a LOT leaves only a person or persons under the age of forty-five (45) years as continuing permanent residents of the same LOT, such surviving or divorced persons may continue to occupy the said LOT. Notwithstanding any other provision hereof, no LOT owner shall permit any person under the age of eighteen (18) years to reside permanently in any mobile, modular or manufactured home located on a LOT owned by them in the subdivision. Should it become necessary, for any reason whatsoever, for a person under the age of eighteen (18) years to become a permanent resident in the household of a LOT owner, or said owner's tenant, guest, invitee or licensee, said LOT owner shall vacate the LOT owned by him/her or shall cause his/her tenant, guest, invitee, or licensee to vacate said lot or any mobile, modular or manufactured home located thereto within six (6) months of the date upon which the person eighteen (18) years assumes residence on any LOT. Children under the age of eighteen (18) years may visit and temporarily reside in a mobile home located on a LOT, provided that such residence does not exceed thirty (30) days within any consecutive twelve (12) month period.

7.9 Pets.

- 7.9.1 No pets shall be maintained or kept on any of the Lots other than the following:

- 7.9.1.1 Goldfish, tropical fish and the like;
- 7.9.1.2 Birds such as canaries, parakeets and the like;
- 7.9.1.3 Not more than two (2) cats;
- 7.9.1.4 Not more than two (2) dogs.

7.9.2 The owner of any pet in the Subdivision shall be required to comply with the following:

- 7.9.2.1 No pet shall be permitted to run at large or left unattended (whether leashed or not) outside of the mobile, modular or manufactured home occupied by the owner of such pet.
- 7.9.2.2 All pets shall be exercised while outside of the owner's mobile, modular or manufactured home only while on a leash.
- 7.9.2.3 Any excrement deposited by any pet outside the mobile, modular or manufactured home occupied by the owner of the pet shall be immediately picked up and disposed of by the pet owner.
- 7.9.2.4 Any pet owner violating the provisions of this Section shall be given written notice of such violation by the Board of Directors of the ASSOCIATION. If any pet owner receives three (3) notices of violation from the ASSOCIATION within a six (6) month period, such owner shall be required to dispose of such pet or permanently remove such pet from the subdivision property within fifteen (15) days next after receipt of such third notice. The ASSOCIATION and any Lot Owner shall have the express right to enforce the provisions of this Section regarding disposal of pets by bringing an appropriate action for injunctive relief in a court of competent jurisdiction in Brevard County, Florida.

7.9.3 Notwithstanding any other provision of this Section, any OWNER shall have the right to keep and maintain any pet which exists as of the date of recording of this Amended Declaration until such pet dies or is otherwise disposed of. Any such non-conforming pet may be replaced with a pet which complies with the provisions of this section.

7.10 Common Areas. The use of the Common Areas by the Owner or Owners of all Lots, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as maybe prescribed and established governing such use, or which may have often prescribed and established by the Association.

7.11 Further Subdivision. No Lot shall be divided, subdivided or reduced in size unless such divided or subdivided portion thereof is consolidated with one or more contiguous Lots. In the event that a Lot is increased in size pursuant to the foregoing, all of the provisions of the Land Use Documents shall apply.

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- 7.12 Maintenance of Exteriors. Each Owner shall maintain the exteriors of all structures on a Lot, and any and all fixtures attached thereto, in a sightly manner and shall maintain all gutters, down spouts and other fixtures in a good working order.
- 7.13 Noxious Vegetation. No Owner shall permit the growth of noxious weeds or vegetation upon a Lot. All Lots shall be maintained in a green and sightly manner, and all grass, weeds, or other vegetation shall not be permitted to exceed six (6) inches in height, except for trees and decorative shrubs.
- 7.14 Lawful Use. No unlawful use shall be made of any Lot or of the Common Areas, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.
- 7.15 Leasing. No lease, rental agreement or other agreement for occupancy of a Lot by a person other than the owner shall have a term of less than ninety (90) days. No rooms may be rented and no transient tenants shall be accommodated on any Lot within the Subdivision or any mobile, modular or manufactured home located thereof, nor shall any lease of a Lot release or discharge the Owner thereof of compliance with any of his obligations and duties as a Lot Owner. All of the provisions of the Land Use Documents and rules and regulations of the Association pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Lot as a tenant to the same extent as against a Lot Owner, and a covenant exists upon the part of each such tenant to abide by the rules and regulations of the Association. The terms and provisions of the Land Use Documents designating the Association as the Lot Owner's agent for the purpose of and with the authority to terminate any such lease agreement in the event of violations by the tenant of such covenant shall be an essential element of any such lease or tenancy agreement, whether specifically expressed in such agreement or not. All leases or rental agreements entered into by the Developer for the rental or any Lot owned by the Developer shall comply with the provisions of this Section.
- 7.16 Parking Spaces. No truck or other commercial vehicle, boats, trailers, boat trailers, campers or trailers of every other description shall be parked on any parking space or on any Lot except with written consent of the ARC. This prohibition of on parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick up, delivery, and other commercial services for the Association, Lot Owners and residents. Lot Owners shall be permitted to park boat trailers, campers, and recreational vehicles on a lot for up to seventy-two (72) hours for purposes of loading, unloading and cleaning the same. The provisions shall not in any way prevent a Lot Owner from parking any of the designated vehicles in a total enclosed garage which is located on a Lot.
- 7.17 Amendment. Notwithstanding the other provisions of the Declaration of Covenants, Conditions and Restrictions regarding amendments hereto, the provisions of this Article 7.0 shall not be amended without the consent of a majority of the owners of Lots other than the Developer.
- 7.18 Regulation. Reasonable regulations concerning the use of Subdivision property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By Laws. Copies of such regulations and amendments shall be furnished by the Association to all Lot Owners and residents of the Subdivision upon request.
- 7.19 Proviso. Provided that until the Developer has completed all of the contemplated improvements and closed upon the sale of all the Lots in the Subdivision, neither the Lot Owners nor

the Association shall interfere with the contemplated improvements and the sale of the Lots. Developer may make such use of the unsold Lots and Common Property as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, maintenance of models, showing of the property and the display of signs.

8.0 GENERAL PROVISIONS.

8.1 Incorporation of the Land Use Documents. Any and all deeds conveying a Lot shall be conclusively presumed to have incorporated therein all of the terms and conditions of the Land Use Documents, including this Declaration, whether or not the incorporation of the terms and conditions of the Land Use Documents is specifically set forth by reference in such deeds, and acceptance by an owner of such a deed shall be deemed acceptance by such owner of all of the terms and conditions of the Land Use Documents.

8.2 Disputes. In the event there is any dispute as to whether the use of the property complies with the covenants and restrictions contained in this Declaration, such disputes shall be referred to the ARC, and the determination rendered by the ARC with respect to such dispute shall be final and binding on all parties thereto.

8.3 Enforcement. The covenants and restrictions contained in this Declaration may be enforced by Developer, the Association, any Owner or Owners, or the institutional first mortgagee, in any judicial proceeding seeking any remedy recognizable at law or in equity, including an action or suit seeking damages, injunction, specific performance, or any other form of relief, against any person, firm or entity violating or attempting to violate any covenant or restriction herein. The failure by any party to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of such covenant or restriction or of the right of such party to thereafter enforce such covenant.

8.4 Indemnification. The Association covenants and agrees that it will indemnify and hold harmless Developer from and against any and all claims, suits, actions, causes of action and/or damages arising from any personal injury, loss of life, and/or damage to property sustained on or about the Common Areas, and from and against all costs, expenses, counsel fees, expenses and liabilities incurred by Developer arising from any such claim, the investigation thereof, or the defense of any action or proceeding brought thereon, and from any and against any orders, judgments and/or decrees which may be entered thereon. The Association shall also indemnify Developer for any expense Developer may incur in bringing any suit or action for the purpose of enforcing the rights of Developer under this Declaration or of compelling the specific enforcement of the terms, conditions and covenants contained herein to be kept or performed by the Association or the Owners. The costs and expenses of fulfilling the covenant or indemnification set forth in this Section shall be an Association expense.

8.5 Notice to Owners. Any notice or other communication required or permitted to be given or delivered under this Declaration to any Owner shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to the last known address of the person whose name appears as the owner on the records of the Association at the time of such mailing.

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

8.7 Context. Whenever the context so requires, any pronoun used

herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any noun or pronoun herein may be deemed to mean the corresponding plural form thereof and vice versa.

- 8.8 Severability. In the event any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Without limitation of the foregoing, the invalidation of any of the covenants or restriction or terms and conditions of this Declaration or a reduction in the term of the same by reason of the legal rule against perpetuities shall in no way affect any other provisions which shall remain in full force and effect for such period of time as may be permitted by law.
- 8.9 Term. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein, including, without limitation, the provisions for assessment of Lots, shall run with and bind the land and inure to the benefit of Developer, the Association, the Owners, and the respective legal representative, heirs, successors and assigns for a term of thirty-nine (39) years from the date of recording of this Declaration in the Public Records of Brevard County, Florida after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each, unless at least one (1) year prior to the termination of such thirty-nine (39) year term of to each such ten (10) year extension there is recorded in the Public Records of Brevard County, Florida, an instrument agreeing to terminate this Declaration, signed by two-thirds (2/3) of all mortgagees, upon which event this Declaration shall be terminated upon the expiration of the ninety-nine (99) year term or the ten (10) year extension during which such instrument was recorded.
- 9.0 AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
- 9.1 Procedure
- 9.1.1 An Amendment or Amendments to this Declaration may be proposed by the Board of Directors of Association acting upon a vote of the majority of the Directors, or by the members of the Association, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to this Declaration being proposed by said Board of Directors or members, such proposed Amendment or Amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of members of the Association for a date not sooner than fourteen (14) days nor later than sixty (60) days from receipt by him of the proposed Amendment or Amendments, and it shall be the duty of the Secretary to give each member notice of such Special Meeting, in accordance with the terms of the Bylaws of the Association.
- 9.1.2 At such meeting, the Amendment or Amendments proposed must be approved by an affirmative vote of the members comprising not less than a majority of the membership in the Association.
- 9.1.3 Such Amendment or Amendments of this Declaration shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted, and the original or an executed copy of such Amendment or Amendments, so certified and

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executed with the same formalities as a Deed, shall be recorded in the Public Records of Brevard County, Florida, within ten (10) days from the date on which the same became effective, such Amendment or Amendments to specifically refer to the recording date identifying the Declaration.

- 9.1.4 Thereafter, a copy of said Amendment or Amendments in the form in which the same were placed of record by the officers of the Association, shall be delivered to the Owners of all Lots, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such Amendment or Amendments.

9.2 Rights of Developer

- 9.2.1 No alteration, amendment, or modification of the rights and privileges granted and reserved hereunder in favor of Developer shall be made without the written consent of Developer first being had and obtained.

- 9.2.2 Until such time as the Owners of Lots other than Developer shall be entitled to elect a majority of the Board of Directors of the Association as provided in section 6.1 of this Amended Declaration, this Declaration may be amended by the Developer, by recording such Amendment in the Public Records of Brevard County, Florida, and no meeting of the membership nor any approval thereof need be had, provided that the Amendment does not increase the number of Lots to be located in the Subdivision nor alter the boundaries of the Common Property, nor change the configuration or size of any Lot in any material fashion, or materially alter or modify the appurtenances to such Lot.

9.3 Restrictions on Amendment

- 9.3.1 No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of SNUG HARBOR MASTER ASSOCIATION, INC., the Seller under the RECREATION AREA PURCHASE AGREEMENT or the Holder of the RECREATION AREA NOTE shall be made without the written consent of same first being had and obtained.

10.0 RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

- 10.1 Institutional Lenders. Institutional Lender or Institutional Lenders, as the terms are used herein, shall mean and refer to banks, savings and loan associations, savings banks, insurance companies, mortgage bankers, real estate investment trusts, FHA or VA approved mortgage lenders, and the DEVELOPER. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Lot or Lots, or shall be the owner of any Lot or Lots, such institutional Lender or Institutional Lenders shall have the following rights, to wit:

- 10.1.1 To be furnished with at least one copy of the Annual Financial Statement and Report of ASSOCIATION, prepared by an accountant designated by the ASSOCIATION, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished within sixty (60) days following the end of each calendar year.
- 10.1.2 To be given notice by the ASSOCIATION of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to this Declaration of Covenants, Conditions and

Restrictions, or the Articles of Incorporation and Bylaws of ASSOCIATION, which notice shall state the nature of the Amendment being proposed.

10.1.3 To be given notice of default by any owner of a Lot encumbered by a mortgage held by any Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or the place which it or they may designate in writing to the ASSOCIATION.

10.2 Notice to Association. Whenever any Institutional Lender or Institutional Lenders desire the provisions of this section to be applicable to it, it shall serve written notice of such fact upon the ASSOCIATION by registered or certified mail addressed to ASSOCIATION, identifying the Lot or Lots upon which any such Institutional Lender or Lenders hold any mortgage or mortgages, or identifying any Lots owned by them, or any of them, which notice shall designate the place to which notices are to be given by the ASSOCIATION to such Institutional Lender or Lenders.

10.3 Developer as Institutional Lender. So long as Developer holds any mortgage upon a Lot or Lots, or shall be the owner of any Lot, then the Developer shall exercise the rights reserved to Institutional Lenders. At such time as Developer does not hold a mortgage on any Lot and is not the owner of any Lot, then the ASSOCIATION shall have the right to designate the Institutional Lender who shall exercise the rights above described or manner of exercising said rights; provided that said Institutional Lender so designated shall be an Institutional Lender who holds a mortgage on a Lot or is the owner of any Lot. Whenever there does not exist any Institutional Lender who holds a mortgage on any Lot or who is the owner of any Lot then, until any Institutional Lender shall acquire any such mortgage or ownership of a Lot, the rights reserved unto Institutional Lenders shall be exercised solely by the Board of Directors of ASSOCIATION. Within ten (10) days after the request of any Institutional Lender who is exercising the rights hereunder reserved to all Institutional Lender who is exercising the rights hereunder reserved unto Institutional Lenders shall be exercised solely by the Board of Directors of ASSOCIATION. Within ten (10) days after the request of any Institutional Lender to ASSOCIATION for the name of the Institutional Lender who is exercising the rights hereunder reserved to all Institutional Lenders, ASSOCIATION shall provide such inquiring Institutional Lender with the name and address of the Institutional Lender exercising said rights for the benefit of all said Institutional Lenders.

11.0 COMPLIANCE AND DEFAULT

11.1 Persons Bound by SNUG HARBOR VILLAGE Documents. Each Lot Owner, together with the members of his immediate family, guests, employees, agents or lessees, shall be governed by and shall comply with the terms of the Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws, and the rules and regulations adopted pursuant to those documents, as they may be amended from time to time. Failure of a Lot Owner or others as specified herein to comply with such documents and regulations shall entitle the ASSOCIATION or any aggrieved Lot Owner, including the Developer, to the relief provided in this section, in addition to the remedies provided by the Condominium Act.

11.2 Failure to Comply With Documents. Failure to comply with any of the terms of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation of the

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ASSOCIATION, the Bylaws, any and all Exhibits to those documents, or the Rules and Regulations adopted pursuant thereto shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of line, or any combination thereof, and which relief may be sought by ASSOCIATION or, if appropriate, by an aggrieved owner of a Lot or the Developer.

- 11.3 Negligence. A Lot Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. A Lot Owner shall pay the ASSOCIATION the amount of any increase in its insurance premium occasioned by said use, misuse, occupancy or abandonment of a Lot or its appurtenances, or of the common elements.
- 11.4 Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Lot Owner to comply with the terms of the Declaration, Articles of Incorporation of the ASSOCIATION, the Bylaws, any and all exhibits to those documents or the Rules and Regulations adopted pursuant to them, as they may be amended from time to time, the ASSOCIATION shall be entitled to recover the costs of the proceeding, together with such reasonable attorney's fees as may be awarded by the Court, including fees in any appellate proceeding. No attorney's fees shall be recovered against the ASSOCIATION in any such action.
- 11.5 Waiver of Rights by Association. The failure of the ASSOCIATION or any Lot Owner to enforce any covenant, restriction, or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the ASSOCIATION, the Bylaws or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.
- 11.6 Waiver of Rights By Institutional Lender. The failure of an Institutional Lender or Institutional Lenders, as said term is herein defined, to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by this Declaration or other above-mentioned documents shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.
- 11.7 Rights to be Cumulative. All rights, remedies and privileges granted to ASSOCIATION, the Developer or the owner or owners of a Lot pursuant to any terms, provisions, covenants or conditions of this Declaration or other above-mentioned documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.
- 11.8 Waiver of Rights By Developer. The failure of Developer to enforce any right, privilege, covenant or condition which may be granted to the Developer by this Declaration or other above-mentioned documents shall not constitute a waiver of the right of the Developer to thereafter enforce such right, provision, covenant or condition in the future.

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions, and Restrictions has been signed by Developer, the day and year first above set forth.

SIGNATURES AND ACKNOWLEDGEMENTS APPEAR ON THE FOLLOWING PAGES

SIGNATURE AND ACKNOWLEDGEMENT FOR

PAUL L. GOULD

Paul L. Gould

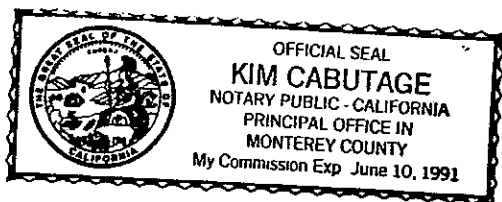
PAUL L. GOULD as Co-personal
Representative for the estate of
HARRY J. GOULD, a/k/a H.J. GOULD

STATE OF
COUNTY OF

California
Monterey

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared PAUL L. GOULD as Co-personal Representative for the estate of HARRY J. GOULD, a/k/a H. J. GOULD to me known to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 8th of February, 1990.



Kim Cabutage
NOTARY PUBLIC

ADDITIONAL SIGNATURES AND ACKNOWLEDGEMENTS

APPEAR ON THREE (3) FOLLOWING PAGES

SIGNATURE AND ACKNOWLEDGEMENT FOR

ROBERT L. GOULD

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Robert L. Gould Co-personal Rep.
ROBERT L. GOULD as Co-personal
Representative for the estate of
HARRY J. GOULD, a/k/a H.J. GOULD

STATE OF CT
COUNTY OF Stor)

3712
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I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared ROBERT L. GOULD as Co-personal Representative for the estate of HARRY J. GOULD, a/k/a H. J. GOULD to me known to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 8th of February, 1990.



Kathleen King
NOTARY PUBLIC

My Commission Expires
March 31, 1992.

ADDITIONAL SIGNATURES AND ACKNOWLEDGEMENTS

APPEAR ON TWO (2) FOLLOWING PAGES

SIGNATURE AND ACKNOWLEDGEMENT FOR

CHERYL G. SILKOFF

Cheryl G. Silkoff
CHERYL G. SILKOFF as Co-personal
Representative for the estate of
HARRY J. GOULD, a/k/a H.J. GOULD

STATE OF CT)
COUNTY OF Fairfield) Monroe

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared CHERYL G. SILKOFF as Co-personal Representative for the estate of HARRY J. GOULD, a/k/a H. J. GOULD to me known to be the person described in and who executed the foregoing instrument and she acknowledged before me that she executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 8th of Feb, 1990.

Patricia Russell D. Lorne
NOTARY PUBLIC

My Commission Expires
March 31, 1991.

AN ADDITIONAL SIGNATURE AND ACKNOWLEDGEMENT

APPEAR ON THE FOLLOWING PAGE

SIGNATURE AND ACKNOWLEDGEMENT FOR

JOAN L. ROTH

Joan L. Roth
JOAN L. ROTH as Co-personal
Representative for the estate of
HARRY J. GOULD, a/k/a H.J. GOULD

STATE OF Florida)
COUNTY OF Brevard)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared JOAN L. ROTH as Co-personal Representative for the estate of HARRY J. GOULD, a/k/a H. J. GOULD to me known to be the person described in and who executed the foregoing instrument and she acknowledged before me that she executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 8TH of February, 1990.

Robyn Gillette
NOTARY PUBLIC

Notary Public, State of Florida
My Commission Expires Sept. 27, 1992

THIS IS THE FINAL PAGE OF THIS AMENDED DECLARATION
OF PROTECTIVE COVENANTS, CONDITIONS AND USE RESTRICTIONS
FOR SNUG HARBOR VILLAGE

Recreation Area Purchase Agreement

Prepared by:

LEWIS R. PEARCE
Attorney at Law
2255 N. Courtenay Parkway
Merritt Island, FL 32953

Developer:

SNUG HARBOR LAKES
DEVELOPMENT, INC.
7600 U. S. #1
Micco, FL 32958

RECREATION AREA PURCHASE AGREEMENT

This Recreation Area Purchase Agreement, hereinafter referred to as "Purchase Agreement," entered into by and between SNUG HARBOR LAKES DEVELOPMENT, INC., hereinafter called the "Seller," and SNUG HARBOR MASTER ASSOCIATION, INC., a Florida corporation not for profit, hereinafter called the "Buyer."

W I T N E S S E T H :

1. Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller, real property and improvements thereon more particularly described in Exhibit "A" attached hereto and made a part hereof, said lands lying and being in Brevard County, Florida, all pursuant to the terms and provisions hereof.

2. The agreed upon purchase price for the property is \$742,000.00. Seller recognizes and acknowledges that Buyer is a master association whose members are Snug Harbor Lakes Condominium Association, Inc. and Snug Harbor Village Homeowners' Association, Inc. Seller also recognizes and acknowledges that the recreational areas and facilities being purchased by the Buyer are for the use and benefit of the individual members of its member associations and that the Buyer will derive the monies necessary and required for the payment of the purchase price by assessing its individual member associations and the members of such associations, and that it is, therefore, essential that the purchase price be capable of division amongst the Buyer's member associations and their individual members, and that payment thereof be on such terms and provisions as shall take into account the nature of the association and the division of the purchase price among its membership.

3. Allocation of Purchase Price Among Members of Purchasing Association

a. The portion of the purchase price attributable to Snug Harbor Lakes Condominium Association, Inc. shall be \$678,000.00, which shall be allocated to its membership as follows:

(1) The Association shall allocate the sum of

\$2,000.00 to each mobile home unit in the condominium, excluding those units which are owned by JOINING OWNERS, as said term is defined in the Declaration of Condominium for Snug Harbor Lakes, a Condominium and their successors in title.

(2) No assessment shall be made against the mobile home unit owned by any JOINING OWNER or any NON-JOINING OWNER, as said terms are defined in the Declaration of Condominium of Snug Harbor Lakes, a Condominium, it being expressly understood and agreed that said joining owners and non-joining owners have previously paid their pro rata portion of the total purchase price of this property, and that the purchase price stated in this agreement has been reduced as a result of those prior contributions.

b. The portion of the purchase price attributable to Snug Harbor Village Homeowners' Association, Inc. shall be \$64,000.00, which shall be allocated as follows:

(1) The Association shall assess the sum of \$2,000.00 against each of the lots within the plat of Snug Harbor Village which are presently owned by the developer, Snug Harbor Lakes Development, Inc., and Snug Harbor Lakes Development, Inc. does hereby consent to said assessment.

(2) There shall be no assessment against any of the lots contained within the plat of Snug Harbor Village, except for those enumerated in paragraph 1, it being hereby agreed that the owners of the remaining lots contained within the plat of Snug Harbor Village which have been previously purchased have already paid their pro rata share of the purchase price, and the purchase price contained in this agreement has been reduced accordingly.

4. Payment of the Purchase Price. The entire purchase price of \$742,000.00 shall be paid by the Buyer, Snug Harbor Master Association, Inc., executing and delivering to Seller a promissory note in the full amount of the purchase price of \$742,000.00. Said note shall bear interest at the rate of ten (10%) percent per annum

and shall be payable in equal consecutive monthly installments of principal and interest of \$7,420.00, each such installment being applied first to accrued interest, with the remainder being applied to reduction of the balance of the principal, subject to the following terms and conditions:

a. Payments on account of that portion of the purchase attributable to a Mobile Home Unit located within Snug Harbor Lakes, a Condominium, or attributable to a lot within Snug Harbor Village, shall not commence until the mobile home unit or lot has been sold or conveyed by the developer, Snug Harbor Lakes Development, Inc., a Florida corporation. Upon such sale, payments on account of that portion of the purchase price attributable to said mobile home unit or lot shall commence on the first day of the next succeeding month. Said payment shall commence notwithstanding that Seller may continue to use portions of the recreational area for sales and management purposes.

b. Interest shall not commence to accrue on that portion of the purchase price attributable to a mobile home unit or lot until the first day of the next succeeding month after the unit has been sold and conveyed by the developer, Snug Harbor Lakes Development, Inc.

c. That portion of the purchase price attributable to a mobile home unit in Snug Harbor Lakes, a Condominium, or a lot in Snug Harbor Village shall be paid in two hundred sixteen (216) equal monthly installments of principal and interest, each such installment to be the sum of \$20.00 per month.

5. Right to Prepay. Subject to the limitations set forth below, the purchase price may be prepared by the Buyer in whole or in part at any time. A unit owner shall have the right to prepay that portion of the purchase price attributable to his Mobile Home Unit or lot, provided that such prepayment is made in full, and upon making such prepayment the said unit owner, his successors and assigns shall not be assessed or responsible for any further portion of the purchase price or interest accrued thereon, and the Buyer shall

promptly pay such prepaid amount to Seller. Upon payment thereof to Seller, the monthly payment on account of this obligation due and payable by the Buyer shall be reduced accordingly.

6. Title.

a. The conveyance of the recreational area to the Buyer shall be by statutory warranty deed and shall be subject to the following:

(1) All rights therein reserved to the Seller and others, as contained in the Declaration of Condominium for Snug Harbor Lakes, a Condominium;

(2) All easements granted by the Seller or joined in by the Seller for the purpose of providing for utilities ingress and egress, or other use designed to permit the full utilization and enjoyment of the recreational area by the Grantor and all those claiming by, through and under the Grantor and the membership of the Grantee;

(3) Taxes and other governmental assessments and impositions for the year 1988 and subject years;

(4) Zoning and other applicable governmental ordinances;

(5) Restrictions, limitations, reservations, reversions, easements, conditions and agreements of record.

b. All personal property shall be conveyed to Snug Harbor Master Association, Inc. by Seller by bill of sale, free and clear of all liens and encumbrances.

7. Condition of the Property. The property being conveyed, both real and personal, is being sold in "as is" condition.

8. Consent and Ratification of Agreement By Unit Owners.

Each and every person, whether natural or corporate, who shall acquire or take any title or interest whatsoever in or to a mobile home unit in Snug Harbor Lakes, a Condominium, or who shall acquire or take any title or interest whatsoever in or to a lot in Snug Harbor Village from the developer, Snug Harbor Lakes Development, Inc., its successors and assigns, by acceptance and/or the recordation of the deed, grant, assignment or other instrument

granting, conveying or providing for such interest, or by the exercise of the rights or uses granted therein, shall be deemed to have consented to and ratified the provisions of this Agreement to the same effect and extent as if such person or persons had executed the Agreement with formalities required in the deed, and shall be deemed to have subordinated and subjected each and every interest of such person to the terms of this Agreement and the Recreational Area Note.

9. Rights Reserved to Seller. Until the Seller, Snug Harbor Lakes Development, Inc., a Florida corporation, shall have completed development, promotion and sale of all of the mobile home units to be located in Snug Harbor Lakes, a Condominium, and has completed the development, promotion and sale of all of the lots included in the plat of Snug Harbor Village, Developer shall have the following rights with regard to the recreational area, notwithstanding any other provisions of this Agreement to the contrary, which rights shall survive the conveyance of the property from the Seller to the Buyer:

a. The right to use and occupy exclusively any portion of the recreational area designated as offices in the plans in the recreational area;

b. The right to use, occupy and demonstrate on a non-exclusive basis all of the recreational area for the purpose of promoting and aiding in the sale or rental of the Mobile Home Units contained in Snug Harbor Lakes, a Condominium, or the lots contained within the plat of Snug Harbor Village. Such rights shall not be exercised in an unreasonable manner not consistent with the right of the members of the Buyer to use, occupy and enjoy such portions of the recreational area.

c. Nothing herein contained shall serve in any way to reduce Buyer's obligations for the payments due under this Purchase Agreement or for the payment of taxes, repair and maintenance of the property.

10. A Florida Contract. This contract is to be construed and

enforced under the laws of the State of Florida.

11. Guarantors. As a part of the inducement to the Seller to make the conveyance provided for herein, the Buyer hereby designates the Seller and its successors and assigns with full power of substitution for the purpose of enforcing the obligation of any member association of the Buyer or the individual members of the member associations, to pay that portion of any assessments against such member attributable to him or payable toward the purchase price of the recreational area, or any other cost or obligation due and payable toward the purchase price on the recreational area, or any other cost or obligation due and payable pursuant to the terms and provisions hereof. Said power shall include the right in the Grantor and its successors and assigns to file such action or actions as it deems advisable and necessary against such defaulting member, in its own name or in the name of the grantee, and to collect in addition to any delinquent assessment attorneys' fees and court costs incurred, together with interest on any delinquent assessment at the rate of eighteen (18%) percent per annum. The Buyer further designates the Seller and its successors and assigns with full power of substitution for the purpose of making and enforcing assessments against the member associations of the Buyer, as well as the individual members of the member associations, to pay monies required to satisfy the obligations of the Buyer to the Grantor pursuant to the terms and provisions hereof, as well as to enforce any of the other terms and provisions hereof.

12. Duty of Buyer to Pay. It shall be the duty and obligation of the Buyer to assess its membership and to require that its individual member associations assess their membership for their pro rata portion of the cost of the recreation facilities, in accordance with the provisions of the applicable laws of the State of Florida dealing with condominiums, homeowners' associations, and non-profit corporations, and the individual documents governing the individual member associations, for such monies as shall be necessary to pay the monies and other obligations provided for in this Agreement, and to otherwise perform its covenants and promises contained herein.

13. Modification. Except as reserved to the Seller, neither this Agreement nor any terms hereof may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

14. Headings. The headings of the sections, paragraphs and subdivisions of this Purchase Agreement are for convenience of reference only and are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereon.

15. Invalid Provisions. In case any one or more of the covenants, agreements, terms, or provisions contained in this Purchase Agreement shall be held invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, or provisions contained herein shall in no way be affected, prejudiced or disturbed thereby.

16. Successors and Assigns. Whenever in this Purchase Agreement one of the parties hereto is named or referred to, the successors and assigns of such party shall be included, and all covenants and agreements contained in this Purchase Agreement by or on behalf of the Seller, or by or on behalf of the Buyer, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. This Purchase Agreement shall not be assigned by the Buyer without the written approval of the Seller, but shall be freely assignable or transferrable in whole or in part by the Seller.

17. Entire Agreement. This instrument constitutes the entire agreement between the parties, and neither party has been induced by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises, or understandings whatsoever in any way touching the subject matter of this agreement which are not expressly contained herein.

18. Waiver of Rights. The failure of the Seller to enforce any covenants, obligations, or agreement of the Buyer herein contained shall not constitute a waiver of the right to do so

thereafter, not shall it constitute a waiver of the right to enforce any other covenants, obligations, or agreements herein contained.

19. Receipt for Full Payment. Upon full payment by a unit owner of that portion of the purchase price attributable to his mobile home unit, and upon payment of such funds to the Seller, the Association shall deliver to said unit owner a receipt therefor in recordable form, joined by the Seller, reflecting that no further assesement shall be made against the said unit in connection with the purchase price of the recreational area.

20. Prorations. Except where such items shall be an expense of the Buyer, taxes, insurance and other prorations shall be prorated as of the date of such conveyance to the Buyer and shall be computed on a daily basis.

21. Costs. Seller shall pay all costs of preparation of the warranty deed and other instruments of conveyance, and all costs of documentary stamps on the deed. Seller shall further be obligated to pay all costs of recording the deed and recording fees for recording of any other instruments, and shall further be obligated to pay the documentary stamps which are required to be affixed to the promissory note to be executed by the Buyer.

22. Copies. A copy of this Agreement, together with copies of the recreational area notes, shall be exhibited or delivered to each person contracting to acquire a mobile home unit in Snug Harbor Lakes, a Condominium, or a lot in Snug Harbor Village from Snug Harbor Lakes Development, Inc., for the purpose of making full disclosure of all the terms and provisions hereof. Each such person expressly agrees and consents that minor changes, deletions, additions and amendments may be made to this Agreement without further advice or notice to such person, for the purpose of correcting typographical errors, complying with the requirements of an institutional mortgagee, or for other reasons, provided such deletion, addition and/or adjustment shall not materially adversely affect the rights of such person or the Buyer hereunder.

23. Obligation of the Unit Owner. Notwithstanding any provision of this Agreement to the contrary, so long as an owner of a

Mobile Home Unit in Snug Harbor Lakes, a Condominium, or the owner of a lot in Snug Harbor Village shall pay that portion of the purchase price due and owing to the Seller attributable to his Mobile Home Unit or lot, and shall pay his proportionate share of the taxes, utilities, insurance, and other recreational area expenses as set forth herein to the Association, or, in the event of default by the Buyer, pay said amounts directly to the Seller, the Seller will not and may not enforce any of the rights which it might otherwise have against said Mobile Home Unit owner or lot owner under the terms and provisions hereof, notwithstanding that the Buyer is in default of this Agreement and/or that any other Mobile Home Unit owner or lot owner has failed to perform or keep its obligations as a member of the Buyer to pay his proportionate share of such recreational area expenses, or his proportionate share of the purchase price due and owing to the Seller under the terms and provisions hereof and the recreational area note.

24. Survival of Agreements. All representations, warranties and agreements made by the parties hereto contained herein or pursuant hereto shall survive the closing of the transaction provided for herein.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto this _____ day of _____, 1987.

Attest:
(Corporate Seal)

SNUG HARBOR LAKES
DEVELOPMENT, INC.

Cheryl L. Silkoff

By: _____
Paul L. Gould, President

EXHIBIT A

LEGAL DESCRIPTION

Parcel 64: Recreation Area

From the Southeast corner of the Northeast quarter of Section 10, Township 30 South, Range 38 East, Brevard County, Florida, run S 89°35'00" W along the North line of Barefoot Bay, as recorded in Plat Book 22, Page 120, Public Records of Brevard County, Florida, a distance of 1211.35 feet to the intersection of the centerline of Tern Drive; thence run N 0°25'00" W along said centerline a distance of 112.0 feet to the intersection of the centerline of Bannock Street; thence run S 89°35'00" W along said centerline a distance of 689.53 feet to the intersection of the centerline of Kyak Court; thence run N 0°38'31" W along said centerline a distance of 124.0 feet; thence run N 89°35'00" E a distance of 12.0 feet to the Point of Beginning of the herein described parcel; thence run N 0°38'31" W a distance of 497.43 feet to a Point of Curvature, thence Northeast along said curve, having a radius of 25.0 feet, concave to the Southeast, through a central angle of 80°03'36", an arc distance of 34.93 feet, thence run N 79°25'05" E a distance of 140.77 feet to a Point of Curvature, thence Northeast along said curve having a radius of 363.15 feet, concave to the Northwest, through a central angle of 29°42'43", an arc distance of 188.32 feet; thence run N 89°35'00" E a distance of 154.42 feet, thence run N 0°25'0" W a distance of 35.0 feet; thence run N 89°35'00" E a distance of 333.25 feet; thence run S 23°52'01" E a distance of 268.39 feet; thence run S 23°05'0" W a distance of 452.0 feet; thence run S 89°35'0" W a distance of 740.17 feet to the Point of Beginning.

THE REMAINDER OF THIS PAGE HAS BEEN DELIBERATELY LEFT BLANK

Recreation Area Note

Prepared by:

LEWIS R. PEARCE
Attorney at Law
2255 N. Courtenay Parkway
Merritt Island, FL 32953

Developer:

SNUG HARBOR LAKES
DEVELOPMENT, INC.
7600 U. S. #1
Micco, FL 32958

RECREATION AREA NOTE

\$742,000.00

Brevard County, Florida

FOR VALUABLE CONSIDERATION, the undersigned promises to pay to the order of SNUG HARBOR LAKES DEVELOPMENT, INC., the sum of SEVEN HUNDRED FORTY-TWO THOUSAND (\$742,000.00) DOLLARS, together with interest thereon at the rate of ten (10%) percent per annum calculated in the manner hereinafter stated until final maturity, both principal and interest being payable in lawful money of the United States at 7600 U.S. #1, Micco, Florida 32958, or at such other place as may be designated by the holder in writing, from time to time.

This obligation shall be paid in consecutive equal monthly installments of principal and interest in the sum of SEVEN THOUSAND FIVE HUNDRED TWENTY and 00/100 (\$7,520.00) DOLLARS per month, each such installment to be applied first to accrued interest, with the remainder being applied to reduction of the balance of the principal; provided, however:

- (a) The portion of the principal obligation attributable to a Mobile Home Unit within SNUG HARBOR LAKES, a Condominium, and a Lot within SNUG HARBOR VILLAGE, a platted subdivision is TWO THOUSAND and 00/100 (\$2,000.00) DOLLARS.
- (b) Payment on account of that portion of the principal attributable to a Mobile Home Unit or Lot as aforesaid should not commence until the Mobile Home Unit or Lot has been sold and conveyed by SNUG HARBOR LAKES DEVELOPMENT, INC., a Florida Corporation, or their successors, and shall thereafter commence on the first (1st) day of the next succeeding month.
- (c) Interest shall not commence to accrue on that portion of the principal attributable to a Mobile Home Unit or Lot as aforesaid until such time as the unit has been sold and conveyed by SNUG HARBOR LAKES DEVELOPMENT, INC., or their successors.
- (d) That portion of the principal attributable to a Mobile Home Unit or Lot aforesaid shall be paid in two hundred sixteen (216) equal consecutive monthly installments of principal and interest, each such installment to be in the sum of TWENTY and 00/100 (\$20.00) DOLLARS.
- (e) In the event an institutional first mortgagee shall foreclose its mortgage against a Mobile Home Unit or Lot and obtain title to same by public sale held as a result of such foreclosure suit, or in the event such institutional first mortgagee shall acquire title by conveyance in lieu of foreclosure, then so long as such institutional mortgagee shall continue to hold title to the said Mobile Home Unit or Lot, the payment on account of that portion of this Recreation Note attributable to such Mobile Home Unit or Lot shall be deferred and the term of this Recreation Area Note shall thereby be extended, but only as to the monthly payments attributable to such unit and for such period of time as shall equal the time of such reduction in the monthly payments as herein described and such

reduction in the monthly payments under this Recreation Area Note shall inure to the benefit of the institutional first mortgagee acquiring title to such Mobile Home Unit or Lot by crediting the amount thereof against the share of the common expenses of SNUG HARBOR LAKES CONDOMINIUM ASSOCIATION, INC. or SNUG HARBOR VILLAGE HOMEOWNER'S ASSOCIATION, INC. and, in particular, the assessments for the Recreation Area purchase pursuant to the provisions of those documents. Said reduction shall continue only for such time as the institutional first mortgagee shall remain the title holder of the Mobile Home Unit or Lot and the same shall not be occupied by a tenant or lessee holding under, by or through the said institutional first mortgagee and the said credit and reduction shall cease and terminate as of the date the said Mobile Home Unit or Lot shall be conveyed by the institutional first mortgagee or for such period of time as such Mobile Home Unit or Lot shall be occupied by a tenant or lessee holding by, through or under the institutional first mortgagee. Nothing contained herein shall be construed, in any manner, whatsoever, to operate or result in an extinguishment, termination or release of the obligation of the Maker hereof, in whole or in part, to make full payment of the obligation evidenced by this Recreational Area Note or accrued interest hereon except for interest accruing on that portion of the principal period as said Mobile Home Unit or Lot shall be held by said institutional first mortgagee as aforesaid and; provided, further, that nothing contained herein shall be construed, in any manner whatsoever, to operate as or result in a release or termination of the Holder's lien rights as set forth in the Declaration of Condominium for SNUG HARBOR LAKES, a Condominium or the Declaration of Covenants, Conditions and Restrictions for SNUG HARBOR VILLAGE, a Platted Subdivision.

- (f) Subject to the limitations set forth below, this Note may be prepaid by the maker, in whole or in part, at any time. A unit owner shall have the right to prepay that portion of the Note attributable to his Mobile Home Unit or Lot; provided, however, that no such prepayment by a Mobile Home Unit or Lot owner shall be made on or before January 15 of the calendar year following the closing of the purchase of such Mobile Home Unit or Lot; provided, further, that such prepayment is made in full and upon making such prepayment the said Mobile Home Unit owner or Lot owner, his successors and assigns, shall not be assessed or responsible for any further portion of the Note or interest accrued thereon and the maker shall promptly pay such prepaid amount to payee, and upon payment thereof to payee the monthly payment on account of this obligation due and payable by the maker shall be reduced accordingly.

In the event the maker shall fail to pay the sums of principal and interest as and when called for by this Note or within the period herein set forth, or if any Event of Default, as defined herein shall have occurred and be continuing, the payee may declare the entire principal balance of this Note then unpaid, and the interest accrued thereon, to be due and payable immediately upon declaration; such principal and interest shall forthwith become and be due and payable in full without notice or demand.

It shall be the duty and obligation of the maker to assess its membership, in accordance with the provisions of the applicable laws of the State of Florida dealing with condominiums, Declaration of Condominium, for SNUG HARBOR LAKES, a Condominium, the Declaration of Covenants, Conditions and Restrictions for SNUG HARBOR VILLAGE and the By-Laws of the maker for such monies as shall be necessary to pay the monies and other obligations provided for by this Note and to

otherwise perform its covenants and promises contained herein.

In the event the maker shall be dissolved, or its existence terminated, then those persons constituting the maker's membership, immediately prior to its termination or dissolution, shall jointly and severally be obligated to pay the remaining unpaid balance of this Note, if any, together with all interest accrued thereon in accordance with the terms and provisions hereof.

The failure of the payee to enforce any covenants, obligations or agreements of the maker herein contained shall not constitute a waiver of right to do so thereafter, nor shall it constitute a waiver of right to enforce any other covenant, obligation or agreement herein contained.

The maker and endorsers, hereafter becoming parties hereto, jointly and severally waive demand, notice of non-payment, protest, and do hereby consent to any extension, renewals or modifications of this Note, all without notice, and agree that they will remain liable hereunder and as said Note may be renewed, extended or modified until the debt evidenced hereby is paid in full. In the event the maker shall default in any payment of principal or interest called for under this Note, then from and after the date of such default, this Note shall bear interest at the highest lawful rate permitted to be paid under the laws of the State of Florida.

If this Note is in default and is placed in the hands of an attorney for collection, all makers or endorsers now or hereafter, becoming parties hereto, agree to pay reasonable attorneys' fees and all other costs for making collection.

Failure by the Mortgagor to duly observe any other covenants, conditions or agreements of this Note for thirty (30) days after written notice specifying such failure shall have been given to Maker by Holder.

In the event Maker voluntarily or involuntarily transfers title to any part of the Recreation Area without the prior written consent of the Holder of this Note, Holder may, at its option, declare the entire unpaid balance of the purchase price and the interest accrued thereon to be immediately due and payable and upon such declaration, such principal and interest shall forthwith become and be due and payable as fully and to the same effect as if the date of such declaration were the date originally specified for the maturity of the unpaid balance of the purchase price.

As part of the inducement to the Holder to make the conveyance to the Maker creating this Purchase Money Note, the Maker hereby designates the Holder as its attorney-in-fact, with full power of substitution, for the purpose of enforcing the obligation of any member of the Maker to pay that portion of any assessment against it attributable to it or payable towards the obligations due and payable pursuant to the terms and provisions hereof. Said power shall include the right of the Holder to file such action or actions, as it deems advisable or necessary, against such defaulting member in its own name or in the name of the Maker, and to collect, in addition to any delinquent assessments, attorneys' fees and court costs incurred, together with interest on any delinquent assessment at the rate of eighteen (18%) percent per annum.

SNUG HARBOR MASTER ASSOCIATION, INC.

ATTEST:

By _____, President

Corporate Seal

Antonia Darnold
_____, Secretary

ARTICLES OF INCORPORATION
OF
SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

Prepared By:

LEWIS R. PEARCE
Attorney at Law
2255 N. Courtenay Parkway
Merritt Island, FL 32953

Developer:

SNUG HARBOR LAKES
DEVELOPMENT, INC.
7600 U.S. Highway #1
Micco, FL 32958

SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

ARTICLES OF INCORPORATION

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State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on December 18, 1987, as shown by the records of this office.

The document number of this corporation is N23971.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
18th day of December, 1987.



CR2E022 (8-87)

Jim Smith

Jim Smith
Secretary of State

ARTICLES OF INCORPORATION

OF

SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

(A Corporation Not for Profit)

In order to form a corporation under and in accordance with the provisions of the law of the State of Florida for the formation of Corporations Not For Profit, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned; and to that end we do, by these Articles of Incorporation, set forth:

1.0 DEFINITIONS

1.1 The following words and phrases, when used in these Articles, shall have the following meaning:

- 1.1.1 "Articles" shall mean and refer to the Articles of Incorporation of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.
- 1.1.2 "Association" shall mean and refer to SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC., a Florida Corporation Not for Profit, its successors and assigns.
- 1.1.3 "Bylaws" shall mean and refer to the Bylaws of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.
- 1.1.4 "Common Area" shall mean and refer to any plot of land shown on the plat of SNUG HARBOR VILLAGE and designated by an alphabetical designation or any property owned by the Association and not shown on the plat of SNUG HARBOR VILLAGE.
- 1.1.5 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for SNUG HARBOR VILLAGE
- 1.1.6 "Developer" shall mean and refer to SNUG HARBOR LAKES DEVELOPMENT, INC., a Florida Corporation, its successors and assigns.
- 1.1.7 "Joining Owners" shall mean and refer to those persons, firms and corporations that are the record title holders of lots within SNUG HARBOR VILLAGE other than Developer and who have either executed the Declaration of Covenants, Conditions and Restrictions or appropriate joinder agreements for the purpose of subjecting their various lots to the provisions and conditions of the Declaration.
- 1.1.8 "LAND" shall mean and refer to all of the land described as being part of and included within the plat of SNUG HARBOR VILLAGE according to the plat thereof as recorded in Plat Book 29, Page 29, Public Records of Brevard County, Florida.
- 1.1.9 "Land Use Documents" shall mean and refer to these Articles of Incorporation, the Bylaws of the Association, and the Declaration of Covenants, Conditions, and Restrictions for SNUG HARBOR VILLAGE

as the same may now exist or may hereafter be amended, together with the Rules and Regulations adopted from time to time by the Association. The Land Use Documents shall also include the Articles of Incorporation and Bylaws for the SNUG HARBOR MASTER ASSOCIATION, together with any restrictive covenants and/or Rules and Regulations which may be established or approved by said Association, the RECREATION AREA PURCHASE AGREEMENT and RECREATION AREA NOTE.

- 1.1.10 "Lot" shall mean and refer to any plot of land shown on the plat of SNUG HARBOR VILLAGE and designated by a numerical designation.
- 1.1.11 "Member" shall mean and refer to those persons or entities entitled to membership in the Association as provided in these Articles of Incorporation and the Bylaws of the Association, and shall include the Developer, so long as the Developer owns at least one (1) lot.
- 1.1.12 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.
- 1.1.13 "SNUG HARBOR VILLAGE" shall mean and refer to the planned residential community developed or to be developed upon the "LAND" as hereinbefore defined and to be established in accordance with the laws, ordinances, rules and regulations of all governmental agencies having jurisdiction thereof.
- 1.1.14 "Rules" shall mean and refer to any and all rules and regulations duly enacted and established by the Board of Directors of the Association.

2.0 NAME OF CORPORATION

2.1 The name of the corporation shall be:

SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

3.0 PURPOSE OF ASSOCIATION

3.1 The purposes and objects of the Association shall be as follows:

- 3.1.1 To maintain, repair, reconstruct, and operate all of the common areas of SNUG HARBOR VILLAGE.
- 3.1.2 To preserve and maintain the value, character, and condition of the lots and any improvements thereon in SNUG HARBOR VILLAGE.
- 3.1.3 To enforce the provisions of the Land Use Documents.
- 3.1.4 To provide such services to the Owners and Members of the Association as the Board of Directors of Association shall deem appropriate.
- 3.1.5 To undertake the performance of all acts and duties incident to the fulfillment of all of the purposes and objects of the Association, as well as those which may be directed by the terms, provisions, conditions and authorizations of the Land Use Documents.

- 3.1.6 To act as a member of the SNUG HARBOR MASTER ASSOCIATION, INC., a Florida Corporation Not for Profit, and to exercise its powers, duties, rights, and obligations pursuant to the Articles of Incorporation, Bylaws, Rules and Regulations, and any other documents establishing or imposing said powers, duties, rights and obligations upon SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

4.0 POWERS OF THE CORPORATION

- 4.1 The Corporation shall have all of the powers and privileges granted to Corporations Not for Profit under the laws pursuant to which this Corporation is chartered, and all of the powers and privileges which may be granted unto said Corporation or exercised by it under any other applicable laws of the State of Florida which may have been granted to it pursuant to the provisions of the Land Use Documents, including but not limited to the following:

- 4.1.1 The Association shall own, administer, manage, and operate the common areas, the improvements and personal property located thereon, pursuant to the provisions of the Land Use Documents.
- 4.1.2 To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Land Use Documents pertaining to SNUG HARBOR VILLAGE;
- 4.1.3 To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
- 4.1.4 To borrow money, and with the assent of two-thirds (2/3) of the members, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- 4.1.5 To dedicate, sell, or transfer all or any part of the lands owned by the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such dedication, sale, or transfer.
- 4.1.6 To participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or to annex additional lands, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of the members;
- 4.1.7 To make and establish reasonable rules and regulations and amendments thereto governing the use of lots and common areas within SNUG HARBOR VILLAGE;
- 4.1.8 To have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Florida, by law, may now or hereafter have or exercise;

- 4.1.9 To levy against and collect assessments from owners and members of the Association to defray the common expenses of the Association as may be provided in the Land Use Documents, and for the maintenance, repair, replacement, management, and operation of the property of the Association, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including lots in SNUG HARBOR VILLAGE;
- 4.1.10 To levy against and collect assessments from members of the Association and against members' lots in order to pay the RECREATION AREA NOTE according to its terms and for the further purpose of paying assessments of SNUG HARBOR MASTER ASSOCIATION, INC. when due.
- 4.1.11 To maintain, repair, replace, operate and manage the property of the Association, including the right to reconstruct improvements after casualty and to make further improvement of the Association's property, and to grant easements, rights-of-way to third parties;
- 4.1.12 To contract for the management, repair, replacement, operation and management of the Association's property and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Land Use Documents to have approval of the Board of Directors or membership of the Association;
- 4.1.13 To enforce the provisions of the Land Use Documents, as well as any rules and regulations adopted pursuant thereto, as the same may be hereafter established or amended;
- 4.1.14 To now or hereafter acquire and enter into leases and agreements of every nature, whereby the Association acquires leaseholds, memberships and other possessory or use interests in lands or facilities, including recreational and communal facilities, whether or not contiguous to lands comprising SNUG HARBOR VILLAGE, to provide enjoyment, recreation, or other use or benefit to the members of the Association, all as may be deemed by the Board of Directors to be in the best interest of the Association;
- 4.1.14 To employ personnel, to retain independent contractors and professional personnel, and to enter into any supply, service, management or other contracts consistent with the purposes of the Association.

5.0 MEMBERSHIP AND VOTING RIGHTS

- 5.1 The qualifications of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:
 - 5.1.1 The owners of lots in SNUG HARBOR VILLAGE shall be members of the Corporation, and no other persons or entities shall be entitled to membership, except as provided in Paragraph 5.1.5 of Article 5.0 of these Articles of Incorporation.

- 5.1.2 Membership shall be established by the acquisition of fee title to a lot in SNUG HARBOR VILLAGE or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon said party's being divested of all such interest in any lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more lots, so long as such party shall retain title to or a fee ownership interest in any lot.
- 5.1.3 The 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 to said member's lot. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that same be expended, held or used for the benefit of the membership and for the purposes authorized herein and in the other Land Use Documents which may be hereafter adopted or amended.
- 5.1.4 On all matters on which the membership shall be entitled to vote, there shall be one vote for each lot, which vote may be exercise or cast in such manner as may be provided in the Bylaws of the Association. Should any member own more than one (1) lot, such member shall be entitled to exercise or cast one vote for each lot owned, in the manner provided in the Bylaws.

6.0 TERM OF EXISTENCE

- 6.1 The Corporation shall have perpetual existence.

7.0 INCORPORATORS

- 7.1 The names and addresses of the incorporators of this Corporation are as follows:

Lewis R. Pearce	2255 North Courtenay Parkway Merritt Island, FL 32953
Marcia A. Day	2255 North Courtenay Parkway Merritt Island, FL 32953
Kay Gallop	2255 North Courtenay Parkway Merritt Island, FL 32953

8.0 MANAGEMENT OF THE CORPORATION

- 8.1 The affairs of the Corporation shall be administered by the Officers of the Corporation under the direction of the Board of Directors. The Board of Directors, at the time of the annual meeting and after their election by the members, shall convene and thereupon elect such Officers as the Board of Directors may deem appropriate. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent or such other managerial and supervisory personnel or entities to administer or assist in the maintenance, management and operation of the Association property and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.
- 8.2 Directors: The number of members of the first Board of Directors of the Corporation shall be three (3). The number of

members of a succeeding Board shall be as provided from time to time by the Bylaws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the members as provided by the Bylaws of the Corporation. Each member of the Board of Directors shall be a member of the Corporation or shall be an authorized representative, officer or employee of a corporate member of the Corporation. The Developer may designate and select the person or persons to serve as a member or members of each said Board of Directors while the Developer is in control of the Association in the manner provided in the Bylaws of the Corporation. Any such person appointed by Developer to serve on the Board of Directors of the Corporation need not be an owner of a lot or a contract vendee thereof.

- 8.3 First Board of Directors: The names and post office addresses of the first Board of Directors who, subject to the provisions of these Articles of Incorporation, the Bylaws, and the laws of the State of Florida, shall hold office for the first year of the Corporation's existence, or until their successors are elected and have qualified, are as follows:

Paul L. Gould	2255 N. Courtenay Parkway Merritt Island, FL 32953
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Robert Roth	2255 N. Courtenay Parkway Merritt Island, FL 32953
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Victoria Dorado	2255 N. Courtenay Parkway Merritt Island, FL 32953
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- 8.4 Officers: The Board of Directors, at the time of the Annual Meeting and after their election by the members of the Corporation, shall convene and thereupon elect a President, Secretary, and Treasurer, and as many Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Board of Directors shall determine. The President shall be elected from among the membership of the Board of Directors, but no other Officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary or Assistant Secretary be held by the same person.

- 8.5 First Officers: The Officers of the Corporation who shall serve until the first election under these Articles of Incorporation shall be the following:

PRESIDENT	Paul L. Gould
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VICE PRESIDENT	Robert Roth
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SECRETARY	Victoria Dorado
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TREASURER	Victoria Dorado
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9.0 INDEMNIFICATION OF OFFICERS AND DIRECTORS

- 9.1 Every Director and every Officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed on him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Corporation, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that

any claim for reimbursement or indemnification herein shall apply only if the Board of Directors approves such indemnification 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 all other rights to which such Director or Officer may be entitled.

10.0 PRINCIPAL OFFICE

10.0 The principal office of the Corporation shall be located at 7600 U.S. #1, Micco, Florida 32958, but the Corporation may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

11.0 INITIAL REGISTERED OFFICE AND AGENT

11.1 The street address of the initial registered office of the Corporation is 2255 North Courtenay Parkway, Merritt Island, Florida 32953. The name of the initial agent of this Corporation at that address is Lewis R. Pearce.

12.0 ADOPTION OF BYLAWS

12.1 The original Bylaws of the Corporation shall be adopted by a majority vote of the members of the first Board of Directors of the Corporation present at the first meeting of said Board of Directors at which a quorum is present, and thereafter such Bylaws may be altered or rescinded only in such manner as said Bylaws may provide.

13.0 AMENDMENTS

13.1 An Amendment or Amendments to these Articles of Incorporation may be proposed by the Board of Directors of the corporation acting upon a vote of the majority of the Directors, or by the members of the Corporation owning a majority of the lots in SNUG HARBOR VILLAGE, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to these Articles of Incorporation being proposed by said Board of Directors or members, such proposed Amendment or Amendments shall be transmitted to the President of the Corporation or other Officer of the Corporation in the absence of the President, who shall thereupon call a Special Meeting of the members of the Corporation for a date not sooner than fourteen (14) days nor later than sixty (60) days from the receipt by him of the proposed Amendment or Amendments, and it shall be the duty of the Secretary to give each member written or printed notice of such meeting, in accordance with the provisions of the Bylaws of the Association. At such meeting, the Amendment or Amendments proposed must be approved by an affirmative vote of the members entitled to vote not less than seventy-five (75%) percent of the total votes in the Association in order for such Amendment or Amendments to become effective. Thereupon, such Amendment or Amendments to these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to register the same in the Office of the Secretary of State of the State of Florida, and upon the registration of such Amendment or Amendments with the said Secretary of State, a certified copy thereof shall be recorded in the public records of Brevard County, Florida, within ten (10) days from the date of which the same are so registered.

13.2 If all of the Directors and all of the members eligible to vote shall execute an instrument amending these Articles of Incorporation, the same shall constitute, when duly registered in the Office of the Secretary of State, a valid amendment to these Articles of Incorporation, and it shall not be necessary for the meeting otherwise prescribed above to be held.

13.3 Notwithstanding anything contained herein to the contrary, the members may amend these Articles of Incorporation, without any act of the Directors, at a meeting for which notice of the changes to be made is given.

13.4 Notwithstanding the foregoing provisions of this Article, no Amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Developer to designate and select members of each Board of Directors of the Corporation, as provided in Article 8.0 hereof, may be adopted or become effective without the prior written consent of Developer.

IN WITNESS WHEREOF, the Subscribers have hereunto set their hands and seal this ____ day of _____, 1987.

_____(SEAL)
LEWIS R. PEARCE

_____(SEAL)
MARCIA A. DAY

_____(SEAL)
KAY GALLOP

STATE OF FLORIDA
COUNTY OF BREVARD

BEFORE ME, the undersigned authority, personally appeared LEWIS R. PEARCE, who, being by me first duly sworn, acknowledged that he executed the foregoing Articles of Incorporation for the purposes therein expressed, this ____ day of _____, 1987.

My Commission Expires:
(SEAL)

Notary Public

STATE OF FLORIDA
COUNTY OF BREVARD

BEFORE ME, the undersigned authority, personally appeared MARCIA A. DAY, who, being by me first duly sworn, acknowledged that she executed the foregoing Articles of Incorporation for the purposes therein expressed, this ____ day of _____, 1987.

My Commission Expires:
(SEAL)

Notary Public

STATE OF FLORIDA
COUNTY OF BREVARD

BEFORE ME, the undersigned authority, personally appeared KAY GALLOP, who, being by me first duly sworn, acknowledged that he executed the foregoing Articles of Incorporation for the purposes therein expressed, this ____ day of _____, 1987.

My Commission Expires:
(SEAL)

Notary Public

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR
DOMICILE FOR THE SERVICE OR PROCESS WITHIN
FLORIDA, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED:

FIRST -- THAT SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC., DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF FLORIDA, WITH ITS PRINCIPAL PLACE OF BUSINESS IN THE CITY OF WEST MELBOURNE, STATE OF FLORIDA, HAS NAMED LEWIS R. PEARCE, LOCATED AT 2255 NORTH COURTENAY PARKWAY, CITY OF MERRITT ISLAND, STATE OF FLORIDA, AS ITS AGENT TO ACCEPT SERVICE OF PROCESS WITHIN FLORIDA.

LEWIS R. PEARCE
Incorporator
, 1987

ACCEPTANCE

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE-
STATED CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I
HEREBY AGREE TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY
WITH THE PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND
COMPLETE PERFORMANCE OF MY DUTIES.

LEWIS R. PEARCE
Resident Agent
, 1987

BYLAWS
OF
SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

Prepared By:

LEWIS R. PEARCE
Attorney at Law
2255 N. Courtenay Parkway
Merritt Island, FL 32953

Developer:

SNUG HARBOR LAKES
DEVELOPMENT, INC.
7600 U.S. Highway #1
Micco, FL 32958

SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

BYLAWS

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BYLAWS

OF

SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.

A Florida Corporation Not For Profit

1.0 IDENTITY

- 1.1 These are the Bylaws of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC., a Corporation Not for Profit, incorporated under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the ____ day of _____, 1987, and which shall hereinafter be referred to as "ASSOCIATION."
- 1.2 The provisions of these Bylaws are applicable to the ASSOCIATION, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Articles of Incorporation of ASSOCIATION and Declaration of Covenants, Conditions, and Restrictions, which shall be controlling when in conflict herewith.
- 1.3 All members of the ASSOCIATION, present or future owners, tenants, future tenants, or their employees, shall be subject to all of the provisions of these Bylaws and all other Land Use Documents.

2.0 DEFINITIONS

- 2.1 The following words and phrases, when used in these Bylaws, shall have the following meaning:
 - 2.1.1 "Articles" shall mean and refer to the Articles of Incorporation of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.
 - 2.1.2 "Association" shall mean and refer to SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC., a Florida Corporation Not for Profit, its successors and assigns.
 - 2.1.3 "Bylaws" shall mean and refer to the Bylaws of SNUG HARBOR VILLAGE HOMEOWNERS' ASSOCIATION, INC.
 - 2.1.4 "Common Area" shall mean and refer to any plot of land shown on the plat of SNUG HARBOR VILLAGE and designated by an alphabetical designation, or any property owned by the Association and not shown on the plat of SNUG HARBOR VILLAGE.
 - 2.1.5 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for SNUG HARBOR VILLAGE.
 - 2.1.6 "Developer" shall mean and refer to SNUG HARBOR LAKES DEVELOPMENT, INC., a Florida Corporation, its successors and assigns.
 - 2.1.7 "Joining Owners" shall mean and refer to those persons, firms and corporations that are the record title holders of lots within SNUG HARBOR VILLAGE other than Developer and who have either executed the Declaration of Covenants, Conditions and Restrictions or appropriate joinder agreements for the purpose of subjecting their various lots to the

provisions and conditions of the Declaration.

- 2.1.8 "LAND" shall mean and refer to all of the land described as being part of and included within the plat of SNUG HARBOR VILLAGE according to the plat thereof as recorded in Plat Book 29, Page 29, Public Records of Brevard County, Florida.
 - 2.1.9 "Land Use Documents" shall mean and refer to these Bylaws, the Articles of Incorporation of the Association, and the Declaration of Covenants, Conditions, and Restrictions for SNUG HARBOR VILLAGE as the same may now exist or may hereafter be amended, together with the Rules and Regulations adopted from time to time by the Association. The Land Use Documents shall also include the Articles of Incorporation and Bylaws for the SNUG HARBOR MASTER ASSOCIATION together with any restrictive covenants and/or Rules and Regulations which may be established or approved by said Association, the RECREATION AREA PURCHASE AGREEMENT and RECREATION AREA NOTE.
 - 2.1.10 "Lot" shall mean and refer to any plot of land shown on the plat of SNUG HARBOR VILLAGE and designated by a numerical designation.
 - 2.1.11 "Member" shall mean and refer to those persons or entities entitled to membership in the Association as provided in these Bylaws and the Articles of Incorporation of the Association, and shall include the Developer, so long as the Developer owns at least one (1) lot.
 - 2.1.12 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.
 - 2.1.13 "Rules" shall mean and refer to any and all rules and regulations duly enacted and established by the Board of Directors of the Association.
 - 2.1.14 "SNUG HARBOR VILLAGE" shall mean and refer to the planned residential community developed or to be developed upon the "Land" as hereinbefore defined and to be established in accordance with the laws, ordinances, rules and regulations of all governmental agencies having jurisdiction thereof.
- 3.0 MEMBERSHIP, VOTING, QUORUM, PROXIES
- 3.1 The qualifications of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article 5.0 of the Articles of Incorporation of the ASSOCIATION, the provisions of which are incorporated herein by reference.
 - 3.2 The percentage of voting rights required to make decisions and to constitute a quorum at members' meetings shall be a majority of the voting interests of the entire membership, and decisions shall be made by owners of a majority of the voting interests represented at a meeting at which a quorum is present, unless otherwise provided in the Land Use Documents. The joinder of a member in the action of a meeting by signing and concurring in the Minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.
 - 3.3 The vote of the owners of a lot owned by more than one person

shall be cast by the person named in a Certificate signed by all of the owners of the lot and filed with the Secretary of the ASSOCIATION, and such Certificate shall be valid until revoked by a subsequent Certificate. If such a Certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose. The person named in any such Certificate shall have the right to designate a proxy or proxies to cast the vote of the owners of a lot who have executed such Certificate. Where a lot is owned by a husband and wife, each shall be treated and regarded as the agent of the other when in attendance at any membership meeting for the purpose of determining a quorum and casting a vote for each lot owned by them, without the necessity for filing of a Certificate.

3.4 Votes may be cast in person or by proxy. A proxy is defined to be any instrument in writing containing the following information:

- 3.4.1 The name and address of the member.
- 3.4.2 The name and address of the person appointed to vote on behalf of the member.
- 3.4.3 A designation of the meeting for which the proxy is to be used.
- 3.4.4 A brief description of the authority of the person designated to act on behalf of the member.
- 3.4.5 The proxy must be signed and dated by the member.

A proxy not containing all of the foregoing information shall be considered invalid and shall not be considered in determining the requirements for a quorum or for any other purpose. Proxies shall be valid only for the particular meeting designated thereon and for any lawfully adjourned meeting thereof, and must be filed with the Secretary at the time of the meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

3.5 Approval or disapproval by the lot owner upon any matters, whether or not the subject of an ASSOCIATION meeting, shall be by the same person who would cast the vote of such owner if in an ASSOCIATION meeting.

3.6 Except where otherwise required under the provisions of the Land Use Documents or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the lots represented at any duly called meeting of the members at which a quorum is present shall be binding upon the members.

4.0 ANNUAL AND SPECIAL MEETING OF MEMBERS

4.1 The Annual Meeting of members shall be held at the office of the ASSOCIATION, at 10:00 a.m. Eastern Standard Time, or at such other place and time as the Board of Directors may designate, on the first Saturday in April of each year for the purpose of electing Directors and of transacting such other business as may be authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding business day.

4.2 Special Meetings of members shall be held whenever called by the President or other Officer of the ASSOCIATION in the absence of the President, or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a written request from members of the ASSOCIATION owning a majority of the voting interest in the ASSOCIATION.

4.3 Notice of all Meetings of Members, Regular or Special, shall be given by the President, Vice President, or Secretary of the ASSOCIATION, or other Officer of the ASSOCIATION in the absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time, place and purpose for which the meeting was called. Such notice shall be given to each member not less than fourteen (14) days, nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which said notice was received by him, and further indicating that said member waives the right to receive notice of such meeting by mail. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at said member's post office address as it appears on the records of the ASSOCIATION (Register of Owners) as of the date of mailing such notice, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the Meeting, shall be deemed equivalent to the giving of such notice to such member. If any Meeting of members cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, whenever this latter percentage of attendance may be required as set forth in the Land Use Documents, the members who are present, either in person or by proxy, may adjourn the Meeting from time to time until a proper quorum is present.

4.4 The order of business at Annual Meetings of members, and as far as practical, at any other Meeting of members, shall be:

- 4.4.1 Calling of the roll and certifying of proxies;
- 4.4.2 Proof of notice of Meeting or waiver of notice;
- 4.4.3 Reading and disposal of any unapproved minutes;
- 4.4.4 Reports of Officers;
- 4.4.5 Reports of Committees;
- 4.4.6 Appointment of Inspectors of Election by Chairman;
- 4.4.7 Election of Directors;
- 4.4.8 Unfinished business;
- 4.4.9 New business;
- 4.4.10 Adjournment.

5.0 BOARD OF DIRECTORS

5.1 The first Board of Directors of the ASSOCIATION shall consist of three (3) members. Succeeding Boards of Directors shall consist of at least three (3) but not more than seven (7) Directors. The number of Directors to be elected shall be determined by the Board of Directors not later than sixty (60) days prior to the Annual Meeting, which number shall be set forth in the Notice of the Annual Meeting. Each member of the Board of Directors, except those appointed by DEVELOPER, shall be a member of the ASSOCIATION, or shall be an authorized representative, officer, or employee of a corporate member of the ASSOCIATION.

5.2 Election of Directors shall be conducted in the following

manner:

- 5.2.1 DEVELOPER shall, at the beginning of the election of the Board of Directors, designate and select that number of members of the Board of Directors which it shall be entitled to designate and select in accordance with the provisions of these Bylaws, and upon such designation and selection by DEVELOPER by written instrument presented to the Meeting at which such election is held, said individuals so designated and selected by DEVELOPER shall be deemed and considered for all purposes Directors of the ASSOCIATION and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these Bylaws.
- 5.2.2 DEVELOPER shall be entitled to designate each member of the Board of Directors until such time as the OWNERS of lots in the ASSOCIATION own ten (10%) percent or more of the lots that will be operated ultimately by the ASSOCIATION. When the OWNERS of lots own ten (10%) percent or more of the lots that will ultimately be operated by the ASSOCIATION, the lot OWNERS other than DEVELOPER shall be entitled to elect not less than two-fifths (2/5) of the members of the Board of Directors. Lot OWNERS other than DEVELOPER shall be entitled to elect a majority of the members of the Board of Directors three (3) years after sales by the DEVELOPER have been closed on fifty (50%) percent of the lots that will be operated ultimately by the ASSOCIATION, or three (3) months after sales have been closed by the DEVELOPER on ninety (90%) percent of the lots that will be operated ultimately by the ASSOCIATION, or when all of the lots that will be operated ultimately by the ASSOCIATION have been completed and some of them have been sold and none of the others are being offered for sale by the DEVELOPER in the ordinary course of business, whichever event occurs first. The ASSOCIATION, within sixty (60) days after the lot OWNERS other than DEVELOPER are entitled to elect either two-fifths (2/5) or a majority of the members of the Board of Directors, shall call a Meeting of the members of the ASSOCIATION for the purpose of electing said members of the Board of Directors. Notice of said Meeting of the members of the ASSOCIATION shall be given to each member in the manner prescribed in these Bylaws, except that said notice shall be given not less than thirty (30) nor more than forty (40) days prior to said Meeting. The DEVELOPER shall be entitled to elect not less than one member of the Board of Directors of the ASSOCIATION so long as DEVELOPER holds for sale in the ordinary course of business at least five (5%) percent of the lots that will be operated ultimately by the ASSOCIATION.
- 5.2.3 All members of the Board of Directors whom DEVELOPER shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION immediately following the designation and election of the members of the Board of Directors by DEVELOPER.
- 5.2.4 Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that, should any vacancy in the Board of Directors be created in any

directorship previously filled by a person designated and selected by DEVELOPER, such vacancy shall be filled by DEVELOPER designating and selecting, by written instrument, the successor Director to fill the vacated directorship for the unexpired term thereof.

- 5.2.5 At the first Annual Meeting of the members held after the OWNERS of lots other than DEVELOPER shall be entitled to elect all of the members of the Board of Directors of the ASSOCIATION, the members shall elect two Directors for a term of three (3) years, two Directors for a term of two (2) years, and one Director for a term of one (1) year. At each Annual Meeting thereafter, the members shall elect as many Directors of the ASSOCIATION as there are regular terms of office of Directors expiring at that time, and the term of office of the Directors so elected at the Annual Meeting of members each year shall be for three (3) years or until their successors are duly elected and qualified, or until removed from office in accordance with the Articles of Incorporation or the Bylaws. Until such time as the OWNERS of lots other than DEVELOPER shall be entitled to elect all of the members of the Board of Directors of ASSOCIATION, the term of office for Directors shall be one (1) year or until their successors are elected and qualified.
- 5.2.6 In the election of Directors, there shall be appurtenant to each lot as many votes for Directors as there are Directors to be selected; provided, however, that no member or OWNER of any lot may cast more than one (1) vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.
- 5.2.7 In the event that DEVELOPER, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the ASSOCIATION, the said DEVELOPER shall have the absolute right, at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacements of any person or persons designated by DEVELOPER to serve on Board of Directors of the ASSOCIATION shall be made by written instrument delivered to the Secretary of the ASSOCIATION, which instrument shall specify the name or names of the person or persons designated as successor or successors to the person so removed from said Board of Directors. The removal of any Director by the designation of his successor shall be effective immediately upon delivery of such written instrument by DEVELOPER to the Secretary of the ASSOCIATION. Whenever DEVELOPER's right to designate and select a Director or Directors expires, the DEVELOPER forthwith shall cause any of its Director or Directors then serving to resign.
- 5.3 The organization Meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the Meeting at which they were elected. No further notice of the organizational meeting shall be necessary.
- 5.4 Regular Meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director personally or by mail, telephone or

telegram, at least seven (7) days prior to the date named for such meeting, unless notice is waived.

- 5.5 Special Meetings of the Directors may be called by the President and must be called by the Secretary after written request of one-third (1/3) of the members of the Board. Not less than seven (7) days' notice of a meeting shall be given to a Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.
- 5.6 The notice for any regular or special meeting of the Board of Directors at which assessments against lot OWNERS are to be considered shall specifically contain a statement that assessments will be considered and the nature of any such assessments.
- 5.7 All Board of Directors meetings shall be open to all OWNERS of lots.
- 5.8 A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Land Use Documents. If any Directors meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required as set forth in the Land Use Documents, the Directors who are present may adjourn the meeting from time to time until a proper quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- 5.9 The Presiding Officer at Directors' meetings shall be the Chairman of the Board, if such an Officer has been elected; and if none, then the President shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their number to preside.
- 5.10 Directors' fees, if any, shall be determined by the members of the ASSOCIATION.
- 5.11 All of the powers and duties of the ASSOCIATION shall be exercised by the Board of Directors, including those existing under the Common Law and Statutes, the Land Use Documents. Such powers and duties shall be exercised in accordance with said Land Use Documents.
- 5.12 Subject to the provisions granting to the DEVELOPER the right to appoint and remove members of the Board of Directors of ASSOCIATION, any member or members of the Board of Directors of ASSOCIATION may be recalled and removed from office with or without cause by the vote or agreement in writing by the OWNERS of a majority of all voting interests. A special meeting of the members of the ASSOCIATION may be called by the OWNERS of ten (10%) percent of all voting interests, giving notice of the meeting as required for a meeting of lot OWNERS, and the notice shall state the purpose of the meeting.
- 6.0 BOARD OF DIRECTORS OF SNUG HARBOR MASTER ASSOCIATION, INC.
- 6.1 ASSOCIATION, being one of the members of Snug Harbor Master Association, Inc. (hereinafter referred to as "MASTER ASSOCIATION"), is entitled to appoint two (2) members of the Board of Directors of the MASTER ASSOCIATION. These directors shall be elected annually by the members of ASSOCIATION in accordance with the provisions of these Bylaws. Each person

elected to serve on the Board of Directors of the MASTER ASSOCIATION, except those appointed by the Developer, shall be members of ASSOCIATION or shall be an authorized representative, officer, or employee of a corporate member of the ASSOCIATION.

6.2 The election of directors for the SNUG HARBOR MASTER ASSOCIATION, INC. shall be conducted in the following manner:

6.2.1 DEVELOPER shall, at the beginning of the elections of the representatives who shall serve as members of the Board of Directors of the MASTER ASSOCIATION, designate and select that number of members of the Board of Directors of the MASTER ASSOCIATION in accordance with the provisions of these Bylaws, and upon such designation and selection by DEVELOPER by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by DEVELOPER shall be deemed and considered for all purposes Director of the MASTER ASSOCIATION and shall thenceforth perform the offices and duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these Bylaws.

6.2.2 DEVELOPER shall be entitled to designate each representative to the Board of Directors of the MASTER ASSOCIATION until such time as the OWNERS of lots in the ASSOCIATION own ten (10%) percent or more of the lots that are within SNUG HARBOR VILLAGE. When the OWNERS of lots own ten (10%) percent or more of the lots that will ultimately be operated by the ASSOCIATION, the lot owners other than DEVELOPER shall be entitled to elect one of the members of the Board of Directors. Lot owners other than DEVELOPER shall be entitled to elect a majority of the representatives to the Board of Directors of the MASTER ASSOCIATION three (3) years after sales by the DEVELOPER have been closed on fifty (50%) percent of the lots in SNUG HARBOR VILLAGE that will be operated ultimately by the ASSOCIATION, or three (3) months after sales have been closed by the DEVELOPER on ninety (90%) percent of the lots in SNUG HARBOR VILLAGE. The ASSOCIATION, within sixty (60) days after the lot OWNERS other than DEVELOPER are entitled to elect either one representative or a majority of the representatives of the Board of Directors of the MASTER ASSOCIATION, shall call a Meeting of the members of the ASSOCIATION for the purpose of electing said representatives to the Board of Directors of the MASTER ASSOCIATION. Notice of said Meeting of the members of the ASSOCIATION shall be given to each member in the manner prescribed in these Bylaws, except that said notice shall be given not less than thirty (30) nor more than forty (40) days prior to said Meeting. The DEVELOPER shall be entitled to elect not less than one member of the Board of Directors of the MASTER ASSOCIATION so long as DEVELOPER holds for sale in the ordinary course of business at least five (5%) percent of the lots in SNUG HARBOR VILLAGE.

6.2.3 All members of the Board of Directors of the MASTER ASSOCIATION whom DEVELOPER shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION immediately following the designation and election of the members of the Board of Directors of the MASTER ASSOCIATION by DEVELOPER.

- 6.2.4 Vacancies in the Board of Directors of the MASTER ASSOCIATION may be filled until the date of the next Annual Meeting by the remaining Directors, except that, should any vacancy in the Board of Directors be created in any directorship previously filled by a person designated and selected by DEVELOPER, such vacancy shall be filled by DEVELOPER designating and selecting, by written instrument, the successor Director to fill the vacated directorship for the unexpired term thereof.
- 6.2.5 The term of office for Directors of the MASTER ASSOCIATION shall be one (1) year or until their successors are elected and qualified.
- 6.2.6 In the election of Directors of the MASTER ASSOCIATION, there shall be appurtenant to each lot as many votes for Directors as there are Directors to be selected, provided, however, that no member or OWNER of any lot may cast more than one (1) vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.
- 6.2.7 In the event that DEVELOPER, in accordance with the privilege granted unto it, selects any person or persons to serve on the Board of Directors of the MASTER ASSOCIATION, the said DEVELOPER shall have the absolute right, at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacements of any person or persons designated by DEVELOPER to serve on the Board of Directors of the MASTER ASSOCIATION shall be made by written instrument delivered to the Secretary of the MASTER ASSOCIATION, which instrument shall specify the name or names of the person or persons designated as successor or successors to the person so removed from said Board of Directors. The removal of any Director by the designation of his successor shall be effective immediately upon delivery of such written instrument by DEVELOPER to the Secretary of the MASTER ASSOCIATION. Whenever DEVELOPER's right to designate and select a Director or Directors expires, the DEVELOPER forthwith shall cause any of its Director or Directors then serving to resign.

7.0 OFFICERS

- 7.1 The executive officers of the ASSOCIATION shall be a President who shall be a Director, a Vice President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptively removed by vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary or Vice President. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the ASSOCIATION.
- 7.2 The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of President of a corporation, to assist in the conduct of the affairs of the ASSOCIATION.
- 7.3 The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and

exercise such other powers and perform such other duties as shall be prescribed by the Directors or the President.

- 7.4 The Secretary shall keep the Minutes of all proceedings of the Directors and members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices as may be required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring the seal when duly signed. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or the President.
- 7.5 The Treasurer shall have custody of all of the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members and the books of the ASSOCIATION in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or the President.
- 7.6 The compensation of all officers and employees of the ASSOCIATION shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the ASSOCIATION, nor preclude their contracting with a Director for the management of the ASSOCIATION.

8.0 FISCAL MANAGEMENT

- 8.1 All assessments levied against the OWNERS of Lots and said Lots, unless otherwise specifically provided for in the Land Use Documents, shall be uniform, with each Lot OWNER paying 1/86 of the total assessment levied against all OWNERS of Lots and their Lots. Should ASSOCIATION be the OWNER of any Lot or Lots, the assessment which would otherwise be due and payable to ASSOCIATION by the OWNER of such Lot or Lots, reduced by the amount of income which may be derived from the leasing of such Lot or Lots by ASSOCIATION, shall be apportioned, and assessment therefor made among the OWNERS of all Lots which are not owned by ASSOCIATION.
- 8.2 The assessment levied against the OWNER of each Lot and his Lot shall be not made less frequently than quarterly in amounts not less than are required to provide funds in advance for payment of all of the anticipated current operating expenses, and for all of the unpaid operating expenses previously incurred, all assessments made by SNUG HARBOR MASTER ASSOCIATION, INC. and all payments required to be made pursuant to the provisions of the RECREATION AREA PURCHASE AGREEMENT and RECREATION AREA NOTE.
- 8.3 The Board of Directors of ASSOCIATION shall establish an annual budget in advance of each fiscal year which shall correspond to the calendar year. Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the ASSOCIATION and ASSOCIATION property, and shall take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The proposed Annual Budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications, if applicable, as follows:

8.3.1 Income

- 1) Membership assessments
- 2) Rental income
- 3) Vending machine income

4) Other income

8.3.2 Expense

- 1) Administration of Association
- 2) Management fees
- 3) Maintenance
- 4) Taxes on Association property
- 5) Insurance
- 6) Utilities
- 7) Snug Harbor Master Association assessments
- 8) Snug Harbor Master Association Recreation Area Purchase assessment
- 9) Other expenses

- 8.4 The Board of Directors of ASSOCIATION, in establishing an annual budget for the proper operation, management and maintenance of the ASSOCIATION and ASSOCIATION property, shall include therein as a common expense of the ASSOCIATION the cost of maintaining leaseholds, memberships, or other possessory or use interests in lands or facilities as may be now or hereafter acquired by lease or agreement in form and content and containing provisions satisfactory to the Board of Directors of ASSOCIATION.
- 8.5 The Board of Directors of ASSOCIATION, in establishing said annual budget for operation, management and maintenance of ASSOCIATION, shall include therein a sum to be collected and maintained as general operating reserve which shall be used to provide a measure of financial stability during periods of special stress, when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by OWNERS of Lots, as a result of emergencies, or for other reasons placing financial stress upon ASSOCIATION. The annual amount allocated to such operating reserve and collected therefor shall not exceed ten (10%) percent of the current annual assessment levied against the OWNERS of all Lots and their Lots. Upon accrual in said operating reserve of a sum equal to thirty (30%) percent of the current annual assessment, no further payments shall be collected from the OWNERS of Lots as a contribution to such operating reserve, unless such operating reserve shall be reduced below said thirty (30%) percent level, in which event contributions to such operating reserve may be included in the annual assessment so as to restore said operating reserve to an amount which will equal thirty (30%) percent of the current annual amount of said assessment.
- 8.6 Notice of the meeting of the Board of Directors at which the annual budget will be considered shall be given by the Secretary of the ASSOCIATION or other officer of the ASSOCIATION in the absence of the Secretary; such notice shall be given to each member together with a copy of the proposed annual budget not less than thirty (30) days nor more than sixty (60) days prior to such meeting, and such notice shall be written or printed and shall state the date, time and place of such meeting. Upon adoption of said annual budget by the Board of Directors of the ASSOCIATION, the assessments for said year shall be established based upon such budget.
- 8.7 Should the Board of Directors adopt a budget which requires assessments against the OWNERS of Lots in any calendar year which are in excess of 115% of assessments for the preceding year, then upon the written request of members owning ten (10%) or more of the voting interests in the ASSOCIATION, the Secretary of the ASSOCIATION shall call a special meeting of the members of the ASSOCIATION within thirty (30) days, upon not less than ten (10) days' notice to each of the members of the ASSOCIATION. At the special meeting, the members of the ASSOCIATION shall consider and enact a budget. In determining

whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the ASSOCIATION property, anticipated expenses by the ASSOCIATION which are not anticipated to be incurred on a regular or annual basis, and assessments for betterments to ASSOCIATION property. Provided, however, that so long as the DEVELOPER is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of a prior year's assessment without the approval of a majority of all voting interests in the Condominium.

- 8.8 Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the cost of operation and management of the ASSOCIATION, or in the event of emergency, said Board of Directors shall have the authority to levy such additional assessment or assessments as it may deem to be necessary.
- 8.9 All moneys collected by ASSOCIATION shall be treated as the separate property of said ASSOCIATION, and such moneys may be applied by ASSOCIATION to the payment of any expenses of operating, managing and maintaining the ASSOCIATION and ASSOCIATION property, or to the proper undertaking of all acts and duties imposed upon it by virtue of the Land Use Documents, and as moneys for any assessment are paid to ASSOCIATION by any OWNER of a Lot, the same may be commingled with moneys paid to said ASSOCIATION by the other OWNERS of Lots. Although said funds and common surplus, including other assets of ASSOCIATION and any increments thereto or profits derived therefrom, or from the leasing or use of ASSOCIATION property, shall be held for the benefit of the members of the ASSOCIATION, no member of said ASSOCIATION shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When the OWNER of a Lot shall cease to be a member of ASSOCIATION by reason of his divestment of ownership of such Lot, by whatever means, ASSOCIATION shall not be required to account to such OWNER for any share of the fund or assets of ASSOCIATION, or which may have been paid to ASSOCIATION by such OWNER, as all moneys which any OWNER has paid to ASSOCIATION shall be and construed an asset of said ASSOCIATION which may be used in the operation and management of the ASSOCIATION.
- 8.10 The payment of any assessment or installment thereof due to ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid to ASSOCIATION on or before the due date for such payment. In the event any assessment or installment thereof shall be in default, a penalty equal to twenty-five (25%) percent of such delinquent assessment or installment shall be assessed, and the delinquent assessment or installment thereof due to ASSOCIATION shall bear interest at the rate of eighteen (18%) percent per annum until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to ASSOCIATION. All moneys owing to ASSOCIATION shall be due and payable at the main office of ASSOCIATION in Micco, Florida.
- 8.11 The OWNER or OWNERS of each Lot shall be personally liable, jointly and severally, as the case may be, to ASSOCIATION for payment of all assessments, regular or special, which may be levied by ASSOCIATION while such party or parties are OWNER or OWNERS of a Lot. In the event that any OWNER or OWNERS are in default in payment of any assessment or installment thereof owed to ASSOCIATION, such OWNER or OWNERS of any Lot shall be personally liable, jointly and severally, for all penalties and interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such

assessment or installment thereof, and penalties and interest thereon, including a reasonable attorney's fee, whether or not suit be brought.

- 8.12 No OWNER of a Lot may exempt himself from liability for any assessment levied against such OWNER and his Lot by waiver of the use or enjoyment of any of the ASSOCIATION property, or by abandonment of the Lot, or in any other way.
- 8.13 Recognizing that the necessity for providing proper operation and management of the ASSOCIATION and the Subdivision entails the continuing payment of costs and expenses therefor, which results in benefit to all of the OWNERS of Lots, and that the payment of such common expense represented by the assessments levied and collected by ASSOCIATION is necessary in order to preserve and protect the investment of the OWNER of each Lot, ASSOCIATION is hereby granted a lien upon such Lot, which lien shall secure and does secure the moneys due from all assessments now or hereafter levied against the OWNER of each Lot, which lien shall also secure all interest and penalties, if any, which may be due on the amount of any delinquent assessments owing to ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee which may be incurred by ASSOCIATION in enforcing this lien upon said Lot and its appurtenant undivided interest in COMMON PROPERTY. The lien granted to ASSOCIATION may be foreclosed in the State of Florida, and in any suit for the foreclosure of said lien, ASSOCIATION shall be entitled to rental from the OWNER of any Lot from the date of foreclosure and shall, in addition, be entitled to the appointment of a receiver for said Lot without notice to the OWNER of such Lot. The rental required to be paid shall be equal to the rental charged on comparable type Lots in Brevard County, Florida. The lien granted to ASSOCIATION shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by ASSOCIATION in order to preserve and protect its lien, and ASSOCIATION shall further be entitled to interest at the rate of eighteen (18%) percent per annum on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of a Lot, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to ASSOCIATION, and shall acquire such interest in any Lot expressly subject to such lien rights.
- 8.14 The lien herein granted unto ASSOCIATION shall be effective from and after the time of recording in the Public Records of Brevard County, Florida, of a claim of lien stating the description of the lot encumbered thereby, the name of the record OWNER, the amount due and the date when due. The lien shall continue in effect for a period of one year after the claim of lien has been recorded, unless within that time an action to enforce that lien has been commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments, interest, penalties, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a final judgment of foreclosure. Such claims of lien shall be signed and verified by an officer or agent of ASSOCIATION. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.
- 8.15 By recording a notice in substantially the following form,

a Lot OWNER or his agent or attorney may require the ASSOCIATION to enforce a recorded claim of lien against his lot:

Notice of Contest of Lien

TO: Snug Harbor Village Homeowners' Association, Inc.

7600 U.S. #1
Micco, Florida 32958

You are notified that the undersigned contests the claim of lien filed by you on _____ and recorded in Official Records Book _____ at Page _____ of the Public Records of Brevard County, Florida, and that the time within which you may file suit to enforce your lien is limited to ninety (90) days from the date of service of this Notice.

Executed this _____ day of _____, 19__.

Signed:

Owner, Agent or Attorney

After service of a copy of the Notice of Contest of Lien, the ASSOCIATION shall have ninety (90) days in which to file an action to enforce the lien, and if the action is not filed within that ninety (90) day period, the lien is void.

- 8.16 In the event that any person, firm or corporation shall acquire title to any Lot by virtue of any foreclosure or judicial sale, foreclosing or resulting from the foreclosure of a first mortgage encumbering such Lot, or by deed in lieu of foreclosure, such person, firm or corporation so acquiring title shall be liable and obligated only for assessments as shall accrue and become due and payable for said Lot subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a Lot by foreclosure or judicial sale or deed in lieu thereof, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all OWNERS of all Lots, excluding the unit responsible for the deficiency, as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.
- 8.17 Whenever any Lot may be leased, sold, or mortgaged by the OWNER thereof, which lease or sale shall be concluded only upon compliance with other provisions of the Land Use Documents, ASSOCIATION, upon the written request of the OWNER of such Lot, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to ASSOCIATION by the OWNER of such Lot. Such statement shall be executed by the President, Secretary or Treasurer of the ASSOCIATION, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and ASSOCIATION shall be bound by such statement.
- 8.18 In the event that a Lot is to be leased, sold or mortgaged at the time when payment of any assessment against the OWNER of said Lot and such Lot due to ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by ASSOCIATION), then the rent, proceeds of such purchase, or mortgage proceeds shall be applied by the lessee, purchaser, or mortgagee first to the payment of any then delinquent assessment or installments

thereof due to ASSOCIATION before the payment of any rent, proceeds of purchase, or mortgage proceeds are paid to the OWNER of any Lot who is responsible for payment of such delinquent assessment.

- 8.19 In any voluntary conveyance of the Lot, the Grantee shall be jointly and severally liable with Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of Grantee to recover from Grantor the amounts paid by Grantee therefor.
- 8.20 Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed an election precluding the institution of a suit at law to attempt to effect collection of any sum then remaining owing to it.
- 8.21 The ASSOCIATION shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the ASSOCIATION:
- 8.21.1 A photocopy of the recorded Declaration of Covenants, Conditions, and Restrictions, and all Amendments thereto;
 - 8.21.2 A photocopy of the recorded Bylaws of the ASSOCIATION and all Amendments thereto;
 - 8.21.3 A certified copy of the Articles of Incorporation and all Amendments thereto;
 - 8.21.4 A book or books containing the minutes of all meetings of the ASSOCIATION, of the Board of Directors, and Lot OWNERS, which minutes shall be retained for a period of seven (7) years;
 - 8.21.5 A copy of the current Rules of the ASSOCIATION;
 - 8.21.6 A current roster of all Lot OWNERS, their mailing addresses, unit identifications, voting certifications and, if known, their telephone numbers;
 - 8.21.7 All current insurance policies maintained by the ASSOCIATION;
 - 8.21.8 Bills of Sale or transfers for all property owned by the ASSOCIATION;
 - 8.21.9 Accounting records for the ASSOCIATION according to good accounting practices. All accounting records shall be maintained for a period of seven (7) years. The accounting records shall include but not be limited to:
 - 1) Accurate, itemized and detailed records of all receipts and expenditures;
 - 2) A current account and a monthly, bi-monthly or quarterly statement of the account for each Lot, designating the name of the Lot OWNER, the date and amount of each assessment, the amount paid upon the account, and the balance due;
 - 3) All audits, reviews, accounting statements and financial records of the ASSOCIATION; and
 - 4) All contracts for work to be performed. Bids

for work to be performed shall also be considered official records of the ASSOCIATION and shall be retained for a period of one (1) year after the work performed for which bids were received has been completed.

- 8.21.10 Voting proxies, which shall be maintained for a period of one (1) year from the date of the meeting for which the proxy was given;
- 8.22 The official records of the ASSOCIATION shall be maintained in Brevard County, Florida.
- 8.23 The official records of the ASSOCIATION shall be open to inspection by any ASSOCIATION member or the authorized representative of such member at all reasonable times. Failure to permit inspection of the ASSOCIATION records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The right to inspect the records includes the right to make and obtain copies, at reasonable expense to the ASSOCIATION member.
- 8.24 The Board of Directors of the ASSOCIATION shall, within sixty (60) days following the end of the calendar year or annually on such date as is otherwise provided in these Bylaws, cause to be mailed or furnished by personal delivery to each Lot OWNER a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to the following:
 - 8.24.1 Costs for security;
 - 8.24.2 Professional and management fees and expenses;
 - 8.24.3 Taxes;
 - 8.24.4 Costs for recreation facilities;
 - 8.24.5 Expenses for refuse collection and utility services;
 - 8.24.6 Expenses for lawn care;
 - 8.24.7 Costs for building maintenance and repair;
 - 8.24.8 Insurance costs;
 - 8.24.9 Administrative and salary expenses;
 - 8.24.10 General reserves, maintenance reserves, and depreciation reserves.
- 8.25 The depository of ASSOCIATION shall be such bank or banks as shall be designated from time to time by the Directors in which the moneys of the ASSOCIATION shall be deposited. Withdrawal of moneys in such accounts shall be only by check signed by such persons as are authorized by the Directors.
- 8.26 Fidelity bonds shall be required by the Board of Directors from all Directors and Officers or employees of the ASSOCIATION handling or responsible for ASSOCIATION funds. The amount of such bond shall be determined by the Directors but shall be at least the amount of the total annual assessments against members for common expenses. The premiums of such bonds shall be paid by ASSOCIATION and shall be considered a common expense.

8.27 The ASSOCIATION shall cause to be prepared and kept minutes of all meetings of members of the ASSOCIATION, as well as all meetings of the Board of Directors. Such minutes shall be kept in a book which shall be available for inspection by any member of the ASSOCIATION or their authorized representative at any reasonable time. All such minutes shall be retained for a period of not less than seven (7) years.

9.0 PARLIAMENTARY RULES

9.0 Robert's Rules of Order (latest edition) shall govern the conduct of the corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or the Statutes of the State of Florida.

10.0 AMENDMENTS TO BYLAWS

10.1 These Bylaws of the ASSOCIATION may be amended in accordance with the same requirements and the same procedures as set forth in Article 13 of the Articles of Incorporation. All such amendments shall be recorded in the same manner as provided for the recording of amendments to the Articles of Incorporation.

SNUG HARBOR LAKES

A

CONDOMINIUM

RIGHTS OF WAY DEED

Prepared By:

LEWIS R. PEARCE
Attorney at Law
2255 N. Courtenay Parkway
Merritt Island, FL 32953

Developer:

SNUG HARBOR LAKES
DEVELOPMENT, INC.
7600 U.S. Highway #1
Micco, FL 32958