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ACCOUNT NO. : 072100000032

REFERENCE : 817681 144946A

AUTHORIZATION : *Patricia Pizutto*

COST LIMIT : \$ 78.75

ORDER DATE : August 31, 2000

ORDER TIME : 1:51 PM

ORDER NO. : 817681-005

CUSTOMER NO: 144946A

CUSTOMER: Ms. Denielle M. Landers
Harbor Title & Escrow Company,
Ltd.
Suite 301
3755 7th Terrace
Vero Beach, FL 32960

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DOMESTIC FILING

NAME: HARBOR ISLAND AT GROND HARBOR
PROPERTY OWNERS ASSOCIATION,
INC.

EFFECTIVE DATE:

XX ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX PLAIN STAMPED COPY
XX CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Darlene Ward - EXT. 1135
EXAMINER'S INITIALS:

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 AUG 31 PM 3:01

RECEIVED
00 AUG 31 PM 2:22
SR

FILED
DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
00 MAY 31 PM 3:01

ARTICLES OF INCORPORATION
OF
HARBOR ISLAND AT GRAND HARBOR
PROPERTY OWNERS ASSOCIATION, INC.

The undersigned incorporator hereby adopts the following Articles of Incorporation for the purpose of forming a not-for-profit corporation under the "Florida Not-For-Profit Corporation Act."

ARTICLE I

CORPORATE NAME

The name of the Corporation shall be HARBOR ISLAND AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., (hereinafter the "Association").

ARTICLE II

DURATION

The duration of the Corporation shall be perpetual. The address of the principal office of this corporation shall be 3755 7th Terrace, Suite 301, Vero Beach, Florida 32960, and the mailing address shall be the same.

ARTICLE III

DEFINITIONS

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of Covenants, Restrictions and Easements for HARBOR ISLAND, to be recorded in the Public Records of Indian River County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE IV

COMMENCEMENT OF CORPORATE EXISTENCE

The corporate existence of the Association shall commence at the time these Articles of Incorporation are filed by the Department of State of the State of Florida.

ARTICLE V

PURPOSES AND POWERS

The Association is not organized for pecuniary profit or financial gain, and no part of the Association's assets or income shall inure to the benefit of any Director, Officer or Member of the Association except as may be authorized by the Board of Directors in accordance with the terms and provisions of the Bylaws of the Association with respect to compensation of Directors, Officers or Members of the Association for the rendition of unusual or exceptional services to the Association.

The purposes for which the Association is formed, and the powers which may be exercised by the Association, are:

1. To own, operate, maintain, preserve or replace, and to provide architectural control over the Lots, Units, and Common Areas located on that certain parcel of real property situate in Indian River County, Florida, known as HARBOR ISLAND, and described in Exhibit "A" to the Declaration; and to those Lots, Units and Common Areas that may be annexed or otherwise added to the Property from time to time pursuant to the Declaration; and

2. To acquire by gift, purchase or otherwise, own, build, improve, operate, repair, maintain and replace, lease, transfer, convey, or otherwise dispose of real property, buildings, improvements, fixtures and personal property in connection with the business and affairs of the Association; and

3. To dedicate, sell or transfer all or any part of, or any interest in, the Common Areas to any public agency, taxing authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors, provided that such decision, sale, or transfer is approved by a two-thirds (2/3) vote of the Board of Directors and prior written consent of the Declarant is obtained for so long as the Declarant owns one (1) Lot in the Property; and

4. To establish, levy, collect and enforce payment of all assessments and charges pursuant to the terms and provisions of the Declaration or Bylaws of the Association and to use the proceeds thereof in the exercise of its powers and duties; and

5. To pay all expenses in connection with and incident to the conduct of the business and affairs of the Association; and

6. To borrow money and to pledge, mortgage or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred by the Association; and

7. To annex additional real property to the Property pursuant to the terms and provisions of the Declaration; and

8. To exercise such powers which are now or may hereafter be conferred by law upon an Association organized for the purposes set forth herein, or which may be necessary or incidental to the powers so conferred; and

9. To grant easements on or through the Common Areas or any portion thereof; and

10. 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 Declaration, as the same may be amended from time to time; and

11. To promulgate, amend or enforce rules, regulations, bylaws, covenants, restrictions or agreements to effectuate the purposes for which the Association is organized; and

12. To contract for the management of the Association and to delegate in such contract all or any part of the powers and duties of the Association, and to contract for services to be provided to Owners such as, but not limited to, utilities services; and

13. To purchase insurance upon the Property or any part thereof and insurance for the protection of the Association, its Officers, Directors and Owners; and

14. To employ personnel and contract with professionals including, but not limited to, attorneys, accountants, architects and engineers to perform the services required for the proper operation of the Association.

15. To appear through its authorized agents before any legislative, judicial, administrative or governmental body concerning matters affecting the Property and/or the Association.

The foregoing clauses shall be construed both as purposes and powers and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any way the purposes and powers of the Association that may be granted by applicable law and any amendments thereto or otherwise conferred upon not-for-profit corporations by common law and the statutes of the State of Florida in effect from time to time.

ARTICLE VI

BOARD OF DIRECTORS

A. NUMBER AND QUALIFICATIONS. The business and affairs of the Association shall be managed and governed by a Board of Directors. The number of Directors constituting the initial Board of Directors shall be three (3). The number of Directors may be increased or decreased from time to time in accordance with the Bylaws of the Association, but in no event shall there be less than three (3) Directors. Directors need not be Members of the Association.

B. DUTIES AND POWERS. All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Members when such approval is specifically required.

C. ELECTION; REMOVAL. Directors of the Association shall be elected at the Annual Meeting of the Members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

D. TERM OF INITIAL DIRECTORS. The Developer shall appoint the members of the first Board of Directors who shall hold office for the periods described in the Bylaws.

E. INITIAL DIRECTORS. The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the Bylaws are as follows:

Frank Schlitt
3755 7th Terrace, Suite 301
Vero Beach, Florida 32960

Mary McLain
3755 7th Terrace, Suite 301
Vero Beach, Florida 32960

Sue Byrne
3755 7th Terrace, Suite 301
Vero Beach, Florida 32960

ARTICLE VII

TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or Officers or between the Association and any other corporation, partnership, association or other organization in which one or more of its Officers or Directors are Officers or Directors of this Association shall be invalid, void or voidable solely for this reason or solely because the Officer or Director is present at, or participates in, meetings of the board or committee thereof which authorized the contract or transaction, or solely because said Officer's or Director's votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that said Director or Officer may be interested in any such contract or transaction. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

Similarly, no contract or transaction between the Association and any other corporation, partnership, association, or organization in which one or more of the Officers or Directors of this Association may be an employee or have another affiliated relationship shall be invalid, void, or voidable solely because the Officer or Director of this Association serves as an Officer, Director, employee, principal or is otherwise affiliated with said corporation, partnership, association or other organization which is entering into a contract or transaction with the Association.

ARTICLE VIII

OFFICERS

The affairs of the Association shall be administered by the Officers holding the offices designated in the Bylaws. The Officers shall be elected by the Board of Directors of the Association at its first meeting following the Annual Meeting of the Members of the Association and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal of Officers, for filling vacancies and for the duties of the Officers. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:	Frank Schlitt 3755 7 th Terrace, Suite 301 Vero Beach, Florida 32960
Vice President:	Mary McLain 3755 7 th Terrace, Suite 301 Vero Beach, Florida 32960
Secretary:	Sue Byrne 3755 7 th Terrace, Suite 301 Vero Beach, Florida 32960
Treasurer:	Sue Byrne 3755 7 th Terrace, Suite 301 Vero Beach, Florida 32960

ARTICLE IX

MEMBERSHIP & VOTING

A. **MEMBERSHIP.** Every person or entity who is an Owner as defined in the Declaration, shall be a Member of the Association. Any person or entity who holds an interest in any Lot or Unit merely as security for the performance of an obligation shall not be a Member of the Association unless and until such holder of a security interest acquires title pursuant to foreclosure or judicial proceeding or deed-in-lieu of foreclosure. Membership

shall be appurtenant to and may not be separated from ownership of any Lot or Unit which is subject to assessment by the Association. Each Owner shall become a Member of the Association upon title to the Lot or Unit being conveyed by deed to such Owner and upon the recording of said deed among the Public Records of Indian River County, Florida, or upon a transfer of title by operation of law. Transfer of membership shall be established by the recording among the Public Records of Indian River County, Florida, of a warranty deed or other instrument establishing a record title to a Lot or Unit, the Owner or Owners designated by such instrument thereby becoming a Member or Members of the Association and the membership of the prior Owner or Owners thereupon being terminated.

B. VOTING. All votes shall be cast by Members in accordance with Article 5 of the Declaration as the same may be amended from time to time.

ARTICLE X

AMENDMENT

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

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

B. ADOPTION. The resolution for the adoption of a proposed amendment may be proposed by either a majority of the Board of Directors or by not less than two-thirds (2/3) of the Members of the Association. The approvals must be by not less than two thirds (2/3) of all the Members of the Association represented at a meeting at which a quorum thereof has been attained.

C. LIMITATION. No amendment shall make any changes in the qualifications for membership, nor in the voting rights or property rights of Voting Members or Members, nor any changes in Article V or Article XIII of the Articles entitled "Purposes and Powers" and "Indemnification," respectively, without the approval in writing of all Members. No amendment shall be made that is in conflict with the Declaration or Bylaws, nor shall any amendment make changes which would in any way affect the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or an affiliate of the Declarant, unless the Declarant shall join in the execution of the amendment. Notwithstanding anything to the contrary contained herein, until Declarant has turned over control of the Association as provided in Article XII of the Declaration, no amendment to these Articles shall be effective unless the Declarant shall consent to and join in the execution of the amendment. No amendment to this Paragraph C of Article X shall be effective.

D. DECLARANT AMENDMENT. The Declarant may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Declarant alone, including, but not limited to, Declarant's amendment to correct any scrivener's error as determined by Declarant in its sole discretion.

E. RECORDING. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the Public Records of Indian River County, Florida.

ARTICLE XI

BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws and the Declaration.

ARTICLE XII

INCORPORATOR

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

<u>Name</u>	<u>Address</u>
Peter J. Henn	3755 7th Terrace, Suite 301 Vero Beach, FL 32960

ARTICLE XIII

INDEMNIFICATION

A. INDEMNITY. The Association shall indemnify, hold harmless and defend any person (hereinafter referred to as "Indemnatee") who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, Officer or agent of the Association, including those selected, appointed, or elected by the Declarant, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed Indemnatee, that he was grossly negligent or that he acted willfully or wantonly in disregard of the interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding - by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person was grossly negligent or that he acted willfully or wantonly in disregard of the interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. **AGREEMENT TO DEFEND.** To the extent that a Director, Officer, employee or agent of the Association is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding whether civil, criminal, administrative or investigative by reason of the fact that he is or was a Director, Officer, employee or agent of the Association, including those selected, appointed, or elected by the Developer, the Association hereby agrees to defend and provide counsel to such Indemnitee and shall advance all attorneys fees and costs at all pretrial, trial and appellate levels. In the event retainers for attorneys' fees and/or costs are necessary to be provided, the Association shall advance such retainers, as well as having full responsibility for payment of attorneys' fees and costs that may be billed or otherwise become due during the pendency of any action, suit or proceeding or in advance of same in the event such action, suit or proceeding is threatened. The Indemnitee shall have the right of reasonable approval of any attorneys proposed to represent said Indemnitee. The agreement to defend provided for in this section shall be in addition and not in lieu of such other rights of reimbursement, indemnification and hold harmless provisions existing under this Article or any other provisions of the Articles and Bylaws of the Association, the Declaration and as elsewhere provided by law.

C. **EXPENSES.** To the extent that a Director, Officer, employee or agent of the Association including those selected, appointed, or elected by the Developer, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph A above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys, fees and appellate attorneys fees) actually and reasonably incurred by him in connection therewith. Any costs or expenses incurred by the Association in implementing any of the provisions of this Article XIII shall be fully assessable against Owners as Common Expenses of the Association.

D. **ADVANCES.** Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding, as provided hereinabove, by or on behalf of the affected Director, Officer, employee or agent, including those selected, appointed, or elected by the Developer, to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article XIII, in which event, the Indemnitee shall reimburse the Association for all attorneys' fees and costs advanced by it on behalf of the Indemnitee.

E. **MISCELLANEOUS.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaws, agreement, vote of Members, Florida law, or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent, including those selected, appointed, or elected by the Developer, and shall inure to the benefit of the heirs and personal representatives of such person.

F. **INSURANCE.** The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, including those selected, appointed, or elected by the Declarant, or is or was

serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

G. AMENDMENT. Anything to the contrary herein notwithstanding, the provisions of this Article XIII may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

ARTICLE XIV

SELF DEALINGS VALIDITY OF AGREEMENT AND WAIVER OF CLAIMS

A. SELF DEALING. No contract, agreement or undertaking of any sort between or among the Association, Directors, Officers, Members or the Developer shall be invalidated or affected by reason that any of them hold the same or similar positions with another condominium, homeowners or property owners association within the Property or that they are financially interested in the transaction or that they are employed by Declarant or Declarant's Affiliates.

B. VALIDITY OF AGREEMENT. No contract, agreement or undertaking of any sort between the Association and any entity or individual shall be invalidated or affected by reason that the Association, its Directors, Officers, the Declarant, its agents or employees hold a financial interest in or with the individual or entity.

C. WAIVER OF CLAIMS. By acquisition of a Lot or Unit, or any interest therein, within the Property, each and every individual or entity, of whatsoever kind or nature, thereby waives any claim for damages or other relief grounded in tort, contract, equity or otherwise arising out of the negotiation, execution, performance and enforcement of contracts, agreements or undertakings described above, that may accrue at the time of purchase or thereafter against the Association, its Directors, Officers, Members, the Declarant, Declarant's Affiliates, its agents or employees.

ARTICLE XV

DISSOLUTION

The Association may be dissolved by a unanimous vote of the Members at any regular or special meeting; provided, however, that the proposed action is specifically set forth in the notice of any such meeting, and that so long as Declarant owns one (1) or more Lots in the Property, the Declarant's written consent to the dissolution of the Association must first be obtained. In the event of the dissolution of this Association or any successor entity hereto, all Association property and maintenance obligations attributable to the Association shall be transferred to a successor entity or an appropriate governmental body for the purposes of

continuing the maintenance responsibilities originally performed by the Association or its successors in accordance with the terms and provisions of the Declaration.

ARTICLE XVI

INITIAL REGISTERED OFFICE AND AGENT

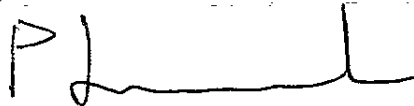
The street address of the initial registered office of the Association is:

3755 7th Terrace, Suite 301
Vero Beach, Florida 32960

and the name of the initial registered agent of the Association at said address is:

Peter J. Henn
3755 7th Terrace, Suite 301
Vero Beach, Florida 32960

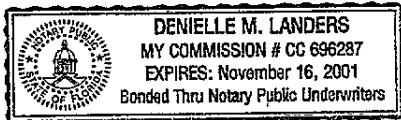
IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation on this 30th day of August, 2000.

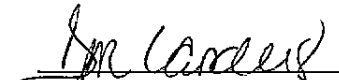


Peter J. Henn
Incorporator

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this 30th day of August, 2000 by Peter J. Henn, Incorporator of HARBOR ISLAND AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation, and who is personally known to me.





Sign Name of Notary Public

(NOTARY SEAL)

DENIELLE M. LANDERS

Print Name of Notary Public
My Commission Expires:

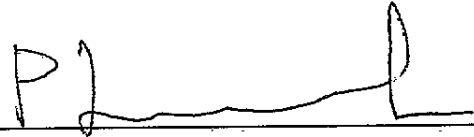
CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE
SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON
WHOM PROCESS MAY BE SERVED

In compliance with the laws of Florida, the following is submitted:

First, that desiring to organize under the laws of the State of Florida, the corporation named in the foregoing Articles of Incorporation has named PETER J. HENN whose address is: 3755 7th Terrace, Suite 301, Vero Beach, Florida 32960, County of Indian River, State of Florida, as its statutory registered agent.

Having been named statutory agent of said corporation at the place designated in this certificate, I hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.

Dated this 30th day of August, 2000.



Peter J. Henn
Registered Agent

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 AUG 31 PM 3:01