

ARTICLES OF INCORPORATION

OF

HIBISCUS COVE HOMEOWNERS ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation not for profit under Chapter 617, Florida Statutes, as amended, hereby adopts the following Articles of Incorporation:

ARTICLE I NAME

The name of the corporation shall be the **HIBISCUS COVE HOMEOWNERS ASSOCIATION, INC.**, which is hereinafter referred to as the "Association".

ARTICLE II OFFICE

The principal office and mailing address of the Association shall be at 5227 Philips Oaks Lane, Orlando, FL 32812, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office.

ARTICLE III PURPOSES AND POWERS

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants, Restrictions and Easements for Hibiscus Cove, recorded (or to be recorded) in the Public Records of Orange County, as hereafter amended and/or supplemented from time to time (the "Declaration").

The Association shall 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. 40-095-101326-1 requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater 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

stormwater management system.

The further objects and purposes of the Association are to preserve the values and amenities in the Development and to maintain the Common Areas thereof for the benefit of the Members of the Association.

The Association is organized not for profit and no part of the net earnings, if any, shall inure to the benefit of any Member or individual person, firm or corporation.

The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered into (which may be an affiliate of Walters Construction Corporation, a corporation, d/b/a Laguna Homes (the "Declarant")) the powers and duties of the Association, except those which require specific approval of the Board of Directors or Members.

The 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 and the Declaration above identified. The Association shall also have all the powers necessary to implement the purposes of the Association as set forth in the Declaration and to provide for the general health and welfare of its membership.

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater 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 in writing by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

Definitions set forth in the Declaration are incorporated herein by this reference.

ARTICLE IV **MEMBERS**

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Parcel shall be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners, including Declarant. Class A Members shall be entitled to one (1) vote, in accordance with the Bylaws, for each Parcel they own.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the sum of all Class A Members are entitled to cast at any time, thus giving the Class B Member approximately a 2/3 majority of votes in the Association. The Class B Membership shall cease upon the first to occur of the following:

(1) at turnover of control of the Association as described in Section 4.3 of the Declaration;

(2) termination of the Class B Membership by resignation of all Declarant-appointed directors and delivery to the Secretary of the Association of a certificate in recordable form, signed by Declarant and stating that Declarant elects to terminate the Class B Membership.

Termination of Class B Membership. Upon termination of the Class B Membership, Declarant shall retain any voting rights it may have as a Class A Member. Declarant shall be entitled to elect at least one member of the Board of the Association, so long as Declarant holds for sale in the ordinary course of business at least 5% of the Parcels in all phases.

Section 3. Meetings of Members. The By-Laws of the Association shall provide for an annual meeting of Members, and may make provisions for regular and special meetings of Members other than the annual meeting. A quorum for the transaction of business at any meeting of the Members shall exist if 30% of the total number of Members in good standing shall be present or represented at the meeting.

Section 4. General Matters. When reference is made herein, or in the Declaration, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members and not of the Members themselves.

ARTICLE V **CORPORATE EXISTENCE**

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall have perpetual existence.

ARTICLE VI **BOARD OF DIRECTORS**

Section 1. Management by Directors. The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist of not less than three (3) persons, but may consist of as many persons as the Board of Directors shall from

time to time determine. A majority of the directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including an annual meeting.

Section 2. Original Board of Directors. The names and addresses of the first Board of Directors of the Association, who shall hold office until the first annual meeting of Members and thereafter until qualified successors are duly elected and have taken office, shall be as follows:

<u>NAME</u>	<u>ADDRESS</u>
Brent Walters	5227 Phillips Oaks Lane Orlando, FL 32812
Michelle Walters	5227 Phillips Oaks Lane Orlando, FL 32812
Heath Walters	2406 Gatlin Ave. Orlando, FL 32806

Section 3. Election of Members of Board of Directors. Except as otherwise provided herein and except for the first Board of Directors, directors shall be elected by the Members of the Association at the annual meeting of the membership as provided by the By-Laws of the Association, and the By-Laws may provide for the method of voting in the election and for removal from office of directors. All directors shall be members of the Association or shall be authorized representatives, officers, or employees of corporate members of the Association, or designees of the Declarant.

Section 4. Duration of Office. Members elected to the Board of Directors shall hold office until the next succeeding annual meeting of Members, and thereafter until qualified successors are duly elected and have taken office.

Section 5. Vacancies. If a director elected by the general membership shall, for any reason, cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the term.

ARTICLE VII **OFFICERS**

Section 1. Officers Provided For. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one (1) year and thereafter until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and thereafter until successors are duly elected and have taken office, shall be as follows:

President: Brent Walters
Vice President: Michelle Walters
Secretary: Heath Walters
Treasurer: Michelle Walters

ARTICLE VIII

BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the Articles.

ARTICLE IX

AMENDMENTS AND PRIORITIES

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors and thereafter submitted to a meeting of the membership of the Association for adoption or rejection (by affirmative vote of 66-2/3% of the Members), all in the manner provided, and in accordance with the notice provisions of, Section 617.017, Florida Statutes.

Section 2. In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE X
INCORPORATOR

The name and address of the Incorporator of this Corporation is:

NAME

ADDRESS

Brent Walters

5227 Phillips Oaks Lane
Orlando, FL 32812

ARTICLE XI
INDEMNIFICATION

Section 1. Indemnification of Officers and Directors. Subject to the further provisions of this paragraph, the Association shall indemnify and hold harmless all officers and Directors, (and members of a Tribunal, as provided in paragraph 17 of the Bylaws) past or incumbent, from and against all costs, claims, damages, expenses and liabilities of any kind whatsoever, including attorneys' fees and costs at all tribunal levels, arising out of the performance of such person's duties hereunder. Such indemnification and hold harmless provision shall (i) exist regardless of whether the Association itself is named as a party defendant or alleged to have any liability, (ii) include the payment of any settlements upon approval by the Board, and (iii) include indemnification of the estate and heirs of the indemnified party. Such indemnification and hold harmless provision shall not be applicable (i) to the extent the claim or liability is covered by insurance, or (ii) in the event a court of competent jurisdiction finally determines, after all appeals have been exhausted or not timely pursued, that the indemnified party did not act in good faith within what he reasonably believed to be the scope of his duty and/or authority and for purposes which he reasonably believed to be in the best interests of the Association or its Members generally and such court further specifically determines that indemnification should be denied. The provision of this paragraph may not be amended to terminate the effect hereof as to any persons who became officers or Directors while this paragraph was effective.

ARTICLE XII
REGISTERED AGENT

Until changed, Robert Jackson, Esq., shall be the registered agent of the Association and the registered office shall be at 201 East Pine Street, Suite 500, Orlando, FL 32801.

IN WITNESS WHEREOF, the aforesaid Incorporator has hereunto set his hand this _____ day of _____, _____.

Brent Walters

STATE OF FLORIDA)
) SS:
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by Brent Walters, who is personally known to me and who did not take an oath.

Name: _____
Notary Public
State of Florida at Large

My commission expires:

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

In compliance with the laws of Florida, the following is submitted:

First - That desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing Articles of Incorporation, in the County of Orange, State of Florida, the Association named in the said articles has named Robert Jackson, Esq. located at 210 East Pine Street, Suite 500, Orlando, FL 32801 as its statutory registered agent.

Having been named the statutory agent of said Association at the place designated in this certificate, I am familiar with the obligations of that position, and hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.

Robert Jackson, Esq.
Registered Agent

DATED this ____ day of _____, ____