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December 19, 2001

Secretary of State
Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314

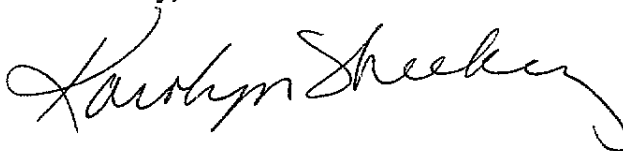
Re: **Custer's Palm Harbor Subdivision, Unit II, Homeowners Association, Inc.**

Dear Sir/Madam:

Enclosed please find an original and one (1) copy of the Articles of Incorporation concerning Custer's Palm Harbor Subdivision, Unit II, Homeowners Association, Inc., together with our firm's check in the amount of \$78.75 representing your filing fee. If all is in order, kindly file the Articles and return a certified copy of same to the undersigned.

If you have any questions, please do not hesitate to call.

Sincerely,



Karolyn Sheekey
Secretary

encl.

FILED
02 JAN - 2 AM 9:43
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

J. BRYAN JAN - 4 2002

**ARTICLES OF INCORPORATION
OF
CUSTER'S PALM HARBOR SUBDIVISION, UNIT II,
HOMEOWNERS ASSOCIATION, INC.**

(A Non-Profit Florida Corporation)

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE I

NAME - LOCATION

The name of this corporation is Custer's Palm Harbor Subdivision, Unit II, Homeowners Association, Inc., a non-profit corporation, sometimes hereinafter called the "Association". The address of the corporation is 4B Old Kings Road North, Palm Coast, FL 32137 and the legal description of the land upon which Custer's Palm Harbor Subdivision, Unit II, is planned to be developed is contained in Exhibit "A" attached hereto.

ARTICLE II

PURPOSE

The general nature of the business to be transacted is as follows:

- (a) To manage the Association of lot owners established by the Declaration of Covenants and Restrictions, Custer's Palm Harbor Subdivision, Unit II.
- (b) To enforce the Declaration of Covenants and Restrictions pertaining to Custer's Palm Harbor Subdivision, Unit II.
- (c) To carry out all duties placed upon it by the aforesaid Declaration, and in connection therewith, the corporation shall have all corporate powers permitted under said Declaration and under Florida law and specifically the power, with consent of a majority of the members, to merge or consolidate with other homeowners associations.
- (d) The corporation shall have a lien on all lots in the subdivision to secure the payment of all charges and assessments and the performance of all covenants under the terms of these Articles of Incorporation, the By-Laws and the Declaration of Covenants and Restrictions, Custer's Palm Harbor Subdivision, Unit II.
- (e) No part of the income of this corporation shall be distributed to its members, directors or officers.
- (f) Duties.

The Association shall maintain the paving block entrances, signage, and

landscaping, and shall assist in the enforcement of the restrictions and covenants contained herein.

(g) Powers.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the paving block entrance, signage and landscaping.

ARTICLE III

MEMBERSHIP

Every person or entity who is or becomes a record owner of any lot in Committed Property as that term is defined in the Declaration of Covenants and Restrictions (Declaration) executed by James M. McNab and Michael D. Chiumento, Developers of the subdivision, and referred to herein as "Declarants", and recorded in the Public Records of Flagler County, Florida, shall be members of the Association. Declarants, the Developers, shall also be members of the Association as long as it owns any lots in the Committed Property. Membership is solely for those having a fee simple ownership interest and is not intended to and shall not include any persons or entities who hold an interest in real property merely as security for the performance of an obligation. All memberships in the Association shall be automatic and mandatory and shall terminate automatically when a member becomes divested of a fee simple ownership interest in property in the subdivision.

When a corporation or partnership is the owner of a lot, the membership privilege shall be exercised by only one (1) individual being the one designated by the entity to cast its vote as hereinafter provided.

ARTICLE IV

VOTING RIGHTS

Initially there shall be eight (8) votes in the Association, one for each lot in the property committed to the terms of the Declaration. If additional property is committed to the Declaration, the number of votes shall increase, as each additional property is committed, by the number of lots in the additional Committed Property. The Association shall have two (2) classes of voting membership.

Class A. Class A members shall be owners, other than the Declarants (as defined in the Declaration), and shall be entitled to one vote for each lot owned. When more than one person holds an interest in a lot, all such persons shall be members; however, only one shall be entitled to vote. All of the owners shall designate one of the owners to vote for the lot. Such designation shall be in writing and shall be filed with the Association. When a lot is owned by a corporation, partnership or other business entity, the entity shall designate one individual to vote for the lot.

In the case of a corporation, the one designated shall be an officer of the corporation, and in the case of a partnership, the one designated shall be a partner. Such designation shall be in writing and shall be filed with the Association. In no event shall more than one vote be cast for any lot.

Class B. The Class B members shall be the Declarants, and shall be entitled to three votes for each lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever shall first occur:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) five years following the date of conveyance of the first lot by Declarants.

(c) In the event the Declarants shall sign a "Statement" as provided in Section 2.2 of the Declaration, declaring the property described therein is no longer Uncommitted Property, then the maximum number of votes shall be the total number of lots in the Committed Property.

ARTICLE V

ASSESSMENTS

The assessments shall be used for the maintenance and repair of the paving block entrances, signage, and landscaping.

ARTICLE VI

EXISTENCE AND DURATION

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.

ARTICLE VII

SUBSCRIBERS

The name and residence address of each subscriber to these Articles of Incorporation is:

Name

Address

James M. McNab

P.O. Box 1230
Flagler Beach, FL 32136

Michael D. Chiumento

4B Old Kings Road North
Palm Coast, FL 32137

ARTICLE VIII

MANAGEMENT

The affairs and property of this corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than nine (9) persons. The Directors shall be elected by the voting membership at the annual meetings of the membership in the manner provided in the By-Laws. The Directors may be removed and vacancies in the Board filled in the manner provided in the By-Laws.

The initial Board of Directors shall consist of three (3) persons, who need not be members entitled to vote in the Association and who shall be appointed by Declarants. The initial Board of Directors named in these Articles shall serve until the lot owners, other than Declarants, are entitled to elect the Directors in the manner set forth herein. Vacancies in the initial Board of Directors appointed by Declarants may be filled by Declarants. After the election of the Board of Directors by the lot owners other than Declarants, vacancies occurring between annual meetings of the membership shall be filled by the remaining Directors.

At such time as the number of Class A votes exceeds the number of Class B votes, or at such earlier time as Declarants may determine, the number of persons on the Board of Directors shall automatically be increased to nine (9) persons. The members, other than Declarants, shall be entitled to elect a majority of the Board of Directors, and the Board of Directors shall call a special meeting for that purpose.

Directors shall be elected by the voting members in accordance with the By-Laws at the regular annual meeting of the membership of the corporation to be held on the first Monday of December of each year or on such other date as may be set by the vote of a majority of the members.

All officers shall be elected by the Board of Directors in accordance with the By-Laws at the annual meeting of the Board of Directors to be held immediately following the annual meeting of the membership. The Board of Directors shall elect or appoint at the times and in the manner set forth in the By-Laws a President, Vice President, Secretary, Treasurer and such other officers as it may deem desirable.

ARTICLE IX

BOARD OF DIRECTORS

The number of persons constituting the first Board of Directors shall be three (3). The names and addresses of the persons who are to serve as Directors until their successors are chosen are:

Name

Address

James M. McNab

P.O. Box 1230
Flagler Beach, FL 32136

Michael D. Chiumento

4B Old Kings Road North
Palm Coast, FL 32137

Donald J. Seps

4B Old Kings Road North
Palm Coast, FL 32137

ARTICLE X

FIRST OFFICERS

The names of the officers who are to serve until the first election or appointment under these Articles of Incorporation are:

Name

Office

James M. McNab

President

Michael D. Chiumento

Secretary/Treasurer

ARTICLE XI

BY-LAWS

The initial By-Laws of this corporation may be adopted by the subscribers hereto and may be altered, amended or revised by recording such modification in the Public Records of Flagler County, Florida, signed by all of the subscribers to these Articles of Incorporation who are the initial Board of Directors or their successors as provided herein. In the event said subscribers shall no longer be qualified as members, then alteration, amendment or revisions shall be by the vote of a majority of the unit owners at any annual meeting or at a special meeting called for that purpose, and such alteration, amendment or revision shall be approved in writing by all owners and holders of all mortgages or liens on lots.

ARTICLE XII

AMENDMENT OF ARTICLES OF INCORPORATION

All of the subscribers to these Articles of Incorporation or their successors, as all of the members of the corporation, may amend the Articles of Incorporation provided that at such time as said subscribers no longer qualify as members, then these Articles of Incorporation may be amended by the vote of a majority of the then record owners of lots within Committed Property at any annual members meeting or at a special meeting called for that purpose.

ARTICLE XIII

DISSOLUTION LANGUAGE

The Association may be dissolved only with the consent in writing by the owners and holders of all mortgages or liens on any lots, by the County of Flagler, and by two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets 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 such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

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 by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XIV

SEVERABILITY

Invalidation of any of these Articles or portions thereof by judgment, court order, or operation of law shall in no way affect other provisions, which shall remain in full force and effect.

ARTICLE XV

INITIAL REGISTERED OFFICE AND AGENT


The address of the initial registered office of this corporation is 4B Old Kings Road North, Palm Coast, Florida 32137, and the name of the initial registered agent of this corporation at that address is Michael D. Chiumento.

ARTICLE XVI

INDEMNIFICATION

The Association shall indemnify any officer, director or committee member or any former officer, director or committee member to the full extent permitted by law.

THE UNDERSIGNED, being the original subscribers to these Articles of Incorporation, do hereby make, subscribe, acknowledge and file these Articles and have hereunder set their hands and seals this 18 day of December, 2001.


JAMES M. McNAB, Owner


MICHAEL D. CHIUMENTO, Owner

STATE OF FLORIDA
COUNTY OF FLAGLER

I HEREBY CERTIFY that before me this day personally appeared JAMES M. McNAB and MICHAEL D. CHIUMENTO, to me known and known to me to be the individuals described in and who executed the foregoing Articles of Incorporation and acknowledged before me that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State named above this 18 day of December, 2001.




Notary Public

The undersigned, having been named to accept service of process for the above stated corporation, at the place designated in Article XV of the Articles of Incorporation, hereby accepts to act in this capacity and agrees to comply with the provisions of Section 49.091, Florida Statutes, relative to keeping open said office.


MICHAEL D. CHIUMENTO

FILED
02 JAN -2 AM 9:43
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

PALM HARBOR, UNIT II

WEST 1/4 OF THE SOUTHWEST 1/4, SECTION 12,
RANGE 31 EAST, FLAGLER COUNTY, FLORIDA.

DESCRIPTION

BEING A REPLAT OF A PORTION OF CUSTER'S PALM HARBOR SUBDIVISION AS RECORDED IN MAP BOOK 27, PAGE 10 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA AND PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 12 RANGE 31 EAST DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 12, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SAID CUSTER'S PALM HARBOR, THENCE S 88°55'08" W ALONG THE SOUTH LINE OF SAID SECTION 12 A DISTANCE OF 293.56 FEET; THENCE N 19°01'13" W, A DISTANCE OF 1265.36 FEET TO A POINT THAT IS 100.00 FEET SOUTH OF THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 12 AFORESAID; THENCE N 88°51'58" E AND PARALLEL TO THE SAID NORTH LINE A DISTANCE OF 675.01 FEET TO A POINT ON EAST LINE OF THE SAID SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 12, SAID POINT ALSO BEING ON THE WEST LINE OF THE AFORESAID CUSTER'S PALM HARBOR, AND ALSO BEING ON THE WEST RIGHT-OF-WAY OF PALM DRIVE, A 50' RIGHT-OF-WAY; THENCE S 01°28'32" E ALONG SAID LINES A DISTANCE OF 300.15 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY; THENCE SOUTHERLY DEPARTING SAID EAST AND WEST LINES AND CONTINUING ALONG SAID WEST RIGHT-OF-WAY AND CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 21°19'25", A RADIUS OF 600.00 FEET, FOR AN ARC LENGTH OF 223.30 FEET TO THE POINT OF TANGENCY THEREOF; THENCE S 22°47'57" E CONTINUING ALONG SAID WEST RIGHT-OF-WAY A DISTANCE OF 113.50 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, THENCE SOUTHERLY ALONG SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 05°23'14", A RADIUS OF 550.00 FEET FOR AN ARC LENGTH OF 51.72 FEET; TO A POINT ON THE NORTH LINE OF LOT 19, CUSTER'S PALM HARBOR AFORESAID; THENCE S 72°35'18" W ALONG SAID NORTH LINE OF LOT 18 AND DEPARTING SAID WEST RIGHT-OF-WAY, A DISTANCE OF 102.81 FEET TO A POINT ON THE AFORESAID EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 12 AND THE WEST LINE OF CUSTER'S PALM HARBOR; THENCE S 01°28'32" E ALONG SAID EAST AND WEST LINES A DISTANCE OF 503.22 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINING 13.74 ACRES MORE OR LESS.

Exhibit "A"



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