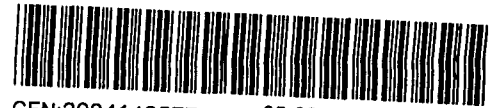


Scott Ellis

Clerk Of Courts, Brevard County

#Pgs: 33 #Names: 2
Trust: 17.00 Rec: 133.00 Serv: 0.00
Mtg: 0.00 Excise: 0.00
Int Tax: 0.00

BYLAWS



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OF

FAIRMONT HOMEOWNERS ASSOCIATION, INC.

**(A Corporation Not for Profit Under the
Laws of the State of Florida)**

ARTICLE 1

GENERAL PROVISIONS

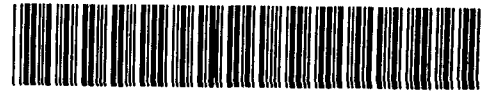
1.0 Identity. These are the Bylaws of FAIRMONT HOMEOWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (hereinafter referred to as the "Association"). The Articles of Incorporation of the Association were filed in the Office of the Secretary of State on the 23rd day of March, 2004. The Association has been organized for the purpose of administering the operation and management of a single family residential community to be known generally as FAIRMONT Subdivision (hereinafter referred to as the "Project") to be developed by EASTWOOD PARK INVESTMENTS, INC., a Florida corporation (hereinafter referred to as the "Developer") in accordance with the Declaration of Covenants, Conditions and Restrictions for Fairmont Subdivision which will be recorded in the Public Records of Brevard County, Florida (hereinafter referred to as the "Declaration"). The Project is located upon certain property situate, lying, and being in Brevard County, Florida, more particularly described in the Declaration (the "Property").

1.1 Bylaws Subject to Other Documents. The provisions of these Bylaws are applicable to the Association, and are expressly subject to the terms, provisions, covenants, and conditions contained in the Articles of Incorporation of Fairmont Homeowners Association, Inc. (hereinafter referred to as the "Articles"), and subject to the terms, provisions, covenants, and conditions contained in the Declaration.

1.2 Applicability. All Lot Owners, their respective families, invitees, guests, and lessees, are subject to these Bylaws, the Articles and the Declaration.

1.3 Office. The office of the Association shall be at 1230 N. Harbor City Blvd., Melbourne, Florida 32935, or at any other place designated from time to time by the Association.

1.4 Seal. The seal of the Association shall bear the name of the Association, the word "Florida," the words, "Corporation not for Profit," and the year of incorporation.



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1.5 Definitions.

(A) All definitions contained in the Declaration are hereby incorporated herein by this reference as though set forth in full herein.

(B) "Member" - Every Owner of a platted Lot (sometimes referred to as Parcel), including the Developer at all times as long as it owns a Lot, shall be a Member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot.

ARTICLE 2

MEMBERSHIP, VOTING, QUORUM, PROXIES

2.0 Qualification of Members, etc. The qualification of Members, the manner of their admission to membership and termination of such membership and voting by Members, shall be determined by the provisions set forth in the Declaration, the Articles and in these Bylaws.

2.1 Quorum. The number of votes needed for a quorum on any vote in person or by certified written ballot of the Association shall be a minimum of 30% of the sum of all the votes held by qualified Class A Members and Class B Members for any ballot to be valid. All matters to be voted on by the Association shall require a quorum and shall be decided by a majority of those votes cast by Owners represented by the quorum unless a greater number of votes is required pursuant to these Bylaws, the Articles or the Declaration.

2.2 Classes of Voting Membership. The Homeowners Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote of each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, as more fully described in Section 2.3, but in no event shall more than one vote be cast with respect to any Lot. Class A Members shall also include all Owners, with the exception of the Developer, of platted Lots in additional phases if additional phases are subjected to these restrictions as elsewhere provided in these Bylaws.

Class B. The Class B Member shall be the Developer or successor developer and shall be entitled to three (3) votes for each Lot owned (to include each owned Lot in additional phases if additional phases are subjected to these restrictions as elsewhere provided in these Bylaws). The Class B membership shall cease and be converted to Class A membership on the Turnover Date (as hereinafter defined).



2.3 Voting Member, Corporation, or Multiple Ownership of a Lot.

(A) If a Lot is owned by more than one (1) person, then the person entitled to cast the vote for the Lot shall be designated by a voting certificate signed by all of the record Owners of the Lot and filed with the Secretary of the Association. The person entitled to cast a vote pursuant to such voting certificate shall be designated as the "Voting Member." Such person shall be one of the record title Owners of the Lot or the corporate, partnership, or entity representative of the record title Owner. Such voting certificate shall be valid until revoked in writing or until superseded by a subsequent voting certificate or until a change occurs in the ownership of the Lot. A voting certificate designating the person entitled to cast the vote for a Lot may be revoked by any record Owner of an undivided interest in the Lot. If a certificate designating the person entitled to cast the vote for a Lot is required, but is not on file or has been revoked, the vote attributable to such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such voting certificate is filed, except if the Lot is owned jointly by a husband and wife, they may, but shall not be required to, designate one spouse as a Voting Member in the manner provided above. In the event a husband and wife do not so designate a Voting Member, the following provisions shall apply:

(i) If both spouses are present at a meeting and are able to concur in their decision upon any subject requiring a vote, either one may cast the Lot vote; or

(ii) If both spouses are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, and their vote shall not be considered in determining whether a quorum is present on that subject at the meeting (and the total number of authorized votes in the Association shall be reduced accordingly for such subject only); or

(iii) If only one spouse is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the Lot vote just as though he or she owned the Lot individually, and without establishing the concurrence of the absent person. Unless both spouses attempt to cast conflicting votes or unless a spouse announces to the meeting prior to or during the vote on a subject that both spouses are present at the meeting and are not able to concur in their decision, then the spouse actually voting shall be deemed to have had valid authority therefor.

(B) If a corporation, partnership, or other entity (i.e., not a natural person) is the Owner of a Lot, then the voting certificate as provided for herein shall be executed (i) by the president or vice-president thereof and shall be attested to by the secretary or other officer, if a corporation, or (ii) by the duly authorized partners, officers, or other representatives, if the Lot is owned by some other legal entity.

2.4 Voting; Proxies. Voting will be allowed by certified written mail-in ballot on all issues that require a vote by the full Association. Votes may be cast in person or by proxy. All



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proxies shall be in writing; shall specifically set forth in the name of the person voting by proxy, the name of the person authorized to vote the proxy for him, the date the proxy was given, the date, time, and place of the meeting for which the proxy is given, and if a limited proxy, set forth those items in connection with which the holder of the proxy may vote, and the manner in which the vote is cast; shall be signed by the person entitled to vote; shall be filed with the Secretary of the Association prior to or at the meeting at which they are to be used; and shall only be effective for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. Holders of proxies need not be Members, but no person other than a designee of the Developer may hold more than fourteen (14) proxies. Where a Lot is owned jointly by a husband and wife, and they have not designated one of themselves as a Voting Member, a proxy must be signed by both in order to designate a third person as proxy. Where a Lot is owned by more than one person (other than a husband and wife) or by a corporation, partnership, or other entity, the proxy must be signed by the Voting Member.

2.5 Voting. In any meeting of Members, the Owner of each Lot, subject to the provisions of Paragraph 2.2 hereof, shall be entitled to cast one (1) vote. The vote of a Lot shall not be divisible. The maximum number of votes that may be cast is the sum of all votes held by qualified Class A members and the Class B member either present in person or by written proxy at the time the vote is taken at a meeting or by actual recorded ownership of platted Lots if by certified written ballot.

2.6 Majority Vote. The acts approved by a majority of the Members present or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Members for all purposes, except as otherwise provided by law, the Declaration, the Article or these Bylaws.

ARTICLE 3

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP: PROVISIO

3.0 Annual Meeting. The annual meeting of the Members shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year, to the extent possible, not later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to transact any business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to the Members in advance thereof. Unless changed by the Board of Directors, the first annual meeting of the Members shall be held at 10:00 a.m., Eastern Time, on the second Tuesday of the month of February following the year in which the Declaration is filed; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding day that is not a Saturday, Sunday or legal holiday.



3.1 Special Meeting. Special meetings of the Members shall be held on the date, at the place, and at the time determined by the Board of Directors from time to time and may be called by a majority of the Board of Directors and must be called by the President or Secretary upon receipt of a written request from one-fourth (1/4) of the voting interests of the Association. The business conducted at a special meeting shall be limited to the purpose of purposes stated in the notice of the meeting.

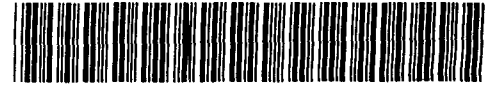
3.2 Notice of Meeting; Waiver of Notice. Notice of all meetings of the Members, whether regular or special, shall be given by the President, Vice President, or Secretary of the Association, or in the absence of such Officers, by any other Officer of the Association to each Member unless such notice is waived in writing. Such notice shall be written and shall state the time, place, and purpose of purposes for which the meeting is called. Such notice shall be hand delivered or mailed to each Member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting. An Officer of the Association shall provide an affidavit to be included in the official records of the Association affirming that a notice of the Association meeting was mailed or hand delivered to each Member at the last address furnished to the Association. Notice of a meeting, if mailed, shall be deemed to be properly given when deposited in the United States mail, first class, postage prepaid, and addressed to the Member at his post office address as it appears on the records of the Association. Notice of annual or special meetings may be waived by Members before or after the meeting and the attendance of any Member for person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.3 Adjourned Meeting. If any meeting of the Members cannot be convened because of a quorum is not present, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. No further notice of the adjourned meeting is required if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, provided, that if, after the adjournment, the Board of Directors, in its sole discretion, fixes a new date for the adjourned meeting other than the date announced at the meeting at which the adjournment is taken, a notice of the adjourned meeting shall be given to each Member not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Except as otherwise provided herein, proxies given for the adjourned meeting shall be valid for newly rescheduled meetings unless revoked.

3.4 Chairman. At meeting of the Members, the President of the Association shall preside. In the absence of the President, the Officers of the Association shall designate one of their number to preside.

3.5 Order of Business. The order of business at annual meetings of the Members and, so far as practical, at any other meetings of the Members, shall be:

- (A) Call to order by Chairman;



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- (B) Roll call and quorum determination;
- (C) Proof of notice of meeting or waiver of notice;
- (D) Reading of minutes of prior meeting;
- (E) Reports of Officers, Committees, and employees or agents;
- (F) Elections;
- (G) Unfinished business;
- (H) New business; and
- (I) Adjournment.

3.6 Minutes of Meetings. The minutes of all meetings of the Members shall be kept in a book available for inspection at any reasonable time by Members of the Association or their representatives duly authorized in writing and by Board Members. The Association shall retain these minutes for a period of not less than seven (7) years.

3.7 Action Without A Meeting. Action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting without prior notice and without a vote if the action is taken by the members entitled to vote on such action and having not less than the minimum number of votes necessary to authorize such action at a meeting at which all members entitled to vote on such action were present and voted. In order to be effective, the action must be permitted without a meeting by Florida Statutes and must meet the requirements set forth in Florida Statute Section 617.0701(4).

ARTICLE 4

BOARD OF DIRECTORS

4.0 Management of Association. The affairs of the Association shall be governed by a Board of Directors.

4.1 Board of Directors:

(A) The Board of Directors shall consist of not less than three (3) nor more than seven (7) Directors. The initial Board of Directors shall consist of three (3) Directors. The Board shall continue to consist of three (3) Directors until changed by majority vote of the membership. Directors need not be Lot Owners.

(B) The first Board of Directors shall consist of persons designated by the Developer. Notwithstanding the voting rights given to the Members in Paragraph 2.2 herein, the Developer shall have the right to designate all persons on the Board of Directors until the occurrence of the Turnover Date. At the Turnover Date, the Board of Directors shall cause to be mailed to all Members a form upon which each Member shall be entitled to nominate one person for each Director position and the Members shall be entitled to elect at least a majority of the Board of Directors. The nomination form shall be returnable to the Association within fifteen (15) days of its mailing by the



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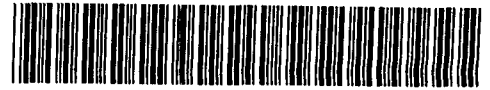
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Association; nomination forms received after said fifteen (15) days shall be null and void. The Developer may nominate one (1) person for each Director position and shall be entitled to elect at least one member to the Board of Directors as long as Developer holds at least five (5) percent of the Lots for sale in the ordinary course of business. Within fifteen (15) days after the date upon which nomination forms are required to be received by the Board of Directors, the Board of Directors shall mail to each Member a ballot containing the names of each nominee for the Board of Directors and appropriate space for write-in votes. Each Member shall be entitled to vote for one person for each Director position. The ballot shall be signed and dated by the Member. The ballots shall be returned to the Association Secretary not earlier than fifteen (15) days and not later than thirty (30) days after the date the ballot is mailed, as determined by the Board of Directors. Each ballot shall constitute a written consent within the meaning of Section 617.0701, Florida Statutes, and shall be filed with the minutes of proceedings of Members. The ballots shall not be effective to elect a Board of Directors unless ballots properly signed and dated are received from a majority of Members. The Association Secretary shall tabulate the ballots and provide written notice to each Member within ten (10) days of the date established for the receipt of ballots by the Association of the names of the Directors elected pursuant hereto, or if the number of ballots received were insufficient to elect a Board of Directors, the existing Board of Directors, in its discretion, may call a meeting of Members to elect Directors or may repeat the process above described until a Board of Directors is elected.

(C) Within a reasonable time after the Turnover Date, the Developer shall relinquish control of the Association and the Members shall accept control.

(D) The Developer shall have the absolute right at any time, in its sole discretion, to remove any member of the Board of Directors designated by the Developer and to replace any such member with another person to serve on the Board. Removal and replacement of any person designated by Developer to serve on the Board of Directors shall be made by written instrument delivered to any Officer of the Association, which instrument shall specify the name of the person to be removed, and the name of the person designated as successor to the person so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by the Developer to any Officer of the Association, and shall be inserted in the minute book of the Association.

(E) The Developer may turn over control of the Association to the Members other than the Developer prior to the Turnover Date in its sole discretion by causing all of its appointed Directors to resign, where upon it shall be the affirmative obligation of the Members other than the Developer to elect Directors and assume control of the Association. Provided at least thirty (30) days notice of Developer's decision to cause its appointees to resign is given to the Members, neither the Developer, nor such appointees, shall be liable in any manner in connection with such resignations even if the Members other than the Developer refuse or otherwise fail to assume control.



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(F) The "Turnover Date" is defined as the earlier of

(i) Three (3) months after seventy-five percent (75%) of the residential Lots in all phases of the development have been conveyed by the Developer (or Successor Developer) to Members (excluding conveyances to Builders, contractors, or others who purchase Lots for the purpose of constructing improvements thereon for resale); or

(ii) At such time as the Developer or successor Developer so elects.

Developer may add additional properties and phases consisting of additional Lots to the development as set forth in the Declaration.

4.2 Election of Directors. Election of Members of the Board of Directors, other than those designated by the Developer, shall be conducted in the following manner:

(A) Election of Members of the Board of Directors shall be held at the annual meeting of the Members of the Association, except the elections required by paragraph 4.1(B) hereof.

(B) A Nominating Committee of three (3) Members shall be appointed by the Board not less than sixty (60) days prior to the annual meeting. The Committee shall nominate one (1) person for each vacancy to be filled. Nominations for additional Directorships, if any, created at the meeting shall be made from the floor. Other nominations may be made from the floor.

(C) The election shall be by written ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his vote or votes for each of any nominees as there are vacancies to be filled. There shall be no cumulative voting.

(D) (i) At any time after a majority of the Board is elected by Members other than the Developer, any member of the Board may be recalled and removed from office with or without cause by the vote of a majority of all Members of the Association (except for the one director Developer elects as long as Developer holds for sale in the ordinary course of business at least five percent (5%) of all Lots in all phases of the Project). A successor may then and there be elected to fill the vacancy created. Should the membership at such meeting, having removed any Directors from office, then fail to elect a successor at such meeting, the Board may fill the vacancy in the manner elsewhere provided herein.

(ii) A special meeting of the Members to recall a member or members of the Board may be called by thirty (30%) percent of the Members of the Association giving notice of the meeting as required for a meeting of Members of the Association, and the notice shall state the purpose of the meeting. If the recall is approved by a majority of the Lot Owners by vote at a meeting, the recall will be effective immediately, and the recalled member or members of the Board



shall turn over to the Board any or all records of the Association in their possession within seventy-two (72) hours after the meeting.

(E) If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor who shall hold office for the balance of the unexpired term of office. The election held for the purpose of filling any such vacancy may be held at any regular or special meeting of the Board.

(F) Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, addressed to the President or Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Association. The acceptance of a resignation shall not be required to make it effective. Commencing with the organizational meeting of any newly elected Board of Directors, four (4) consecutive absences, unless expressly excused by resolution of the Board, shall automatically constitute a resignation from the Board of Directors. No member shall continue to serve on the Board should he be more than ninety (90) days delinquent in the payment of any Assessment. Such delinquency shall automatically constitute a resignation from the Board. All of these regulations are self-operating and shall become effective immediately upon the happening of the event or the passage of the time provided for herein.

4.3 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided herein.

4.4 Organizational Meeting. The organizational meeting of a newly elected Board shall be held within ten (10) days of their election, at such time and at such place and upon such notice as shall be fixed by the Directors.

4.5 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be delivered to each Director, personally or by mail, telephone, or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

4.6 Special Meetings. Special meetings of the Board may be called by the President, and must be called by the Secretary upon the written request of one-fourth (1/4) of the members of the Board. Not less than three (3) days notice of a meeting shall be given to each Director, personally or by mail, which notice shall state the time, place, and purpose or purposes of the meeting.

4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.



4.8 Quorum. A majority of the Directors of the Association, duly qualified and holding the office of Director, shall be required for and shall constitute a quorum at all meetings of the Board of Directors for the transaction of business, except as otherwise provided by law, the Declaration, the Articles or these Bylaws.

4.9 Adjourned Meetings. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 Presiding Officer. The presiding officer of the Directors' meetings shall be the President of the Association. In the absence of the President, the Directors present shall designate one of their number to preside.

4.11 Order of Business. The order of business at Directors meetings shall be:

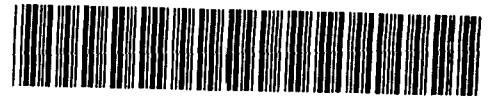
- (A) Call to order by presiding officers;
- (B) Roll call and quorum determination;
- (C) Proof of notice of meeting or waiver of notice;
- (D) Reading of minutes of prior meeting;
- (E) Reports of Officers, Committees, and employees or agents;
- (F) Resignations and elections of Officers;
- (G) Unfinished business;
- (H) New business; and
- (I) Adjournment.

4.12 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection at any reasonable time by Members of the Association or their representative duly authorized in writing and by Board Members. The Association shall retain these minutes for a period of not less than seven (7) years.

4.13 Compensation. No Director shall receive compensation for serving in such capacity; provided, however, this shall not be constructed to preclude a Director from serving the Association in any other capacity (other than as an Officer) and receiving compensation therefor. The compensation of all employees of the Association shall be fixed by the Board of Directors.

4.14 Powers and Duties. Except as otherwise provided herein, by law, in the Declaration, or in the Articles, all of the powers and duties of the Association shall be exercised by the Board of Directors.

4.15 Place of Meetings. Notwithstanding anything contained herein to the contrary, any meeting of Members or Directors may be held at any place within or outside of the State of Florida.



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4.16 Proviso. Notwithstanding anything contained herein to the contrary, the Directors shall not have the right or authority to do any act or take any actions wherein the same would limit, modify, or abridge the rights, privileges, and immunities of the Developer or of the construction lender or its assigns in the event the construction lender has taken control of the project by foreclosure or deed in lieu of foreclosure, as set forth in the Declaration, the Articles or these Bylaws.

4.17 Committees.

(A) The Board may, by resolution, also create other committees and invest such committees with such powers and responsibilities as the Board shall deem advisable.

(B) Notwithstanding anything contained herein to the contrary, an executive committee or any other committee created by the Board of Directors shall not have the power to determine the Common Expenses required for the affairs of the Association or to determine the Assessments payable by the Lot Owners to meet the Common Expenses of the Association.

ARTICLE 5

OFFICERS

5.0 Generally. The Officers of the Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and one or more Assistant Secretaries, all of whom shall be elected annually by the Board and who may be peremptorily removed by a majority vote of the Directors at any meeting. The Board may from time to time elect other Officers and designate appropriate powers and duties to them. Officers need not be Members.

5.1 President. The President shall be the chief executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of a corporation. The President shall be a member of the Board.

5.2 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors or the President.

5.3 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of a corporation and as may be prescribed by the Directors or the President.



5.4 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer of a corporation and as may be prescribed by the Directors or the President. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.

5.5 Compensation. No Officer shall receive compensation for serving in such capacity; provided, however, this shall not be construed to preclude an Officer from serving the Association (other than as a Director) and receiving compensation therefor. The compensation of all employees of the Association shall be fixed by the Board of Directors.

5.6 Resignations. Any Officer may resign at any time, by sending written notice of such resignation to the President or Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the President or Secretary. The acceptance of a resignation shall not be required to make it effective.

ARTICLE 6

FISCAL MANAGEMENT; COMMON EXPENSES

6.0 Fiscal Management. The provisions for fiscal management of the Association set forth in Article VIII of the Declaration shall be supplemented by the following provisions:

6.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of Assessments payable by the Members to meet the Common Expenses of the Association, and allocate and assess such expenses among the Members in accordance with the provisions of the Declaration. The budget shall project anticipated income and estimated expenses in sufficient detail to show separate estimates of operating expenses, insurance, electricity, maintenance expenses, repairs, replacement reserve and reasonable periodic maintenance, repair, improvements to and replacement of the Common Property and all other property which the Association is obligated to maintain, in addition to reasonable reserves for the continued maintenance and operation of any other items deemed necessary for the protection of Owners. The purposes of such accounts shall include, but not be limited to, periodic maintenance, repair, and replacement of the Common Property and all other property which the Association is obligated to maintain. The budget shall be adopted upon a majority vote of the Directors present at a meeting of the Board at which a quorum is attained.

6.2 Assessments. Funds for the payment of Common Expenses shall be assessed against the Members in the proportions or percentages provided in the Declaration. For each year thereafter, the Association shall fix the amount and the due date of the annual assessment. Initially, annual



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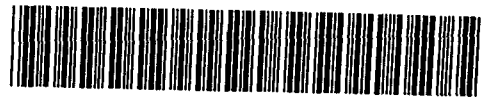
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Assessments shall be payable in one annual installment. The Board shall notify the Owners of each Lot of the amount and the date which the Assessments are payable and the place of payment of Annual Assessments shall be uniform. Written Notice of the Assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof. The Board may authorize payment of annual assessments on a monthly basis, payable in advance on the first day of each month of the year for which the Assessments are made. If annual Assessments are not made as required, Assessments shall be presumed to have been made in the amount of the last prior Assessments, and such Assessments shall continue to be due until changed by amended Assessments. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors. Unpaid Assessments for the remaining portion of the fiscal year for which amended Assessments are made shall be payable within thirty (30) days. Special Assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular Assessments, and shall be payable in the manner determined by the Board.

The Owners shall be personally liable, jointly and severally, to the Association for the payment of all Assessments, regular or special, made by the Association and for all costs of collection of delinquent Assessments. In the event Assessments against a Lot are not paid within sixty (60) days after their due date, there shall be a Twenty-Five Dollar (\$25.00) late fee for each such Assessment. In addition to the late fee, Assessments that are unpaid for more than thirty (30) days after due date shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. If regular annual assessments have not been paid within ninety (90) days by an Owner, the voting rights of such Owner shall automatically be suspended.

6.3 Depository; Withdrawals. The depository of the Association shall be such financial institution or institutions as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board. Should the Association employ a management firm or managing agent, and should in the course of such employment said management firm or managing agent be charged with any responsibilities concerning control of any of the funds of the Association, then and in such event, any such agreement with such a management firm or managing agent pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the term of any such agreement. All sums collected by the Association from Assessments or contributions to working capital or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors.

6.4 Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors. A copy of any audited report received as a result of an audit shall be furnished to each Member of the Association not more than thirty (30) days after receipt by the Board.



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6.5 Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, the Board of Directors, in its sole discretion, is expressly authorized to adopt a different fiscal year.

6.6 Acceleration of Payment of Installments of Assessments. If a Member shall be in default in the payment of an installment upon any Assessment, the Board may accelerate the remaining installments for the fiscal year upon notice thereof to the Member and, thereupon, the unpaid balance of the Assessment shall become due upon the date stated in the notice, but not less than ten (10) days after the delivery of or the mailing of such notice to the Lot Owner.

6.7 Accounting Records and Reports. The Association shall maintain accounting records in the State of Florida, according to the generally accepted accounting practices, consistently applied. The records shall be open to inspection by Members of the Association and Institutional Mortgagees or their representatives duly authorized in writing at reasonable times.

6.8 Application of Payment. All payments made by a Member shall be applied as provided in these Bylaws and in the Declaration or as otherwise determined by the Board.

6.9 Violation by Member; Remedies. In the event of a violation (other than the nonpayment of an Assessment) by a Member of any of the provisions of the Declaration, the Articles, these Bylaws, or any Rules and Regulations adopted pursuant to the same, as the same may be amended or added to from time to time, the Association by direction of its Board, may notify the Member by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board, shall have the right to treat such violation as an intentional, inexcusable, and material breach of the Declaration, Articles, these Bylaws, or the Rules and Regulations, and the Association may then pursue any remedy available. Upon a finding by a court of record that the violation complained of has occurred, the offending Member shall reimburse the Association for its reasonable attorneys' fees and court costs incurred in bringing such action. Any violations which are deemed by the Board to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Member as a specific item, which shall be a lien against said Lot with the same force and effect as if the charge was a part of the Common Expenses attributable to such Member.

6.10 Liability of Lot Owners. All Members shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness 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 such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by such act, neglect, or carelessness. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense of any maintenance, repair, or replacement required, as provided herein, shall be charged to said Member as a specific item, which



shall be a lien against said Lot with the same force and effect as if the charge was a part of the Common Expenses attributable to such Member.

6.11 No Waiver. The failure of the Association or of a Member to enforce any right, provision, covenant, or condition, which may be granted by any of the provisions of any of the Articles, Declaration or in these Bylaws, as amended, shall not constitute a waiver of the right of the Association or Member to enforce such right, provision, covenant, or condition in the future.

6.12 Acquisition of Lots. At any foreclosure sale of a Lot, the Board may acquire in the name of the Association, or its designee, the Lot being foreclosed. The term "foreclosure," as used in this Section, shall mean and include, but not be limited to, any foreclosure of any lien, including a lien for Assessments. The power of the Board to acquire a Lot at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of the Board or of the Association to do so at any foreclosure sale - the provisions hereof being permissive in nature and for the purpose of setting forth the powers of the Board.

6.13 Default in Payment of Any Assessments; Lien. In the event of a default by a Member in the payment of any Assessment, the Association shall have all rights and remedies as set forth in the Declaration and in addition, all rights and remedies as provided by law. The liability of the Member shall include liability for a late charge to be determined by the Board, reasonable attorneys' fees, and for court costs incurred by the Association incident to the collection of such Assessment or the enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the Member shall be required to pay a reasonable rental for the Lot, pendente lite, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. Nothing herein contained shall be construed to limit the rights of the Association as provided for in the Declaration, Articles or otherwise in these Bylaws.

6.14 Tax Election. The Association shall, through officers designated by the Board of Directors, file the necessary annual election to become a "homeowners association" as defined in the Internal Revenue Code of 1986, as amended, Section 528, or similar provisions of corresponding law subsequently enacted, exempt from income tax as therein provided. The Association shall be operated at all times to maintain its eligibility for tax-exempt status.

ARTICLE 7 ROSTER OF MEMBERS

7.0 Roster. Each Member shall file with the Association a copy of the deed or other documents evidencing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Members of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Members shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.

**ARTICLE 8****PARLIAMENTARY RULES, ROBERTS RULES OF ORDER**

8.0 Governance of Conduct. Parliamentary Rules, Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Articles, Declaration, Bylaws of this Association, as amended or the laws of the State of Florida.

ARTICLE 9**AMENDMENTS TO BYLAWS**

9.0 Amendments. These Bylaws may be altered, amended, or rescinded only in the same manner as set forth in the Articles for alteration, amendment or rescission of the Articles.

9.1 Conflicts. Notwithstanding anything to the contrary hereinabove set forth, no amendment of these Bylaws which shall abridge, modify, eliminate, prejudice, limit, amend, or alter the rights of the Developer as set forth in the Declaration may be adopted or become effective without the prior written consent of the Developer. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration.

9.2 Governmental Approval of Certain Amendments. So long as there is a Class B membership, the following actions shall require the prior approval of the Department of Housing and Urban Development, Federal Housing Administration or the Veterans Administration: annexation of additional properties; dedication of Common Areas; amendment of these Bylaws; merger and/or consolidation of this Corporation; mortgaging of any Common Areas in the Project; or dissolution of the Corporation.

ARTICLE 10**INDEMNIFICATION**

10.0 Indemnification. The Directors and Officers of the Association shall be indemnified by the Association pursuant to the indemnification provisions of Article 12 of the Articles of Incorporation, which by this reference are incorporated herein and made a part hereof.

ARTICLE 11**MEMBER'S RESPONSIBILITY CONCERNING LIENS AND TAXES**

11.0 Liens and Taxes. All liens against a Lot, other than for permitted mortgages and non-delinquent taxes and special assessments, shall be satisfied or otherwise removed within ten (10) days of the date the lien attaches. All taxes and special assessments upon a Lot shall be paid within the time limits provided in the Declaration, Articles of Incorporation, these Bylaws, or by law, whichever is sooner.



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11.1 Notice to Association. A Member shall give notice to the Association of every lien upon his Lot, other than for permitted mortgages and non-delinquent taxes and special assessments, within five (5) days after the attaching of the lien.

11.2 Notice of Suit. A Member shall give notice to the Association of every suit or other proceeding which will or may affect title to his Lot or any part of the Property, such notice to be given within five (5) days after the Member receives notice thereof.

11.3 Failure to Comply. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

ARTICLE 12 **RULES AND REGULATIONS**

12.0 As to Common Property. The Board may, from time to time, adopt or amend previously adopted Rules and Regulations governing the details of the operation, use, maintenance, management, and control of the Common Property and any facilities or services made available to the Members.

12.1 As to Lots. To the extent permitted by law, the Board of Directors may, from time to time, adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Lots, provided, however, that copies of such Rules and Regulations are furnished to each Member prior to the time the same become effective.

12.2 Rights of Developer. Notwithstanding anything to the contrary hereinabove set forth, no rule or regulation may be adopted which would abridge, modify, eliminate, prejudice, limit, amend or alter the rights reserved to the Developer in the Declaration, Articles of Incorporation, these Bylaws, or Rules and Regulations.

ARTICLE 13 **CONSTRUCTION**

13.0 Gender. Whenever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine, or neuter, singular or plural, wherever the context so requires.

13.1 Severability. Should any of the provisions contained herein (or portion thereof) be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.



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ARTICLE 14
CONFLICT

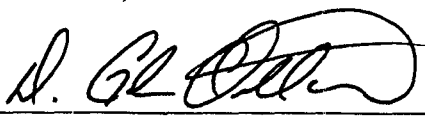
14.0 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration or Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail.


ARTICLE 15
CAPTIONS

15.0 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions hereof.

The foregoing were adopted as the Bylaws of FAIRMONT HOMEOWNERS ASSOCIATION, INC., a corporation not for profit established under the laws of the State of Florida, via Organization by Written Consent this 25th day of March, 2004.

FAIRMONT HOMEOWNERS
ASSOCIATION, INC.

BY: 
D. Glen Outlaw, President

ATTEST:

Beville S. Outlaw, Secretary



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STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 23rd day of March, 2004, by **D. Glen Outlaw, President of Fairmont Homeowners Association, Inc., a Florida corporation**, on behalf of said corporation, who is personally known to me, or [] who has produced Florida Driver's License as identification.



Debra B. Chamberlain
MY COMMISSION # DD086777 EXPIRES
February 20, 2006
BONDED THRU TROY FAIN INSURANCE, INC.

Debra B. Chamberlain
Notary Public
My commission expires: 2/20/06

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 23rd day of March, 2004, by **Beville S. Outlaw, Secretary of Fairmont Homeowners Association, Inc., a Florida corporation**, on behalf of said corporation, who is personally known to me, or [] who has produced Florida Driver's License as identification.



Debra B. Chamberlain
MY COMMISSION # DD086777 EXPIRES
February 20, 2006
BONDED THRU TROY FAIN INSURANCE, INC.

Debra B. Chamberlain
Notary Public
My commission expires: 2/20/06



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**ARTICLES OF INCORPORATION
OF
FAIRMONT HOMEOWNERS ASSOCIATION, INC.
(A Corporation Not for Profit Under
the Laws of the State of Florida)**

In order to form a corporation not for profit under and in accordance with the provisions of the laws of the State of Florida, the undersigned do hereby associate themselves into a corporation not for profit, and to that end by these Articles of Incorporation state:

**ARTICLE 1
NAME**

1.0 The name of this corporation shall be: **FAIRMONT HOMEOWNERS ASSOCIATION, INC.** (hereinafter referred to as the "Association").

**ARTICLE 2
DEFINITIONS**

2.0 The terms contained and used in these ARTICLES OF INCORPORATION shall have the same definitions and meanings as those set forth in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE FAIRMONT SUBDIVISION (hereinafter referred to as the "Declaration").

**ARTICLE 3
PURPOSE**

3.0 The purpose for which the Association is organized is to provide an entity responsible for the operation of a single family residential community to be known generally as Fairmont Subdivision (hereinafter referred to as the "Project") to be developed by EASTWOOD PARK INVESTMENTS, INC., a Florida corporation (hereinafter referred to as the "Developer").

Robert W. Wattwood, Esq.
Florida Bar No. 285641
O'Brien Riemenschneider, P.A.
1686 West Hibiscus Blvd.
Melbourne, FL 32901
(321)728-2800/(321)728-0002 (FAX)

ARTICLE 4
POWERS



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4.0 The Association shall have the following powers:

4.1 The Association shall operate, maintain and manage the surface water or storm water management system(s) in a manner consistent with the St. Johns River Water Management District permit number 40-009-88236-1 requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Covenants, Conditions and Restrictions which relate to the surface water or storm water management system.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or storm water management system.

4.2 The Association shall have all of the powers set forth in the Declaration and all of the common law and statutory powers and privileges granted to corporations not for profit under the laws of the State of Florida, except where the same are in conflict with the Declaration, these Articles, or the By-Laws of this Association which may be hereafter adopted.

4.3 The Association shall have all of the powers reasonably necessary to implement and effectuate the purposes of the Association not otherwise expressly prohibited herein, including, but not limited to, the following:

(a) To make and amend reasonable rules and regulations for the maintenance, conservation, and use of the property and for the health, comfort, safety, and welfare of Lot Owners.

(b) To own, control, operate, manage, maintain, repair, and replace the common property, including the right to reconstruct improvements after casualty and the right to make further improvements to the common property.

(c) To levy and collect Assessments against members of the Association as provided for in the Agreement and the By-Laws of this Association. Without limiting the generality of the preceding sentence, such Assessments may be levied and collected for the purchase of insurance on the common property, insurance for the protection of the Association, its Officers, Directors, and members, and comprehensive general public liability and property damage insurance; to acquire, operate, lease, manage, and otherwise trade and deal with such property, whether real or personal, which may be necessary or convenient for the operation and management of the common property; to pay all taxes, utility charges, and other expenses with respect to the common property; and generally to accomplish the purposes set forth in the Declaration.

(d) To hire such employees or agents, including professional management agents or companies (which may be the Developer or an entity affiliated with the Developer), and purchase



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such equipment, supplies, and materials as may be needed to provide for the management, supervision, and maintenance of the property.

(e) To enforce the provisions of the Declaration, these Articles of Incorporation, and the By-Laws of the Association.

(f) To exercise, undertake, and accomplish all of the powers, rights, duties, and obligations which may be granted to or imposed upon the Association pursuant to the Declaration, including, but not limited to, the enforcement of all of the covenants, restrictions, and other terms contained in or imposed by the Declaration.

(g) The irrevocable right of access to each Lot during reasonable hours, when necessary, for the maintenance, repair, or replacement of any common property or for making emergency repairs necessary to prevent damage to the common property, or to another Lot or Lots.

(h) To pay taxes and other charges, on or against property owned or accepted by the Association.

(i) To borrow money and, from time to time, to make, accept, endorse, execute, and issue debentures, promissory notes, or other obligations of the Association for monies borrowed, in payment of property acquired, or for any of the other purposes of the Association, and to secure the repayment of any such obligation by mortgage, pledge, or other instrument of trust, or by lien upon, assignment of, or agreement in regard to all or any part of the property, rights, or privileges of the Association, wherever situated.

(j) To buy, own, operate, lease, sell, trade, and mortgage both real and personal property.

(k) To charge recipients for services rendered by the Association and the use of Association Property where such is deemed appropriate by the Board of Directors of the Association and is permitted by law.

ARTICLE 5 MEMBERS

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

5.1 All Lot Owners shall be members of the Association, and no other persons or entities shall be entitled to membership, except as otherwise provided herein.

5.2 Subject to the provisions of the Declaration and the By-Laws of this Association, membership shall be established by the acquisition of the ownership of fee title to or fee interest in



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a Lot whether by conveyance, devise, judicial decree, or otherwise and by the recordation amongst the Public Records of Brevard County, Florida, of the deed or other instruments validity establishing such acquisition and designating the Lot affected thereby, and by the delivery to the Association of a true copy of such deed or other instrument, and shall be terminated automatically upon his or her being divested of title to all Lots owned by such member. Membership is nontransferable and inseparable from ownership of the Lot, except as an appurtenance to a Lot.

5.3 The Corporation shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners of Lots in The Fairmont Subdivision, excluding Developer. There shall be only one (1) vote per platted plot. When more than one (1) person holds an interest in any such Lot, all such persons shall be members. The sole vote for such Lot shall be exercised as provided in the bylaws.

Class B: The Class B member shall be Developer, or any successor Developer, which shall be entitled to three (3) votes for each Lot it owns. The Class B membership shall cease and be converted to Class A membership on the Turnover Date.

5.4 The By-Laws shall provide for an annual meeting of members, and may make provisions for regular and special meetings of members in addition to the annual meeting.

**ARTICLE 6
EXISTENCE AND DURATION**

6.0 Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.

**ARTICLE 7
ADDRESS**

7.0 The initial principal office of the Association shall be located at 1230 N. Harbor City Blvd., Melbourne, FL 32935. The Association may maintain offices and transact business in such other places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

**ARTICLE 8
DIRECTORS**

8.0 The affairs and property of the Association shall be managed and governed by a Board of Directors composed of not less than three (3) Directors. The first Board of Directors shall have three (3) members, and the number of Directors on subsequent Boards will be determined from



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time to time in accordance with the provisions of the By-Laws of the Association. Directors need not be members of the Association.

8.1 Directors of the Association shall be appointed in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided for in the By-Laws.

8.2 The Directors named in these Articles shall serve until the Turnover Date, or until otherwise removed by the Developer as provided for in the By-Laws and any vacancies in their number occurring before the Turnover Date shall be filled by the remaining Directors or by the Developer as provided for in the Declaration or the By-Laws of this Association.

8.3 The names and addresses of the members of the first Board of Directors who shall serve until their successors are appointed and have qualified, or until removed, are as follows:

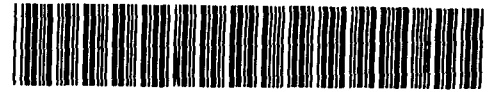
<u>Name</u>	<u>Address</u>
D. Glen Outlaw	1230 Harbor City Blvd. Melbourne, FL 32935
Beville S. Outlaw	1222 S. Harbor City Blvd. Melbourne, Florida 32935
Myla Outlaw	1222 S. Harbor City Blvd. Melbourne, Florida 32935

8.4 The "Turnover Date" is defined as the earlier of: (i) Three (3) months after seventy-five percent (75%) of the Lots in all phases of the Subdivision that will ultimately be operated by the Association have been conveyed to members other than the Developer (or Successor Developer) ("members other than the Developer" shall not include builders, contractors, or others who purchase a parcel for the purpose of constructing improvements thereon for resale); or (ii) the Developer or Successor Developer elects to turn over control of the Association to members other than the Developer.

8.5 The Developer or Successor Developer shall be entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of all Lots in all phases of the Project.

**ARTICLE 9
OFFICERS**

9.0 The affairs of the Association shall be administered by the Officers of the Association holding the offices designated in the By-Laws. The Officers of the Association shall be elected by



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the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. Officers need not be members of the Association. The By-Laws may provide for the duties of Officers, and for the removal from office of Officers and for the filling of vacancies.

ARTICLE 10 SUBSCRIBER

10.0 The name and address of the Subscriber to these Articles of Incorporation is as follows: D. Glen Outlaw, 1230 Harbor City Blvd., Melbourne, FL 32935.

ARTICLE 11 BY-LAWS

11.0 The first By-Laws of the Association shall be adopted by a majority vote of the Board of Directors of the Association and, thereafter, such By-Laws may be altered, amended, or rescinded only as provided in the By-Laws.

ARTICLE 12 INDEMNIFICATION

12.0 Indemnity. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was a Director, Officer, employee, or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fee), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, provided such person acted in good faith and in a manner reasonably believed by him or her to be in, or at least not opposed to, the best interest of the Association and, with respect to any criminal action or proceeding, such person had no reasonable cause to believe his or her conduct was unlawful; except, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable because of gross negligence or willful misconduct or malfeasance in the performance of his or her duties to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or at least not opposed to, the best interest of the Association and, with respect to any criminal action or proceeding, such person had no reasonable cause to believe



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that his or her conduct was unlawful. This Article 12 shall not apply to a director appointed by the Developer.

12.1 Expenses. To the extent that a Director, Officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Paragraph 12.0 hereof, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him or herein connection therewith.

12.2 Approval. Any indemnification under Paragraph 12.0 hereof (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, Officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in such paragraph 12.0 hereof. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action, suit, or proceeding, or (b) if such a quorum is not obtainable or, even if obtainable, by a majority vote of a committee duly designated by the Board of Directors (in which directors who are a party may participate) consisting solely of two (2) or more directors not at the time parties to the proceeding, or (c) by independent legal counsel selected by the Board of Directors prescribed in subparagraph (a) above or the committee prescribed in subparagraph (b) above or selected by a majority vote of the full Board of Directors in which directors who are parties may participate if a quorum of the directors cannot be obtained as provided in subparagraph (a) and the committee cannot be designated pursuant to subparagraph (b), or (d) by the members by a majority vote of a quorum consisting of members who are not parties to such proceeding, or, if no such quorum is obtainable, by a majority vote of members who are not parties to such proceeding.

12.3 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, Officer, employee, or agent to repay such amount unless it shall ultimately be determined that such person is entitled to indemnification by the Association as authorized in this Article.

12.4 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which such person seeking indemnification may be entitled under any By-Law, agreement, vote of the members of the Association, or otherwise, both as to action in his or her official capacity while holding such office, as well as continuing to such a person after he or she has ceased to be a Director, Officer, employee, or agent. Such indemnification shall inure to the benefit of the heirs, personal representatives, and administrators of such person.

12.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted



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against or arising out of his or her status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this Article.

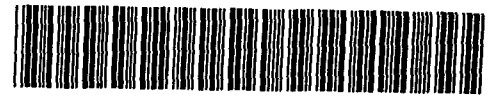
ARTICLE 13 AMENDMENTS

13.0 Amendments While Developer Holds Two-Thirds (2/3) of Total Membership Votes.

At any time Developer holds two-thirds (2/3) or more of the total membership votes (Class A and Class B combined for all phases of the Subdivision that will ultimately be operated by the Association), these Articles may be amended by the affirmative vote of the Developer (without a meeting) as the holder of two-thirds (2/3rd) of the membership votes.

13.1 Amendments While Developer Does Not Hold Two-Thirds (2/3) of Total Membership Votes. At any time the Developer does not hold two-thirds (2/3) of the total membership votes (Class A and Class B combined for all phases of the Subdivision that will ultimately be operated by the Association), amendments to these Articles may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by members of the Association owning not less than one-third of the Lots, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to the Articles of Incorporation being proposed by said Board of Directors, or members, such proposed Amendment or Amendments shall be transmitted to the President of the Association or, in the absence of the President, such other Officer of the Association who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from the receipt by him or her of the proposed Amendment or Amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed Amendment or Amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such special meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Any member may waive such notice, by written waiver of notice. And, when such waiver of notice is filed in the records of the Association (whether before or after the holding of the meeting), it shall be deemed equivalent to the giving of such notice to such member.

At such meeting, if the Developer maintains a Class B membership, the Amendment or Amendments proposed must be approved by the Developer and an affirmative vote of members holding at least two-thirds (2/3) of the total membership votes (Class A and Class B combined for all phases of the Subdivision that will ultimately be operated by the Association) in order for such Amendment or Amendments of the Articles of Incorporation to be transcribed and certified by the President and Secretary of the Association as having been duly adopted and the original or an executed copy of such Amendment or Amendments so certified and executed with the same formalities as a deed shall be filed with the Secretary of the State of Florida and also recorded in the Public Records of Brevard County within twenty (20) days from the date on which the same became



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effective, such Amendment or Amendments to refer specifically to the recording data identifying the Articles. Thereafter, a copy of said Amendment or Amendments in the form in which the same were placed of record by the Officers of the Association shall be mailed or delivered to all of the members of the Association, but mailing or delivering a copy thereof shall not be a condition precedent to the effectiveness of such Amendment or Amendments. At any meeting held to consider such Amendment or Amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented there at by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

At such meeting, if the Developer no longer maintains a Class B membership, the Amendment or Amendments proposed must be approved solely by an affirmative vote of members holding at least two-thirds (2/3) of the total membership votes and the above referenced procedure for certification, filing and recording shall be followed.

The Developer specifically reserves the absolute and unconditional right, as long as Developer owns any Lot, to amend these Articles without the consent or joinder of any party to (i) conform to the requirements of the St. Johns River Water Management District, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Department of Housing and Urban Development, or any other generally recognized institution involved in the purchase and sale of home loan mortgages, or pursuant to any requirement of any federal, state or local governmental entity, agency or authority; (ii) conform to the requirements of mortgage lenders or title insurance companies; or (iii) perfect, clarify, or make internally consistent the provisions herein.

Notwithstanding any other terms or conditions contained herein, no amendments may be made to these Articles amending or terminating the rights of the Developer without the prior written consent of the Developer.

13.2 Governmental Approval of Certain Amendments. So long as there is a Class B membership, the following actions shall require the prior approval of the Department of Housing and Urban Development, Federal Housing Administration or the Veterans Administration; annexation of additional properties; dedication of Common Areas; amendment of these Articles of Incorporation; merger and/or consolidation of this Corporation; mortgaging of any Common Areas in the Project; or dissolution of the Corporation.

**ARTICLE 14
ASSOCIATION ASSETS**

14.0 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to such member's Lot. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held, or used for the benefit of the membership and for the purposes authorized herein, in the Declaration, and in the By-Laws of this Association.



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14.1 In the event of a permanent dissolution of the Association, the Owners may establish a successor nonprofit organization for the purpose of holding title to the Association assets and carrying out the duties and responsibilities of the Association hereunder. In the event no such organization is formed, then the assets shall be dedicated to the City of West Melbourne, Brevard County, Florida or other applicable governmental entity. However, in no event shall the City of West Melbourne, Brevard County, Florida or other applicable governmental entity be obligated to accept any dedication offered to it by the Association or the Owners pursuant to this Section, but the City of West Melbourne, Brevard County, Florida or other applicable governmental entity, may accept such a dedication and any such acceptance must be made by formal resolution of the then empowered County Commission, City Council, or governing body. Notwithstanding the foregoing, in the event of permanent dissolution, the Association assets must either be dedicated to a public body, or conveyed to a not-for-profit organization with similar purposes.

14.2 In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or storm water management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by this St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE 15
TRANSACTIONS IN WHICH DIRECTORS OR
OFFICERS ARE INTERESTED

15.0 No contract or transaction between the Association and one or more of its Directors or Officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are directors or officers, or have a financial interest, shall be invalid, void, or voidable solely for this reason, or solely because the Director or Officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or her or their votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact he or she is or may be interested in any such contract or transaction.

15.1 The Association shall be free to contract with the Developer, its directors and officers, and any other corporation in which any of them are interested.

15.2 Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized such a contract or transaction.



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**ARTICLE 16
INITIAL REGISTERED OFFICE ADDRESS
AND NAME OF REGISTERED AGENT**

16.0 The street address of the initial registered office of the Association is 1230 Harbor City Blvd., Melbourne, FL 32935, and the initial registered agent of the Association at that address is D. Glen Outlaw.

IN WITNESS WHEREOF, the Subscriber has affixed his signature this 23rd day of March, 2004.

D. GLEN OUTLAW



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

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act;

FIRST, that FAIRMONT HOMEOWNERS ASSOCIATION, INC. a Florida Non-Profit organization, desiring to organize under the laws of the State of Florida, with its principal office as indicated by the Articles of Incorporation in the City of Melbourne County of Brevard, State of Florida, has named D. GLEN OUTLAW, 1230 Harbor City Blvd., Melbourne, FL 32935, as its agent to accept service of process within the State.

ACKNOWLEDGMENT

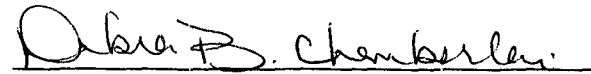
Having been named to accept service of process for the above-stated corporation at the place designated in this Certificate, I hereby accept to act in this capacity and agree to comply with the provisions of said Act relative to keeping open said office.



D. GLEN OUTLAW

STATE OF FLORIDA)
)
 COUNTY OF BREVARD)

The foregoing instrument was acknowledged before me this 23rd day of March, 2004, by D. Glen Outlaw who is personally known to me or ___ who has produced _____, as identification and who did/ ___ did not take an oath.


 Notary Public, State of Florida


Debra B. Chamberlain
 MY COMMISSION # DD086777 EXPIRES
 February 20, 2006
 BONDED THRU TROY FAIN INSURANCE, INC.

DEBRA B. CHAMBERLAIN

Name (Printed, typed or stamped)

My Commission Expires: 2/20/06
 Commission Number: DD086777

AUDIT NUMBER (((H04000062517 3)))

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of FAIRMONT HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on March 24, 2004, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H04000062517. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N04000003054.

Authentication Code: 604A00019805-032504-N04000003054-1/1



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Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Twenty-fifth day of March, 2004



Glenda E. Hood
 Glenda E. Hood
 Secretary of State



FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State



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March 25, 2004

FAIRMONT HOMEOWNERS ASSOCIATION, INC.
1230 N. HARBOR CITY BLVD.
MELBOURNE, FL 32935

The Articles of Incorporation for FAIRMONT HOMEOWNERS ASSOCIATION, INC. were filed on March 24, 2004, and assigned document number N04000003054. ~~Please refer to this number whenever corresponding with this office.~~

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H04000062517.

~~A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file/effective date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.~~

~~Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.~~

~~Should you have questions regarding corporations, please contact this office at the address given below.~~

Wanda Cunningham
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 604A00019805

Division of Corporations - P.O. BOX 6327 - Tallahassee, Florida 32314