

ARTICLES OF INCORPORATION  
OF  
ASSOCIATION OF VILLAGES OF FIRESIDE, INC.  
(A Florida Not-For-Profit Corporation)

The undersigned, acting as incorporator of a Florida not-for-profit corporation under Chapter 617 of the Florida Statutes, does hereby adopt the following Articles of Incorporation for Association of Villages of Fireside, Inc.:

ARTICLE I  
NAME AND ADDRESS

The name of this Florida not-for-profit corporation shall be Association of Villages of Fireside, Inc. (the "Association"). The business of the Association shall be conducted at such places as may from time to time be determined by the Association and the present address of the Association is 2301 Park Avenue, Orange Park, Florida 32073.

ARTICLE II  
DEFINITIONS

After these Articles of Incorporation (the "Articles") have been filed in accordance with law and this entity becomes incorporated, it shall join with Villages of Fireside Corporation, a Florida corporation (the "Developer") in the execution of an instrument entitled Declaration of Covenants, Conditions, Restrictions and Easements for Villages of Fireside (the "Declaration") which instrument will be recorded in the public records of Clay County, Florida. The terms defined in the Declaration [which are used herein with initial capital letters (unless the context should clearly reflect otherwise)] are incorporated herein and made a part hereof by reference.

ARTICLE III  
PURPOSES OF THE ASSOCIATION

The Association shall: (1) operate, maintain and administer the Common Area including the Recreation Area, Roads, Conservation Area, Drainage Retention Area, (2) assess and collect the Association Expenses; (3) at or before the Transfer Date, receive title to the Common Area, including the Recreation Area, Roads, Conservation Area and Drainage Retention Area under and pursuant to the Declaration, and (4) enforce and carry out each and every of the terms, conditions, covenants and provisions of the Villages of Fireside Documents.

ARTICLE IV  
POWERS

The Association shall have and may exercise all of the following powers (the enumeration herein of specific powers shall not be deemed to limit or restrict the powers of the Association):

A. All of the common law and statutory powers of a corporation not-for-profit under the laws and statutes of the State of Florida to the extent that such powers are not in conflict with the Villages of Fireside Documents.

B. All of the powers reasonably necessary to implement the purposes of the Association set forth in these Articles and in (but subject to) the Villages of Fireside Documents, including but not limited to, the following powers:

1. To make, establish, amend and enforce Rules and Regulations governing the Common Area.

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2. To make, levy, collect and enforce assessments, and special assessments against Owners, the owner of Exhibit C Property as described in the Declaration and the Non-residential Titleholders (and including the Developer where provided in the Declaration) as provided in the Declaration to provide funds to pay for the expenses of the Association and the administration, management, operation and maintenance of the Common Area and to use and expend the proceeds of such assessments in the exercise of the powers and duties of the Association and in accordance with the Villages of Fireside Documents.

3. To enforce the provisions of the Villages of Fireside Documents;

4. To receive title to and own the Common Area pursuant to the Declaration.

5. To enter into management agreements for the Common Area or any part or parts thereof at the discretion of the Board of Directors of the Association (the "Board"). Such management agreement shall be terminable by the Board for cause upon not more than thirty (30) days' written notice and the term of any such agreement may not exceed one year.

6. To provide for the architectural control of the Lots and the property described on Exhibit C attached to the Declaration, to promote the health, safety, recreation and welfare of the occupants of the Lots and Exhibit C Property.

7. To do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers of the Association either alone or in connection with the Developer or other firms or individuals or corporations.

ARTICLE V  
MEMBERS

The qualifications of Members, the manner of their admission to membership, the termination of such membership, the classes of Members and the voting by Members shall be as follows:

A. Memberships. Every Owner, Non-residential Titleholder and the owner of Exhibit C Property shall be a member of the Association. In addition, Developer shall be a member as provided below.

B. Classes. Membership shall be divided into two (2) classes as follows:

1. The Class A members shall be all Owners owning Lots, the owner of the Exhibit C Property and each owner of a parcel of Non-residential Property (a "Non-residential Titleholder"), provided, however, the Developer shall be excluded as a Class A member so long as Developer is a Class B member.

2. The Class B member shall be the Developer, or its successors and assigns.

Class A memberships shall be appurtenant to ownership of a Lot, Exhibit C Property, or a parcel of Non-residential Property, as the case may be. Class B membership shall not be so appurtenant, but shall remain with the Developer or its

successors or assigns regardless of the conveyance of Lots on Non-residential Property.

C. Voting Rights.

1. Class A. Each Lot shall be entitled to one vote. Exhibit C Property shall be entitled to one vote. Non-residential Property shall be entitled to that number of votes equal to the Lot Equivalent therefor. When more than one person holds an interest in any Lot, Exhibit C Property, or Non-residential Property, other than as security for the performance of an obligation, all such persons shall be Members; the vote for such Lot, Exhibit C Property or parcel of Non-residential Property shall be exercised as they, between themselves, determine, by written designation to the Association, but in no event shall more than one vote be cast with respect to the ownership of each Lot, Exhibit C Property or by virtue of the ownership of each Lot Equivalent.

2. Class B. The Class B Member shall be the Developer who shall be entitled to nine (9) votes for each Lot, each planned and un conveyed Lot included within the projected Villages of Fireside as well as for each Lot Equivalent on account of Non-residential Property included within Exhibit A Property so long as Developer is a Class B Member. The Class B membership shall cease at the sooner of (i) the Turnover Date or (ii) ninety (90) days after total votes outstanding in the Class B membership equals the total votes outstanding in the Class A membership, it being intended that Developer shall retain control of the Association until it has conveyed ninety (90) percent of the Lots and Lot Equivalents by virtue of parcels of Non-residential Property included within the plan for Villages of Fireside. When Class B membership ceases, Developer shall become a Class A Member as to the remaining Lots and Non-residential Property as well as the remaining planned, but un conveyed, Lots and Non-residential Property that it owns.

D. Provisions Relating to Membership. No Class A member may assign, hypothecate or transfer in any manner his membership or his share in the funds and assets of the Association except as an appurtenance to his Lot, Non-residential Property or Exhibit C Property, as the case may be.

In no event shall the termination of membership either (a) relieve or release any Member or former Member from any liability or obligation theretofore incurred by virtue of or in any way connected with ownership of a Lot, Exhibit C Property or Non-residential Property or (b) impair any rights or remedies which the Association or others, including other Owners, owner of Exhibit C Property or Non-residential Titleholder, have or may have against such Member or former Member arising out of or in any way connected with the ownership of a Lot, Non-residential Property or Exhibit C Property, as the case may be.

ARTICLE VI  
TERM

The term for which this Association is to exist shall be perpetual.

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ARTICLE VII  
INCORPORATION

The name and street address of the incorporator of these Articles is as follows:

James Menard  
2301 Park Avenue  
Orange Park, Florida 32073

ARTICLE VIII  
OFFICERS

A. The Association shall have and the Board shall elect as its officers a President, one or several Vice Presidents, a Secretary, and a Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Board shall, from time to time determine. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible, provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary or Assistant Secretary be held by the same person.

B. The duties of such officers, their terms of office, the manner of their selection and removal shall be determined in accordance with the By-Laws from time to time in effect.

ARTICLE IX  
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	James Menard
Vice President	Charles Krueger
Vice President	Paul C. Armstrong
Vice President	Shepherd E. Colledge
Secretary	Shepherd E. Colledge
Treasurer	Shepherd E. Colledge
Assistant Secretary	James Menard

ARTICLE X  
BOARD OF DIRECTORS

A. The business of the Association shall be conducted and administered by the Board of Directors.

B. The number of Directors on the first Board of Directors (the "First Board") shall be five (5). The names and street addresses of the persons who are to serve as the directors until the first election are:

<u>NAME</u>	<u>ADDRESSES</u>
James Menard	2301 Park Avenue, Suite 404
Paul C. Armstrong	Orange Park, Florida 32073
Elizabeth Colledge	
Charles Krueger	
Shepherd E. Colledge	

C. Election of Directors of the Association shall be held at the annual meeting of the Association. The number of Directors may be increased or decreased from time to time as provided in the By-Laws of the Association, but shall never be less than three.

D. Any Director elected by Class A Members and any successor to such Director must be an Owner of a Lot, owner of Exhibit C Property or Non-residential Titleholder.

ARTICLE XI  
INDEMNIFICATION

Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels) reasonably incurred by or imposed upon him (or them) in connection with any proceeding or litigation in which he may become involved, by reason of or arising out of his being or having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not a person is a Director or officer at the time such expenses are incurred. In instances where a Director or officer admits or is adjudged guilty of willful misfeasance in the performance of his duties in a judicial proceeding, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of all rights of indemnification to which a director or officer may be entitled whether by statute or common law.

ARTICLE XII  
BY-LAWS

The By-Laws of the Association shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the By-Laws.

ARTICLE XIII  
AMENDMENTS

A. Amendments to these Articles may be proposed by any Member of the Association. These Articles may be amended at any annual meeting of the Association, or at any special meeting duly called and held for such purpose, on the affirmative vote of two-thirds of the eligible votes of all members existing at the time of such meeting.

B. There shall be no amendments to these Articles which shall abridge, amend or alter the rights of the Developer or any Institutional Mortgagee without first obtaining the prior written consent of the Developer or the affected Institutional Mortgagee, as the case may be.

ARTICLE XIV  
REGISTERED OFFICE AND AGENT

The registered office of the Association shall be 2301 Park Avenue, Orange Park, Florida 32073 and the registered agent at such address shall be James Menard.

IN WITNESS WHEREOF, the incorporator has hereunto affixed his signature, this 4<sup>th</sup> day of November, 1988.

James Menard  
James Menard

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of November, 1988, by James Menard.

Walter W. Wilson, Notary  
Notary Public, State of Florida  
My Commission Expires:

1192-622

The Association of Villages of Fireside, Inc.,  
desiring to organize or qualify under the laws of the State of  
Florida with its principal place of business at Orange Park,  
Florida has named James Menard, located at 2301 Park Avenue,  
Orange Park, Florida 32073, as its agent to accept service of  
process within Florida.

ASSOCIATION OF VILLAGES  
OF FIRESIDE, INC.

By James Menard President

DATED November 9, 1988

Having been named to accept service of process for the  
above stated corporation, at the place designated in this  
certificate, I hereby agree to act in this capacity, and I  
further agree to comply with the provisions of all statutes  
relative to the proper and complete performance of my duties.

James Menard  
Dated: \_\_\_\_\_ 1988

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