

CAPITAL CONNECTION, INC.

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Carlton Vero Beach Cabana

Condominium Associates, Inc.

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Certificate of Status

Certificate of Fictitious Name

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ARTICLES OF INCORPORATION
OF
CARLTON VERO BEACH CABANA CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not for Profit)

In order to form a corporation not for profit, under and in accordance with Chapter 617 of the Florida Statutes, I, the undersigned, hereby incorporate this corporation not for profit, for the purposes and with the powers hereinafter set forth and to that end, I do, by these Articles of Incorporation, certify as follows:

The terms contained in these "Articles" are defined in the Condominium Act, Chapter 718, Florida statutes, 1976 ("Act") as amended through the date of recording the Declaration amongst the Public Records of Indian River County, Florida, and shall have the meaning of such terms set forth in such Act, and, for clarification, the following terms will have the following meanings, as set forth in the Declaration:

A. "Common Surplus" means the excess of receipts of the Association collected on behalf of the Condominium (including, but not limited to, Assessments, rents, profits and revenues, on account of the Common Elements) over the Common Expenses.

B. "Declaration" means the Declaration of Condominium by which Carlton Vero Beach Cabana Condominium (the "Condominium") is submitted by Developer to the condominium form of ownership in accordance with the Act.

C. "Director" means a member of the Board.

D. "Public Records" mean the Public Records of Indian River, County, Florida.

E. "Voting Certificate" means "voting certificate" as defined in the Act and is the document which designates one (1) of the record title owners, or the corporate, partnership or entity representative who is authorized to vote on behalf of a Unit owned by more than one (1) owner or by any entity.

ARTICLE I
NAME

The name of this Association shall be CARLTON VERO BEACH CABANA CONDOMINIUM ASSOCIATION, INC., whose principal and mailing address is 7777 North A-1-A, Vero Beach, Florida 32963.

**ARTICLE II
PLAN OF DEVELOPMENT AND
PURPOSE OF ASSOCIATION**

A. Developer intends to develop the Condominium on property Developer owns within Carlton Vero Beach Community. Developer intends to develop the Condominium as a "phase condominium" as contemplated by Section 718.403 of the Act.

B. All or any portion of Carlton Vero Beach Community not included in the Condominium may be developed with residential housing units either as a condominium or as a non-condominium development, such as single family lots, non-condominium townhouses, rental housing or cooperatively owned housing, etc.

C. 1. The Association shall be the condominium association responsible for the operation of the Condominium and may be the Association for any other condominiums created in Carlton Vero Beach Community, in which case any reference to condominium shall mean each and every condominium of the Association (as the context may require), subject to the terms and restrictions of the Condominium Documents; however, Developer reserves the right to incorporate additional association(s) if more than two (2) condominiums are created. Each Owner shall be a Member of the Association as provided in these Articles.

2. Each Member of the Association is also a Member of the CARLTON VERO BEACH COMMUNITY ASSOCIATION, INC., a Florida corporation not for profit (the "Corporation"), by virtue of the member's ownership interest in a Qualifying Dwelling Unit within the Carlton Vero Beach Community, as described in the Articles of Incorporation of the Corporation. The Corporation has been organized for the purpose of administering the covenants and obligations relating to the Corporation Property, the use of which is shared by all owners at Carlton Vero Beach Community as set forth in the Master Declaration. All Members of the Association have the benefit of the use of Corporation Property and the obligation to pay assessments as set forth in the Master Declaration, again by virtue of the member's ownership interest in a Qualifying Dwelling Unit within the Carlton Vero Beach Community. Notwithstanding the foregoing, no member of this Association shall have any interest, voting right or obligation which is greater than that of any other member of the Corporation who does not own a Cabana Unit.

3. The purpose for which this Association is organized is to maintain, operate and manage the Condominium or any other condominium in the Carlton Vero Beach Community, including the Condominium Property; to own portions of, operate, lease, sell, trade and otherwise deal with the Condominium or any other condominium in the Carlton Vero Beach Community and certain of the improvements located therein now or in the future; all in

accordance with the plan set forth in the Condominium Documents and all other lawful purposes.

ARTICLE III POWERS

The Association shall have the following powers which shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Condominium Documents or the Act.

B. The Association shall have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association including, but not limited to, the following:

1. To make, establish and enforce reasonable Rules and Regulations governing the use of the Condominium Property (including the Units and the Common Elements), Association Property, and any other portions of the Condominium;

2. To make, levy, collect and enforce Assessments and special charges and any other charges and/or fees as provided in the Condominium Documents against Owners, in order to provide funds to pay for the expenses of the Association, the maintenance, operation and management of the Condominium and the payment of Common Expenses and other expenses in the manner provided in the Condominium Documents, the Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association;

3. To maintain, repair, replace and operate the Condominium, Association Property, and any other portions of the Condominium in accordance with the Declaration and the Act;

4. To reconstruct improvements of the Condominium, Association Property, or any other portions of the Condominium in the event of casualty or other loss;

5. To enforce by legal means the provisions of the Condominium Documents and the Act;

6. To employ personnel, retain independent contractors and professional personnel, and to enter into service contracts to provide for the maintenance, operation and management of the Condominium, Association Property and any other portions of the Condominium and to enter into any other agreements consistent with the purposes of the Association including, but not limited to, agreements as to the management of the Condominium, Association Property and any other portions of the Condominium and agreements to acquire possessory or use interests in real property and to provide therein that the

expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs are Common Expenses of the Condominium, and as to the installation, maintenance and operation of a "master" television antenna system and a cable television, communications and monitored alarm system;

7. To purchase: (i) Unit(s) upon which the Association has chosen to exercise any rights of first refusal it may have and to obtain such financing as is necessary to effectuate the same; and (ii) other real and/or personal property as determined by the Association in compliance with the Condominium Documents.

ARTICLE IV MEMBERS

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership, and the manner of voting by Members shall be as follows:

A. Until such time as the Condominium is submitted to condominium ownership by the recordation of the Declaration, the membership of this Association shall be comprised solely of the members of the "First Board" (as defined in Article IX hereof).

B. Once the Condominium is submitted to condominium ownership by the recordation of a Declaration, the Owners, which shall mean in the first instance Developer as the owner of all the Units, shall be entitled to exercise all of the rights and privileges of Members.

C. Except as set forth above, membership in the Association shall be established by the acquisition of ownership of fee title to a Unit as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records whereupon the membership of the prior Owner shall terminate as to that Unit. Where title to a Unit is acquired from a party other than Developer, the person, persons, corporation or other legal entity thereby acquiring such Unit, shall not be a Member unless and until such acquisition is in compliance with the provisions of the Declaration. New Members shall deliver to the Association a certified copy of the deed of conveyance, letter of approval or other instrument of acquisition of title to the Unit in accordance with the Declaration.

D. No Member may assign, hypothecate or transfer in any manner his membership or his share in the funds and assets of the Association except as an appurtenance to his Unit.

E. If, as and when more than one condominium is submitted to condominium ownership, membership in the Association may be divided into classes ("Class Members") with Owners in each

condominium constituting a class, and for so long as Developer owns any Units an additional class comprised of those Units owned by Developer shall also exist as a separate class ("Developer Class"). If one or more additional condominium(s) are submitted to condominium ownership, the Unit Owners thereof who are Members of the Association shall also be Class Members as to each additional condominium. Each class, except the Developer Class, shall be designated by a roman numeral denoting the identification number of such condominium. For example, the Owners of the Condominium would be "Class I Members."

F. With respect to voting, the following provisions shall apply:

1. Either the membership as a whole shall vote or the Class Members shall vote, which determination shall be made in accordance with subparagraphs F.2 and F.3 immediately below. In any event, however, each Unit, including each Unit owned by the Developer, shall be entitled to only one (1) vote, which vote shall be exercised and cast in accordance with the Declaration and the Condominium Documents; provided, however, on such matters that a vote of the Developer Class is required, Units owned by the Developer shall also have a vote in such class. In the event there is more than one (1) owner with respect to a Unit as a result of the fee interest in such Unit being held by more than one (1) person or entity, such owners collectively shall be entitled to only one (1) vote in the manner determined by the applicable Declaration.

2. In matters that require a vote, voting shall take place as follows:

(a) Matters substantially pertaining to a particular condominium or any combination of condominiums shall be voted upon only by the Class Members of that condominium(s) and shall be determined by a vote of the majority of such Class Members at any meeting having a proper quorum (as determined in accordance with the Bylaws); and

(b) Matters substantially pertaining to the Association as a whole shall be voted on by the Membership and shall be determined by a vote of the majority of the Membership in attendance at any meeting having a quorum (as determined in accordance with the Bylaws).

3. Any decision as to whether a matter substantially pertains to a particular condominium or any combination of condominiums or to the Association as a whole for purposes of voting, shall be determined solely by the Board. Notwithstanding the foregoing, no action or resolution affecting a condominium or any combination of condominiums which the Board determines to require the vote of the Members as a whole shall be effective with regard to a condominium unless the Class Members of the particular condominium or any combination of condominiums so

affected shall be given the opportunity to also vote on said action or resolution as a Class.

4. The membership shall be entitled to elect the Board as provided in Article IX of these Articles.

ARTICLE V TERM

The term for which this Association is to exist shall be perpetual.

ARTICLE VI INCORPORATOR

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

R. Mason Simpson
7777 North A1A
Vero Beach, Florida 32963

ARTICLE VII OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary, and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board. The Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as it deems necessary to administer or assist in the administration of the operation or management of the Association and Developer shall have the rights to be reimbursed for expenses incurred by Developer on behalf of the Association in managing the Association.

B. The Board shall elect the President, the Vice President, the Secretary, and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in Section 6.1 of the Bylaws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the Bylaws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties on which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

**ARTICLE VIII
FIRST OFFICERS**

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	R. Mason Simpson
Vice President	Robert Nagel
Secretary	Barbara Buhr
Treasurer	R. Mason Simpson

**ARTICLE IX
BOARD OF DIRECTORS**

A. The number of Directors on the first Board of Directors ("First Board"), the "Initial Elected Board" (as hereinafter defined) and all Boards elected prior to the Annual Members' Meeting following the "Developer's Resignation Event" (as hereinafter defined) shall be three (3), provided, however, there shall also be a Class Director for each additional condominium, if any, and, if necessary, there shall also be an additional Director elected "at large", so that there will always be an odd number of Directors. The number of Directors elected by the Members subsequent to the Developer's Resignation Event shall be as provided in Paragraph L of this Article IX. Except for Developer-appointed Directors, Directors must be Members or the spouses, parents or children of Members.

B. The names and addresses of the persons who are to serve as the First Board are as follows:

<u>Name</u>	<u>Address</u>
R. Mason Simpson	7777 North A-1-A Vero Beach, FL 32963
Robert Nagel	7777 North A-1-A Vero Beach, FL 32963
Barbara Buhr	7777 North A-1-A Vero Beach, FL 32963

Developer reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided. Developer reserves the right to remove any Director from the First Board and the right to remove any Director designated by Developer in accordance with these Articles.

C. If upon the "Majority Election Meeting" (as hereinafter defined), more than one (1) condominium has been submitted to

condominium ownership, then a class of Directors ("Class Directors") shall be created for each condominium in the manner provided for in Paragraph G of this Article IX. Each class shall be designated by a roman numeral denoting the identification number of the condominium. For example, the Directors of the Condominium would be "Class I Directors." Each condominium shall have one (1) Class Director and one or more Director(s) shall be elected "at large," in accordance with Paragraph A of this Article IX.

D. Upon the conveyance by Developer to Owners, other than Developer ("Purchaser Members"), of fifteen percent (15%) or more of the "Total Units" (as hereinafter defined) (as evidenced by the recordation of deeds), including Units located within all Phases in the Condominium as contemplated in the Declaration (provided the Developer still holds the right to submit additional Phases to condominium ownership), the Purchaser Members shall be entitled to elect one-third (1/3) of the Board, which election shall take place at the Initial Election Meeting. Purchaser Members shall elect the Director-at-Large. Developer shall designate the remaining Directors on the Board at the Initial Election Meeting. The Director to be so elected by the Purchaser Members and the remaining Directors to be designated by Developer are hereinafter collectively referred to as the "Initial Elected Board" and shall succeed the First Board upon their election and qualification. Subject to the provisions of Paragraph IX.E below, the Initial Elected Board shall be designated and elected in the same manner as the Initial Elected Board. The Directors shall continue to be so designated and elected at each subsequent Annual Members' Meeting until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board. Developer reserves the right, until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board, to designate successor Directors to fill any vacancies caused by the resignation or removal of Directors designated by Developer pursuant to this Paragraph IX.D.

The term "Total Units" means the number of Units contemplated for the Condominium should all phases be added (less the number of Units in any and all phases of any condominium developed as a phase condominium pursuant to the Act, which Developer decides neither to submit as part of such condominium as provided in the Declaration nor submit to condominium ownership as a separate condominium).

E. Purchaser Members are entitled to elect not less than a majority of the Board upon the happening of any of the following events, whichever shall first occur:

1. Three (3) years after sales by Developer of fifty percent (50%) of the sum of the Total Units in the Condominium have been "Closed" (as hereinafter defined); or

2. Three (3) months after sales by Developer of ninety percent (90%) of the Total Units in the Condominium have been Closed; or

3. When all of the Total Units in the Condominium have been completed (as evidenced by the issuance of Certificates of Occupancy for all of same) and some have been sold to Purchaser Members and none of the others are being offered for sale by Developer in the ordinary course of business; or

4. When some of the Total Units in the Condominium have been conveyed to Purchaser Members and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or

5. Seven (7) years after the recordation of the Declaration; or

6. When Developer, as Developer has the right to do at any time upon written notice to the Association, relinquishes its right to designate a majority of the Board.

The term "Closed" shall mean the recording of a deed or other instrument of conveyance to a Purchaser Member amongst the Public Records.

F. The election of not less than a majority of Directors by the Members (at which time Developer may vote if it does not have a majority of all votes at the time of the election) shall occur at a meeting of the membership to be called by the Board for such purpose ("Majority Election Meeting").

G. At the Majority Election Meeting, each class of Members shall elect one (1) Director and Developer, until the Developer's Resignation Event, shall be entitled to designate one (1) Director. All of the Members shall also elect one or more Directors-at-large in accordance with Article IX.A. herein. Developer reserves the right, until the Developer's Resignation Event, to name the successor, if any, to any Director it has so designated; provided, however, Developer shall in any event be entitled to exercise any right it may have to representation on the Board as granted by law, notwithstanding the occurrence of the Developer's Resignation Event.

H. At the first Annual Members Meeting held after the Majority Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years expiring when their successors are duly elected and qualified.

I. The Board shall continue to be elected by the Members subject to Developer's rights to appoint a member to the Board as specified in the Act at each subsequent Annual Members' Meeting, until Developer is no longer entitled to appoint a member to the Board.

J. The Initial Election Meeting and the Majority Election Meeting shall be called by the Association, through its Board, within seventy-five (75) days after the Purchaser Members are entitled to elect a Director or the majority of Directors, as the case may be. A notice of the election shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least sixty (60) days' notice of such election. The notice shall also specify the number of Directors that shall be elected by the Purchaser Members and the remaining number of Directors designated by Developer.

K. Developer shall cause all of its designated Directors to resign when Developer no longer holds at least five percent (5%) of the sum of the Total Units for sale in the ordinary course of business. In addition, Developer may at any time, in its sole discretion, cause the voluntary resignation of all of the Directors designated by it. The happening of either such event is herein referred to as the "Developer's Resignation Event". Upon the Developer's Resignation Event, the Directors elected by Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of the Developer's designated Directors. The successor Directors shall serve until the next Annual Members' Meeting and until their successors are elected and qualified; provided, however, nothing herein contained shall be deemed to waive any right to representation on the Board which Developer may have pursuant to the Act. Developer specifically reserves the right to assert any right to representation on the Board it may have pursuant to the Act, notwithstanding that the Developer's Resignation Event may have previously occurred.

L. At each Annual Members' Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors to be elected shall be determined by the Board from time to time, but there shall not be less than three (3) Directors - one (1) from each Class and one (1) Director elected at large, at a minimum.

M. The following provisions shall govern the right of each Director to vote and the manner of exercising such right:

1. There shall be only one (1) vote for each Director.

2. All of the Directors of the Board shall vote thereon as one (1) body, without distinction as to class, on matters which pertain to this Association or the Condominium.

3. On matters pertaining exclusively to certain condominium(s), only the affected Class Directors shall vote thereon.

4. Subject to the provisions of Subparagraphs 1, 2 and 3 immediately preceding, the Board as a whole shall determine whether a matter is subject to a vote of the Directors, shall be voted on by Class Directors or by the entire Board as a whole. In the case of deadlock by the Board, application shall be made to a court of competent jurisdiction to resolve the deadlock.

5. In the determination of whether a quorum exists or whether the Board has duly acted with respect to any matter, (a) on matters which are voted on by the Board as a whole, such determination shall be made with respect to the number of all of the Class Directors; and (b) on matters which are voted on by Class Directors, such determination shall be made with respect to the number of Class Directors.

ARTICLE X POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board in accordance with the provisions of the Act and the Condominium Documents, where applicable, and shall include, but not limited to, the following:

A. Making and collecting Assessments against Class Members to defray the costs of the Common Expenses of each condominium; and collecting charges for cable and monitored alarm expenses as determined in accordance with the cable television agreement and the monitored alarm system agreement, if any, as such assessments are described in the applicable Declaration.

B. Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board.

C. Maintaining, repairing and operating the improvements within all condominiums and the Association Property, if any.

D. Reconstructing improvements after casualties and losses and making further authorized improvements within the Condominium and the Association Property, if any.

E. Making and amending rules and regulations with respect to condominiums administered by the Association and for the Association Property, if any.

F. Enforcing by legal means the provisions of the Condominium Documents.

G. Contracting for the management and maintenance of the Condominium Property, the Association Property, and other portions of the Condominium and authorizing a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of improvements or portions thereof for which the Association has such responsibility and other services with funds that shall be made available by the Association for such purposes and terminating such contracts and authorizations. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act including, but not limited to, the making of Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

H. Paying taxes and Assessments which are or may become liens against the Common Elements of the Condominium, and "Association Property" (as defined in the Act) and assessing the same against Units, the Owners of which are responsible for the payment thereof.

I. Purchasing and carrying insurance for the protection of Members and the Association against casualty and liability in accordance with the Act and the Condominium Documents and acquiring one (1) insurance policy to insure the Condominium Property of the Condominium and to allocate the premiums in a fair and equitable manner.

J. Paying costs of all power, water, sewer and other utility services rendered to the Condominium Property of the Condominium and other portions of the Condominium and not billed directly to Owners of the individual Units.

K. Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration and purposes of this Association and paying all salaries therefor.

L. Approving or disapproving of proposed purchasers of Units by gift, devise, or inheritance and other transferees and approving or disapproving of proposed lessees of Units in accordance with the provisions set forth in the Condominium Documents and the Act and collecting the highest fee allowed by the Act therefor.

M. Engaging in mandatory nonbinding arbitration as provided for in Section 718.112(2)(1) of the Act, for the settlement of internal disputes arising regarding the operation of the Condominium among Developer, Members, the Association, their agents and assigns, and the provisions of Section 718.1255 are incorporated by reference herein.

N. Preparing a question and answer sheet, if and as required by the Act and the rules promulgated in the Florida Administrative Code by the Division of Florida Land Sales, Condominiums and Mobile Homes, and updating the question and answer sheet at least annually.

O. Maintaining an adequate number of copies of the Condominium Documents, as well as the question and answer sheet referred to in Paragraph X.N. above, on the Condominium Property to ensure their availability to Unit Owners and prospective purchasers. The Association may charge its actual costs for preparing and furnishing the foregoing to those requesting same.

P. Ensuring that the following contracts shall be in writing:

- (i) Any contract for the purchase, lease or renting of materials or equipment which is not to be fully performed within one (1) year from the date of execution of the contract.
- (ii) Any contract, regardless of term, for the provision of services; other than contracts with employees of the Association, and contracts for attorneys and accountant services, and any other service contracts exempted from the foregoing requirement by the Act or rules set forth in the Florida Administrative Code as they relate to condominiums, as the Act and such rules may be amended from time to time.

Q. Obtaining competitive bids for materials, equipment and services where required by the Act and rules set forth in the Florida Administrative Code as they relate to condominiums.

R. All other powers and duties reasonably necessary to operate and maintain the Condominium and Association Property in compliance with the Condominium Documents and the Act.

ARTICLE XI INDEMNIFICATION

Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels) reasonably

incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he may become involved by reason of his being or having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he is a Director or officer at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association. In instances where a Director or officer admits or is adjudged to have engaged in willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law. The indemnification hereby afforded to Directors and officers shall also extend to any entity other than the Association found responsible or liable for the actions of such individuals in their capacity as Directors or officers, including, but not limited to Developer.

ARTICLE XII BYLAWS

The Bylaws of the Association shall be adopted by the First Board and thereafter may be altered, amended or rescinded by the affirmative vote of not less than a majority of the Members present at an Annual Members' Meeting or special meeting of the membership and the affirmative approval of the majority of the Board at a regular or special meeting of the Board. In the event of a conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII AMENDMENTS

A. Prior to the recording of a Declaration amongst the Public Records, these Articles may be amended by an instrument in writing signed by the President (or a Vice President) and the Secretary (or an Assistant Secretary) and filed in the Office of the Secretary of State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended, give the exact language of such amendment and give the date of adoption of the amendment by the Board. A certified copy of each such amendment shall always be attached to any certified copy of these Articles or a certified copy of the Articles as restated to include such Amendments and shall be an exhibit to each Declaration upon the recording of each Declaration. This Article XIII is intended to comply with Chapter 617, Florida Statutes.

B. After the recording of the first Declaration amongst the Public Records, these Articles may be amended in the following manner:

1. The Board, as a whole, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the Annual Members' Meeting or a special meeting. Any number of amendments may be submitted to the Members and voted upon by them at one meeting;

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member of record entitled to vote within the time and in the manner provided in the Bylaws for the giving of notice of Meetings of Members ("Required Notice");

3. At such meeting a vote of the Members and of the Developer Class shall be taken on the proposed amendments. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of all Members entitled to vote thereon unless any Class of Members is entitled to vote thereon as a Class pursuant to Article IV and/or Paragraph XIII.B hereof, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of all Members entitled to vote thereon and the approval of the Developer Class; or

4. An amendment may be adopted by a written statement signed by all Directors and written consent of Members representing the Voting Interests sufficient to pass the amendment at a meeting where all members are present and setting forth their intention that an amendment to the Articles be adopted. Where an amendment is passed by written consent in lieu of meeting, those Members not submitting written consent shall be notified in writing of the passage thereof.

C. The Developer Class shall be entitled to vote as a Class on all amendments made pursuant to Paragraph XIII.B. above.

D. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the applicable Declaration.

E. A copy of each amendment shall be certified by the Secretary of State of the State of Florida and, after the recordation of a Declaration(s), recorded amongst the Public Records as an amendment to each Declaration.

F. Notwithstanding the foregoing provisions of this Article XIII, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Developer, including

the right to designate and select the Directors as provided in Article IX hereof, without the prior written consent thereto by Developer nor shall there be any amendment to these Articles which shall abridge, alter or modify the rights of the holder, guarantor or insurer of a first mortgage on any Unit or of any "institutional Mortgagee" (as defined in each Declaration) without its prior written consent.

ARTICLE XIV EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Act:

A. During any emergency defined in Paragraph XIV.E below or in anticipation of such emergency, the Board may:

1. Modify lines of succession to accommodate the incapacity of any Director, officer, agent or employee of the Association; and
2. Relocate the principal office of the Association or designate alternate principal offices or authorize officers to do so.

B. During any emergency defined in Paragraph XIV.E below:

1. One or more officers of the Association present at a meeting of the Board may be deemed to be Directors for the meeting, in order of rank and within the same order of rank in order of seniority, as necessary to achieve a quorum; and
2. The Director or Directors in attendance at a meeting shall constitute a quorum.

C. Corporate action taken in good faith during an emergency under this Article XIV to further the ordinary affairs of the Association:

1. Binds the Association; and
2. May not be used to impose liability on a Director, officer, employee or agent of the Association.

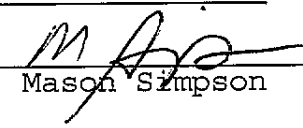
D. A Director, officer or employee of the Association acting in accordance with any emergency bylaws is only liable for willful misconduct.

E. An emergency exists for the purposes of this Article XIV if a quorum of the Directors cannot readily assemble because of a catastrophic event.

**ARTICLE XV
REGISTERED OFFICE AND REGISTERED AGENT**

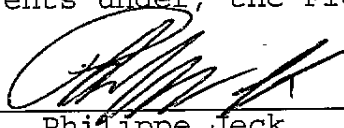
The street address of the initial registered office of the Association is 1061 E. Indiantown Road, Suite 400, Jupiter, Florida 33477 and the initial registered agent of the Association at that address shall be Philippe Jeck.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, this 17 day of August, 2000.



R. Mason Simpson

The undersigned hereby accepts the designation of Registered Agent of Carlton Vero Beach Condominium Association, Inc. as set forth in Article XV of these Articles of Incorporation and acknowledges that he is familiar with, and accepts the obligations imposed upon registered agents under, the Florida Not For Profit Corporation Act.

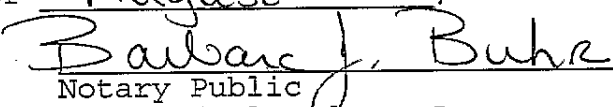


Philippe Jeck

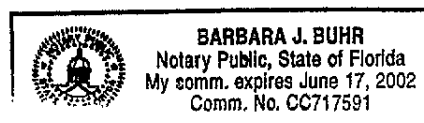
STATE OF FLORIDA)
) SS:
COUNTY OF INDIAN RIVER)

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgements, personally appeared R. Mason Simpson, to me known to be the person described as the Incorporator in and who executed the foregoing Articles of Incorporation and he acknowledged before me that he executed the same for the purposes therein expressed. He is personally known to me or has produced as identification.

WITNESS my hand and official seal in the State and County last aforesaid this 17th day of August, 2000.



Notary Public
State of Florida at Large
My Commission Expires:



STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this
21st day of August, 2000, by Philippe Jeck, as Registered
Agent, who is personally known to me or has produced
_____ as identification.

(SEAL)



Frances N. DeSando

Print name: Frances N. DeSando
Notary Public, State of Florida
My Commission expires: May 10, 2003

00 SEP 22 01:11:40
NOTARY PUBLIC
STATE OF FLORIDA