

**ARTICLES OF INCORPORATION
OF
BLUE HERON BAY AT IBIS GOLF AND COUNTRY CLUB HOMEOWNERS
ASSOCIATION, INC.**

In compliance with the requirements of Florida Statutes, Chapter 617, Corporations Not for Profit, the undersigned subscriber to these Articles, hereby adopts the following Articles of Incorporation for the purpose of forming a corporation not for profit and does hereby certify:

**ARTICLE I
NAME**

The name of the corporation is **BLUE HERON BAY AT IBIS GOLF AND COUNTRY CLUB HOMEOWNERS ASSOCIATION, INC.**, hereinafter called the "Association", whose corporate address is 5610 PGA Boulevard, Suite 114, Palm Beach Gardens, Florida 33418.

**ARTICLE II
DURATION**

The Association shall exist perpetually unless sooner dissolved as provided by law.

**ARTICLE III
DEFINITIONS**

The terms used in these Articles shall have the same definitions and meanings as those set forth in that certain Declaration of Covenants, Restrictions and Easements for Blue Heron Bay At Ibis Golf And Country Club (the "Declaration") executed by Sabatello Development Corporation III, Inc., a Florida corporation, ("Declarant"), to be recorded among the Public Records of Palm Beach County, Florida, unless the context otherwise requires.

**ARTICLE IV
COMMENCEMENT OF CORPORATE EXISTENCE**

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

**ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots and Common Areas within that certain property referred to as Blue Heron Bay at Ibis Golf and Country Club, as described on Exhibit "A" attached hereto (the "Property"), and any additional real property within IBIS GOLF AND COUNTRY CLUB in West Palm Beach, Florida, which may hereafter be brought under the provisions of the Declaration, and for this purpose to:

A. Exercise all of the powers and privileges and perform all of the duties and obligations of the Association, as set forth in the Declaration, including, but not limited to making and establishing rules and regulations (the "Rules and Regulations") as are necessary or desirable to govern the use of the Property; and

B. Fix, establish, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, the Articles and Bylaws;

pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association; and

C. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, repair, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property, buildings, improvements, fixtures, in connection with the affairs of the Association; and

D. Borrow money and with the assent of two-thirds (2/3) of Members, mortgage, pledge, deed in trust, or hypothecate any or all of the real or personal property owned by the Association, as security for money borrowed or debts incurred by the Association, and to execute promissory notes and other loan documents related to any such borrowing; and

E. Dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective without attaining consent of two-thirds (2/3) of the Members of the Association to such dedication, sale or transfer, in writing or by a vote at a duly called meeting of the Association, and unless prior written consent is obtained from the IBIS PROPERTY OWNERS ASSOCIATION, INC. (the "Ibis POA") and from the Declarant, for so long as the Declarant owns at least one (1) Lot in the Project, as said term is defined in that certain Declaration of Covenants, Restrictions and Easements for Ibis Golf and Country Club, recorded in the Public Records of Palm Beach County, Florida, as amended (the "Ibis Declaration").

F. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional real property to the Project pursuant to the terms and provisions of the Declaration; and

G. Have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Florida by law may now or hereafter have or exercise, or which may be necessary or incidental to the powers so conferred; and

H. Grant easements on or through the Common Areas or any portion thereof subject to the terms and provisions of the Ibis Declaration, and to grant waivers or variances for encroachments into set-back lines or requirements and other matters, for good cause shown, in the discretion of the Board; and

I. Promulgate or enforce rules, regulations, bylaws, covenants, restrictions or agreements to effectuate the purposes for which the Association is organized; and

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

K. Purchase insurance upon the Project or any part thereof and insurance for protection of the Association, its officers, directors and Owners subject to the terms and provisions of the Ibis Declaration; and

L. Employ personnel to perform the services required for the proper operation of the Association.

The foregoing clauses shall be construed both as purposes and powers, and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any way the purposes and powers of the Association that may be granted by applicable laws and any amendments thereto.

ARTICLE VI
MEMBERSHIP AND VOTING

A. Membership

1. This Corporation shall issue no shares of stock of any kind or nature. Every person or entity, including the Declarant, who is or becomes a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in land merely as security for the performance of an obligation unless and until such holder of a security interest acquires title pursuant to foreclosure or judicial proceeding or deed-in-lieu of foreclosure. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association under the Declaration. Membership shall be subject to the Declaration, and shall be restricted to the categories provided for therein and no other Members shall be admitted. Each Owner of a Lot within the Property shall become a Member of the Association upon title to the Lot being conveyed by deed to such Owner and upon the recording of said deed among the Public Records of Palm Beach County, Florida, or upon a transfer of title by operation of law. Transfer of membership shall be established by the recording among the Public Records of Palm Beach County, Florida, of a warranty deed or other instrument establishing a record title to a Lot, the Owner or Owners designated by such instrument as grantees thereby becoming a Member or Members of the Association; the membership of the prior Owner or Owners shall thereupon be terminated.

2. The interest of any Member in any part of the funds or assets of the Association cannot be conveyed, assigned, mortgaged, hypothecated or transferred in any manner by a Member except as an appurtenance to the said Lot owned by such Member. The Directors of the Association may, after affording the Member an opportunity to be heard, suspend any person from voting and use of all or a portion of the facilities of the Association (except ingress and egress to such Member's Lot) during any period of time when there exists a violation by such Member of any provisions of the Declaration (including, but not limited to, the failure to make any payment of assessments, or otherwise, to the Association, when such payments are due and payable).

B. Voting. All votes shall be cast by the designated Members in accordance with Article XIV of the Declaration and Article III or the Bylaws, as the same may be amended from time to time.

ARTICLE VII
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office is 5610 PGA Boulevard, Suite 114, Palm Beach Gardens, Florida and the name of the initial resident agent at such address is Sabatello Development Corporation III, Inc.

ARTICLE VIII
DIRECTORS

A. Numbers and qualifications. The affairs of this Association shall be managed by a board of not less than three (3) nor more than nine (9) directors (the "Board"), who need not be Members of the Association. The first Board shall be comprised of three (3) persons. The number of Directors within the limits of not less than three (3) nor more than nine (9), may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection or election of their successors are:

Carl Sabatello	5610 PGA Blvd., Suite 114, Palm Beach Gardens, FL 33418
Michael Sabatello	5610 PGA Blvd., Suite 114, Palm Beach Gardens, FL 33418
Paul Sabatello	5610 PGA Blvd., Suite 114, Palm Beach Gardens, FL 33418

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

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

D. Term of Initial Directors. The Declarant shall appoint the members of the first Board and their replacements, for so long as Declarant is entitled to exercise all voting rights as set forth in the Declaration, unless such control is sooner relinquished by the Declarant, in its sole discretion, who shall hold office for the periods described in the Bylaws.

ARTICLE IX OFFICERS AND TERMS

A. The affairs of the Association are to be managed by the following officers: President; one or more Vice Presidents; a Secretary; a Treasurer; and any assistants to such officers as the Board may deem appropriate from time to time.

B. Officers shall be elected for one year terms at each annual meeting of the Board and shall hold office at the pleasure of the Board. Any officer may be removed at any meeting by the affirmative vote of a majority of the members of the Board, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof or by unanimous written consent of the Board in the absence of a meeting.

C. The names of the officers who are to serve in the office indicated until the first election or appointment of their successors are:

Carl Sabatello	President
Michael Sabatello	Sec./Treas.
Paul Sabatello	Vice President

ARTICLE X NAME AND ADDRESS OF SUBSCRIBER

The name and address of the sole subscriber to these Articles is Carl Sabatello, 5610 PGA Blvd., Suite 114, Palm Beach Gardens, FL 33418.

ARTICLE XI AMENDMENTS TO ARTICLES OF INCORPORATION

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

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

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

C. Limitation. No amendment shall make any changes in the qualifications for membership, nor in the voting rights or property rights of Members, nor any changes in Article V or Article XIV of these Articles, entitled "Powers" and "Indemnification", respectively, without the approval in writing of all Members. No amendment shall be made that is in conflict with the Declaration or Bylaws, nor shall any amendment make changes which would in any way affect the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or an affiliate of the Declarant, unless the Declarant shall join in the execution of the amendment. No amendment to this Paragraph C. of Article XI shall be effective without the joinder or written consent of the Declarant, as long as the Declarant owns any real property encumbered by the Declaration. No amendment to these Articles shall be effective without the prior written consent of the Ibis POA.

D. Declarant Amendment. Notwithstanding anything to the contrary contained herein, the Declarant may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Declarant alone. The Declarant shall therefore have the right to amend these Articles for the same reasons and in the same manner as the Declarant could amend the Declaration.

E. Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded among the Public Records of Palm Beach County, Florida.

**ARTICLES XII
BYLAWS**

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

**ARTICLE XIII
ASSESSMENTS**

The Board shall have the power of levy and assessment upon the fee simple interests in Lots and other real property which are included within the Property. All unpaid assessments thus levied by the Board shall be and remain a lien upon and against said Lots and property, until paid, provided such liens shall not be effective against any person, firm, corporation or other entity contracting, purchasing, extending credit upon or otherwise dealing with the Lot or other property, unless and until notice of such lien is recorded among the Public Records of Palm Beach County, Florida. The cost of recording and of enforcement, including reasonable attorneys' fees, shall be added to the lien. In addition, said lien shall be subordinated to an Institutional First Mortgage, as defined in the Declaration, provided that such Institutional First Mortgage is recorded among the Public Records of Palm Beach County, Florida, prior to the recording of the claim of lien by the Association.

**ARTICLE XIV
INDEMNIFICATION**

A. 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, by reason of the fact that he is or was a director, employee, officer or agent of the Association, against expenses (including reasonable attorneys' fees at all judicial levels), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith, nor in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe this conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The

termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, have reasonable cause to believe that his conduct was unlawful.

B. 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 A, above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith. Any costs or expenses incurred by the Association in implementing any of the provisions of this Article XIV shall be fully assessable against Owners as Common Expenses of the Association.

C. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon the receipt of any undertaking by or on behalf of the affected director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article XIV.

D. Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Members or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

E. 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 against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

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

ARTICLE XV

SELF DEALING, VALIDITY OF AGREEMENT AND WAIVER OF CLAIMS

A. No contract, agreement or undertaking of any sort between or among the Association, directors, officers, Members or the Declarant shall be invalidated or affected by reason that any of them hold the same or similar positions with another condominium, homeowners or property owners association within the Property or Community, as the same are defined in the Ibis Declaration, or that they are financially interested in the transaction or that they are employed by the Declarant or its affiliate, or any of their partners or shareholders.

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

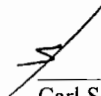
C. By acquisition of a Lot or Unit, any interest therein, within the Property, each and every individual or entity, of whatsoever kind or nature, thereby waives any claim for damages or other relief grounded in tort, contract or equity arising out of the negotiation, execution, performance and enforcement of contracts, agreements or undertakings

described above, that may accrue at the time of purchase or thereafter against the Association, its directors, officers, Members, the Declarant, its agents and employees.

**ARTICLE XVI
DISSOLUTION**

The Association may be dissolved by a unanimous vote of Members at any regular or special meeting; provided, however, that the proposed action is specifically set forth in the notice of any such meeting, and that so long as the Declarant owns one (1) or more Lots in the Project, the Declarant's written consent to the dissolution of the Association must first be obtained.

IN WITNESS WHEREOF, the undersigned, constituting the incorporator of this Association has executed these Articles of Incorporation, for the purpose of forming this Corporation under the laws of the State of Florida, this ____ day of _____ 1997.



Carl Sabatello
Incorporator
5610 PGA Blvd., Suite 114
Palm Beach Gardens, FL 33418

EXHIBIT "A"
To
Articles of Incorporation
of

Blue Heron Bay at Ibis Golf and Country Club Homeowners Association, Inc.

Ibis Golf and Country Club Plat No. 21, containing lots numbered 1 through 83, inclusive, and all Common Areas, private roads and rights appurtenant thereto, as shown on said plat, as recorded in Plat Book 81, Pages 8 and 9, Public Records of Palm Beach County, Florida.