

ARTICLES OF INCORPORATION

OF

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SAVANNAH CREEK AT KERNAN LAKES HOMEOWNERS ASSOCIATION, INC.
A CORPORATION NOT FOR PROFIT

We, the undersigned, being desirous of forming a corporation not for profit, do hereby associate ourselves into a corporation for the purposes and with the powers herein specified and do hereby agree to the following Articles of Incorporation:

ARTICLE I - NAME

The name of this Corporation shall be:

SAVANNAH CREEK AT KERNAN LAKES HOMEOWNERS ASSOCIATION, INC.

(hereinafter referred to as the "Association").

ARTICLE II - PURPOSE

The purpose and object of the Association shall be to exercise all of the rights, powers and duties granted to it under that certain Declaration of Covenants, Conditions, Restrictions, and Easements for SAVANNAH CREEK, as amended from time to time (the "Declaration"), as well as all other rights, powers and duties which may be granted to it by the Developer, as that term is defined in the Declaration (the "Developer"), these Articles or the Association Bylaws. Such rights, powers and duties shall include, but not be limited to, the following: The Association shall own, operate and maintain the Common Areas as defined in the Declaration (the "Common Areas"). The Developer shall exercise architectural control over the development of the Property, as that term is defined in the Declaration (the "Property"); and the Association shall have the right to enforce the covenants, conditions, restrictions, and easements contained in the Declaration. All defined terms in the Declaration of Covenants, Conditions, Restrictions and Easements for Savannah Creek are adopted as defined terms under these Articles of Incorporation.

ARTICLE III - POWERS

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the laws of the State of Florida and the Declaration.

B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

1. Make and establish reasonable rules and regulations governing the use of the Property or the Common Areas, as such terms will be defined herein and in the Declaration.

2. Adopt, for, and in advance of, each fiscal year, a budget necessary to carry out the purposes of the Association as set out herein.

3. Levy and collect assessments against Members of the Association to defray the expenses of the Association, including the right to enforce any lien right granted the Association to secure the payment of said assessments.

4. Own, operate, lease, sell, manage, encumber, convey, subject to easements, and otherwise deal with such real and personal property as may be necessary or convenient for the administration of the Common Areas.

5. To own, manage, administer and operate such property as may be conveyed to it by the Developer, its successors or assigns for the mutual benefit and use of all Members.

6. Levy and collect assessments against members of the Association to fund the obligations of the Association.

7. Enforce the provisions of these Articles of Incorporation, the Bylaws, the Declaration and all covenants, restrictions, rules and regulations governing use of the Property, or a portion thereof, and the Common Areas which may now exist or hereafter be established.

8. Operate, maintain and manage the Surface Water or Stormwater Management System(s) in a manner consistent with the St. Johns River Water Management District Permit No. 4-031-0540 ERP requirements and applicable District rules and shall assist in the enforcement of the restrictions contained herein. The Association shall levy and collect adequate assessments against members of the Association for the cost of the maintenance, repair and operation of the Surface Water and Stormwater Management Systems. Such assessments shall be levied for such maintenance, repair and operation shall include, but not be limited to work within retention areas, drainage structures and drainage easements.

ARTICLE IV - QUALIFICATION OF MEMBERS

The qualification of members, manner of their admission to and termination of membership and voting by members shall be as follows. Each "Owner" of a "Lot" (as those terms are defined in the Declaration), including the Developer, shall be and become a member of the Association upon the recording of a deed, in the public records of Duval County, granting such owner fee simple title to a Lot.

ARTICLE V - VOTING

A. The affairs of the Association shall be administered and managed by the Board of Directors as described in Article VIII hereof.

B. Until such time as the first Lot is conveyed to an Owner other than the Developer, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast a vote on all matters upon which the membership would be entitled to vote.

C. There shall be two classes of voting membership in the Association:

Class A. Class A Members shall be all Owners, except the Developer while the Developer is a Class B Member, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot other than a security for the performance of any obligation, 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 shall be the Developer. The Class B Member shall be entitled to the number of votes held by all Class A Members plus one. The Class B membership shall cease when the Developer has conveyed seventy-five percent (75%) of the Lots within the Property, or when the Developer, in its sole discretion, elects to terminate its Class B membership, whichever occurs first. Upon the termination of its Class B membership, the Developer, if it still owns any Lots, shall become a Class A Member.

ARTICLE VI - TERM OF EXISTENCE

The Association shall have perpetual existence. The termination, dissolution or final liquidation of the Association shall not relieve its members of the collective responsibility to pay assessments to Savannah Creek at Kernan Lakes Homeowners Association, Inc.

ARTICLE VII - OFFICE

The principal office of the Association shall be 300 West Adams Street, Suite 440, Jacksonville, Florida 32202, or such other place as the Board of Directors may designate.

ARTICLE VIII - BOARD OF DIRECTORS

A. The business affairs of this Association shall be managed by the Board of Directors. Each member of the Association Board of Directors shall be entitled to one vote.

B. The names and addresses of the persons who are to serve as the initial Board of Directors until their successors are chosen, are as follows:

<u>Director</u>	<u>Address</u>
Wirt A. Beard, Jr.	3020 Hartley Road, Suite 200 Jacksonville, Florida 32257
William R. Howell, II	Post Office Box 60 Ortega Station Jacksonville, Florida 32210
Kenneth J. LaPointe	300 W. Adams Street, Suite 440 Jacksonville, Florida 32202

ARTICLE IX - OFFICERS

A. The officers of the Association shall be a President, one or more Vice Presidents, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of corporations in the State of Florida subject to the directions of the Board of Directors.

B. Officers of the Association may not be compensated. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a Member, Director or officer of the Association.

C. The persons who are to serve as officers of the Association until their successors are chosen are:

<u>Officer</u>	<u>Name</u>
President	William R. Howell, II
Vice President	Kenneth J. LaPointe
Secretary/Treasurer	Wirt A. Beard, Jr.

D. The officers shall be elected by the Board of Directors at their annual meeting as provided in the Bylaws. Any vacancies in any office shall be filled by the Board of Directors at any meeting duly held.

E. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, provided, however, that the office of the President and Vice President shall not be held by the same person, nor shall the office of the President and Secretary or Assistant Secretary be held by the same person. Officers shall be elected annually.

ARTICLE X - BYLAWS

A. The Board of Directors shall adopt by a majority vote the original Bylaws of the Association.

B. The Bylaws may be amended, altered or rescinded upon the proposal of the Board of Directors. Upon such a proposal, a special meeting of the Members shall be called, the notice of which shall state that such proposal is to be voted upon at the meeting. The proposal shall be passed if at least seventy-five percent (75%) majority of the lot owners vote to approve the proposal.

ARTICLE XI - AMENDMENT OF ARTICLES

A. These Articles of Incorporation may be amended upon the proposal of the Board of Directors. Upon such proposal, a special meeting of the Members shall be called, the notice of which shall state that such proposal is to be voted upon at that meeting. The proposal shall be passed if at least seventy-five percent (75%) of the votes of lot owners approve the amendment.

B. If so approved, a certified copy of the said amendment shall be filed in the office of the Secretary of State of the State of Florida.

C. The Articles of Incorporation may be amended without consent or joinder from any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Federal

National Mortgage Association, FHA/VA/HUD and/or any other generally recognized institution involved in the purchase and sale of home mortgages (ii) to conform to the requirements of institutional mortgage lender(s) or title insurance company(ies) or (iii) to perfect, clarify, or make internally consistent the provisions herein. As long as Class B Membership exists, Annexation of additional properties, mergers and consolidations, mortgaging of common area, dissolution and amendment of the Articles, requires prior approval of the U.S. Department of Housing and Urban Development.

ARTICLE XII - INDEMNITY

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, incurred by 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 where the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. 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 XIII - NON-PROFIT STATUS

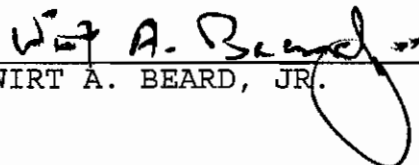
No part of the income of this corporation shall be distributed to the Members except upon dissolution or final liquidation and as permitted by the court having jurisdiction thereof. Upon dissolution, the assets shall be dedicated to a public body, or conveyed to a non-profit organization with similar purposes herein.

ARTICLE XIV - SUBSCRIBER

The name and address of the subscriber to these Articles is:

Wirt A. Beard, Jr.
3020 Hartley Road, Suite 200
Jacksonville, Florida 32257

IN WITNESS WHEREOF, I, the undersigned subscribing incorporator, have hereunto set my hand and seal this 28th day of May, 1997, for the purpose of forming this corporation not for profit under the laws of the State of Florida.


WIRT A. BEARD, JR.

STATE OF FLORIDA
COUNTY OF Clay

BEFORE ME, a notary public authorized to take acknowledgements in the state and county set forth above, personally appeared WIRT A. BEARD, JR., who is personally known to me or who has produced _____ as identification and who executed the foregoing Articles of Incorporation and he acknowledged before me that he executed said Articles of Incorporation and who did not take an oath.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the state and county aforesaid, this 28th day of May, 1997.

Kathleen A. Burns
Notary Public - State of Florida
(Official Stamp)



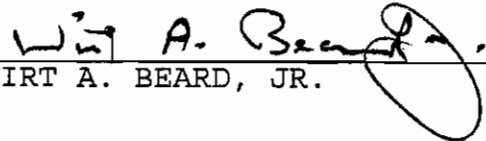
Kathleen A. Burns
MY COMMISSION # CC560768 EXPIRES
June 11, 2000
BONDED THRU TROY FAIR INSURANCE, INC.

CERTIFICATE NAMING AGENT UPON WHOM PROCESS
MAY BE SERVED

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted:

That SAVANNAH CREEK AT KERNAN LAKES HOMEOWNERS ASSOCIATION, INC., a corporation duly organized and existing under the laws of the State of Florida, with principal office, as indicated in the Articles of Incorporation at County of Duval, State of Florida, has named WIRT A. BEARD, JR., located at 3020 Hartley Road, Suite 200, Jacksonville, Florida 32257, as its agent to accept service of process within this State.

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 Florida Statute relative to keeping open said office.


WIRT A. BEARD, JR.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
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