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FLORIDA NON-PROFIT CORPORATION

Forest Creek Condominium Association, Inc.

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**ARTICLES OF INCORPORATION
OF
FOREST CREEK
CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not for Profit)**

In order to form a corporation not for profit, under and in accordance with Chapter 617 of the Florida Statutes, I, the undersigned, hereby incorporate this corporation not for profit, for the purposes and with the powers hereinafter set forth and to that end, I do, by these Articles of Incorporation, certify as follows:

The terms contained in these "Articles" are defined in the Condominium Act, Chapter 718, Florida Statutes ("Act"), as amended through the date of recording the Declaration amongst the Public Records of Duval County, Florida, shall have the meaning of such terms set forth in such Act, and, for clarification, the following terms will have the following meanings:

- A. "Act" means Condominium Act, Chapter 718, Florida Statutes, as amended through the date of recording the Declaration amongst the Public Records.
- B. "Articles" means these Articles of Incorporation of the Association.
- C. "Association" or "Sub-Association" (as defined in Master Declaration) means Forest Creek Condominium Association, Inc., a Florida corporation not for profit, responsible for operating Forest Creek.
- D. "Association Property" means that property, real and personal, which is owned or leased by the Association for the benefit of its Members.
- E. "Board" means the Board of Directors of the Association.
- F. "Bylaws" means the Bylaws of the Association.
- G. "Common Elements" means the portion of the Condominium Property not included in the Homes.
- H. "Common Surplus" means the excess of receipts of the Association collected on behalf of Forest Creek (including, but not limited to, assessments, rents, profits and revenues, on account of the Common Elements) over the Common Expenses.
- I. "Condominium Property" means the real property submitted to condominium ownership pursuant to the Declaration(s) and any amendment or amendments thereto and all improvements thereon, subject to any and all easements associated therewith, including, but not limited to, the Homes and Common Elements and all easements intended for use in connection with Forest Creek, all as more particularly described in the Declaration.
- J. "County" means Duval County, Florida.

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K. "Declaration" means the Declaration of Condominium by which Forest Creek, a Condominium is submitted by Developer to the condominium form of ownership in accordance with the Act.

L. "Developer" means D.R. Horton, Inc.-Jacksonville, a Delaware corporation, its successors, grantees and assigns. A Home Owner shall not, solely by the purchase of a Home, be deemed a successor or assign of Developer or of the rights of Developer under the Neighborhood Documents unless such Home Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

M. "Director" means a member of the Board.

N. "Forest Creek" means the name given to the planned residential development which is currently being developed by Developer, and which is planned to contain ninety-six (96) Homes in thirty-two (32) residential phases, each of which is to contain a two (2)-story residential building with three (3) Homes each; and one (1) non-residential phase which consists of the "Common Area."

O. "Forest Creek Condominium" means a condominium created within Forest Creek.

P. "Home" means "unit" as described in the Act and is that portion of the Condominium Property which is subject to exclusive ownership.

Q. "Home Owner" means "unit owner" as defined in the Act and is the owner of a Home.

R. "Kernan Forest" means the name given to the planned development in which the Condominium is located and which is more particularly described in the Declaration.

S. "Member" means a member or members of the Association.

T. "Neighborhood Assessments" means the share of funds required for the payment of "Annual Assessments" and "Special Assessments" (as such terms are defined in the Declaration) which from time to time are assessed against an Owner.

U. "Neighborhood Common Expenses" means expenses for which the Owners are liable to the Association as set forth in various sections of the Act and as described in the Neighborhood Documents and include:

- (i) expenses incurred in connection with operation, maintenance, repair or replacement of the "Common Elements" (as defined in the Declaration), costs of carrying out the powers and duties of the Association with respect to Forest Creek Condominium(s) and the Condominium Property of each, cost of fire and extended coverage insurance on the Condominium Property; and

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- (ii) any other expenses designated as Neighborhood Common Expenses from time to time by the Board.

V. "Neighborhood Documents" means in the aggregate the Declaration, these Articles, the Bylaws, any rules or regulations promulgated by the Association and all of the instruments and documents referred to therein and executed in connection with a Forest Creek Condominium.

W. "Phase" means those portions of the real property within Forest Creek and improvements thereon which, as contemplated by Section 718.403 of the Act, may become part of the Condominium Property of Forest Creek by the recording of a Declaration or an amendment thereto.

X. "Public Records" means the Public Records of the County.

Y. "Voting Certificate" means "voting certificate" as defined in the Act and is the document which designates one (1) of the record title owners, or the corporate, partnership or entity representative who is authorized to vote on behalf of a Home owned by more than one (1) owner or by any entity.

Z. "Voting Interests" means "voting interests" as defined in the Act and are the voting rights distributed to Members pursuant to the Declaration.

**ARTICLE I
NAME, PRINCIPAL AND MAILING ADDRESS**

The name of this Association shall be FOREST CREEK CONDOMINIUM ASSOCIATION, INC., whose principal and mailing address is 9456 Phillips Highway, Suite 1, Jacksonville, Florida 32256.

**ARTICLE II
PLAN OF DEVELOPMENT AND
PURPOSE OF ASSOCIATION**

A. Developer intends to develop Forest Creek on property in Kernan Forest. Developer intends to develop Forest Creek as a "phase condominium" as contemplated by Section 718.403 of the Act.

B. If Developer does not submit all Phases described in the Declaration to condominium ownership, then Developer may develop the land of any such Phases(s) not made a part thereof as another Forest Creek Condominium(s) to be administered by the Association.

C. 1. The Association shall be the condominium association responsible for the operation of all Forest Creek Condominium(s) subject to the terms and restrictions of the Neighborhood Documents; however, Developer reserves the right to incorporate additional association(s) if more than one (1) condominium is created within Forest Creek. Each Home Owner shall be a Member of the Association as provided in these Articles.

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2. The purpose for which this Association is organized is to maintain, operate and manage the Forest Creek Condominium(s), including the Association Property, and to own portions of, operate, lease, sell, trade and otherwise deal with certain of the improvements located therein now or in the future, all in accordance with the plan set forth in the Neighborhood Documents and all other lawful purposes.

ARTICLE III POWERS

The Association shall have the following powers which shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Neighborhood Documents or the Act.

B. The Association shall have all of the powers to be granted to this Association in the Neighborhood Documents. All provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles, including, but not limited to, the operation, maintenance, management, repair and replacement of the Condominium Property, Association Property and the Neighborhood Common Elements and the levying and collection of Neighborhood Common Expenses and Common Expenses and the promulgation and enforcement of rules and regulations.

C. The Association shall have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association including, but not limited to, the following:

1. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium Property (including the Homes, the Association Property and the Common Elements);

2. To make, levy, collect and enforce Neighborhood Assessments and special charges and any other charges and/or fees as provided in the Neighborhood Documents against Home Owners, in order to provide funds to pay for the expenses of the Association, the maintenance, operation and management of Forest Creek and the payment of Neighborhood Common Expenses and other expenses in the manner provided in the Neighborhood Documents and the Act and to use and expend the proceeds of such Neighborhood Assessments in the exercise of the powers and duties of the Association;

3. To maintain, repair, replace and operate the Condominium Property and Association Property in accordance with the Declaration and the Act;

4. To reconstruct improvements on the Condominium Property and Association Property in the event of casualty or other loss;

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5. To enforce by legal means the provisions of the Neighborhood Documents, Master Documents and the Act;

6. To employ personnel, retain independent contractors and professional personnel, and to enter into service contracts to provide for the maintenance, operation and management of the Condominium Property and Association Property and to enter into any other agreements consistent with the purposes of the Association including, but not limited to, agreements as to the management of the Condominium Property and Association Property and agreements to acquire possessory or use interests in real property and to provide therein that the expenses of said real property and any improvements thereon, including taxes, insurance, utility expenses, maintenance and repairs, are Neighborhood Common Expenses of Forest Creek; and

7. To purchase: (i) Home(s) upon which the Association has chosen to exercise any right of first refusal it may have and to obtain such financing as is necessary to effectuate the same; and (ii) other real and/or personal property as determined by the Association in compliance with the Neighborhood Documents.

8. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Condominium Property in accordance with the Condominium Declaration and the Act and, as security for any such loan, to collaterally assign the Condominium Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan.

ARTICLE IV MEMBERS

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

A. Until such time as Forest Creek Condominium is submitted to condominium ownership by the recordation of the Declaration, the membership of this Association shall be comprised solely of the members of the "First Board" (as defined in Article IX hereof).

B. Once Forest Creek Condominium is submitted to condominium ownership by the recordation of the Declaration, the Home Owners, which shall mean in the first instance Developer as the owner of all the Homes, shall be entitled to exercise all of the rights and privileges of the Members.

C. Except as set forth above, membership in the Association shall be established by the acquisition of ownership of fee title to a Home as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records whereupon the membership of the prior Home Owner shall terminate as to that Home. Where title to a Home is acquired from a party other than Developer, the person, persons, corporation or other legal entity thereby acquiring such Home, shall not be a Member unless and until such acquisition is in compliance with the provisions of the applicable Declaration. New Members shall deliver to the Association a true copy of the deed or other instrument of acquisition of title to the Home.

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D. No Member may assign, hypothecate or transfer in any manner his or her membership or his or her share in the funds and assets of the Association except as an appurtenance to his or her Home.

E. If a second Forest Creek Condominium is submitted to condominium ownership, membership in the Association shall be divided into classes ("Class Members") with Home Owners in each Forest Creek Condominium constituting a class. If one or more additional Forest Creek Condominiums are submitted to condominium ownership, the Home Owners thereof who are Members of the Association shall also be Class Members as to each additional condominium.

F. With respect to voting, the following provisions shall apply:

1. Either the membership as a whole shall vote or the Class Members shall vote, which determination shall be made in accordance with subparagraphs F.2 and F.3 below. In any event, however, each Home shall be entitled to one (1) vote, which vote(s) shall be exercised and cast in accordance with the Declaration and the Neighborhood Documents. In the event there is more than one (1) owner with respect to a Home as a result of the fee interest in such Home being held by more than one (1) person or entity, such owners collectively shall be entitled to one (1) vote for each Home owned in the manner determined by the Declaration.

2. In matters that require a vote, voting shall take place as follows:

(a) Matters substantially pertaining to a particular Forest Creek Condominium or any combination of Forest Creek Condominiums shall be voted upon only by the Class Members of the applicable Forest Creek Condominium(s) and shall be determined by a vote of the majority of such Class Members at any meeting having a proper quorum (as determined in accordance with the Bylaws); and

(b) Matters substantially pertaining to all of the Forest Creek Condominiums or the Association as a whole shall be voted on by the Membership and shall be determined by a vote of the majority of the Membership in attendance at any meeting having a quorum (as determined in accordance with the Bylaws).

3. Any decision as to whether a matter substantially pertains to a particular Forest Creek Condominium or any combination of or all of the Forest Creek Condominiums or to the Association as a whole, for purposes of voting, shall be determined solely by the Board. Notwithstanding the foregoing, no action or resolution affecting an Forest Creek Condominium or any combination of Forest Creek Condominiums which the Board determines requires the vote of the Members as a whole shall be effective with regard to an Forest Creek Condominium unless the Class Members of the particular Forest Creek Condominium or any combination of Forest Creek Condominiums so affected shall be given the opportunity to also vote on said action or resolution as a class or classes.

4. The membership shall be entitled to elect the Board as provided in Article IX of these Articles.

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5. Notwithstanding any other provisions of these Articles on matters which require voting by the Members, if the question is one upon which, by express provisions of the Act or the Neighborhood Documents (provided the express provisions of the Neighborhood Documents are in accordance with the requirements of the Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

**ARTICLE V
TERM**

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

**ARTICLE VI
INCORPORATOR**

The name and address of the Incorporator of these Articles are as follows: Mark F. Grant, Esquire, Ruden McClosky Smith Schuster & Russell, P.A., 200 East Broward Boulevard, Fort Lauderdale, Florida 33301.

**ARTICLE VII
OFFICERS**

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board. The Board may employ a managing agent and/or such other managerial and supervisory personnel or entities as it deems necessary to administer or assist in the administration of the operation or management of the Association and Developer shall have the right to be reimbursed for expenses incurred by Developer on behalf of the Association in managing the Association.

B. The Board shall elect the President, the Vice President, the Secretary, and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in Section 4.1 of the Bylaws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the Bylaws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) 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 same person hold the office of President who holds the office of Secretary or Assistant Secretary.

**ARTICLE VIII
FIRST OFFICERS**

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

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President	Kenneth L. Johns, Jr.
Vice President	John Zakoske
Secretary/Treasurer	Jan Doan

**ARTICLE IX
BOARD OF DIRECTORS**

A. The number of Directors on the first Board of Directors ("First Board"), the "Initial Elected Board" (as hereinafter defined) and all Boards elected prior to the Annual Members' Meeting following the "Developer's Resignation Event" (as hereinafter defined) shall be no less than three (3) nor more than seven (7). The number of Directors elected by the Members subsequent to the Developer's Resignation Event shall be as provided in Paragraph K of this Article IX. Except for Developer-appointed Directors, Directors must be Members or the spouses, parents or children of Members except that if a Home is owned by an entity and not an individual, such entity may appoint an individual on its behalf to be eligible to serve on the Board of Directors.

B. The names and addresses of the persons who are to serve as the First Board are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Kenneth L. Johns, Jr.	9456 Philips Highway Suite 1 Jacksonville, Florida 32216
John Zakoske	9456 Philips Highway Suite 1 Jacksonville, Florida 32216
Jan Doan	9456 Philips Highway Suite 1 Jacksonville, Florida 32216

Developer reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided. Developer reserves the right to remove any Director from the First Board and the right to remove any Director designated by Developer in accordance with these Articles.

C. Upon the conveyance by Developer to Home Owners other than Developer ("Purchaser Members") of fifteen percent (15%) or more of the "Total Homes" (as hereinafter defined) (as evidenced by the recordation of deeds), including Homes located in all Forest Creek Condominium(s), the Purchaser Members shall be entitled to elect one-third (1/3) of the Board, which election shall take place at the Initial Election Meeting. Developer shall designate the remaining Directors on the Board at the Initial Election Meeting. The Director to be so elected by

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the Purchaser Members and the remaining Directors to be designated by Developer are hereinafter collectively referred to as the "Initial Elected Board" and shall succeed the First Board upon their election and qualification. Subject to the provisions of Paragraph IX.D below, the Initial Elected Board shall serve until the next Annual Members' Meeting, whereupon, the Directors shall be designated and elected in the same manner as the Initial Elected Board. The Directors shall continue to be so designated and elected at each subsequent Annual Members' Meeting until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board. Developer reserves the right, until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors on the Board, to designate successor Directors to fill any vacancies caused by the resignation or removal of Directors designated by Developer pursuant to this Paragraph IX.C.

The term "Total Homes" means the number of Homes contemplated for Forest Creek (less the number of Homes in Forest Creek which Developer decides neither to submit as part of Forest Creek Condominium as provided in the Declarations nor submit to condominium ownership as a separate Forest Creek Condominium).

D. Purchaser Members are entitled to elect not less than a majority of the Board upon the happening of any of certain events.

1. Purchaser Members other than the Developer are entitled to elect not less than a majority of the Board upon the happening of any of the following, whichever shall first occur (reciting the provisions of Sections 718.301(1)(a) - (e), F.S., as required by Rule 61B-17.0012, F.A.C.):

a. Three (3) years after 50 percent of the Total Homes have been conveyed to purchasers;

b. Three (3) months after 90 percent of the Total Homes have been conveyed to purchasers;

c. When all the Total Homes have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business; or

d. When some of the Total Homes have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or

e. Seven years after recordation of the declaration of condominium, or in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates, or in the case of an association operating a phase condominium created pursuant to s. 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the Board of the Condominium Association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500

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units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the Association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting a majority of the members of the board of administration.

2. Notwithstanding the above Article IX.E (1), Developer shall have the right to at any time, upon written notice to the Association, relinquish its right to designate a majority of the Board.

E. The election of not less than a majority of Directors by the Purchaser Members shall occur at a meeting of the membership to be called by the Board for such purpose ("Majority Election Meeting").

F. At the Majority Election Meeting, Purchaser Members shall elect two (2) Directors and Developer, until the Developer's Resignation Event, shall be entitled to designate one (1) Director. Developer reserves the right, until the Developer's Resignation Event, to name the successor, if any, to any Director it has so designated; provided, however, Developer shall in any event be entitled to exercise any right it may have to representation on the Board as granted by law, notwithstanding the occurrence of the Developer's Resignation Event.

G. At the first Annual Members' Meeting held after the Majority Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded to the nearest or next whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

H. The Board shall continue to be elected by the Members subject to Developer's right to appoint a member to the Board as specified in the Act at each subsequent Annual Members' Meeting, until Developer is no longer entitled to appoint a member to the Board.

I. The Initial Election Meeting and the Majority Election Meeting shall be called by the Association, through its Board, within seventy-five (75) days after the Purchaser Members are entitled to elect a Director or the majority of Directors, as the case may be. A notice of the election shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least sixty (60) days' notice of such election. The notice shall also specify

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the number of Directors that shall be elected by the Purchaser Members and the remaining number of Directors designated by Developer.

J. Developer shall cause all of its designated Directors to resign when Developer no longer holds at least five percent (5%) of the sum of the Total Homes for sale in the ordinary course of business. In addition, Developer may at any time, in its sole discretion, cause the voluntary resignation of all of the Directors designated by it. The happening of either such event is herein referred to as the "Developer's Resignation Event". Upon the Developer's Resignation Event, the Directors elected by Members shall elect successor Directors to fill the vacancies caused by the resignation or removal of the Developer's designated Directors. These successor Directors shall serve until the next Annual Members' Meeting and until their successors are elected and qualified; provided, however, nothing herein contained shall be deemed to waive any right to representation on the Board which Developer may have pursuant to the Act. Developer specifically reserves the right to assert any right to representation on the Board it may have pursuant to the Act, notwithstanding that the Developer's Resignation Event may have previously occurred.

K. At each Annual Members' Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors to be elected shall be determined by the Board from time to time, but there shall not be less than three (3) Directors nor more than seven (7).

L. The following provisions shall govern the right of each Director to vote and the manner of exercising such right:

1. There shall be only one (1) vote for each Director.
2. All of the Directors of the Board shall vote thereon as one (1) body, without distinction as to class, on matters which pertain to the Association, the Association Property, or all Forest Creek Condominiums.
3. In the case of deadlock by the Board, application shall be made to a court of competent jurisdiction to resolve the deadlock.

**ARTICLE X
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

All of the powers and duties of the Association shall be exercised by the Board in accordance with the provisions of the Act and the Neighborhood Documents, where applicable, and shall include, but not be limited to, the following:

A. Making and collecting Neighborhood Assessments against Members to defray the costs of the Neighborhood Common Expenses; collecting that portion of Common Expenses attributable to Home Owners in Forest Creek as determined in accordance with the Master Declaration.

B. Using the proceeds of Neighborhood Assessments in the exercise of the powers and duties of the Association and the Board.

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- C. Maintaining, repairing and operating the improvements within Forest Creek.
- D. Reconstructing improvements after casualties and losses and making further authorized improvements within Forest Creek.
- E. Making and amending rules and regulations with respect to all Forest Creek Condominium(s) administered by the Association and for the Association Property.
- F. Enforcing by legal means the provisions of the Neighborhood Documents and Master Documents.
- G. Contracting for the management and maintenance of the Condominium Property and Association Property authorizing a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Neighborhood Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of improvements or portions thereof for which the Association has such responsibility and other services with funds that shall be made available by the Association for such purposes and terminating such contracts and authorizations. The Association and its officers shall, however, retain at all times the powers and duties granted by the Neighborhood Documents and the Act including, but not limited to, the making of Neighborhood Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.
- H. Paying taxes and Neighborhood Assessments which are or may become liens against the Common Elements of any Forest Creek Condominium administered by the Association and assessing the same against Homes within such Condominium, the Home Owners of which are responsible for the payment thereof.
- I. Purchasing and carrying insurance for the protection of Members and the Association against casualty and liability in accordance with the Act and the Neighborhood Documents and acquiring one insurance policy to insure the Condominium Property and Association Property to allocate the premiums therefor in a fair and equitable manner.
- J. Paying costs of all power, water, sewer and other utility services rendered to the Condominium Property and Association Property of any Forest Creek Condominium administered by the Association and not billed directly to Home Owners.
- K. Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration and purposes of this Association and paying all salaries therefor.
- L. Engaging in mandatory non-binding arbitration as provided for in Section 718.112(2)(a)2 of the Act for the settlement of disputes as provided for in Section 718.1255 of the Act. The provisions of Sections 718.112(2)(a)2 and 718.1255 are incorporated by reference herein.

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M. Preparing a question and answer sheet, if and as required by the Act and the rules promulgated in the Florida Administrative Code by the Division of Florida Land Sales, Condominiums and Mobile Homes, and updating the question and answer sheet at least annually.

N. Maintaining an adequate number of copies of the Neighborhood Documents, as well as the question and answer sheet referred to in Paragraph X.M. above, on the Condominium Property to ensure their availability to Home Owners and prospective purchasers. The Association may charge its actual costs for preparing and furnishing the foregoing to those requesting same.

O. Ensuring that the following contracts shall be in writing:

- (i) Any contract for the purchase, lease or renting of materials or equipment which is not to be fully performed within one (1) year from the date of execution of the contract.
- (ii) Any contract, regardless of term, for the provision of services; other than contracts with employees of the Association, and contracts for attorneys and accountant services, and any other service contracts exempted from the foregoing requirement by the Act or rules set forth in the Florida Administrative Code as they relate to condominiums.

P. Obtaining competitive bids for materials, equipment and services where required by the Act and rules set forth in the Florida Administrative Code as they relate to condominiums.

Q. All other powers and duties reasonably necessary to operate and maintain all Forest Creek Condominium(s) administered by the Association in compliance with the Neighborhood Documents and the Act.

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 them in connection with any proceeding, litigation or settlement in which he or she may become involved by reason of his or her being or having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he or she is a Director or officer at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association. In instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law. The indemnification hereby afforded to Directors and officers shall also extend to any entity other than the Association

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found responsible or liable for the actions of such individuals in their capacity as Directors or officers, including, but not limited to Developer.

ARTICLE XII BYLAWS

The Bylaws of the Association shall be adopted by the First Board and thereafter may be altered, amended or rescinded only by the affirmative vote of at least two-thirds (2/3) of the total votes of the Members present at an Annual Members' Meeting or special meeting of the membership and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. In the event of a conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII AMENDMENTS

A. Prior to the recording of the Declaration amongst the Public Records, these Articles may be amended by an instrument in writing signed by the President (or a Vice President) and the Secretary (or an Assistant Secretary) and filed in the Office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended, give the exact language of such amendment and give the date of adoption of the amendment by the Board. A certified copy of each such amendment shall always be attached to any certified copy of these Articles or a certified copy of the Articles as restated to include such Amendments and shall be an exhibit to each Declaration upon the recording of each Declaration. This Article XIII is intended to comply with Chapter 617, Florida Statutes.

B. After the recording of the Declarations amongst the Public Records, these Articles may be amended in the following manner:

1. The Board, as a whole, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the Annual Members' Meeting or a special meeting. Any number of amendments may be submitted to the Members and voted upon by them at one meeting;

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member of record entitled to vote within the time and in the manner provided in the Bylaws for the giving of notice of Meetings of Members ("Required Notice");

3. At such meeting a vote of the Members shall be taken on the proposed amendments. The proposed amendment shall be adopted only upon receiving the affirmative vote of at least two-thirds (2/3) of the total votes of all Members entitled to vote thereon; or

4. An amendment may be adopted by a written statement signed by all Directors and written consent of Members representing the Voting Interests sufficient to pass the amendment if the vote were to be taken at a meeting where all Members are present and setting forth their intention that an amendment to the Articles be adopted. Where an amendment is passed by written consent in

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lieu of meeting, those Members not submitting written consent shall be notified in writing of the passage thereof.

C. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

D. A copy of each amendment shall be certified by the Secretary of State of the State of Florida and, after the recordation of the Declaration, recorded amongst the Public Records as an amendment to the Declaration.

E. Notwithstanding the foregoing provisions of this Article XIII there shall be no amendment to these Articles which shall abridge, amend or alter the rights of Developer, including the right to designate and select the Directors as provided in Article IX hereo ; without the prior written consent thereto by Developer nor shall there be any amendment to these Articles which shall abridge, alter or modify the rights of the holder, guarantor or insurer of a first mortgage on any Home or of any "Institutional Mortgage" (as defined in each Declaration) without it's prior written consent.

ARTICLE XIV EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Act:

A. During any emergency defined in Paragraph XIV.E below or in anticipation of such emergency, the Board may:

1. Modify lines of succession to accommodate the incapacity of any Director, officer, agent or employee of the Association; and
2. Relocate the principal office of the Association or designate alternate principal offices or authorize officers to do so.

B. During any emergency defined in Paragraph XIV.E below:

1. One or more officers of the Association present at a meeting of the Board may be deemed to be Directors for the meeting, in order of rank and within the same order of rank in order of seniority, as necessary to achieve a quorum; and
2. The Director or Directors in attendance at a meeting shall constitute a quorum.

C. Corporate action taken in good faith during an emergency under this Article XIV to further the ordinary affairs of the Association:

1. Binds the Association; and

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2. May not be used to impose liability on a Director, officer, employee or agent of the Association.

D. A Director, officer or employee of the Association acting in accordance with any emergency bylaws is only liable for willful misconduct.

E. An emergency exists for the purposes of this Article XIV if a quorum of the Directors cannot readily assemble because of a catastrophic event.

ARTICLE XV HUD/VA APPROVAL

With the exception of the Land and improvements contemplated to be submitted to condominium ownership pursuant to the Declaration, annexation of additional properties, mergers and consolidations, mortgaging of common area, dissolution and amendment of the Articles, requires prior approval of U.S. Department of Housing and Urban Development ("HUD") or the U.S. Department of Veterans Affairs ("VA") as long as Developer owns any Homes in Forest Creek.

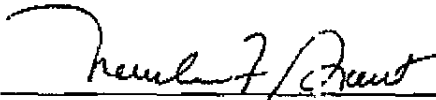
ARTICLE XVI DISSOLUTION

The Association may be dissolved only upon (a) a resolution duly adopted by the Board, and (b) the affirmative vote of the Members of not less than two-thirds (2/3) of the Homes, and (c) so long as Developer or any of Developer's affiliates owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration, the consent of the Developer. Upon dissolution of the Association, if VA is guaranteeing or HUD is insuring the mortgage on any Home, then unless otherwise agreed to in writing by HUD or VA, any remaining real property of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes. Such requirement shall not apply if VA is not guaranteeing and HUD is not insuring any mortgage; provided if either agency has granted project approval for the Condominium, then HUD and/or VA shall be notified of such dissolution.

ARTICLE XVII REGISTERED OFFICE AND REGISTERED AGENT

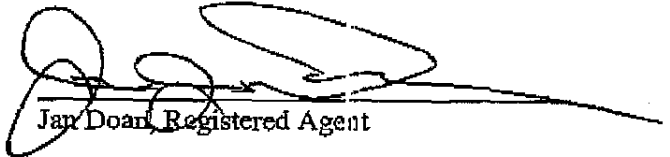
The street address of the initial registered office of the Association is 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256, and the initial registered agent of the Association at that address shall be Mr. Jan Doan.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, this 2 day of December, 2003.



Mark F. Grant, Esquire, Incorporator

The undersigned hereby accepts the designation of Registered Agent of Forest Creek Condominium Association, Inc. as set forth in Article XV of these Articles of Incorporation and acknowledges that he is familiar with, and accepts the obligations imposed upon registered agents under, the Florida Not For Profit Corporation Act.



Jan Doan, Registered Agent