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MONROE COUNTY DANNY L. KOLHAGE

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DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS OF ISLANDER VILLAGE

THIS DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS OF ISLANDER VILLAGE (this "Declaration") is made by ISLANDER VILLAGE, LLC, a Florida limited liability company, hereinafter referred to as "Developer" or "Declarant."

WITNESSETH:

WHEREAS, Declarant is the holder of a 99-year leasehold interest in the real property (the "Property") pursuant to that certain Ground Lease Agreement (the "Ground Lease Agreement") between Declarant and Monroe County, which Ground Lease Agreement has been recorded in Official Records Book 2301 at Page 365, Public Records of Monroe County, Florida. The Property is located in Monroe County, Florida and is more particularly described in Exhibit A, annexed hereto; and

WHEREAS, the Ground Lease Agreement, a copy of which is attached hereto as Exhibit B, provides for the following required notice:

NOTICE OF RESTRICTIONS

ANY INSTRUMENT OF CONVEYANCE, LEASE, ASSIGNMENT, GRANT OR OTHER DISPOSITION OF ANY INTEREST IN OR TO ANY PORTION OF THE DEMISED PREMISES OR TO ANY IMPROVEMENTS ERRECTED THEREON WILL BE SUBJECT TO CERTAIN RESTRICTIONS INCLUDING BUT NOT LIMITED TO RIGHTS OF FIRST REFUSAL, USE, OCCUPANCY, INCOME, MEANS, RESALE, PRICE, RENTAL AND MORTGAGE LIMITATIONS, INCLUDING BUT NOT LIMITED TO THOSE SET FORTH IN OFFICIAL RECORDS BOOK 2301, PAGE 365 OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA; and

WHEREAS, in order to develop the Property into a residential community known as "Islander Village" (hereinafter, "Islander Village") and preserve and enhance the values and amenities of Islander Village and the architectural integrity and standard of Islander Village, it is necessary to declare and subject the Property to certain land use covenants, easements, restrictions, reservations, regulations, burdens and liens and to delegate certain powers, controls, easements and other rights to the home owners' association to be formed for such purposes; and

WHEREAS, Declarant has caused the Association, the Members of which shall be the respective Sublessees of Parcels and the Dwelling located within the Parcel in Islander Village and the Declarant, to be formed for the purpose of exercising the functions aforesaid; and

WHEREAS, Declarant intends to develop and/or operate all of Islander Village pursuant to a general plan, the site plan for which is attached hereto as Exhibit C, and subject to certain covenants and restrictions, including without limitation, restrictions for affordable housing, all running with title to the Property as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Declarant hereby declares that Islander Village shall be held, used, transferred, subleased, demised and occupied subject to the covenants, easements, restrictions, reservations, regulations, burdens and liens hereinafter set forth and that the provisions of this Declaration shall be covenants running with the lands which comprise Islander Village, i.e., the Property, and shall be binding on all parties having any right, title or interest in Islander Village or in any portion thereof, their heirs, personal representatives, successors and assigns and shall inure to each portion of Islander Village. The easements, restrictions, covenants, conditions, reservations, liens, charges and equitable servitudes set forth herein shall (i) run with the title to Islander Village or any portion thereof (including the respective appurtenances thereto) and the Common Properties and shall be binding upon and inure to the benefit of all persons having any right, title or interest therein, or any part thereof, their heirs, executors, administrators, personal representatives, successors and assigns; (ii) shall, without limiting the generality of the foregoing subparagraph, inure to the benefit of and be binding upon Declarant, its successors-in-interest, and each Owner, and his (her or their, as the case may be) respective successors-in-interest and his (her or their, as the case may be) agents, servants, employees, contractors, tenants, invitees, licensees and guests; and (iii) may be enforced by any Owner, and such Owner's successors-in-interest, including a mortgagee who has acquired the interest of any Owner by foreclosure or by deed in lieu of foreclosure, by the Association, and by the Declarant so long as it owns any portion of the Property (including, but not limited to, any Lot, Parcel or other portion of the Property).

ARTICLE 1
ESTABLISHMENT OF ISLANDER VILLAGE

1.1 Establishment. Islander Village is hereby established by Declarant, and the Property is hereby governed, restricted and in all respects encumbered by the Ground Lease Agreement, the Master Covenants and this Declaration and all amendments hereafter made in accordance with the provisions herein.

1.2 Encumbered Property. The real property, which is hereby encumbered by the Ground Lease Agreement, the Master Covenants and this Declaration, is located in Monroe County, Florida and more particularly described in Exhibit A annexed hereto shall be held, transferred, subleased and occupied subject to the Ground Lease Agreement, the Master Covenants and this Declaration.

1.3 Development Plan. The property described in Exhibit A herein is being developed as an affordable housing community to be known as "Islander Village." Islander Village consists of eighty-nine (89) lots (each a "Lot" or "Parcel"). Each Parcel will be improved with a home (each, a "Dwelling"). Each Parcel, including the Dwelling constructed thereon, will be subleased by an Owner, as hereinafter defined. Reference herein to properties within Islander Village shall not create any right, title or interest therein or constitute constructive notice thereof of any right, title or interest by any person or persons claiming by, through, under or against Declarant unless and until said property, or any portion thereof, has been subleased by the Declarant to an Owner. Notwithstanding that an Owner may have acquired a possessory interest through a sublease agreement in a Parcel as then depicted in a site plan proposed by Declarant, any reliance given to such site plan by an Owner shall not prohibit Declarant from modifying the site plan for Islander Village. Specifically, Declarant reserves all rights and powers provided in this Declaration, including, without limitation, the right to amend the site plan and those additional rights, reservations and exemptions more particularly enumerated in Articles 11 and 12 hereof.

ARTICLE 2
DEFINITIONS

2.1 Interpretation and Flexibility. The defined terms set forth below shall apply to all capitalized terms used in this Declaration unless the context shall require a contrary interpretation. In the event of any ambiguity or question as to whether any person, entity, property or improvement shall fall within any of the definitions contained in this Article, Declarant's determination (as evidenced by a recorded amendment to this Declaration) shall be binding and conclusive.

2.2 "Affiliate" shall mean, when used to modify the term "Declarant", any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Declarant. The term "control" as used in this definition means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of person, corporation, partnership or other association, whether through the ownership of voting securities, by contract or otherwise.

2.3 "Affordable Restrictions" shall mean those restrictions encumbering the Parcels as more particularly set forth in the Ground Lease Agreement, as amended from time to time.

2.4 "Articles" means the Articles of Incorporation of the Association which have been filed in the office of the Secretary of State, State of Florida for Islander Village Homeowners' Association, Inc., a Florida not-for-profit corporation, as the same may be amended from time to time.

2.5 "Assessment" means a share of the funds required for payment of Common Expenses, which from time to time is charged to the Parcel Owner.

2.6 "Assigns" means any person to whom some or all of an Owner which have been validly transferred by sale, lease, mortgage or otherwise.

2.7 "Association" means the Islander Village Homeowners' Association, Inc., a Florida not-for-profit corporation.

2.8 "Board of Administration" or "Board" means the board of directors responsible for administration of the Association.

2.9 "Building(s) " means the cluster building(s) for two or more residential dwellings situated within Islander Village.

2.10 "By-Laws" means the by-laws of the Association, as they exist from time to time.

2.11 "Committee" means the Architectural Control Committee.

2.12 "Common Expenses" means all expenses and assessments properly incurred by the Association for Islander Village, including, without limitation:

A. expenses of operation, maintenance, repair or replacement of Common Properties or Limited Common Properties;

B. costs of carrying out the powers and duties of the Association, including any assessments by the Master Association; and

C. any other expenses designated as Common by this Declaration or the By-Laws.

2.13 "Common Properties" means those portions of Islander Village excluding all Parcels but including easements, sidewalks and walkways, paths, green belts, fences, driveways, bike racks, pavilion, community pool, pool decking and pool bathrooms and Association-owned personal property used in connection with Islander Village.

2.14 "Common Receipts" means the following items collected by the Association on behalf of the Members:

A. funds collected from Owners for payment of Common Expenses or otherwise; and

B. receipts designated as common by law, this Declaration or the By-Laws.

2.15 "Common Surplus" means the excess of all Common Receipts over Common Expenses.

2.16 "County" means Monroe County, Florida and its duly authorized agencies and authorities, as applicable.

2.17 "Declarant" or "Developer" means: (a) Islander Village, LLC, a Florida limited liability company, its successors and those to which Declarant's rights hereunder shall be assigned specifically; and (b) for purposes of taking actions on Declarant's behalf under this Declaration, Declarant's duly appointed agent(s). Declarant shall have the right to assign all or a portion of its rights hereunder in connection with all or a portion of Islander Village. In the event of any partial assignment, the assignee shall not be deemed "a Declarant," but shall have all such rights as specifically assigned to it. As used with regard to Declarant, "successors and/or assigns" specifically does not include transferees of individual Parcels.

2.18 "Declaration" means this Declaration of Covenants, Restrictions and Easements of Islander Village, including all Exhibits annexed hereto, as well as all amendments to this Declaration, if and when filed of record.

2.19 "Dwelling" means one or more of the eighty-nine (89) residential dwellings within Islander Village, each of which is located within a Parcel that is intended to be subleased to an Owner and the residential dwelling that shall be part of the premises subleased to the Owner.

2.20 "Ground Lease Agreement" means that certain 99-year lease agreement for the Property between Monroe County and Declarant recorded in Official Records Book 2301 at Page 365, Public Records of Monroe County, Florida.

2.21 "Improvement" means any structure or artificially and intentionally created condition, together with all appurtenances thereto, of every type and kind located within Islander Village, including, without limitation, buildings, walkways, sprinkler pipes, roads, sidewalks, alleys, street lights, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, windbreaks, planted trees and shrubs, conduits for telephone lines, storm drainage, cable television lines, site lighting poles, signs and shared equipment and/or utility-type services such as water, sewer and electrical systems, and other commonly shared equipment and/or utility-type services, if any.

2.22 "Institutional Lender" means any bank, insurance company, FHA-approved mortgage lending institution, recognized pension fund investing in mortgages or federal or state savings and loan association which has a mortgage lien upon any Parcel or which has acquired and holds title to such Parcel either as a result of its foreclosure of any such mortgage lien or by its receipt of a deed in lieu of foreclosure.

2.23 "Limited Common Properties" means those Common Properties, which are reserved for the use of a certain Parcel or Parcels to the exclusion of all other Parcels, i.e., the driveway for some but not all Parcels as depicted in Exhibit C, assigned parking space(s) for Parcels as depicted in Exhibit C, and the Crickets joining the roofs of adjoining Dwellings as provided in Section 16.9 and as depicted in Exhibit D.

2.24 "Lot" or "Parcel" means the parcel of land which is the footprint of the Dwelling (expanded to 2" beyond the drip-line of the roof structure for the Dwelling) as shown in Site Plan for Islander Village, Exhibit C attached hereto, which will be subleased by the Parcel Owner, and any and all improvements thereon.

2.25 "Master Association" means the Master Association under the Master Covenants, i.e., Islander Village and Estates Master Property Owners' Association, Inc.

2.26 "Master Covenants" means that certain Declaration of Covenants, Restrictions and Easements for Islander Village and Estates Development, as recorded in Official Records Book 2368 Page 597 Public Records of Monroe County, Florida.

2.27 "Member" means member of the Association.

2.28 "Owner" means the record sublessee of the Parcel, whether one or more persons or entities hold the leasehold interest to any Parcel and the Dwelling located thereon.

2.29 "Property" means the real property described in Exhibit A, as the same may be amended from time to time by Declarant by acquiring (either in fee simple or leasehold interest) other portions of real property or by deleting portions of real property from the property encumbered by the Master Covenants and this Declaration.

2.30 "Surface Water Management System" means a system which is designed and constructed

or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse, alter to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity or quality of water discharges.

2.31 "Voting Interests" means the right to vote the respective votes assigned to Parcels.

ARTICLE 3
PROPERTY RIGHTS

3.1 Owner's Easement of Enjoyment. Subject to the terms and conditions of the Ground Lease Agreement, every Owner shall have a non-exclusive, common right and easement of ingress and egress and of enjoyment in, to and over, and use of the Common Properties which easement right shall be appurtenant to and shall pass with but shall not be separated from title to every Parcel within Islander Village, subject to the following conditions:

A. The right of the Association to reasonably limit the number of guests, invitees or licensees using the Common Properties, except as provided by law or herein to the contrary.

B. Uniform rules and regulations established by the Association from time to time pertaining to the use of the Common Properties and the Parcels including, but not limited to, all parking restrictions established by the Association from time to time within The Properties.

C. The right of the Association, in accordance with its Articles of Incorporation, Bylaws and this Declaration, with the vote or written assent of two-thirds (2/3rds) of the votes of Members in the Association, to borrow money for the purpose of improving the Common Properties and facilities and in connection therewith, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinate to the use rights of the Owners hereunder.

D. The right of the Association to suspend the right to use the Common Properties (except means of ingress and egress) of an Owner for any period during which any Assessment against such Owner's Parcel remains unpaid and delinquent and for a period not to exceed thirty (30) days for any single infraction of this Declaration or the rules and regulations of the Association, provided that any suspension of such voting rights or right to use the Common Properties shall be made only by the Board as provided in the Bylaws of the Association.

E. The right of the Association to dedicate, release, alienate, transfer or encumber all or any part of the Common Properties to or in favor of any public agency, authority or utility at any time and from time to time for such purposes and subject to such conditions as may be agreed to by the Members. So long as Declarant owns any portion of the Property, such dedication, release, alienation or transfer shall be effective without the approval, vote or written assent of the Members in the Association. At such time as Declarant owns no portion of the Property (or any part of future added real estate subjected to this Declaration so the term "Property" as used herein includes such added real estate), no such dedication, release, alienation or transfer shall be effective unless approved by the vote or written assent of two-thirds (2/3rds) of the votes of Members in the Association.

F. The right of the Declarant (and its agents, customers, representatives, servants, employees, licensees and invitees) to the non-exclusive use of the Common Properties, the facilities thereof,

and an easement on, over, under and through the Common Property or any portion thereof without charge, for the purpose of construction, reconstruction, repair and maintenance of the Improvements including, but not limited to, utility lines and for sales, display, access, ingress, egress, exhibit and other purposes.

G. The right of the Association (by action of the Board) to reconstruct, replace or refinish any Improvement or portion thereof upon the Common Properties, in accordance with the original design, finish or standard or construction of such Improvement, or of the general Improvements within the Common Properties, as the case may be.

H. The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Properties or Parcels and to maintain same and any systems serving same including, but not limited to, irrigation and sprinkler systems, if any.

I. The right of the Declarant to grant such other easements and rights over and upon the Common Properties as Declarant, in its sole discretion, deems appropriate, including, without limitation, rights of the public to access by, through, across and upon the Common Properties (which easements and rights shall be similarly granted by the Association).

J. The rights set forth in Article 16 hereof.

K. The rights set forth in Article 17 hereof.

L. The right of Declarant and the Association, subject to the provisions of applicable law, to restrict access, ingress and egress to and from Islander Village by maintaining a controlled entry system at locations designated by Declarant or the Association from time to time and such other restrictions as the Declarant or the Association shall impose from time to time.

M. Such other matters affecting title to the Property within Islander Village and rights of governmental authorities.

N. An irrevocable power of attorney, coupled with an interest, of all Owners in favor of Declarant, for as long as Declarant owns any Parcel within Islander Village, to exercise any of the foregoing or other rights or discharge any of the foregoing or other obligations which may be set forth herein for the benefit of Declarant or as an obligation of any Owner. This power of attorney shall be self-operative and shall not require any additional instrument to effect same. An Owner, by acceptance of a deed, thereby acknowledges and confirms (and, to the extent required, grants) the power of attorney set forth herein.

O. Anything to the contrary herein notwithstanding, no action authorized in this Section 3.1 shall be taken without prior written consent of the Declarant as long as the Declarant owns any property or Parcel within Islander Village.

3.2 Delegation of Use; Use by Others. Any Owner may delegate by lease, in accordance with the limitations of Section 12.05 of the Ground Lease Agreement, this Declaration and with the By-Laws, such Owner's right of enjoyment of the Common Properties to such Owner's permitted renters (but once so delegated, any such Owner shall not have such rights until the applicable lease expires, unless such Owner owns other Parcels where such rights were not so delegated). All guests, invitees and licensees of Owners shall also be entitled to use the Common Properties, subject to applicable rules, regulations and limitations on such rights.

3.3 Parking Restrictions.

A. All parking spaces shall be limited to designated parking spaces within Islander Village, as shown in the Islander Village Parking Plan, Exhibit C attached hereto, and additional guest parking spaces which shall be available on first-come, first-serve basis. Parking spaces are numbered in Exhibit C, e.g., parking space designated as PS 1 shall be a Limited Common Property for Parcel 1, etc. In addition, parking spaces may be provided by Declarant for some, but not all Parcels within the boundaries of the Parcels on ground level under the Dwelling structure or within the front driveway area for the Dwelling.

B. Parking shall be regulated pursuant to rules and regulations adopted by the Association from time to time.

3.4 Walkways. Declarant, and after conveyance of the Common Properties to the Association, the Association, shall have the right to designate and construct walkways over the Common Properties.

A. Such walkways maybe designated by various means including signage and by means of the materials used to construct such walkways, e.g., boardwalk slates, concrete, asphalt, etc. After the designation by signage or construction of the walkways, Declarant shall have the continuing right from time to time (until conveyance of the Common Properties to the Association) to modify, alter, discontinue on a temporary or permanent basis, or relocate walkways. After the Declarant conveys the Common Properties to the Association, the Association shall have the right to modify, alter, discontinue on a temporary or permanent basis, or relocate walkways.

B. All walkways located on the Common Properties shall be restricted to pedestrian use as a walking path for the limited purposes of light exercising and recreational strolling.

C. The following restrictions shall apply to the walkways:

(1) No vehicles of any kind shall be permitted on walkways except for strollers for small children, wheel chairs and other manual or electrically powered apparatuses for the persons disabled by physical handicaps or suffering from other disabling infirmities and electrically powered carts owned or approved by the Association for the maintenance operation and control of the Parcels;

(2) No person shall loiter or otherwise use any portion of the walkways for any extended period of time, it being the intent of these restrictions to limit gatherings in one location and to promote the use of walkways as a peaceful, designated path for the purpose of quietly meandering through Islander Village while enjoying the scenery;

(3) No commercial activities of any kind shall be permitted on the walkways; and

(4) No entertainment of any kind shall be permitted on the walkways.

D. The Association shall adopt such additional restrictions on the use of walkways as the Board shall deem in the best interest of the Owners in order to balance the protection of Owners, their guests and renters, from unnecessary noise or view obstructions while occupying their Parcels with the opportunity of all Owners, their guests and invitees, to enjoy the Common Properties.

3.5 No Waiver of Use. No Owner may release his Lot or Parcel or from assessments and liens hereunder by waiver of the use and enjoyment of the Common Properties.

3.6 Conveyance of the Common Properties. After all Parcels have been subleased to purchasers other than a Declarant Affiliate, or sooner at the option of the Declarant, the Declarant shall transfer its interest in the Ground Lease Agreement for all of the Common Properties to the Association, and the Association shall accept such assignment and assume, in writing, the obligations of the Ground Lease Agreement. The Common Properties shall be transferred by Declarant pursuant to an assignment of lease as approved by Monroe County pursuant to the Ground Lease Agreement. Such conveyance shall be free and clear of all liens and encumbrances, and subject only to:

A. All taxes and assessments for the year of conveyance and subsequent years;

B. Restrictions, conditions, easements, agreements, limitations, and reservations of record, including the Master Covenants;

C. Perpetual non-exclusive easements from and to any portion of the Property within Islander Village owned by the Declarant or its assignees at the time of the conveyance, which easements shall be for the use, benefit and enjoyment of Declarant, the Owners, its or their guests, invitees, licensees, successors and assigns;

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

E. The Ground Lease Agreement, as the same may be amended from time to time.

3.7 Declarant's Right to Encumber. Until the Declarant transfers its leasehold interest in the Common Properties to the Association, Declarant shall have the right to mortgage the Common Properties for the purpose of financing the development and construction thereof, or for any other purpose, provided that (a) the lender recognizes the rights of the Owners hereunder, (b) the Common Properties shall be free of mortgages at the time of conveyance to the Association, and (c) the Association or any of the Members (other than Declarant, if it so chooses) shall not be personally liable for payment of the debt secured by such mortgage(s).

3.8 Common Properties for Benefit of Owners. The Declarant, and after conveyance to it, the Association, shall hold the leasehold title to (and such rights in) the Common Properties for the benefit of those persons entitled to use same under the provisions of this Declaration (which shall be applicable from and after the date this Declaration is recorded whether or not the Common Properties are then owned by the Association).

3.9 Taxation of Common Properties. It is the intent of this Declaration that the Tax Assessor of the County shall include all ad valorem taxes for the Common Properties within the tax bill for the individual Parcels. In the event the Common Properties are taxed for the Common Properties, the Association shall pay such taxes and assess the Parcels on a prorata basis based upon the current ad valorem tax assessments as determined by the county tax assessor as part of the Common Expenses.

3.10 Construction Activities. Declarant, its agents, contractors, subcontractors, licensees and/or other designees may, from time to time, be engaged in construction, excavation, and other activities within or in proximity to Islander Village. By acceptance of a deed or other conveyance or mortgage, leasehold, license or other interest, each such Owner, lender and user and their respective successors and assigns automatically acknowledge, stipulate and agree:

A. None of the aforesaid activities shall be deemed a nuisance or offensive activity;

B. Not to enter upon or allow other persons under their direction or control to enter upon any portion of Islander Village where such activity is being conducted (even if not being conducted actively at the time of entry, such as at night or otherwise during non-working hours); and

C. Declarant, its agents, contractors, subcontractors, licensees and designees, shall not be liable for any direct or consequential losses, damages, injuries or deaths arising from or relating to the aforesaid activities.

3.11 Declarant's Reserved Rights. All of the foregoing property rights are subject to the rights reserved by the Declarant in this Declaration including those rights and exemptions in Articles 11 and 12 hereof.

3.12 Prohibition of Subdivision of Parcels. Unless pre-approved in recordable form by Declarant and Monroe County, no Lot or Parcel shall be subdivided or broken into smaller parts than as conveyed or constructed by Declarant and described in the surveyor's certificate attached to the deed of conveyance from the Declarant to the transferee-Owner of such Lot and Parcel, nor shall any Lot or Parcel or portion thereof be added to or incorporated into any other Lot or Parcel.

3.13 Assignments; Conveyancing of Parcels and Dwellings. Each Parcel and the Dwelling located within the Parcel shall be transferred together as appurtenances to each other and shall not be transferred separately whereby the Parcel would be separated from the Dwelling. Each Parcel shall be legally described and subleased with the form of reference as follows:

> Parcel ___ of Islander Village, according to the Declaration of Protective Covenants, Restrictions and Easements of Islander Village, as recorded in Official Records Book ___, at Page ___ of the Public Records of Monroe County, Florida.

Such description shall include an attachment as an exhibit that shall describe the Parcel by a metes and bounds description.

All assignments and transfers of Parcel subleases , including the Dwelling Improvements, including, without limitation, transfers upon the death of a Parcel Owner whether by devise or otherwise, shall be subject to Article XII of the Ground Lease Agreement with Monroe County.

3.14 Renting of Parcels by Parcel Owners. Any renting by a Parcel Owner of the Parcel Owner's Dwelling and/or Parcel is restricted to the permitted rentals as set forth in Section 12.05.e of the Ground Lease Agreement, including, without limitation, the requirement that the rental agreement be in writing and contain the following warning prominently set forth in the writing:

> **BY SIGNING THIS RENTAL AGREEMENT THE TENANT AGREES THAT UPON SURRENDER OR ABANDONMENT, AS DEFINED BY CHAPTER 83 FLORIDA STATUTES, THE LESSOR SHALL NOT BE LIABLE OR RESPONSIBLE FOR STORAGE OR DISPOSITION OF THE LESSEE'S PERSONAL PROPERTY.**

Any unauthorized offer to rent Parcel Owner's Dwelling and/or Parcel shall be deemed to become the subject of an irrevocable offer to sell the Parcel Owner's Dwelling and/or Parcel and thus subject to the right of first refusal provisions of Article XII of the Ground Lease Agreement.

3.15 Right of First Refusal. In order for any Parcel Owner to sell the Parcel Owner's Dwelling and/or Parcel and assign the Sublease, the Parcel Owner shall comply with the Right of First Refusal requirements as set forth in Section 12.05 of the Ground Lease Agreement, including, without limitation, the requirement that notice be given to Monroe County, as Lessor, with the information on the proposed sale required Section 12.05 of the Ground Lease Agreement.

ARTICLE 4
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Automatic Membership. Every Owner automatically shall be a Member of the Association upon becoming the Owner of such Parcel and shall remain a member until his ownership ceases for any reason, at which time his membership shall cease automatically. Other than as an incident to a transfer of leasehold title to a Parcel, membership in the Association shall not be transferable and any attempted transfer shall be null and void. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Parcel shall be entitled, by virtue of such lien, mortgage or other encumbrance to membership in the Association, or to any of the rights or privileges of such membership.

4.2 Limitation Upon Liability of the Association. Notwithstanding its duty to maintain and repair the Common Properties, the Association shall not be liable to Owners for injury or damage, other than the cost of maintenance and repair caused by latent conditions of the Common Properties. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements made by or on behalf of any Owner(s).

4.3 Declarant's Representation on the Board and Voting Rights. Declaration reserves unto itself the following rights notwithstanding any other provision in this Declaration, Articles or By-Laws.

A. Members other than the Declarant are entitled to elect at least a majority of the members of the Board when the earlier of the following events occurs:

(1) Three months after ninety percent (90%) of the Parcels that will ultimately be operated by the Association have been subleased to Members; or

(2) Such other percentage of the Parcels has been subleased to Members, or such other date or event has occurred, as is set forth in the governing documents in order to comply with the requirements of any governmentally chartered entity with regard to the Declarant's mortgage financing of the property or any portion thereof; or

(3) For purposes of this section, the phrase "Members other than the Declarant" shall not include builders, contractors, or others who purchase a parcel for the purpose of constructing improvements thereon for resale.

B. The Declarant is entitled to elect at least one member of the Board of the Association as long as Declarant holds for sale in the ordinary course of business at least one Parcel. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote any developer-owned

voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board.

4.4 Declarant's Right to Transfer Voting Rights. Declarant shall have the right to transfer all or any portion of its voting rights and/or any or all of its rights to appoint members of the Board and hereby reserves the right to transfer any or all of its voting rights and any or all of its rights to appoint members of the Board. The number of votes entitled to be cast, if any, and/or the number of members of the Board entitled to be appointed which are transferred by Declarant shall be set forth in the sublease agreement or other instrument of conveyance by the Declarant in Declarant's sole and absolute discretion. Such transferee, upon becoming the record sublessee of any portion of the Property shall be entitled to exercise the privilege of voting and/or of appointing such number of members to the Board as designated as aforesaid in the sublease agreement or other instrument of conveyance. The voting rights so transferred by Declarant shall not be thereafter assigned or transferred by such transferee of Declarant without Declarant's written consent, which consent may be unconditionally withheld. Anything to the contrary herein notwithstanding, (a) Declarant shall have the right to transfer its voting rights to a transferee who may or may not be an Owner, including, without limitation, any institutional lender, and (b) the restriction of transferring voting rights as stated herein shall not be imposed upon or affect any institutional lender acquiring a Parcel through foreclosure, deed-in-lieu of foreclosure or similar acquisition of interest.

4.5 Voting Rights. Subject to the Declarant's voting rights in Section 4.3 hereof, each Lot or Parcel shall be entitled to one (1) vote to be cast by the Owner. When more than one person holds an interest in a Parcel the vote(s) for such Parcel shall be cast by the Owner designated in a certificate filed with the Association and signed by all persons owning an interest. The vote(s) for each Parcel is (are) indivisible. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Parcel. Transfer of ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee. Notwithstanding anything contained in this Declaration to the contrary, until such time as Declarant shall have subleased all the Parcels (whether or not improved with Dwellings) contained within Islander Village, exclusive of conveyances to entities related to or affiliated with Declarant or conveyances to other Declarants, or until Declarant sooner shall elect to transfer control to the non-Declarant members of the Association, Declarant shall have the sole and exclusive right to elect all officers and directors of the Association. During the period of Declarant's control, all Owners other than Declarant shall have a non-voting membership in the Association unless this provision is waived in writing by Declarant. In the event Declarant, in its absolute discretion, elects to turn over control of the Association to the Owners prior to Declarant's required turn over, Declarant shall retain the right to appoint one (1) Director to the Board for so long as Declarant or an entity related to Declarant owns a Parcel within Islander Village, including any reacquired Parcel.

ARTICLE 5
DUTIES AND POWERS OF THE ASSOCIATION

5.1 In General. The Association shall govern, operate, control, manage and maintain the Common Properties, pursuant to the terms and provisions of this Declaration, the Articles of Incorporation and the By-Laws. The Association shall pay all real property ad valorem taxes and all governmental liens assessed against the Common Properties. The Association shall further have the responsibility to hire personnel and to maintain, repair, and replace the Common Properties, including, without limitation, landscaping, irrigation, fencing, community area, street lights and the community sign (if any), at the expense of the Association.

5.2 Additional Powers of Association. The Association, acting through the Board, shall also have, subject to any priority rights of Declarant, the power and duty to:

A. Maintain, protect, repair, and replace the Common Properties, including without limitation, and all Improvements thereon, if any, in accordance with the provisions of this Declaration;

B. Preserve and enhance the natural beauty of Islander Village and the portions of the Parcels that are contiguous to the landscaped areas of the Limited Common Properties and Common Properties exclusive of the Dwellings of the Members of this Association;

C. Promote the health, safety and social welfare of the Owners, their guests and invitees;

D. Own, operate, govern, administer and manage the Common Properties;

E. Control the specifications, architecture and design appearance of Islander Village, including, but not limited to, elevation and location of, and landscaping around, all improvements of any type, including: walls, fences, swimming pools, dune crossings, antennae, sewers, drains, disposal systems, or other structures constructed, placed or permitted to remain in Islander Village, as well as the alteration, improvement, addition or change thereto in order to preserve and maintain an integrated architectural design within Islander Village;

F. Insure compliance with and to maintain all permits for the operation of Islander Village, of whatever nature, as required by governmental entities having jurisdiction over Islander Village;

G. Make and collect assessments, of any type, in accordance with the terms herein;

H. Provide for such services the responsibility for which has been delegated to this Association by the terms hereof, and to provide capital improvements and equipment related thereto on the Common Properties;

I. Provide, purchase, acquire, replace, improve, maintain and/or repair such buildings, structures, landscaping, paving and equipment, both real and personal, related to the health safety, and social welfare of the Members as the Board, in its discretion, determines to be necessary, appropriate, and/or convenient;

J. Preserve scenic assets, natural features and natural and man-made recreational areas, if any, in Islander Village, to the maximum extent feasible;

K. Oversee the general operation and maintenance of Islander Village in such a manner as to prevent substantial injury to the use and value of all or any part of Islander Village, including, without limitation, all swales and storm water drainage system;

L. Operate without profit for the sole and exclusive benefit of its Members;

M. Assure that the provisions of the Declaration and the Master Covenants are duly enforced and/or complied with;

N. Maintain the driveways within the Limited Common Properties and Common Properties, including cleaning and periodic resurfacing, and to maintain, operate and replace any street lights now located or to be installed on the Common Properties;

O. For the benefit of the Common Properties and the entire Project, (i) obtain all commonly metered water, sanitary sewage, gas and electric services and other such utilities or services, and (ii) provide for all refuse collection and cable or master television service (if any), as necessary, whether from Declarant if it so elects or other provider should Declarant waive its rights under Article 10. Nothing herein shall create any liability on the part of the Association for consequential or other damages resulting from the inability of the Association to so obtain, produce, circulate and provide any of the foregoing services for reasons beyond the Association's reasonable control, nor prohibit the Association from temporarily interrupting the foregoing services in order to effect necessary repairs, maintenance and replacement;

P. Grant easements, rights of way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Properties to serve the Common Properties and other portions of Islander Village;

Q. Maintain such policy or policies of liability, fire, flood, windstorm and other insurance with respect to the Common Properties and personal property located thereon or used in connection therewith, if any, owned by the Association or the Declarant as provided herein in furthering the purposes and protecting the interests of the Association and Members and as directed by this Declaration and the Bylaws of the Association;

R. Take such other action which the Board shall deem advisable with respect to Islander Village as may be permitted hereunder or under law;

S. To do and perform all such other acts and things permitted and to exercise all powers granted to a corporation not for profit under the laws of the State of Florida as those laws now exist or as they may hereafter provide; and

T. To comply with all federal, state and local requirements concerning environmental protection including, but not limited to: the compliance with all water quality monitoring requirements; and the maintenance of the storm water management system.

5.3 Association Expenses. The Association shall, through the Board, fix and determine from time to time the sum(s) necessary and adequate to provide for the expenses of the Association. The expenses of the Association shall be assessed against the Owners as provided in Article 6 hereof.

5.4 Title to Common Properties; Conveyances to the Association. The Association shall be obligated to accept any and all assignments of leasehold interests in the Ground Lease Agreement or other deeds of conveyance delivered to it by Declarant which assignment or deed(s) convey title to all or any portion of the Common Properties.

5.5 Rules and Regulations. The Board may from time to time adopt or amend Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Parcels and the Common Properties.

5.6 Budget and Accounting. The Board shall adopt a budget for each fiscal year. Such budget shall contain estimates of all costs and expenses for the proper operation, management and maintenance of the Common Properties, including a reasonable allowance for contingencies and reserves, and shall take into account the projected income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Common Expenses also shall include the cost of maintaining leaseholds, memberships and other possessory or use interests in lands and facilities to provide enjoyment, recreation or other use or

benefit to Owners, all as acquired by lease or agreement in form and content satisfactory to the Board, including amounts which the Association may agree to pay to Declarant for services or availability of service, including management. Assessments shall be established based upon such budget. The Association shall comply with Chapter 617 concerning the adoption, notice and other requirements for homeowner associations.

5.7 Reserves.

A. Reserves for Capital Expenditures and Deferred Maintenance. Each annual budget shall include sums to be collected and maintained as reserves to be used for capital expenditures and deferred maintenance. Such reserves may be waived or reduced for a fiscal year by the affirmative vote of at least one-half (½) of the Voting Interests of the Association at a duly called meeting of the Association. If such a meeting shall have been called and the necessary vote for waiver or reduction shall not have been attained or a quorum shall not have been obtained, the reserves as set forth in the budget shall go into effect.

B. General Operating Reserve. Each annual budget may include a sum to be collected and maintained as a general operating reserve, which sum may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by Owners or as a result of emergencies or to pay other costs or expenses placing financial stress upon the Association. The amount to be allocated to such operating reserve and collected therefor shall not exceed ten percent (10%) of the current annual assessment levied against all of the Owners. Upon accrual in the operating reserve of a sum equal to thirty percent (30%) of the current annual assessment, no further payments shall be collected, unless such operating reserve shall be reduced below the thirty percent (30%) level, in which event, contributions to such operating reserve shall be included in the annual assessment so as to restore the operating reserve to thirty percent (30%) of the current annual assessment.

5.8 Collections. All monies collected by the Association shall be treated as the separate property of the Association. Such monies may be applied by the Association to the payment of any expense of operating the Association, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws. Monies for any assessment paid to the Association by any Owner may be commingled with monies paid to the Association by the other Owners. Although all funds and the Common Surplus shall be held for the benefit of the members of the Association, no member shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to his Parcel. When an Owner shall cease to be a member of the Association, the Association shall not be required to account to him for any share of the funds or assets of the Association, or for any sums which he may have paid to the Association.

5.9 Members' Rights. The Association shall be run by the Board and the Members shall only have such power as is specified herein or in the Articles or Bylaws. In the absence of a specific requirement of approval by Members, the Board may act on its own through its proper officers with or without a specific authorizing resolution.

5.10 Exterior Maintenance by the Association.

A. In addition to maintenance upon the Common Properties, the Association shall also be responsible for the maintenance of all Crickets between Common Roofs (as provided in Section 16.9 hereof), which Crickets have been designated as Limited Common Properties.

B. The Association may provide exterior maintenance service to any Parcel, including the exterior of a Dwelling, pursuant to Section 8.14 hereof. The provision of any exterior maintenance services by

the Association for any Parcel in Islander Village pursuant to Section 8.14 hereof shall not be deemed to constitute and does not constitute an acceptance of the ongoing responsibility to maintain such properties. At such time as the Association renders exterior maintenance services, it shall do so at the sole expense of the Owner(s) for which services were rendered and shall be assessed in accordance with this Declaration as a Special Individual Assessment except such Special Individual Assessment shall not be a lien on the Parcel as a Common Expense Assessment.

5.11 Access at Reasonable Hours. For the purpose of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right without prior notice, to enter upon any Parcel which is the subject of the maintenance assessment at reasonable hours on any day except on Sunday.

5.12 Easement for Maintenance. The Association is hereby granted a non-exclusive easement to enter upon any Parcel or the exterior of any Dwelling, and any property in Islander Village owned by the Declarant in order to provide exterior maintenance service to and upon any structure located on or upon any of such enumerated properties in accordance with the terms of this Article, including, without limitation, the right to erect and maintain thereon scaffolding or other equipment required for such maintenance service.

5.13 Fines. Notwithstanding the availability of other remedies set forth elsewhere in this Declaration, the Association shall also have the power to assess reasonable fines to enforce any of the provisions of this Declaration, the By-Laws, or rules and regulations promulgated in connection therewith, provided only that appropriate notice and right to appear be granted to any Owner subject to such fines as provided herein.

A. In the event a Parcel Owner or occupant fails to observe and perform all of the provisions of the Declaration, the By-Laws, of the Association, or reasonable rules and regulations of the Association, the Association shall have the right to impose a fine against the Parcel Owner and the Parcel. The amount of any fine shall be determined by the Board of the Association, but in any event shall not exceed any maximum amount permitted by under the Chapter 718 (the Condominium Act) for condominium associations, as such Condominium Act may be amended from time to time. Any fine shall be imposed by written notice to the Parcel Owner or tenant, signed by an officer of the Association. The Parcel Owner, tenant, or other party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days. Said notice shall specifically state the amount of the fine, the date, time and place of the hearing; the provisions of the Declaration, By-Laws, or rules which have allegedly been violated; and a short and plain statement of the matter asserted by the Association.

B. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

C. Hearing shall be held before a committee of other Parcel Owners (the "Fines Committee"). At the hearing, the Fines Committee shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and that the fine imposed is appropriate. The Parcel Owner, tenant or other party against whom the fine is sought to be levied shall have the right to attend the hearing and to produce evidence on his behalf, and if the Parcel Owner or tenant fails to attend then the hearing will be deemed waived and the Fines Committee may ratify the fine without further proceedings. At the hearing the Fines Committee shall ratify, or disagree with, the fine. If the Committee does not agree with the fine, the fine may not be levied. If a majority of the Fines Committee members agrees with the fine, the Association shall

give the Parcel Owner, tenant or other party against whom the fine is sought, written notice of the Fines Committee's decision. Any fine shall be due and payable within ten (10) days after written notice of the Fines Committee's imposition of the fine. If any fine is levied against a tenant and is not paid within ten (10) days after same is due, the Association shall have the right to evict the tenant. Any Parcel leased by the Parcel Owner shall be leased pursuant to a written agreement that shall contain the foregoing provision, and any Parcel that is not leased by a written document or any Parcel leased pursuant to a written agreement that fails to include the foregoing provision shall be deemed to be leased subject to the provisions hereof.

D. In any proceeding arising because of an alleged failure of a Parcel Owner or the Association to comply with the requirements of this Declaration, the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees).

E. All rights, remedies and privileges granted to the Association or the Parcel Owners pursuant to any terms, provisions, covenants or conditions of this Declaration or other Association 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 at law or in equity.

5.14 Flood Area; Surface Water Management System. The ground level of Islander Village is within a flood zone as established by the Federal Emergency Management Agency (FEMA) and the National Flood Insurance Program (NFIP). In case of flooding, all such areas are subject to possible flooding. All Improvements and other property located within the Parcels are subject to possible damage in the event of flooding, the total risk for which is assumed by the Parcel Owner, their guests, invitees, licensees and other users. The Association shall be responsible for the maintenance, operation and repair of the Surface Water Management System. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance or other surface water or storm water management capabilities as determined by the Board. Developer has constructed drainage swales within the Common Properties and Parcels for the purpose of managing and containing the flow of excess surface water. The general location of the swales is depicted in the Swale Plan, Exhibit E of this Declaration. The Association shall be responsible for the maintenance, operation and repair of the swales within Islander Village.

ARTICLE 6
ASSESSMENTS

6.1 Purpose. Assessments levied by the Association shall be used to promote the common health, safety, benefit, recreation, welfare and aesthetics of the Owners and to maintain, repair and replace the Common Properties and such portion of Parcels as delegated to the Assessment in this Declaration.

6.2 Assessments. The Board shall have the power to fix, determine and collect from all Owners, as provided in the By-Laws, the sums necessary and adequate to provide for the Common Expenses and such other expenses as are specifically provided for in this Declaration and the By-Laws. The Board shall furnish prompt notice to Owners of all assessments payable.

A. Allocation. Unless otherwise stipulated, all assessments shall be levied on an equal, prorata basis with all Owners. Should the Association be the owner of any Parcel(s), the assessment which

otherwise would be due and payable to the Association on such Parcel(s) shall be levied ratably among all of the Owners excluding the Association.

B. Special Assessments. Should the assessments prove to be insufficient to pay the costs of operation of the Association, or should any emergency arise, including, without limitation, the following: (a) reconstruction of portions of the Common Properties; and (b) unexpected repairs or replacements. The Board shall have the authority to levy such additional assessment(s) as it may deem necessary, subject to obtaining the Association Membership's approval of such Special Assessment by a majority of those Members voting at a duly called meeting of the Association at which a quorum is present. The specific purpose(s) of any Special Assessment shall be set forth in a written notice of such assessment sent or delivered to each Owner. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose(s) set forth in such notice or returned to the Owners; provided, however, that upon completion of such specific purpose(s), any excess funds shall be considered Common Surplus. Anything herein to the contrary notwithstanding, as long as Declarant owns at least two (2) Parcels in Islander Village, no Special Assessment shall be authorized without Declarant's prior written approval. Special assessments deemed to be for costs of operation primarily for the benefit of specific Lots or Parcels shall be assessed only against such Lots or Parcels.

C. Certificate of Unpaid Assessments. Within fifteen (15) days after request by an Owner or Parcel mortgagee, the Association shall provide a certificate stating all assessments and other monies owed to the Association by the Owner with respect to the Parcel. Any person other than the Owner who relies upon such certificate shall be protected thereby.

D. Payment; Default. The assessments levied against each Owner shall be payable at the main office of the Association in such installments and at such time as may be determined by the Board of Administration as provided in the By-Laws. The payment of any such assessment shall be in default if it is not paid to the Association on or before its due date.

6.3 Annual Assessments; Budget. The Board shall fix, determine and collect the sums necessary and adequate to pay for the general expenses of the Association and any assessment levied by the Master Association against the Affordable Housing Parcel under the Master Covenants. The annual assessment shall be determined by the Board based upon an estimated annual budget, which shall be prepared at least forty-five (45) days prior to the commencement of the fiscal year. The Association's fiscal year shall be the calendar year beginning with the calendar year in which this Declaration is recorded in the Public Records of the County. Assessments shall be payable monthly in advance or at such other time as determined by the Board at the main office of the Association. The payment of any assessment shall be in default if it is not paid to the Association on or before its due date.

6.4 Special Individual Assessments. In addition to the annual assessments, and Special Assessments, the Association may levy special assessments to pay the costs of such items as are determined necessary or appropriate by the Board. Special individual assessments against certain Lots, Parcels and Owners and in differing amounts as necessary or appropriate.

6.5 Subordination of Liens to Mortgages. Assessment liens shall be superior to all other liens, except tax liens and first mortgage liens in favor of Institutional Lenders or Declarant. The sale or transfer of a Parcel, pursuant to a decree of foreclosure or where the Institutional Lender takes a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due and payable prior to the date of such decree or deed in lieu of foreclosure only pursuant to superior mortgages as provided above. Such sale or transfer shall not relieve such Parcels from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

6.6 Certificates. The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing by an officer of the Association, setting forth whether assessments have been paid. Such certificate shall be conclusive evidence as to any assessment therein stated to having been paid.

6.7 Liability of Declarant. Anything to the contrary herein notwithstanding, Declarant shall not be liable for any Assessments imposed upon Parcels or Lots for which it is the Owner as long as the Declarant pays all deficits in operation of the Association above the Assessments and capital contributions and other sums collectible from other Owners or otherwise. Declarant may at any time and from time to time be relieved of all obligations to fund deficits by electing, for any Assessment period or periods, to pay Assessments imposed on Parcels or Lots for which it is the Owner.

6.8 Initial Assessment for New Members. Declarant shall collect from every Owner at the time of closing and every such Owner, other than Declarant, its successors or assigns, shall pay to the Association an amount equal to two months of monthly assessment charges to be used as working capital for the Association. This obligation to pay an initial capital assessment shall apply to transferees from the Declarant and all subsequent transferees from time to time.

ARTICLE 7
EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF ASSOCIATION

7.1 Application of Proceeds in Event of Default. In the event that a Parcel is to be sold, leased or mortgaged at a time when payment of any assessment by the Owner shall be in default (whether or not a notice of lien has been recorded by the Association), then the proceeds of such purchase or mortgage shall be applied by the purchaser or mortgagee first to payments of any then delinquent assessment or installments thereof due to the Association before the payment to the Owner in default.

7.2 Liens; Enforcement.

A. The assessments shall be levied against each Owner(s) who is bound to pay them. Common Expenses and assessments shall constitute a lien against each Parcel and shall have the priority afforded by law. Actions to enforce such claims shall be in conformity with the law. Each Owner also shall be liable personally to the Association for the payment of all such assessments and for interest on any delinquent payment and for all costs of collecting such payment and interest thereon, including reasonable attorneys' fees. No Owner may exempt himself from liability for any assessment levied against him by waiver of the use or enjoyment of any of the Common Properties, or by abandonment of the Parcel or Dwelling or in any other way. Assessments which are unpaid after the due date shall bear interest at the maximum rate of interest chargeable to an individual as permitted by the laws of the State of Florida. Once interest has accrued, any subsequent payment shall be applied first to payment of interest and collection costs and then to the payment of the assessment first due.

B. Each such lien shall secure: (i) all advances for taxes, payments on account or superior mortgages, liens or encumbrances and any other payments which the Association may pay in order to preserve and protect its lien; and (ii) all costs and expenses, including reasonable attorneys' fees, which may be incurred by the Association in enforcing the lien upon the Parcel.

C. Each lien herein granted to the Association shall be effective upon recording a notice of lien in the Public Records of the County. A notice of lien shall state the description of the Parcel and Dwelling encumbered thereby, the name of the record owner, the amount due and the date when due. No lien shall continue for a period longer than one (1) year after the claim of lien shall have been recorded, unless within that time an action to enforce the lien shall be commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments. Such claim of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such lien, the same shall be satisfied of record.

D. The Association, acting through the Board, shall have the right to assign to Declarant or to any Owner(s) or third party its lien rights for the recovery of any unpaid assessments.

E. A lien granted to the Association may be foreclosed against the leasehold interest in the Parcel and the Dwelling. No foreclosure action may be filed until at least thirty (30) days after the Association gives written notice to the Owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall not recover attorneys' fees or costs. The notice must be delivered personally to the Owner or mailed and delivered by registered or certified mail, return receipt requested. If, after diligent search and inquiry, the Association cannot find the Owner or a mailing address at which the Owner will receive the notice, the notice shall be given as required by law.

F. If the Owner remains in possession of the Parcel and/or Dwelling and the claim of lien is foreclosed, the court, in its discretion, may require the Owner to pay taxes and prior encumbrances and interest thereon, all as provided above. Such notice of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such lien, the same shall be satisfied of record.

G. Institution of a suit at law to collect payment of any delinquent assessment shall not prevent the Association from thereafter seeking enforcement of the collection by foreclosure of any sums then owing to it. Proceeding by foreclosure to effect such collection shall not preclude the institution of a suit at law to collect any sum then owing to it.

H. A Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the Owner and shall be subject to all of the provisions of this Declaration, the By-Laws, the Rules and Regulations and applicable law. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the Common Expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by grantee. Any person who acquires an interest in a Parcel and/or Dwelling (except through a foreclosure of a recorded first mortgage or acceptance of a deed in lieu thereof) shall not be entitled to occupancy of the Parcel or Dwelling or enjoyment of the Common Properties until such time as all unpaid assessments and other charges due and owing by the former owner have been paid.

When an Institutional Lender of record, or other purchaser of a Parcel and Dwelling shall obtain title to a Parcel and Dwelling by a purchase at a public sale resulting from the Institutional Lender's foreclosure judgment in a foreclosure suit in which the Association shall have been properly named as a defendant junior lienholder, or as a result of a deed given in lieu of foreclosure, such acquirer of title, its successors and assigns shall not be liable for the share of Common Expenses or assessments attributable to the Parcel or chargeable to the former Owner of the Parcel which became due prior to such acquisition of title unless the share shall be

secured by a claim of lien for assessments recorded prior to the recording of the foreclosed mortgage. The unpaid share of Common Expenses or assessments shall be Common Expenses collectible from all of the Owners, including such acquirer, its successors and assigns. An Institutional Lender acquiring title to a Parcel by foreclosure or deed in lieu of foreclosure shall not, during the period of its interest in the Parcel and Dwelling, whether or not the Parcel and Dwelling are unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership.

7.3 Liens; Personal Obligations. Each Owner hereby gives and grants unto the Association a lien against such Owner's Parcel and Dwelling for the Owner's respective share of the assessments due the Association. The lien herein granted shall commence upon the recording of this Declaration in the Public Records of the County. Owner, for each Parcel and Dwelling subleased by it, and each other Owner, by acceptance of a sublease thereto, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments; (b) special assessments; and (c) special individual assessments. Each such assessment, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a charge on the applicable Parcel and Dwelling and shall be a continuing lien thereon against which each such assessment is made. Each such assessment, together with interest, late charges, costs and reasonable attorneys' fees shall also be the personal obligation of the person(s) subleasing such Parcel at the time when the assessment came due.

7.4 Delinquencies; Enforcement. Unpaid assessments shall be a continuing lien on the applicable Parcels and Dwellings which shall bind such Parcels and Dwellings in the hands of the then Owner, his or her heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain as personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. Assessments shall bear interest from the due date until paid at the maximum rate allowed by law for an individual. A late charge shall be due in the amount of twenty-five ($25.00) dollars per monthly assessment or portion thereof past due or five percent (5%) of the monthly assessment past due, whichever is greater, and the Association may bring an action at law against the Owner personally obligated to pay the same or an action to foreclose the lien against the Parcel, and there shall be added to the amount of such assessment reasonable attorneys' fees and costs incurred in collecting such assessment, and in the event that judgment is obtained, such judgment shall include interest on the assessment and late charges as above provided and reasonable attorneys' fees, together with the cost of the action, including attorneys' fees and costs on appeal. Liens may be foreclosed in the same manner as mortgages are foreclosed.

ARTICLE 8
ARCHITECTURAL/LANDSCAPE CONTROL

8.1 Members of Committee. The Architectural Control Committee, sometimes referred to in this Declaration as the "Committee", shall consist of three (3) members. The initial members of the Committee shall consist of persons designated by Declarant. Each of said persons shall hold office until all Parcels planned for Islander Village have been constructed, created and subleased to Owners, or sooner at the option of Declarant. Thereafter, each member of the Committee shall be appointed from time to time by the Directors.

8.2 Review of Proposed Construction.

A. Subject to Articles 11 and 12 of this Declaration and any other exemption granted to Declarant pursuant to the terms of this Declaration, no building, fence, wall or other structure or Improvement (including landscaping, trees, shrubs, vegetation and ground cover) shall be commenced, removed, altered, painted, erected or maintained in Islander Village, nor shall any addition, change or alteration visible from the exterior of Dwellings be made, nor shall any awning, canopy or shutter be attached to or placed upon outside walls or roofs of Buildings or other improvements, until the plans and specifications showing the nature, kind,

shape, height, materials and location of the same shall have been submitted to, and approved in writing by, the Committee. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations, additions or use contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of Islander Village as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable. The Committee may condition its approval of proposals and plans and specifications as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plans submitted for approval. The Committee shall have thirty (30) days after delivery of all required materials to approve or reject any such plans, and if not approved within such 30-day period, said plans shall be deemed approved. The Committee herein shall be the ultimate deciding body and its decisions shall take precedence over all others.

B. The Committee shall have the right to promulgate such further rules and regulations as it deems necessary in order to preserve the values and appearance of Islander Village and hereafter, to modify, alter, amend, rescind and augment any of same (collectively "Design Rules") provided that the Design Rules so promulgated shall not be in conflict with the provisions of the Declaration. Such Design Rules shall not become effective until approved by the Declarant in writing so long as the Declarant owns any portion of Islander Village and thereafter by the Board. The Committee may adopt a schedule of reasonable fees for the processing of applications which fees shall be subject to the approval of the Board.

C. The Committee shall also have the right to determine from time to time the use that each Parcel or Property (or portion thereof) may be subject to, and may prohibit or restrict a particular use notwithstanding that such use may be permitted by any applicable zoning law, ordinance, rule or regulation.

D. All changes and alterations shall be subject independently to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees.

8.3 Meeting of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8 hereof. In the absence of such designation, the vote of any two (2) members of the Committee shall continue an act of the Committee.

8.4 No Waiver of Future Approvals. The approval of the Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

8.5 Compensation of Members. The members of the Committee shall receive compensation for services rendered as determined by the Board, in addition to reimbursement for expenses incurred by them in the performance of their duties hereunder.

8.6 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

A. Upon the completion of any work for which approved plans are required under this Article 8, the applicant for such approval (the "Applicant") shall give written notice of completion to the Committee.

B. Within ten (10) days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not effected in substantial compliance with the approved plans, it shall notify the Applicant in writing of such noncompliance within such ten (10) days period, specifying the particulars of noncompliance, and shall require the Applicant to remedy the same.

C. If a noncompliance exists, the Applicant shall remedy or remove same within a period of not more than thirty (30) days of such notification. If, upon the expiration of thirty (30) days from the date of such notification, the Applicant shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. The Board, at its option, may either remove the non-complying Improvement or remedy the noncompliance, and the Applicant shall reimburse the Association, upon demand, for all expenses incurred in connection therewith, plus a 25% administrative charge. If such expenses are not promptly repaid by the Applicant to the Association, the Board shall levy a Special Assessment against such Applicant for reimbursement plus the 25% administrative charge. The entry upon the property by the Association or its agents for the purpose of affecting the terms of this provision is expressly permitted and shall not constitute a trespass.

D. If for any reason the Committee fails to notify the Applicant of any noncompliance within thirty (30) days after receipt of said written notice of completion from the Applicant, the Improvement shall be deemed to have been made in accordance with said approved plans.

8.7 Non-Liability of Committee Members. Neither the Committee, nor any member thereof, nor its duly authorized Committee representative, shall be liable to the Association, any association, or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and then only that member shall have any liability. The Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to Islander Village. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

8.8 Variance. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any supplemental declaration, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations require. Such variance must be evidenced in writing which must be signed by at least two (2) members of the Committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any supplemental declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions of this Declaration or of any supplemental declaration for any purpose except as to the particular property and particular improvement for which the variance was granted.

8.9 Exterior Appearance and Design. The Owners of any Improvement which has suffered damage must apply for approval to the Architectural Committee for reconstruction, rebuilding or repair of the Improvements therein. Application for such approval shall be made promptly after such damage and shall be in writing, together with full and complete plans and specification, working drawings and elevations showing the proposed reconstruction and the end result thereof. The Architectural Committee shall grant such approval only if upon completion of the work the exterior appearance and design will be substantially like that which existed prior to the date of the casualty. Failure of the Architectural Committee to act within thirty (30) days after receipt of such a request in writing together with the drawings and plot plans showing the full and complete nature of the proposed changes shall constitute approval thereof. If the obligation for repair falls upon the Association, Architectural Committee approval will not be required prior to the commencement of such work.

8.10 Time Limitation - Commencement and Completion of Construction. The Owner of a Parcel shall commence construction of the Parcel(s) permitted to be constructed thereon not later than the first to occur of (a) six months following the date on which the last of the requisite approvals have been obtained by Declarant for the issuance of building permits with respect to said Parcel(s) or (b) one year after the date of closing on the transfer of the Parcel(s) by Declarant to the Owner as evidenced by the date of delivery of the deed to said Parcel(s). Said Parcel Owner shall complete construction of said Parcel(s) (as evidenced by issuance of a certificate of occupancy) within 180 days of commencement. Parcel Owners shall be required to complete construction of all Parcels in said parcel (evidenced by the issuance of a certificate of occupancy therefor) within two years from the date of closing on the transfer of the Parcel by Declarant to the Parcel Owner. Once commenced, the Owner shall diligently and continuously proceed with the uninterrupted construction of the improvements thereon. In the event that an Unimproved Parcel has been improved but has not had a Certificate of Occupancy issued thereof, the Declarant may, subject to the Right of Repurchase pursuant to Article 11 hereof, enter upon the property and complete the improvements required for the issuance of a Certificate of Occupancy therefor and charge to the Owner the costs incurred thereby (including hard and soft costs) as a Special Assessment and thereafter the property shall be assessed as an Improved Parcel. The entry upon the property by the Association and its agents for the purpose of affecting the terms of this provision is expressly permitted and shall not constitute a trespass thereon.

8.11 Time Limitation - Destruction. The Owner or Owners of any damaged Building, the Association and the Architectural Committee shall be obligated to proceed with all due diligence hereunder, and the responsible party shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after damage occurs, unless prevented by causes beyond their reasonable control.

8.12 Improvements. All Improvements shall comply with all applicable minimum standards established by the Committee and zoning laws. No Improvement shall be constructed, removed, changed or installed without the Committee's prior written approval (except as hereinafter provided as to Declarant). The Committee shall control not only the initial structure and improvements, landscaping, walls and fences to be constructed, but also any additions, changes or modifications thereof on any Parcel, except that all structures constructed by Declarant as well as landscaping, walls and fences, if any, installed or constructed by Declarant shall be deemed approved by the Committee. Anything herein to the contrary notwithstanding, any Owner may make alterations, changes and modifications within the interior of his Parcel without obtaining the Committee's consent.

8.13 Maintenance of Improvements. All Improvements shall be kept in a clean, neat and attractive condition consistent with the general appearance of Islander Village and in conformity with the terms and conditions of this Declaration and all rules and regulations hereinafter adopted by the Association.

8.14 Maintenance and Repair.

A. By Owners. Each Owner agrees to maintain in good condition and repair all structural components of the Owner's Dwelling and Improvements and exterior surfaces such as walls, floors, screens, windows, doors, gutters, downspouts and roofs and to replace such items, when necessary. The Association shall have the right, at its discretion, to make such maintenance or repair, if the Owner fails to do so following ten (10) days' written notice, or written or oral notice of a shorter duration in the event of an emergency situation, and to charge the Owner for the costs of same. If the Association charges an Owner for such repairs or maintenance, and the Owner fails to make prompt payment, the Association shall be entitled to place a lien against that Owner's Parcel and proceed as provided in Article 6 hereof. An Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his act or negligence or by that of any member of his family or his or their guests, invitees, employees, agents or lessees, but only to the extent that expense is not met by the proceeds of insurance carried by the Association and then, conditioned on the extent of the right of subrogation of the Association's insurer.

B. By the Association. The Association shall be responsible for the maintenance, repair and replacement of all of the Common Properties, and all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to more than one Parcel, including, without limitation, the operation and maintenance of the Surface Water Management System (including all swales), and all landscaping and fencing within Islander Village as originally constructed by Declarant, driveways located outside of the boundaries of Parcels, sewer infrastructure and common areas as depicted in Exhibit C, the cost and expense thereof shall be charged to all Parcel Owners as a Common Expense. Should any incidental damage be caused to any Parcel by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Properties, the Association, shall, at its expense, repair such incidental damage. The costs of such maintenance on the Common Properties shall be apportioned in equal shares among the Owners. However, to the extent such maintenance, repairs or replacements are necessitated by the negligence, misuse or neglect of a Owner, his family, guests or invitees, such costs shall be assessed against his Parcel and paid by the Owner. In the event of any dispute among the Owners regarding the costs of repair, maintenance or restoration of the Common Properties the Owner hereby designates the Board of Administration as arbiters of such dispute, whose decision shall be binding and conclusive upon them. In the event that one of such Owners is an Administrator, he shall stand down from such office during the hearing and decision on the dispute. Whenever it is necessary to enter any Parcel for maintenance, alteration or repair to any portion of the Common Properties, each Owner shall permit other Owners or their representatives, or the Association's duly constituted and authorized agent, to enter such Parcel for such purpose, provided that such entry shall be made only at reasonable times and with reasonable notice.

ARTICLE 9
PARTICULAR USE RESTRICTIONS, RULES AND REGULATIONS

9.1 Applicability. The provisions of this Article shall apply to Islander Village, but shall not apply to Declarant, any of its affiliates, contractors or subcontractors. If requested by any interested party, Declarant shall give a written statement as to whether any particular person or entity shall be exempt from the provisions of this Article and to which Parcels and for what period of time such exemption shall exist.

9.2 Nuisances. No noxious, offensive or unlawful activity shall be carried on within Islander Village nor shall anything be done in Islander Village which may be or may become an annoyance or nuisance to other Owners.

9.3 Signs. No sign of any kind shall be permitted on the Common Properties or any Parcel; nor shall any sign be permitted that is visible from the outside of a Dwelling; provided however, one "for-sale" sign or one "owner's-name" sign, shall be permitted but such sign shall not exceed two square feet in areas. Notwithstanding such prohibition, no parking, restricted parking, speed and directional signs shall be permitted at the discretion of the Association and with the consent of the Declarant. All permitted signs shall, in all respects, be in accordance with rules and regulations promulgated by the Association. Notwithstanding anything herein to the contrary, Declarant shall be entitled to place signs of such size and design as Declarant shall determine upon any Lot or Parcel to advertise for sale or other purposes.

9.4 Parking and Vehicular Restrictions. Parking in Islander Village shall be restricted to the designated parking spaces within Parcels, i.e., driveway areas, assigned parking spaces and guest parking spaces. Except for temporary purposes in order to service Parcels or the Common Properties, no person shall park, store or keep on any portion of Islander Village any large commercial-type vehicle (for example, dump truck, cement mixer truck, oil or gas truck, delivery truck), nor may any person keep any other vehicle on the Common Properties which is deemed to be a nuisance by the Board. No person shall conduct repairs (except in an emergency) or restorations of any motor vehicle within Islander Village. All vehicles shall be subject to height, width and length restrictions and other rules and regulations now or hereafter adopted by the Association.

9.5 Animal Restriction. No livestock, reptiles or poultry of any kind shall be raised, bred or kept on Islander Village. Pets shall be prohibited from all portions of the Common Properties excepts where designated by the Association. No more than two (2) domestic pets (i.e., dogs, cats, birds) shall be permitted for any Parcel and the Dwelling located thereon, and the total weight of such pets shall not exceed eighty (80) pounds. All pets must be controlled by Owners in strict accordance with rules and regulations to be enacted from time to time, by the board.

9.6 Garbage, Refuse and Sewage Disposal. No portion of Islander Village shall be used or maintained as a dumping ground for rubbish. Trash and garbage shall not be kept except in sanitary containers or as required by the Association or the applicable County ordinances. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition. No individual sewage disposal system shall be permitted in Islander Village.

9.7 Temporary, Play and Auxiliary Structures. No structure of a temporary character, trailer, basement, tent, shack, shed, barn or other outbuilding shall be built, installed or used in Islander Village at any time. No platform, doghouse, playhouse or similar structure shall be constructed in any part of Islander Village without the Committee's prior written approval. No outdoor clotheslines shall be permitted. No building, fence, screen enclosure, wall or other structure shall be erected or maintained, nor shall any exterior addition, change or alteration thereof be made, unless consistent with the general aesthetics of Islander Village and unless and until plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted and approved in writing by the Committee.

9.8 Alterations. No Improvement shall be altered or constructed in or removed from Islander Village except upon the written consent of the Committee.

9.9 Outside Installation; Satellite Dishes and Exterior Antennas. To the extent permitted by law and as otherwise approved by the Board, no exterior radio antenna, television antenna or other antenna of any shall type shall be erected or maintained in the Parcels or elsewhere on Islander Village, unless approved by the

Committee. The Association may provide that a master antenna, cable television antenna or similar antennae for the use of Owners, and Declarant may grant and hereby reserves an easement for such purposes.

9.10 Insurance Rates. Nothing shall be done or kept within any Parcel or Common Properties which will increase the rate of insurance on any properties insured by the Association without the approval of the Board, nor shall anything be done or kept within Parcels, or on the Common Properties which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law. In the event that an Owner does anything to increase the rate of insurance, said Owner shall be responsible for payment of the increased amount as a Special Individual Assessment in accordance with the terms hereof.

9.11 Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted in or on Islander Village, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted. No derrick or other structure designed for use in boring for water, oil, natural gas or minerals shall be erected, maintained or permitted on or around Islander Village.

9.12 Affordable Housing Limitations. All Parcels within Islander Village are restricted by the limitations, including, without limitation, restrictions on the sale and lease of the Parcel, imposed by the Ground Lease Agreement.

9.13 Maintenance of Islander Village. No weeds, underbrush, or other unsightly growth shall be permitted to grow or remain upon the property within Islander Village and no refuse or unsightly objects shall be allowed to be placed or suffered to remain upon the property within Islander Village. All lawns, landscaping and sprinkler systems and any property, structure, improvement and appurtenance shall be kept in good, safe, clean, neat and attractive condition by the Association. During the course of construction of any kind within Islander Village, the owner of the property upon which such construction work is being done shall store all construction materials, including equipment and vehicles, supervise all construction personnel and manage all phases of the construction in a manner reasonably designed to minimize traffic congestion, dust, noise and other similar distractions, disturbances and inconveniences. Excepted from the foregoing shall be any portion of the property within Islander Village owned by Declarant or its nominee through the period of construction of Parcels or other buildings or structures thereon. Upon the failure to maintain the premises as aforesaid to the satisfaction of Declarant or the Association, and upon the Association's, or an Owner's, failure to make such correction within thirty (30) days of being given written notice by Declarant or the Association (which written notice does not have to be given by Declarant or Association in the case of emergency, in which event, Declarant or Association may without any prior notice directly remedy the problem), Declarant or the Association may, in furtherance of Declarant's overall plan for the development and uniform appearance of Islander Village, enter upon such premises and make such improvements or correction as may be necessary, the costs of which shall be paid by the Association or Owner having responsibility for such condition, as the case may be, or Declarant or the Association may bring an action at law or in equity. Such entry by Declarant or the Association or their agents shall not be a trespass and, by acceptance of a deed for a Parcel, such party has expressly given Declarant and the Association the continuing permission to do so, which permission may not be revoked. If any Owner or the Association fails to make payment within fifteen (15) days after request to do so by Declarant or Association, as appropriate, the payment requested shall be a lien in accordance with the Special Assessment provisions hereof.

9.14 Maintenance by the Owner. The responsibility of each Owner to keep his Parcel in compliance with standards promulgated by the Architectural Control Committee of the Board shall be as follows:

A. To maintain, protect repair and replace, at his own cost and expense, all portions of the Owner's Parcel (including the area lying directly beneath the Dwelling) together with all improvements and

equipment located thereon, including the obligation to keep the driveway with the Parcel's Limited Common Properties in a neat and clean condition free of debris and trash, except any portions to be maintained, repaired and replaced by the Association. Such maintenance, protection, repair and replacement shall be done without disturbing the rights of the other Owners;

B. Not to modify or change the appearance or design of any portion of the exterior of any Dwelling without the prior written approval of the Association; and

C. To report promptly to the Association any defect or need for repairs, maintenance or replacements for which the Association or other association is responsible.

9.15 Use of Land. No Improvement or any portion of Islander Village shall be used for any purpose other than residential consistent with the requirements of the Ground Lease Agreement; provided however that temporary uses by Declarant, its affiliates and designees for model homes, sales displays, parking lots, sales offices and other offices, or any combination of such uses shall be permitted until Declarant shall determine that such use is no longer needed. No more than one dwelling structure may be constructed on a Parcel. No auxiliary buildings of any kind shall be constructed within a Parcel.

9.16 Exterior Colors. The exterior colors of all Improvements shall remain the colors initially established by Declarant, unless approved by the Committee.

9.17 Boats, Boat Trailers and Recreational Vehicles. No boats, recreational vehicles, and non-commercial trailers shall be parked within Islander Village.

9.18 Laundry. No balcony, porch or other exterior portion of a Parcel or Lot shall be used for the purpose of drying of laundry or other items.

9.20 Fences. No fencing of any kind, either permanent or temporary, shall be constructed without the prior written approval of the Committee (such approval being based upon rules and regulations as it may adopt from time to time).

ARTICLE 10
CABLE AND TELEVISION SYSTEM

10.1 Installation. The Association may construct or install over, under, across and upon any portion of Islander Village for the use of the Owners a cable television and internet access system (the "System"), the scope, extent, size and the location of which over, across, upon and through Islander Village shall be determined solely by the Declarant (and thereafter Association) together with a perpetual and exclusive right and privilege of ingress and egress thereto for installing, constructing, inspecting, maintaining, altering, moving, improving, and replacing the facilities and equipment constituting the System, including, without limitation, any antennas, conduits, wires, cables, lines, panels, boxes, housings, connections, insulators and amplifiers necessary or desirable to receive and distribute services of the System.

10.2 System Services. The Association shall have the right to enter contracts for the exclusive provision of the System as the Board shall deem, in its sole discretion, to be in the best interests of the Owners. The contract may provide that the basic System shall be mandatory for all Owners. The Association shall impose, along with Common Expense assessments and its regular maintenance assessments, against each Parcel, the amount of the basic fees due and payable for the System.

ARTICLE 11
DEVELOPER RIGHTS, RESERVATIONS AND EXEMPTIONS

11.1 Declarant's Rights. Declarant hereby reserves to itself, and the sublessee of any Parcel or other property within Islander Village hereby agrees, by acceptance of a sublease or similar conveyance thereto, that Declarant shall have the following rights, without notice or approval, so long as Declarant owns any portion of the Property in Islander Village, including portion of the Property, Lot or any Parcel leased by Declarant as the result of any reconveyance from a third party to Declarant, or until Declarant causes to be recorded a Certificate of Termination of Interest in Islander Village (or unless expressly provided to the contrary herein), which Certificate terminates any and all right, title, interest and obligation of Declarant in Islander Village:

A. The right to vacate or withdraw any area of any portion of the Property subject to this Declaration, provided that Declarant has retained its leasehold interest in the property which is to be vacated or withdrawn from this Declaration. The invalidization or unenforceability of this right shall in no way affect the enforceability of the other covenants and restrictions contained in this Article, this Declaration or any supplemental declaration. Any such invalidation and unenforceability shall cause this reservation of right to be void:

B. The right to dispense pesticides throughout the Property;

C. The right to retain legal and equitable title to the Common Properties, or to sell, lease or otherwise convey all or any part of its interest in the Property and to demolish, alter or modify in whole or in part, any improvements on the Common Properties:

D. The right to establish easements for itself and others over any portion of the Property which is owned by Declarant, including, that portion of the property decided as Common Properties;

E. The right to convey, in whole or in part, any easements granted in favor of Declarant, as created in this Declaration or as recorded in the Public Records of Monroe County, Florida, which pertain to Islander Village;

F. The right, for any reason, including, without limitation, in order to meet requirements of any applicable law, code, ordinance, rule or regulation of any governmental or quasi-governmental authority or lending institution or bond issuing authority or development agency or the like, to make changes, amendments, supplements or modifications to any or all of the covenants, restrictions, easements, reservations, agreements, documents or instruments affecting the Property, Islander Village or any portion thereof, whether recorded, or unrecorded, as Declarant, its successors and assigns, may deem reasonable, necessary, appropriate or convenient, provided that any one of the foregoing singly or taken collectively will not materially adversely affect the Parcel of any Owner. The foregoing shall not restrict or limit Declarant or its successors' and assigns' ability to amend, modify or supplement this Declaration as herein otherwise provided:

G. The right to erect or grant to an Owner the right to erect temporary buildings on any portion of the Property which is owned by Declarant or title to which has been granted by Declarant to an Owner;

H. The right to maintain an easement, for construction, reconstruction or repair purposes, across any property within Islander Village;

I. The right to maintain a sales office in Islander Village, including, without limitation, a sales office on a portion of the Common Properties, and to erect signs and to conduct sales throughout Islander Village;

J. The right to appoint the members of the Architectural Control Committee for such time as Declarant owns any property in Islander Village;

K. The right to conduct the development, marketing and sale of property in Islander Village owned by Declarant or any third party with whom Declarant may so contract to provide such services;

L. An irrevocable power of attorney, coupled with an interest, of all Owners in favor of Declarant, for as long as Declarant owns any portion of the Property or any Parcel within Islander Village, to exercise any of the foregoing or other rights or discharge any of the foregoing or other obligations which may be set forth therein for the benefit of Declarant or as an obligation of any Owner. This power of attorney shall be self-operative and shall not require any additional instrument to effectuate same. An Owner, by acceptance of a deed, thereby acknowledges and confirms (and, to the extent required, grants) the power of attorney set forth herein; and

M. An irrevocable designation and appointment of Declarant, its successors and assigns, by each Owner, as such Owner's attorney-in-fact, to execute and deliver any applications for approval, platting, consents, amendments, variance or other documents or instruments as Declarant, its successors and assigns, may from time to time request. The foregoing power-of-attorney, designation and appointment shall be coupled with an interest, shall be self-operative and shall not require any additional instrument to effect same; provided, however, that same shall be limited in time and duration to a period of ten (10) years from and after the date that the initial Owner, other than Declarant or an affiliate of Declarant, takes the leasehold title to a Parcel from Declarant.

11.2. Veto Power. Declarant hereby expressly reserves to itself, and any sublessee of any Lot or Parcel hereby agrees, by acceptance of a sublease agreement or other deed of conveyance thereto, that Declarant shall have the right to veto any of all of the following events so long as Declarant owns any part of the Property of Islander Village, including property owned by Declarant as the result of any reconveyance of property, or until Declarant causes to be recorded a Certificate of Termination of Interest in Islander Village, which Certificate terminates any and all right, title interest and obligation of Declarant in Islander Village:

A. Any matter adversely affecting Declarant or its interests;

B. Construction of improvements approved by the Association;

C. Construction of any dune or access way approved by the Association;

D. Association approval which permits the conduct of any commercial enterprise within Islander Village;

E. Any or all Association budgets, annual or otherwise which constitute an increase or reduction of fifteen percent (15%) over the prior year's (or other applicable interval) budget;

F. Approval of any plans or specifications for any structure made by the Architectural Control Committee;

G. Attempted resubdivision of the Property or any part thereof;

H. Any attempted dissolution or termination of the Association;

I. Attempted amendment of this Declaration, Articles, and By-Laws, or any supplementary declaration of protective covenants and restrictions;

J. Any management contracts entered into by the Association or Board;

K. The creation of any special assessments by the Association;

L. Any capital improvement assessments by the Association;

M. Any settlement of any claim made by Association to collect upon any policy of casualty insurance which insures the Common Properties; and

N. Any attempted cancellation or reduction of insurance coverage insuring all or any part of Islander Village.

11.3 Right to Alter Common Properties. Declarant hereby reserves the right, in its sole discretion, as follows:

A. to alter all or any portion of the Common Properties to which Declarant holds title; and

B. to mortgage all or any portion of the Common Properties to which Declarant holds title; provided that the Common Properties shall be free of mortgages at time of conveyance to the Association.

11.4 Declarant's Additional Reserved Rights. Notwithstanding anything herein to the contrary, Declarant shall have the right, with respect to the development of Islander Village, to construct buildings and Parcels and other Improvements and install landscaping of such type, nature, shape, height, color, materials and location as Declarant shall determine in its sole and absolute discretion; provided, however, that same shall comply with the Ground Lease Agreement, applicable building codes and County zoning laws in force at that time. Until such time as Declarant shall retain a leasehold interest in any portion of the property within Islander Village, Declarant shall be entitled to place on Land and/or Parcels owned by Declarant temporary construction or sales trailers and other temporary facilities and conduct its sales and marketing efforts as Declarant shall deem appropriate.

ARTICLE 12
DECLARANT'S EXEMPTIONS

Neither the Association nor any Parcel Owner shall do anything to interfere with Declarant's activities at Islander Village. As used in this Section and its subparagraphs, the words "its successors or assigns" specifically do not include purchasers of individual Parcels. Without limiting the foregoing, nothing in this Declaration shall be construed or interpreted to:

A. Prevent Declarant, its successors or assigns, or its or their agents, contractors or subcontractors, from doing on any property owned by them or on the Common Properties whatever they determine to be necessary or advisable in connection with the completion of said work, including without

limitation, the alteration and removal of Improvements and the reallocation of any use thereon and the termination of services as Declarant deems advisable in the course of development (all models or sketches showing plans of Islander Village may be modified by Declarant at any time and from time to time, without notice to any Owner, prospective Owner, or other person or entity); or

B. Prevent Declarant, its successors or assigns, or its or their contractors, subcontractors or representatives, from erecting, constructing and maintaining on any portion of the Property owned or controlled by them or on the Common Properties, such structures as may be reasonably necessary in Declarant's judgment for the conduct of its or their business of completing said work and establishing Islander Village as a community and disposing of the same by sale, lease or otherwise; or

C. Prevent Declarant, its successors or assigns, from determining in its sole discretion the nature of any type of Improvements to be included as part of Islander Village, including Improvements on the Common Properties; or

D. Prevent Declarant, its successors or assigns, or its or their contractors, subcontractors or representatives, from erecting, maintaining, altering or otherwise using signs on the Property owned or controlled by any of them or on the Common Properties as may be necessary in connection with the sale, lease, operation or marketing of Parcels or Lots, or otherwise from taking such other actions deemed appropriate in connection with such signs; or

E. In general, Declarant shall be exempt from all restrictions set forth in this Declaration to the extent such restrictions interfere in any manner with the Declarant's plans for operation, construction, development, use, sale or other disposition of the Property and/or Islander Village, or any part thereof.

ARTICLE 13
DAMAGE OR DESTRUCTION TO COMMON PROPERTIES

Damage to or destruction of all of any portion of the Common Properties shall be handled in the following manner, notwithstanding any provision in this Declaration to the contrary:

A. In the event of damage to or destruction of the Common Properties, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Common Properties to be repaired and reconstructed substantially as it previously existed; and

B. If the insurance proceeds are not sufficient to effect total restoration to the Common Properties, then the Association shall cause such Common Properties to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Reconstruction Assessment against each of the Owners, in accordance with the provisions of Article 6 of this Declaration.

ARTICLE 14
INSURANCE AND RECONSTRUCTION

14.1 Owner's Casualty Insurance. Each Owner shall bear the risk of loss and damage to his Parcel and Dwelling and any and all furniture, personal effects and other personal property belonging to such Owner which property is located either within the Parcel, the Dwelling or in or on the Common Properties. The foregoing shall not apply: (a) to any property constituting a portion of the Common Properties; or (b) to fixtures, installations or additions covered by the Association's casualty policy as provided in this Declaration.

Each Owner shall at the Owner's own expense, obtain insurance coverage for casualty loss of or damage to the Owner's Dwelling Improvement, including without limitation fire, flood and windstorm upon which Monroe County, as lessor, shall be named as an additional insured. Insurance coverage for loss to personal property shall be obtained in the discretion of each Owner.

14.2 Owner's Liability Insurance. Each Owner shall be liable for injuries or damages resulting from an accident in his own Parcel, to the same extent that a homeowner would be liable for an accident occurring within his house. Each Owner may, at his own expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's Parcel. No Owner shall be liable personally for any damages caused by the Association in connection with the use of the Common Properties.

14.3 Requirements Concerning Owner's Insurance. All such insurance obtained by any Owner shall, wherever available, state that the insurer waives its right of subrogation as to any claims against: (a) other Owners; (b) the Association; and (c) the respective servants, agents and guests of other Owners.

14.4 Reconstruction of Dwelling. In the event of loss or damage to a Dwelling and Improvements, the Owner, with all due diligence, shall repair, replace and restore such damaged or destroyed portions of the Dwelling and Improvements within the Parcel to a condition as good as that before such loss or damage: (a) in accordance with the original plans and specifications for the Dwelling; or (b) as the Dwelling was last constructed; or (c) in accordance with plans approved by the Committee. If the Owner shall refuse or fail to commence repair, replace or restore his Dwelling or Parcel within thirty (30) days, or to complete such work within six (6) months, the Association may repair, replace or restore the Dwelling and/or Parcel and charge the Owner for the cost of such work. The Association shall have a lien on the Parcel and Dwelling to secure reimbursement of such cost.

14.5 Association's Casualty Insurance. The Association shall maintain casualty insurance covering all insurable improvements within the Common Properties, in accordance with the original plans and specifications, in an amount not less than 100% of the replacement value thereof (subject to reasonable deductible clauses), excluding foundation and excavation costs, all as determined annually by the Board. Such coverage shall afford protection against: (a) loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and (b) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism and malicious mischief.

14.6 Association's Liability Insurance. The Association shall maintain comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with Islander Village or adjoining driveways and walkways, or any work, matters or things related to Islander Village or to this Declaration and its exhibits, with such coverage as shall be required by the Board, but with combined single limit liability of not less than $1,000,000 for each accident or occurrence, $300,000 per person and $50,000 property damage, and with cross liability endorsement to cover liabilities of the Owners as a group to a Owner and vice versa.

14.7 Association's Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to meet the requirements of law.

14.8 Other Types of Insurance. The Association also shall maintain:

A. fidelity insurance covering all officers and employees of the Association;

B. directors' liability insurance, if obtainable, with limits of $300,000;

C. such other insurance as the Board shall determine from time to time to be necessary and proper.

14.9 Insurer's Waiver. When appropriate and obtainable each of the foregoing policies shall waive the insurer's right to: (a) subrogation against the Association and against the Owners individually and as a group, (b) the prorata clause that reserves the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and (c) avoid liability for a loss that is caused by an act of the Board or by an Administrator or by one or more Owners.

14.10 Purchase of Association's Insurance. All authorized insurance for the Common Properties shall be purchased by the Association. The cost of the insurance shall be a Common Expense, as shall be any other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof, except that the amount of increase in any premium occasioned by misuse, occupancy or abandonment of a Parcel or its appurtenances by a Owner shall be assessed against such Owner. Each policy shall be issued by an insurance company authorized to do business in Florida and with an office or agent located in the County.

14.11 Named Insured. The named insured shall be the Association individually and as agent for Owners and their mortgagees covered by the policy, without naming them. In addition, Monroe County, as lessor, shall be named as an additional insured.

14.12 Damage to Common Properties. All proceeds from insurance policies insuring Common Properties shall be paid to the Association.

14.13 Mortgagees. Certain provisions in this Article are for the benefit of the mortgagees of Parcels and may be enforced by such mortgagees. No mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made pursuant to this Article. No mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

14.14 Association as Agent. The Association is hereby irrevocably appointed agent for each Owner and mortgagee to adjust all claims arising under insurance policies purchased by the Association to insure the Common Properties and to execute and deliver releases upon the payment of claims.

14.15 Determination to Reconstruct or Repair. The Association shall be responsible for reconstruction and repair after casualty loss or damage to the Common Properties.

14.16 Plans and Specifications. Any reconstruction or repair of any of the Common Properties must either be: (a) substantially in accordance with the original plans and specifications for the original improvements; or (b) according to plans and specifications approved by the Committee.

14.17 Responsibility to Insure Improvements. Each Owner shall insure the Improvements owned by such Owner. Insurance coverage for the Parcels shall include all-perils, including, without limitation, hazard, fire, windstorm and flood. The cost of such insurance shall be borne by the Owner. Insurance for each Parcel shall be in an amount equal to the full "replacement" value thereof. The term "replacement value" means one hundred (100%) percent of the then current replacement costs, exclusive of land, foundation, items of personal property and other items normally excluded from such coverage. Upon the written request of any Owner

within a Building mailed by certified mail, return receipt requested, the requested Owner shall provide written proof of insurance to the requesting Owner by certified mail, return receipt requested.

ARTICLE 15
MORTGAGEE PROTECTION CLAUSE

The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added shall control):

A. Each institutional first mortgagee holding encumbering any Parcel, at his written request, is entitled to written notification from the Association of any default by the Owner of such Parcel in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation of the Association or the By-Laws of the Association, which default is not cured within thirty (30) days after the Association learns of such default and to written notification of the recording of a Claim of Lien pursuant to Article 7.

B. Unless at least 66-2/3 % of such mortgagees (based upon one vote for each such mortgage owned), and at least 66-2/3% of the votes of Members of the Association, have given their prior written approval, neither the Association nor the Owners shall:

1. by act or omission seek to sell or transfer the Common Properties and the Improvements thereon which are owned by the Association (the granting of easements for utilities or for other such purposes consistent with the intended use of such property by the Association or the Declarant or the transfer of the Common Properties or any portion thereof to another not for profit association of the Owners in accordance with the Articles of Incorporation of the Association or dedication of such property to the public or condominium ownership shall not be deemed a transfer within the meaning of this clause);

2. fail to maintain fire and extended insurance on insurable portions of the Common Properties as provided herein; or

3. use hazard insurance proceeds for losses to any Common Properties for other than the repair, replacement or reconstruction of such Improvements (except as contemplated herein);

C. Such mortgagees shall have the right to examine the books and records of the Association during normal business hours.

D. All such mortgagees who have registered their names with the Association, and as long as it owns a mortgage on any Parcel, shall be given (1) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration or the Articles of Incorporation or By-Laws of the Association and prior to the effective date of any termination of any agreement for professional management of the Common Properties hereafter entered into, if any, following a decision of the Owners to assume self-management of the Common Properties; and (2) immediate notice following any damage to the Common Properties whenever the cost of reconstruction exceeds One Hundred Thousand Dollars ($100,000.00), and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition or any portion of the Common Properties;

E. Such mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Properties and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such property, and such mortgagees making such payments shall be owed immediate reimbursement therefore from the Association and the appropriate Owners.

ARTICLE 16
ENCROACHMENTS AND EASEMENTS

16.1 Easements in General. If any grant of any easement in this Declaration would otherwise fail by virtue of the nonexistence of the grantee thereof as of the date of this Declaration, then the Association automatically shall be deemed to be the attorney-in-fact for such grantee to hold the interest created by such grant of easement until such grantee shall come into existence, at which time the interest created by such grant of easement automatically shall become vested in such grantee. The Common Properties shall be subject to a perpetual non-exclusive easement in favor of each Parcel, which shall be appurtenant to and shall pass with title to each Parcel, for use by the Owner, his immediate family, guests and invitees, for all proper and normal purposes including ingress and egress. The Common Properties also shall be subject to such a perpetual non-exclusive easement in favor of Owner and Declarant and their respective agents, employees, invitees, successors and assigns.

16.2 Easements for Public and Private Utility Facilities, Drainage and Access. It being understood that at the time of the recording of this Declaration the exact location of utility facilities, drainage facilities and appurtenant equipment within Islander Village have not yet been determined, Declarant hereby reserves for itself, its successors and assigns, such perpetual easements as are necessary and required over, under, upon and/or through the Property for ingress, egress and access to and the installation construction, operation, alteration, expansion, repair, replacement and maintenance of utilities, cable television, drainage facilities and roadways for ingress and egress. This reservation hereby grants to the utility entities and the Declarant (so long as Declarant is constructing, repairing or relocating utilities and facilities appurtenant thereto in aid of construction of the property) the right of ingress, egress and access to and the right to construct, install, operate, alter, expand, replace and maintain such utilities, cable television, drainage facilities and roadways for ingress and egress within any part of the Property, provided, however, use of such easements and improvements shall not unreasonably interfere with the use of the Property for the purposes intended for the Parcels. In order to accomplish the foregoing, each portion of the Property shall have an easement in common with all other portions thereof to use, maintain, repair, alter or replace all pipes, wires, ducts, vents, cables, conduits, utility lines, sanitary sewers, storm drains, water lines, manholes, lift stations, pumping stations and similar or related facilities located within the Property and serving such portion or portions. Each portion of the Project shall be subject to an easement in favor of all other portions thereof to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables, conduits, utility lines sanitary sewers, storm drains, water lines, manholes, lift stations, pumping stations and other similar or related facilities located in such portion of the Property and serving other portions thereof. Independent of the foregoing rights, Declarant, its successors or assigns, and Association are hereby granted the additional right to grant such additional easements or relocate existing easements throughout the Property as Declarant or Association may deem necessary and desirable provided that such additional easements or relocation of easements do not unreasonably interfere in the use of the Property for the purposes so intended, and further provided that in the event of a conflict in decisions between Declarant and Association, the Declarant's decision shall control until such time as all Parcels have been constructed and transferred by Declarant to third-party Owners. Easements are reserved under, through and over the Common Properties as may be required from time to time for sewer, utility and drainage in order to serve the Condominium or Association. A Parcel Owner shall do nothing within or outside its Parcel that interferes with or impairs, or may interfere with or impair, the provision of such sewer utility or drainage facilities or the use of

these easements. The Association shall have a right of access to each Parcel to maintain, repair or replace any Common Properties, including, without limitation, pipes, sewer lines, drainage lines and other components of the Common Properties, if any, without the requirement of giving of notice to Parcel Owner.

16.3 Easements for Maintenance. Easements are hereby reserved in favor of the Association under, upon, across, through and over all portions of Islander Village for the purpose, as deemed necessary by the Association for preserving and maintaining the land, Parcels and carrying out its responsibilities under this Declaration; provided, however, that all such activity shall be undertaken in a manner so as to minimize interference with any Owner's use of his property. Where any land, including any Improvement thereon, ("the Servient Estate") shall abut an adjacent lot line ("the Dominant Estate"), then the Owner of the Dominant Estate shall have an easement over the Servient Estate, which easement shall only be to extent necessary and in any event not to exceed four (4) feet wide contiguous to the interior property line running from the front to the rear property line of the Servient Estate for the purpose of entry upon and ingress and egress through the Servient Estate with persons, materials and equipment to the extent reasonably necessary in the performance of maintenance, repair, replacement of any of the Improvements or permitted by the Association.

16.4 Easement for Pedestrians. In addition to the general easements for use of the Common Properties reserved herein, there shall be, and the Declarant hereby reserves and covenants for itself and all Owners with Islander Village that each and every Owner, and Declarant and their respective licensees, invitees, grantees, successors and assigns as permitted by Association, shall have, a non-exclusive easement appurtenant for pedestrian access over, through and across all pedestrian access ways within the Common Properties, subject to the parking provisions of this Declaration. Association and any Member which is required to join in the grant of any such easement shall be obligated to execute any such instrument as may be requested of it from time to time to affect such grant of easement.

16.5 Easements for Public and Private Utility Uses. In addition to the foregoing easements affecting the Common Properties, there shall be, and Declarant hereby grants perpetual easements for public, Federal, State, County, City and private utility and other services, including, but not limited to, the right of the police to enter upon, pass over and across any part of the Common Properties for the purpose of enforcing the law or maintaining security, and the right of all lawful emergency vehicles, equipment and persons in connection therewith to enter upon, pass over and across all portions of the property to service the Declarant, Owners, residents and all Improvements and the right of all public and private utility companies to install, construct, operate, alter, expand, repair, replace and maintain their equipment and facilities in areas designated for such purposes. Independent of the foregoing rights, Declarant, its successors or assigns, and Association are hereby granted the additional right to grant such additional easements or relocate existing easements throughout the Property as Declarant or Association may deem necessary and desirable provided that such additional easements or relocation of easements do not unreasonably interfere in the use of the Property for the purposes so intended, and further provided that in the event of a conflict in decisions between Declarant and Association, the Declarant's decision shall control until such time as all Parcels have been constructed and transferred by Declarant to third-party Owners. The Association has the irrevocable right of access to each Parcel during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Properties or of any portion of a Parcel to be maintained by the Association pursuant to this Declaration or as necessary to prevent damage to the Common Properties, including, without limitation, the Surface Water Management System. Easements are reserved under, through and over the Common Properties as may be required for utility services and drainage serving Islander Village. The Association shall have the right of access to each Parcel to inspect, install, maintain, repair or replace the Drainage System, the Surface Water Management System and the Main Sewer Line. When required for such maintenance, repair or replacement, the Association shall have the irrevocable right to remove any property within a Parcel for the purpose of

gaining accessibility to the Main Sewer Line to be maintained, repaired or replaced. No Parcel Owner shall commit or allow to be committed any act within or without its Parcel which would interfere with or impair any of the utility providers using the easements granted herein.

16.6 Easements for Access, Repair and Maintenance. Declarant reserves unto itself, and its successors and assigns, perpetual non-exclusive easements of ingress and egress over and across the access ways existing from time to time in Islander Village, and perpetual non-exclusive easement to enter upon, over, under or through all portions of the Property for the purpose of maintaining, repairing and replacing the Parcels, Improvements of Parcels owned by Declarant and the Common Properties which easements shall be for the use of Declarant, Association (and its and their respective successors and assigns), Owners, and their respective lessees, employees, agents, invitees and licensees. Declarant hereby expressly retains the right to grant easements and rights to the public through, over, under and upon the Common Properties and other property within Islander Village and to grant easements and rights to such municipal and governmental authorities as required from time to time, including, without limitation, water management agencies.

16.7 Emergency Access. The Association shall have the right, privilege and license to enter upon any Parcel and upon and across the Common Properties for the purpose of effecting any emergency repairs to that same Parcel or to any other Parcel and/or exterior portion of any improvements thereon and/or to any Common Properties and to do such other maintenance and repairs as shall be reasonable necessary for the proper maintenance and repairs as shall be reasonably necessary for the proper maintenance of the same Parcel or of any other Parcel or of the Common Properties abutting such Parcel, to the extent permitted under this Declaration.

16.8 Easement for Construction and Sales. Declarant (and its agents, realtors, salespersons, employees, contractors, subcontractors and suppliers) shall have an easement of ingress and egress over, under and across the Common Properties for construction purposes and to erect, maintain, repair and replace, from time to time, signs on the Common Properties for the purposes of advertising and sale and/or lease of Parcels or Lots and for the operation of any permitted enterprise within Islander Village. In the event of such construction, portions of the Common Properties may be shut off from general access and use, and noise, dust and other disturbances will be likely. All Owners hereby agree that such disturbances have been accepted by them and they waive any and all claims or objections as a result of or in relation to such disturbances. No liability shall be assumed by Declarant by reason of the foregoing.

16.9 Common Walls and Roofs-Easements and Encroachments. The residential dwellings for Parcels have been constructed in such a manner that not less than two adjoining residential dwellings have a common airspace between the exterior walls of the adjoining Dwelling (each a "Common Wall") and a common roof (each a "Common Roof"). The Common Roof consists of a roofing structure known as a "Cricket." Exhibit D (Cricket Plan) attached hereto shows a typical Cricket construction. The Cricket shall be a Limited Common Property for the exclusive use of the adjoining Parcels and shall be maintained by the Association. Other than the Cricket section of a Common Roof, the roof structure for each Dwelling, including all gutters and down spouts located within the Owner's Parcel, shall be part of the Parcel to be maintained by the Parcel Owner. Each adjoining Parcel shall have all necessary easements of support, easements for repairs and maintenance and rights of encroachments required to maintain, repair and/or reconstruct the Common Walls and Common Roofs. In the event of damage or destruction of the Common Wall or Common Roof from any cause whatsoever, other than the negligence or willful misconduct of an Owner thereto, each Owner shall promptly repair or reconstruct that portion of the Common Wall or Common Roof lying within the Owner's Parcel. Each Owner shall have the right to full use of said Common Wall and Common Roof lying within the Owner's Parcel, including that portion of the Common Wall or Common Roof so repaired or rebuilt. If an Owner's negligence or willful misconduct causes

damage or destruction of said Common Wall or Common Roof, the Owner guilty of such negligence or willful misconduct shall be liable to the adjacent Owner for the entire cost of such repair or reconstruction.

16.10 Easements for Electric Meters, Telephone, Communication Cables and Connections. Each of the adjacent Dwellings shall have a reciprocal easement for the installation of utility lines, including electric, telephone, communication cables for television, internet access and similar communications and for the placement of electric meters by the utility provider. The Declarant shall designate one or more Dwellings within a Building for the purpose of installing two or more electric meters for Dwellings within the Building and for establishing a demarcation point from which to run communication cables for Dwellings within the Building. The Parcel having the Dwelling with the electric meter(s) installed for other Dwellings within the Building shall have granted a continuing easement necessary for the use, replacement, maintenance and other necessary accommodations for the electric meter over, across, and under the Parcel, including the area designated by Declarant for the location of the electric meter(s) for the Parcels.

16.11 Easement of Internal Roadway. The Parcel Owners, their guests and invitees, have been granted a perpetual easement for ingress and egress to the easterly portion of the Islander Village (as shown in Exhibit C) and for the installation, repair, maintenance and use of underground utilities and landscaping pursuant to that certain Grant of Easement, as recorded in Official Records Book 2301, Page 417, Public Records of Monroe County, Florida. The Association and all Parcel Owners, their guests and invitees, shall be subject to the terms and conditions of the Grant of Easement (Exhibit F attached hereto).

ARTICLE 17
GENERAL PROVISIONS

17.1 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Parcel, or other portion of Islander Village shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference hereto is contained herein, whether or not any referenced hereto is contained in the instrument by which such person acquired an interest in such Parcel or other property within Islander Village.

17.2 Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Land, Parcels in Islander Village and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of the Ground Lease Agreement.

17.3 Amendments. This Declaration may be amended by Declarant unilaterally from time to time and at any time and without the joinder of any Owner: (a) to accomplish any of the purposes or objectives set forth in this Declaration; and/or (b) to correct any scrivener's errors. This Declaration also may be amended with the written consent not less than sixty-seven percent (67%) of the Owners and the approval by Institutional Lenders holding at least sixty-seven percent (67%) of the mortgages on Parcels in Islander Village; provided, however, that no amendment shall be enforceable against Declarant so long as Declarant owns any Lot or Parcel within Islander Village, unless Declarant has consented in writing to such amendment, and (c) no amendment shall materially and adversely affect any provision granting easements or permitting encroachments or any provision concerning Institutional Lenders without a majority consent of all Institutional Lenders then having mortgages on Parcels. Each amendment shall be recorded in the Public Records of Monroe County.

Florida. Notwithstanding any other provision of this Declaration, no amendment shall be effective until approved by Monroe County as provided in Section 12.01 of the Ground Lease Agreement.

17.4 Covenants Running with the Land. Anything herein to the contrary notwithstanding, the covenants, conditions, restrictions and easements of this Declaration shall be covenants running with the land. If any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if possible, to reflect the intent of such provision or application and then shall be enforced in a manner allowing the covenants, conditions, restrictions and easements to so run with the land. In the event that any such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the covenants, conditions, restrictions and easements hereof running with the land shall be achieved.

17.5 Enforcement; No Waiver. Any Owner, including the Declarant, and the Association shall have the right to enforce the provisions of this Declaration by any proceeding at law or in equity against any person(s) or entity(ies) as follows:

A. For violating or attempting to violate any covenant or restriction, either to restrain such violation, to recover damages or to enforce performance and against the applicable Lot and/or Parcel to enforce any lien created herein;

B. The result of every act or omission whereby any of the covenants contained in this Declaration or the By-Laws are violated in whole or in part is hereby declared to be and does constitute a nuisance, and every remedy allowed by law or equity with respect to nuisances either public or private shall be applicable and may be exercised by Declarant, Association or Owners;

C. Remedies herein provided for breach of the covenants contained in this Declaration or the By-Laws shall be deemed cumulative, and none of such remedies shall be deemed exclusive;

D. The failure by Declarant, Association or any Owner to enforce the provisions of this Declaration shall in no event be deemed a waiver of the right to do so thereafter;

E. Where litigation shall occur to enforce said provisions or to recover damages or to enforce any lien created herein, the prevailing party in such litigation shall be entitled to recover court costs and reasonable attorneys' fees, including court costs and reasonable attorneys' fees in any appellate proceeding; and

F. A breach of the covenants, conditions or restrictions contained in this Declaration or in the By-Laws shall not affect or impair the lien or charge of any mortgage made in good faith and for value on any Parcel and/or Dwelling; provided, however, that any subsequent Owner of such Parcel and/or Dwelling shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

17.6 Severability. Invalidation of any portion of this Declaration by judgment, court order or statute shall in no way affect any other provisions which shall remain in full force and effect.

17.7 Gender and Plurals. The use in this Declaration of the male gender shall include the female and neuter, and the use of the singular shall include the plural and vice versa, as the context requires.

17.8 Notices. Any notice required to be sent hereunder shall be deemed to have been properly sent when delivered or mailed, postage prepaid, to the last known address of the Owner or other addressee on the records of the Association at the time of such mailing.

17.9 Exhibits. The following exhibits are attached to this Declaration:

Exhibit A –	Legal Description of Property
Exhibit B –	Ground Lease Agreement
Exhibit C –	Site Plan for Islander Village and Parking Plan
Exhibit D -	Cricket Plan
Exhibit E –	Swale Plan
Exhibit F -	Grant of Easement

IN WITNESS WHEREOF, the undersigned have executed this Declaration on this 12th day of JUNE, 2008.

ISLANDER VILLAGE, LLC, a Florida Limited liability company

By:
Edwin O. Swift, III, Manager

STATE OF FLORIDA)
COUNTY OF MONROE)

BEFORE ME, a Notary Public, personally appeared Edwin O. Swift, III, as Manager of ISLANDER VILLAGE, LLC, a Florida limited liability company, who did acknowledge before me that he executed the foregoing instrument for the uses and purposes therein set forth, for and on behalf of said limited liability company. He is personally known to me and did not take an oath.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at the county and state aforesaid, this 12th day of JUNE, 2008.

NOTARY PUBLIC, State of Florida at Large
My commission expires:

S. Monsalvatge
Commission # DD611406
Expires November 23, 2010
Bonded Troy Fain Insurance, Inc 800-385-7019

Doc# 1700882
Bk# 2368 Pg# 737

CONSENT AND JOINDER OF MORTGAGEE

ORION BANK, a Florida banking corporation, being the owner and holder of the mortgage liens encumbering the parcel of real property described in the foregoing Declaration as evidenced by that certain Mortgage recorded in Official Records Book 2315, Page 396 and UCC-1 Financing Statement recorded in Official Records Book 2315, Page 437, Public Records of Monroe County, Florida, hereby consents to and joins in the filing of the Declaration for the purpose of subordinating its mortgage lien to the terms and conditions of this Declaration.

This consent of Mortgagee is executed this 17th day of June, 2008.

Witnesses:

By: Jeffrey Smith, as Sr. Vice President

STATE OF FLORIDA)
) SS:
COUNTY OF Monroe)

Before me personally appeared Jeffrey Smith, Sr. as Vice President of ORION BANK, a Florida banking corporation (~~)~~ to me known to be the individuals described in, or ( ) who produced Florida driver's licenses for identification, and ( ) did (~~)~~ did not take an oath.

WITNESS, my hand and official seal, this 17th day of June, 2008.

Notary Public, State of Florida at Large

My Commission expires: 1/27/2013

JOY E. WILSON
Notary Public - State of Florida
My Commission Expires Jan 27, 2013
Commission # DD 749887

CONSENT OF MONROE COUNTY, FLORIDA

MONROE COUNTY, FLORIDA, being the Landlord under that certain 99-year Ground Lease Agreement (the "Ground Lease Agreement") as recorded in Official Records Book 2301 at Page 365, Public Records of Monroe County, Florida, hereby consents to the filing of the Declaration for the purpose of approving the terms and conditions as set forth in the Declaration as being consistent with the terms and conditions of the Ground Lease Agreement.

This Consent of Monroe County, Florida is executed this 18th day of June, 2008.

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By: _____
~~Mario Di Gennaro, Mayor~~
Charles "Sonny" McCoy, Mayor Pro Tem

(SEAL)

ATTEST: CLERK OF THE COURT, Danny L. Kolhage

By: _____
Deputy Clerk

MONROE COUNTY ATTORNEY
APPROVED AS TO FORM:

SUSAN M. GRIMSLEY
ASSISTANT COUNTY ATTORNEY
Date June 13, 2008

EXHIBIT "A"

Doc# 1647623
Bk# 2301 Pg# 409

Doc# 1700882
Bk# 2368 Pg# 739

LEGAL DESCRIPTION

A parcel of land on Stock Island, being a part of Block 59, MALONEY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 1, Page 55, of the Public Records of Monroe County, Florida, and adjacent submerged lands, said parcel being more particularly described by metes and bounds as follows:

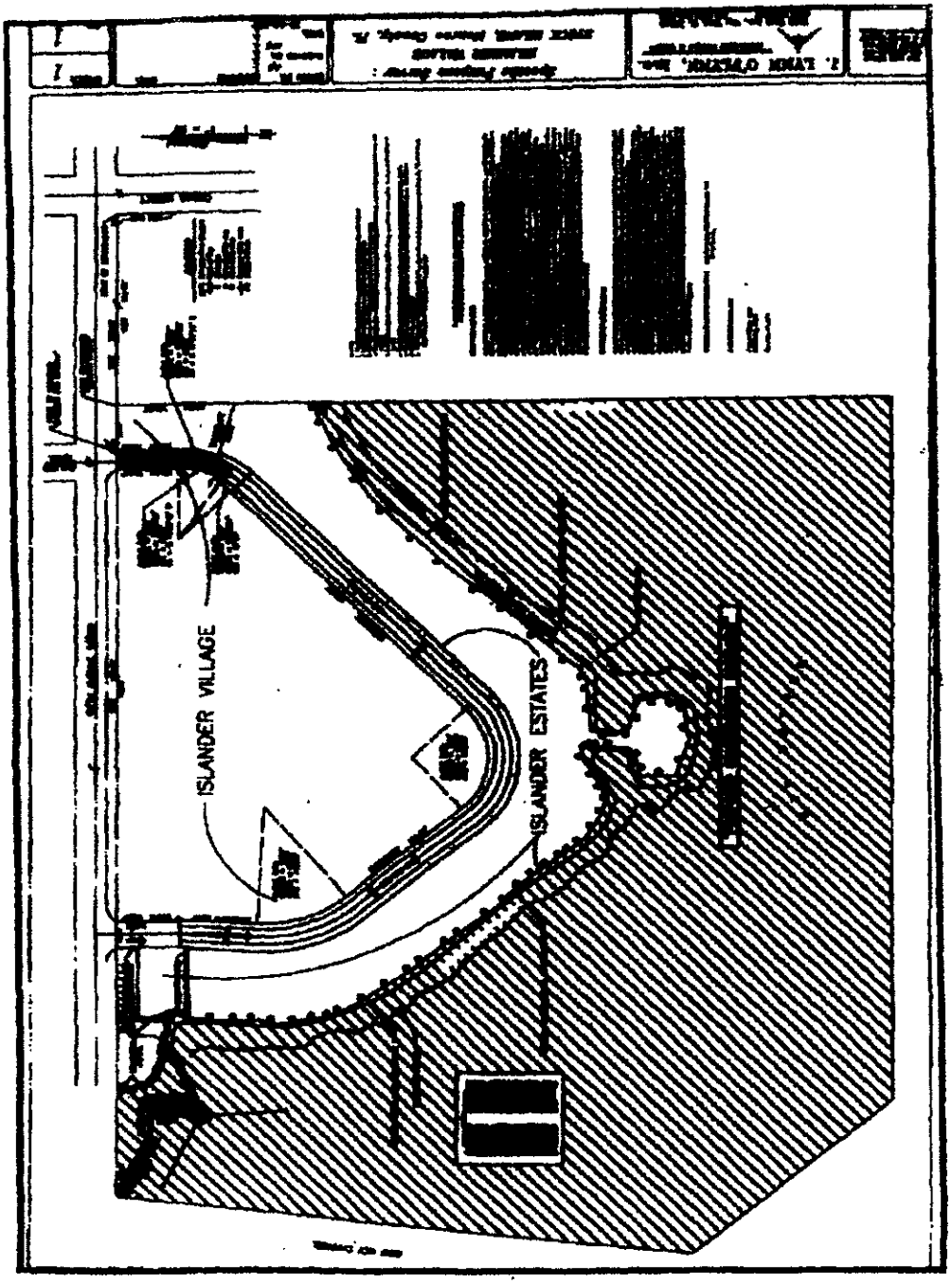
Commencing at the W'ly Right-of-Way Line of Cross Street and the S'ly Right-of-Way Line of Fifth Avenue and run thence West along the S'ly Right-of-Way Line of the said Fifth Avenue for a distance of 450.00 feet to the Point of Beginning, said point also being the NW'ly corner of LINCOLN GARDENS NO. 2 SUBDIVISION, as recorded in Plat Book 5, at Page 90, of the Public Records of Monroe County, Florida; thence continue West and along the S'ly Right-of-Way Line of the said Fifth Avenue for a distance of 691.45 feet; thence run South for a distance of 79.47 feet; thence run S 3 degrees 00' 00" W for a distance of 88.04 feet to a curve, concave to the Northeast and having for its elements a radius of 157.0 feet, and a delta of 43 degrees 00'; thence run SE'ly along the arc of said curve for a distance of 117.83 feet to the end of said curve; thence run S 40 degrees 00' 00" E for a distance of 183.23 feet to a curve, concave to the North and having for its elements a radius of 92.0 feet and a delta of 95 degrees 00'; thence run SE'ly and NE'ly along the arc of said curve for a distance of 152.54 feet to the end of said curve; thence run N 45 degrees 00' 00" E for a distance of 406.95 feet to a curve, concave to the Northwest and having for its elements a radius of 87.0 feet, and a delta of 11 degrees 49' 24"; thence run NE'ly along the arc of said curve for a distance of 17.95 feet; thence run East for a distance of 37.33 feet; thence run S 74 degrees 58' 15" E for a distance of 72.32 feet to a point that is on the W'ly boundary line of the said LINCOLN GARDENS NO. 2 SUBDIVISION; thence run North and along the W'ly boundary line of the said LINCOLN GARDENS NO. 2 SUBDIVISION for a distance of 139.88 feet back to S'ly right-of-way line of the said Fifth Avenue and the Point of Beginning.

EXHIBIT
A

Doc# 1647623
Bk# 2301 Pg# 410

EXHIBIT "B"

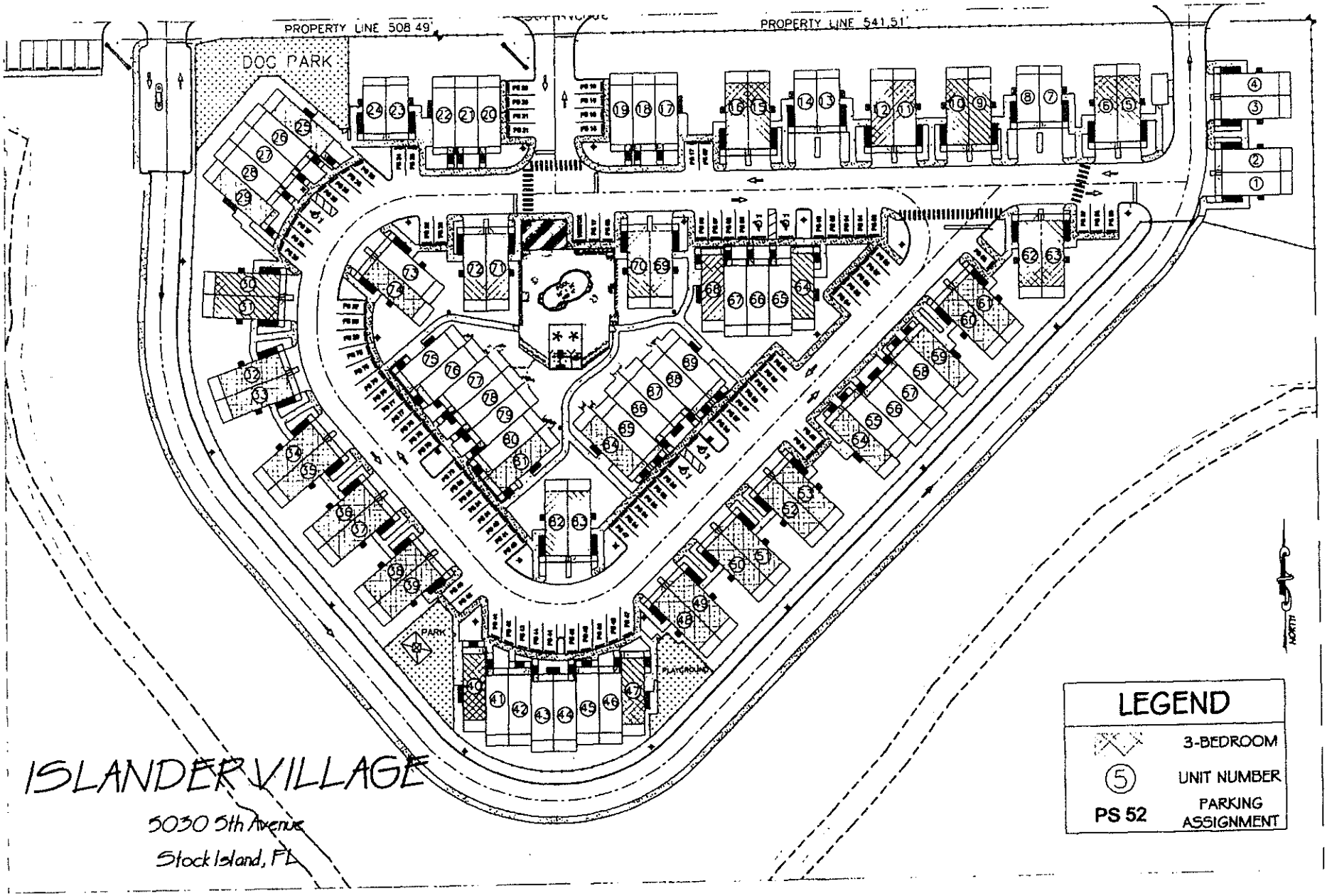
DEPICTION OF PROJECT LAYOUT



Doc# 1700882
Bk# 2368 Pg# 740

DocH 1700882
BkH 2368 PgH 793

EXHIBIT C
SITE PLAN FOR ISLANDER VILLAGE AND PARKING PLAN



Doc# 1700862
Bk# 2358 Pg# 794