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October 8, 1998

Secretary of State
State of Florida
Division of Corporations
409 East Gaines Street
Tallahassee, Florida 32399

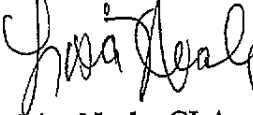
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*****78.75 *****78.75

Re: *East Ridge Property Owners' Association, Inc.*

Dear Secretary of State:

Please find enclosed an original and one copy of the Articles of Incorporation for the above-referenced corporation along with a check in the amount of \$78.75. Please file the original Articles of Incorporation and return a certified copy to me in the enclosed, self-addressed, stamped envelope.

If you have any questions or problems regarding the above, please do not hesitate to contact me.

Sincerely yours,

Lisa Neale, CLA

LKN/jr
enclosures

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
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MS

ARTICLES OF INCORPORATION
OF
EAST RIDGE PROPERTY OWNERS' ASSOCIATION, INC.,
a Florida not-for-profit corporation

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DIVISION OF CORPORATIONS
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ARTICLE I - NAME

The name of the corporation is EAST RIDGE PROPERTY OWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation (the "Association").

ARTICLE II - DEFINITIONS

All terms used herein shall have the same meaning as defined in that certain Declaration of Covenants and Restrictions for East Ridge, which shall be recorded amongst the Public Records of Palm Beach County, Florida.

ARTICLE III - PURPOSE

The purposes for which the Association is organized are as follows:

1. To operate as a corporation not-for-profit pursuant to Chapter 617 of the Florida Statutes.
2. To enforce and exercise the duties of the Association as provided in the Declaration.
3. To promote the health, safety, welfare, comfort, and social and economic benefit of the members of the Association.

ARTICLE III - POWERS AND DUTIES

The Association shall have the following powers and duties:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of the State of Florida.
2. To administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the Declaration, including, but not limited to, the following:
 - a. To own, purchase, sell, mortgage, encumber, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.

- b. To make and collect Assessments against Owners to defray the costs, expenses and losses incurred or to be incurred by the Association, and to use the proceeds thereof in the exercise of the Association's powers and duties.
- c. To enforce the provisions of the Declaration, these Articles, and the Bylaws.
- d. To make, establish and enforce reasonable rules and regulations governing the use of Common Areas, Lots, Homes and other property under the jurisdiction of the Association.
- e. To grant and modify easements, and to dedicate property owned by the Association to any public or quasi-public agency, authority or utility company for public, utility, drainage and cable television purposes.
- f. To borrow money for the purposes of carrying out the powers and duties of the Association.
- g. To exercise control over exterior alterations, additions, improvements, or changes in accordance with the terms of the Declaration.
- h. To obtain insurance as provided by the Declaration.
- i. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the Association and for proper operation of the properties for which the Association is responsible, or to contract with others for the performance of such obligations, services and/or duties.
- j. To sue and be sued.
- k. To contract for cable television services for the Property.
- l. To employee management companies, solid waste removal companies, and others to provide services to the Association.

ARTICLE IV - MEMBERS

1. The members of the Association shall consist of all of the record owners of Lots. Membership shall be established as to each Lot upon the recording of the Declaration. Upon the transfer of ownership of fee title to, or fee interest in, a Lot, whether by conveyance, devise, judicial decree, foreclosure, or otherwise, and upon the recordation amongst the public records in the county in which the Property is located of the deed or other instrument establishing the acquisition and designating the Lot affected thereby, the new Owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior Owner as to the Lot designated shall be terminated, provided, however, that the Association shall not have the responsibility or obligation of recognizing any such change in membership until it has been delivered a true copy of the applicable deed or other instrument, or is otherwise informed of the transfer of ownership of the Lot. Prior to the recording of the Declaration, the incorporator shall be the sole member of the Association.

2. The share of each member in the funds and assets of the Association, and the Common Surplus, and any membership in this Association, cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot for which that membership is established.

3. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Lot. In the event any Lot is owned by more than one person and/or by an entity, the vote for such Lot shall be cast in the manner provided by the Bylaws. Any person or entity owning more than one Lot shall be entitled to one vote for each Lot owned.

4. The Bylaws shall provide for an annual meeting of the members of the Association and shall make provision for special meetings.

ARTICLE V - TERM OF EXISTENCE

The Association shall exist in perpetuity; however, if the Association is dissolved, the Articles of Incorporation must provide that the property consisting of the surface water management system shall be conveyed to an appropriate agency of local government. If it is not accepted, then the surface water management system must be dedicated to a similar non-profit corporation.

ARTICLE VI - DIRECTORS

1. The property, business and affairs of the Association shall be managed by a Board consisting of either three (3) or five (5) directors. The Bylaws may provide for a method of determining the number of directors from time to time. In the absence of a determination as to the number of directors, the Board shall consist of three (3) directors. Directors are not required to be members of the Association.

2. All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees, subject to approval by the members only when specifically required.

3. The Declarant shall have the right to appoint all of the directors until Declarant has conveyed 80% of the Lots within the Property for all present and contemplated future phases, or until 3 years after the Declaration is recorded in the Public Records of Palm Beach County, Florida, whichever occurs first, and thereafter Declarant shall have the right to appoint a majority of the directors so long as the Declarant owns at least one (1) Lot during its ordinary course of business. The Declarant may waive its right to elect one or more directors by written notice to the Association, and thereafter such directors shall be elected by the members. When the Declarant no longer owns any Lot within the Property, all of the directors shall be elected by the members in the manner provided in the Bylaws.

4. Directors may be removed and vacancies on the Board shall be filled in the manner provided in the Bylaws, provided that any director appointed by the Declarant may only be removed by the Declarant, and any vacancy on the Board shall be appointed by the Declarant if, at the time such vacancy is to be filled, the Declarant is entitled to appoint the directors.

5. The names and addresses of the initial directors, who shall hold office until their successors are appointed or elected, are as follows:

- (1) Gary De Graf
4629 Poinciana Street, Apartment 221
Lauderdale By The Sea, FL 33308
- (2) David W. De Graf
21340 Whitepine Road
Kildeer, IL 60074
- (3) Heidi M. De Graf
21340 Whitepine Road
Kildeer, IL 60074

ARTICLE VII - OFFICERS

The officers of the Association shall be a president, vice president, secretary, treasurer and such other officers as the Board may from time to time by resolution create. The officers shall serve at the pleasure of the Board, and the Bylaws may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers. The names and addresses of the officers who shall serve until their successors are designated by the Board are as follows:

President: Gary De Graf
4629 Poinciana Street, Apartment 221
Lauderdale By The Sea, FL 33308

Secretary: David W. De Graf
21340 Whitepine Road
Kildeer, IL 60074

ARTICLE VIII - INDEMNIFICATION

1. The Association shall identify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association; and with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; except, that no identification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the Association unless and to the extent that the court in which the action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case,

such person is fairly and reasonably entitled to reimbursement for such expenses which the court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph 1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

3. Any indemnification under Paragraph 1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Paragraph 1 above. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by approval of the members.

4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the directors, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be identified by the Association as authorized herein.

5. The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of members or otherwise; and as to action taken in an official capacity while holding office, shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

6. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE IX - BYLAWS

The first Bylaws shall be adopted by the Board and may be altered, amended or rescinded by the Declarant, the Directors and/or members in the manner provided by the Bylaws.

ARTICLE X - AMENDMENTS

Amendments to these Articles shall be proposed and adopted in the following manner:

1. A majority of the Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be the annual or a special 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 entitled to vote thereon within the time and in the manner provided in the Bylaws for the giving of notice of a meeting of the members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

3. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of two thirds ($\frac{2}{3}$) of the votes of the entire membership of the Association.

4. Any number of amendments may be submitted to the members and voted upon by them at any one meeting.

5. If all of the directors and all of the members eligible to vote sign a written statement manifesting their intention that an amendment to these Articles be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.

6. No amendment shall make any changes in the qualifications for membership nor in the voting rights of members without approval by all of the members. No amendment shall be made that is in conflict with the Declaration. Prior to the closing of the sale and conveyance by Declarant of all Lots, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, including, but not limited to, any right of the Declarant to appoint directors pursuant to Article VII, unless the Declarant shall join in the execution of the amendment.

7. No amendment to these Articles shall be made which discriminates against any Owner, or affects less than all of the Owners within the Property, without the written approval of all of the Owners so discriminated against or affected.

8. Notwithstanding anything herein to the contrary, so long as the Declarant is entitled to appoint a majority of the directors of the Association the Declarant shall, subject to the provisions of Paragraph 6 and 7 of this Article X, have the right to unilaterally amend these Articles without the joinder or approval of the Board or any member. However, dissolution and amendment of the Articles, annexation of additional properties, mergers and consolidations and mortgaging of Common Area requires prior approval of HUD/VA as long as the Declarant is entitled to vote.

9. Upon the approval of an amendment to these Articles, the articles of amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the public records of the county in which the Property is located.

ARTICLE XI - DISSOLUTION

In the event of dissolution or final liquidation of the Association, the assets, both real and personal, of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any Member vested in him under the recorded Declaration unless made in accordance with the provisions of such Declaration.

ARTICLE XII - REGISTERED OFFICE ADDRESS AND NAME OF REGISTERED AGENT

The registered office of the Association shall be 4629 Poinciana Street, Apartment 221, Lauderdale By The Sea, FL 33308.

The registered agent of the Association at that address is Gary De Graf.

WHEREFORE, the undersigned have executed these Articles on this 6 day of August, 1998.

EAST RIDGE HOMEOWNERS' ASSOCIATION, INC.,
a Florida corporation

By: [Signature]
Gary De Graf, its President

STATE OF FLORIDA
COUNTY OF PALM BEACH

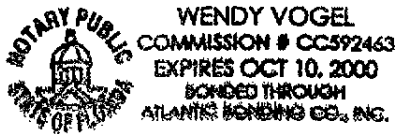
The foregoing instrument was acknowledged before me this 6 day of August, 1998 by Gary De Graf, as President of EAST RIDGE HOMEOWNERS' ASSOCIATION, a Florida not-for-profit corporation,

who is personally known to me or
 who has produced _____ as identification.

[Signature]

Notary Public
Print Name: Wendy Vogel Wier Schreck

My commission expires: _____

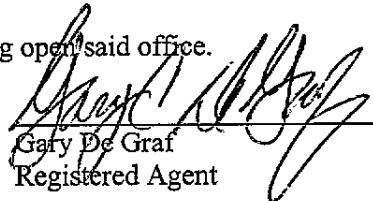


REGISTERED AGENT CERTIFICATE AND ACCEPTANCE

Pursuant to Chapter 607, Florida Statutes, as amended, the following is submitted:

1. EAST RIDGE HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation, is desiring to organize under the laws of the State of Florida, with its principal office as indicated in the Articles of Incorporation, at 4629 Poinciana Street, Apartment 221, Lauderdale By The Sea, FL 33308, and names Gary De Graf as its agent to accept service of process within the State of Florida.

2. Having been named to accept service of process for the above-named corporation at the place designated in this Certificate, I hereby accept acting in this capacity and agree to comply with the provisions of Chapter 607, Florida Statutes, as amended, relative to keeping open said office.



Gary De Graf
Registered Agent

Dated: 8-6-98

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