

ARTICLES OF INCORPORATION
OF
CHANDLER OAKS HOME OWNERS ASSOCIATION, INC.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

We, the undersigned, a natural person of the age of 21 or more, acting as incorporator of a corporation under Chapter 17, Florida Statutes, adopt the following Articles of Incorporation for the corporation.

Article I

Section 1.1. *Name.* The name of the corporation is Chandler Oaks Home Owners Association, Inc. (the "Corporation").

Article II

Section 2.1. *Nonprofit.* The Corporation does not afford pecuniary gain, incidentally or otherwise, to its members.

Article III

Section 3.1. *Duration.* The period of its duration is perpetual, and its corporate existence shall begin upon filing.

Article IV

Section 4.1. *Purposes.* The purpose for which the Corporation is organized is to promote and develop the common good and social welfare of residents of communities which shall be developed by Chandler Oaks, Inc., a Florida corporation, or by any of its subsidiaries (the "Developer") on all or a portion of the lands in Duval County, Florida.

Section 4.2. *Application of restrictions.* Only those portions of the lands described in the Developer's Warranty Deed or of lands subsequently acquired by the Developer which are actually subjected to the covenants, liens, charges, conditions, or restrictions by deed, indenture, or agreement, executed by the Developer, or

declaration approved, ratified, or adopted by resolution of the Board of Directors of this Corporation, shall be considered as the community or communities described in these Articles of Incorporation and the proper object of the powers and purposes of this Corporation.

Section 4.3. *Corporate powers.* The Corporation shall have the power:

- a. to take and hold any property;
- b. to establish, administer, and enforce covenants, conditions, restrictions, reservations, servitudes, profits, licenses, easements, liens or charges for the support and benefit of the Corporation and the welfare or betterment of the communities or residents;
- c. to construct, install, extend, operate, maintain, repair, and replace utilities, systems, services, or other facilities on the property for the welfare or betterment of the communities or residents;
- d. to manage, regulate, and control the common or community use and enjoyment of the property services, or facilities for the welfare or betterment of the communities or the residents;
- e. to hire attorneys, accountants, private security guards or guard services, property managers or property management companies, and others to assist it and/or its Directors in the administration of its duties and/or for the general well-being and welfare of the owners;
- f. to sell, convey, dispose of or lease any property;

g. to lay out, open, construct and maintain public streets and roads within the lands described in said Warranty Deed; and

h. to purchase, own, lease and operate for the benefit and use of the residents of the communities, recreational, eating and lodging facilities and to apply for and hold, sell, lease or convey franchises or apply for the transfer of licenses issued by governmental agencies pertaining to the recreational, eating, or lodging facilities, including the dispensing or sale of alcoholic beverages.

i. The Corporation shall have all powers conferred upon it by law and by the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Chandler Oaks, Inc. ("Declarations"). The Corporation shall not be organized nor operated for profit, nor shall it participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

Article V

Section 5.1. *Membership.* Every person or entity who is the owner of a fee or of the equitable title in a lot or living unit, when purchasing under a contract, and who is subject to assessment, either present or future, by the Corporation, pursuant to the provisions of any recorded instrument relating to assessment, shall be a member of the Corporation. For the purpose of determining membership, ownership will be deemed to have vested upon delivery of a duly executed deed or contract to the grantee or vendee. The legal title retained by a vendor selling under a contract that is essentially a security device shall not qualify the vendor for

membership. Foreclosure of a contract or repossession for any reason of a lot or unit sold under contract shall terminate the vendee's membership, whereupon all rights to membership shall revert in the vendor.

Section 5.2. *Voting rights.* Members shall be all the owners as defined in Section 5.1, including the developer. The corporation shall have two classes of voting membership:

Class A. The class A members shall be all owners, with the exception of the developer, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the developer and shall be entitled to ten (10) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a). When the total votes outstanding in the Class A membership equal 80% of the total number of available votes; or

(b) An earlier date at the sole discretion of the developer.

Class A Members shall be entitled to one (1) vote (and Class B Members shall be entitled to ten (10) votes) for each Lot or living unit in which they hold their interest required for membership by Section One as shown by the records of the Corporation as of the

last day of the third month preceding the next membership annual meeting.

Section 5.3. *Suspension of membership rights.* The membership rights (including voting rights) of any Member may be suspended by action of the Board of Directors if the Member has failed to pay when due any assessment or charge lawfully imposed upon him or any property owned by him, or if the Member, his family, his tenants, or guests of any of them, shall have violated any rule or regulation of the Board regarding the use of any property or conduct.

Article VI

Section 6.1. *Registered office and agent.* The street address of the initial registered office of the Corporation is 1 Independent Drive #2301, Jacksonville, Florida 32202. The name of the initial registered agent of the Corporation in this state is DANIEL D. AKEL.

Article VII

Section 7.1. *Incorporators.* The name and address of the Incorporator is as follows:

John David Coxwell
6741 Lloyd Road W.
Jacksonville, FL 32254

Article VIII

Section 8.1. *Board of directors.* The Corporation shall have three directors who shall constitute the Board of Directors and the governing body of the corporation. The initial Board of Directors shall consist of three directors who shall hold office until the election of their successors for the term stated. Beginning with

the first annual meeting, the members at each annual meeting shall elect one director for a term of five years. The names and addresses of those persons who shall act as directors until the election of their successors are:

John David Coxwell
6741 Lloyd Road W.
Jacksonville, FL 32254

Ronnie Williams
5215 Highway Avenue
Jacksonville, FL 32254

Wayne Williford
6741 Lloyd Road W.
Jacksonville, FL 32254

Section 8.2 *Indemnification.* Every Director and every officer of the association shall be indemnified by the association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with 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 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 of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claims for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the 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.

Section 8.3. *Voting.* Except as herein otherwise specified, the decision of the majority of the directors currently serving shall be required and shall be sufficient to authorize any action on behalf of the Corporation. Each director shall be entitled to one vote on every matter presented to the Board of Directors.

Section 8.4. *Meetings.* Any meeting of the members or of the Board of Directors of the Corporation may be held in or outside the State of Florida.

Section 8.5. *Fidelity Bonding.* Upon the termination of the Class B membership, in addition to the indemnification provisions hereof, the Association shall obtain and maintain blanket fidelity bonds on each Director, officer and employee of the Association and of any management firm. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board of Directors and shall not be less than the estimated maximum funds including reserve funds, in the custody of the Association or management firm, as the case may be, at any given time during the term of each bond. The fidelity bond shall name the Association as an obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The premiums on all bonds shall be paid by the Association as a common expense (except for the premiums on fidelity bonds maintained by the management firm, if any). The bonds shall provide that they may not be cancelled or substantially

modified (including cancellation for nonpayment of premium) without at least 10 days prior written notice to the Association.

Article IX

Section 9.1. *Officers.* The Association shall have a President of the Association assisted by the Vice President, Secretary and Treasurer, who shall perform the duties of such offices as is described in the By-Laws and customarily performed by like officers of nonprofit homeowner association corporations, subject to the direction of The Board of Directors.

Article X

Section 10.1. *Liquidation into successor organization.* Upon dissolution or other termination of the Corporation, no part of the property of the Corporation, nor any of the proceeds of the property, shall be distributed to the members of the Corporation as such, but all the property and proceeds shall, subject to the discharge of valid obligations of the Corporation, be distributed as directed by the members of the Corporation to the governing body of any community or communities for the welfare of which the Corporation shall have been operated or to one or more corporation or other organization not organized for profit and operated exclusively for the promotion of social welfare, and which does not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

Article XI

Section 11.1. *Miscellaneous.* In the event of conflict between the provisions of these Articles and the Declaration, the

provisions of the Declaration shall prevail; in the event of conflict between these Articles and the By-Laws the provisions of these Articles shall prevail.

Dated August 26, 1998.

John David Coxwell
JOHN DAVID COXWELL

STATE OF FLORIDA
COUNTY OF DUVAL

I hereby certify that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared JOHN DAVID COXWELL, to me well known to be the person described as the incorporator in and who executed the foregoing Articles of Incorporation, and he acknowledged before me that he subscribed to those Articles of Incorporation. Further, he is personally known to me.

WITNESS my hand and official seal in the County and State named above, this 26 day of August, 1998.

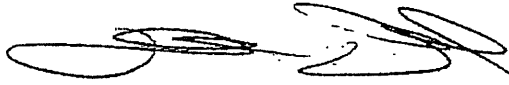
Flo Ann Sullivan
NOTARY PUBLIC, State of
Florida
My Commission 3/3/98 3/3/99
expires: 3/3/98
Commission # _____

FLO ANN SULLIVAN
Notary Public, State of Florida
My Comm. expires March 3, 1999
Comm. No. CC 642351

ACCEPTANCE OF REGISTERED AGENT

Daniel D. Akel accepts the designation as registered agent of CHANDLER OAKS HOME OWNERS ASSOCIATION, INC., a Florida corporation, by acceptance below.

August 28, 1998.



DANIEL D. AKEL
1 Independent Drive, Suite 2301
Jacksonville, FL 32202

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA