

# State of Florida

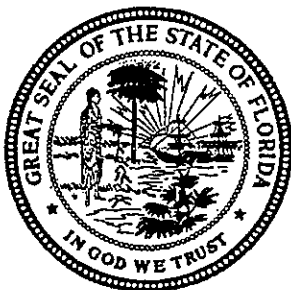


Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of WATERWOOD TOWNHOMES ASSOCIATION, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on February 9, 1982, as shown by the records of this office.

The charter number for this corporation is 761809.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
15th day of February, 1982.



CER 101 Rev. 12-80

George Firestone  
Secretary of State

EXHIBIT " A "

ARTICLES OF INCORPORATION  
OF  
WATERWOOD TOWNHOMES ASSOCIATION, INC.

FILED  
Feb 9 11 30 AM '82  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

The undersigned, by these Articles, associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes (1979), as amended, and certify as follows:

ARTICLE I

NAME AND ADDRESS

The name of the corporation shall be WATERWOOD TOWNHOMES ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Sub-Association", and shall have the following as its office and street address, or such other place as the Board of Directors may designate from time to time:

Waterwood Drive  
Yalaha, Florida 32797

ARTICLE II

PURPOSE

2.1 The purpose for which the Sub-Association is organized is to promote the recreation, health, safety and welfare of the residents and Owners of Lots and properties lying within the recorded plat of Waterwood Townhouses, according to the plat thereof as recorded in Plat Book 25, Pages 44 and 45, of the Public Records of Lake County, Florida, and as further set forth in the covenants and restrictions hereinafter described, hereafter sometimes referred to as "The Properties".

2.2 The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its Members and the Sub-Association shall make no distributions of income to its Members, Directors or officers.

ARTICLE III

POWERS

3.1 The Sub-Association shall have all the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles.

3.2 The Sub-Association shall have all of the powers, authority and duties set forth in the Waterwood Townhomes Supplemental Declaration of Covenants and Restrictions to be recorded among the Public Records of Lake County, Florida, as amended from time to time, hereinafter sometimes referred to as the "Supplemental Declaration", and all of the powers and duties necessary to operate and maintain the Waterwood Townhome development including, but not limited to, the power to fix and levy assessments against The Properties, which assessments shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties and, in particular, for the improvement and maintenance of properties, services and facilities devoted to the purpose and related to the use and enjoyment of the Limited Common Properties and of the homes situated upon The Properties. Said powers, authority and duties shall include, but not be limited to:

(a) Payment of operating expenses of the Sub-Association;

(b) Doing anything or performing any service necessary or desirable in the judgment of the Sub-Association to keep the subdivision neat and attractive or to preserve or enhance the value of The Properties therein, or to eliminate fire, health or safety hazards, or which in the judgment of the Sub-Association may be of general benefit to the Owners or occupants of lands included in the townhome subdivision;

(c) Doing any act or thing required or permitted by Article III and any and all other provisions of the Supplemental Declaration.

#### ARTICLE IV

##### MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record (Supplemental Declaration) to assessment by this Sub-Association shall be a Member of the Sub-Association for so long as said Member shall own any said Lot, provided that any such person or entity who holds such interest merely as a security for the performance of any obligation shall not be a Member.

The Membership of each Owner in and to the Sub-Association shall be appurtenant to the Lot giving rise to such Membership and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title of such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the Membership in the Sub-Association appurtenant thereto to the new Owner thereof.

#### ARTICLE V

##### VOTING RIGHTS

The Sub-Association shall have two (2) classes of voting Membership:

Class A. Class A Members shall be all those Owners as defined in Article IV, with the exception of the Developer of Waterwood Townhomes. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for Membership by said Article IV. When more than one (1) person holds such interests in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Developer, Waterwood, Inc., a Florida corporation. The Class B Member shall have three (3) votes for each Lot owned by the Developer.

The Class B Membership shall cease and become converted to Class A Membership and entitled to vote as such on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A Membership equals or exceeds the total votes outstanding in the Class B Membership; or

(b) At the expiration of ten (10) years after the date of recording of the Supplemental Declaration.

From and after the happening of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in which it holds the interests required for Membership under Article IV.

Anything herein to the contrary notwithstanding, for so long as the Developer is the Owner of two (2) or more of the Lots intended to be developed within The Properties, no vote, decision or action which requires an approval or a vote of two-thirds (2/3) or more of the Members of the Sub-Association voting on said matter, irrespective of class, shall be effective or implemented until Developer has approved of or consented to same in writing directed to the Board of Directors of the Sub-Association.

The vote or votes for each Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint or multiple Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it shall thereafter be conclusively presumed for all purposes that he was or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one (1) vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

In the event that more than one (1) person shall at any time be the Owner of any Lot, all such persons shall be Members and the vote for each such Lot shall, subject to the provisions of the foregoing paragraph, be exercised as such persons among themselves shall determine. In no event shall more than one (1) Class A vote be cast with respect to any Lot. For purposes of determining the votes allowed under this Article, no tenant or lessee of a Lot shall be entitled to any voting rights in the Sub-Association.

ARTICLE VI

DIRECTORS

6.1 The affairs of the Sub-Association shall be managed by a Board of Directors consisting of no less than three (3) Directors, nor more than seven (7); however, the Board shall consist of an odd number. The initial Board of Directors shall consist of three (3) Directors, who shall hold office until the election of their successors as specified in the By-Laws. The Directors shall be required to be either (1) Members of the Sub-Association, or (2) agents, representatives or employees of the Developer.

6.2 The names and addresses of the Members of the first Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

- |                  |  |
|------------------|--|
| Frank G. Proie   | Waterwood Drive<br>Yalaha, Florida 32797 |
| Robert Zahradnik | Waterwood Drive<br>Yalaha, Florida 32797 |
| Carrie Zahradnik | Waterwood Drive<br>Yalaha, Florida 32797 |

Replacement Directors shall be elected at the times and in the manner set forth in the By-Laws of the Sub-Association.

ARTICLE VIIOFFICERS

The affairs of the Sub-Association shall be administered by the officers as designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the Members of the Sub-Association, and they shall serve at the pleasure of the Board of Directors. The officers shall be required to be either (1) Members of the Sub-Association, or (2) agents, representatives or employees of the Developer. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:	Frank G. Proie	Waterwood Drive Yalaha, Florida 32797
Vice President:	Robert Zahradnik	Waterwood Drive Yalaha, Florida 32797
Secretary/Treasurer:	Carrie Zahradnik	Waterwood Drive Yalaha, Florida 32797

ARTICLE VIIIMERGERS AND CONSOLIDATIONS

Subject to the provisions of the Supplemental Declaration, and to the extent permitted by law, the Sub-Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE IXDEDICATION OF PROPERTIES OR TRANSFER  
OF FUNCTION TO PUBLIC AGENCY OR UTILITY

The Sub-Association shall have power to dispose of its real properties only as authorized under the Supplemental Declaration.

ARTICLE XINDEMNIFICATION

Every Director and every officer of the Sub-Association shall be indemnified by the Sub-Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Sub-Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Sub-Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XIBY-LAWS

The first By-Laws of the Sub-Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws and the Supplemental Declaration.

ARTICLE XIIAMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

12.1 Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

12.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by two-thirds (2/3) of the Members of the Sub-Association. Directors and Members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary prior to such meeting. A resolution adopting a proposed amendment must bear the approval of not less than a majority of the Board of Directors and not less than two-thirds (2/3) of the Members of the Sub-Association, irrespective of class.

12.3 In the alternative, an amendment may be made by an agreement signed and acknowledged by all Members of the Sub-Association in the manner required for the execution of a deed.

12.4 No amendment shall make any changes in, or be effective to impair or dilute, any rights of Members that are governed by the Supplemental Declaration as, for example, qualification for Membership and voting rights of Members, which are part of the property interests created thereby.

12.5 A copy of each amendment shall be certified by the Secretary of State, State of Florida, and be recorded in the Public Records of Lake County, Florida.

ARTICLE XIIIDURATION

The term of the Sub-Association shall be perpetual unless otherwise sooner terminated.

ARTICLE XIVREGISTERED AGENT

Until resignation or replacement, the registered agent of the Sub-Association for purposes of service of process pursuant to Section 617.023, Florida Statutes, shall be Frank G. Proie, Waterwood Drive, Yalaha, Florida 32797.

ARTICLE XVSUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are as follows:

Frank G. Proie Waterwood Drive  
Yalaha, Florida 32797

Robert Zahradnik Waterwood Drive  
Yalaha, Florida 32797

Carrie Zahradnik Waterwood Drive  
Yalaha, Florida 32797

IN WITNESS WHEREOF, the subscribers have hereunto affixed their signatures on the 6th day of January, 1981 S.D.

Frank G. Proie  
Frank G. Proie

Robert Zahradnik  
Robert Zahradnik

Carrie Zahradnik  
Carrie Zahradnik

STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF LAKE )

BEFORE ME, the undersigned authority, on this day personally appeared FRANK G. PROIE, ROBERT ZAHRADNIK and CARRIE ZAHRADNIK, who, being duly sworn, acknowledged the execution of the foregoing Articles of Incorporation of WATERWOOD TOWNHOMES ASSOCIATION, INC., for the purposes expressed in such Articles.

WITNESS my hand and official seal in the County and State named above this 6th day of January, 1981 S.D.

Shirley Carter  
NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA  
MY COMMISSION EXPIRES 12/31/84  
BONDED IN FLORIDA UNDER NO. 1000000000

CERTIFICATE DESIGNATING REGISTERED AGENT FOR THE SERVICE OF PROCESS WITHIN THIS STATE

FEB 9 11 30 AM '82  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

Pursuant to Chapters 48 and 617, Florida Statutes, the following is submitted in compliance with said Act.

WATERWOOD TOWNHOMES ASSOCIATION, INC., desiring to organize as a corporation under the laws of the State of Florida, with its registered office at Waterwood Drive, Yalaha, Florida 32797, has named Frank G. Proie, located at the above-registered office, as its Registered Agent to accept service of process within this 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.

Frank G. Proie  
Frank G. Proie,  
Registered Agent

Dated: Feb 20, 1982