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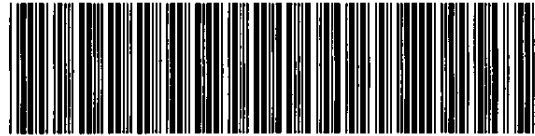
(Business Entity Name)

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06 MAY 22 PM 3:47  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

D. WHITE MAY 23 2006



May 19, 2006

VIA OVERNIGHT DELIVERY SERVICE

Department of State  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

Re: Articles of Incorporation/Cove II Owners Association, Inc.

Ladies and Gentlemen:

Please find enclosed for filing the following documents:

1. Duplicate executed Articles of Incorporation of Cove II Owners Association, Inc.
2. Check number 0102570 in the amount of \$87.50 for the filing fee, Certified Copy of the Articles of Incorporation and Certificate of Incorporation.

Please forward the certified copy and certificate to my attention. If you need anything, please feel free to contact me.

Sincerely,

Barbara A. Kerchner  
Manager of Legal Services  
407.362.5600  
407.206.5724 (fax)

Enclosures

**Resort Development & Hospitality Group**

ARTICLES OF INCORPORATION  
OF  
COVE II OWNERS ASSOCIATION, INC.  
(A Corporation Not For Profit)

FILED  
06 MAY 22 PM 3:47  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

The undersigned, being a natural person competent to contract, for the purpose of forming a corporation not for profit under the laws of the State of Florida, adopts, subscribes, and acknowledges the following Articles of Incorporation:

ARTICLE I. NAME AND ADDRESS

The name of the corporation shall be Cove II Owners Association, Inc. ("**Association**"). The street and mailing address of the principal office of the Association is 8680 Commodity Circle, Orlando, Florida 32819, or at such other place as subsequently designated by the Board of Directors of the Association ("**Board**").

ARTICLE II. DEFINITIONS

All terms used in these Articles of Incorporation have the same meaning given to them in Chapter 721 and the Declaration of Covenants, Conditions and Restrictions for Cove II On Ormond Beach, a Timeshare Resort (as amended from time to time) ("**Declaration**") unless these Articles of Incorporation specifically provide otherwise, or unless the context dictates a contrary meaning. In the event of conflict between these authorities, their meanings shall prevail in the order that they are listed above.

ARTICLE III. TERM OF EXISTENCE

The Association shall exist for the life of Cove II On Ormond Beach, a Timeshare Resort ("**Timeshare Resort**"), and shall be terminated by the termination of the Declaration in accordance with the Declaration. Corporate existence shall commence upon filing of these Articles of Incorporation with the Secretary of State.

ARTICLE IV. PURPOSE

The purpose for which the Association is organized is to act as the governing association of the Timeshare Resort and for any other lawful purposes.

ARTICLE V. POWERS AND JURISDICTION

The Association shall have all common law and statutory powers permitted a corporation not for profit under Florida law that are not in conflict with these Articles, together with such additional specific powers as are contained in the Declaration and Bylaws.

ARTICLE VI. QUALIFICATION OF MEMBERS,  
THE MANNER OF THEIR ADMISSION, AND VOTING

Section 1. The Incorporator constitutes the sole member of the Association until the recording of the Declaration naming the Association as the owners association for the Timeshare Resort. Upon the recording of the Declaration, Island One, Inc., a Florida corporation, ("**Developer**"), shall hold all memberships in the Association. When the purchase price is paid and the deed for an Ownership Interest is issued and recorded, the Owner automatically becomes a member of the Association. As and if additional phases are added to the Timeshare Property, the Developer initially shall hold all new memberships created in such phases, until the purchase price is paid and the deed for an Ownership Interest is issued and recorded, at which time membership shall pass to the Owner.

Section 2. Ownership of an Ownership Interest shall be a prerequisite to exercising any rights as a member of the Association. Ownership may be held by one or more individuals or by a corporation, partnership, trust, or any other appropriate legal entity with the power to hold title.

Section 3. Membership shall terminate on the transfer of ownership of the Ownership Interest (for that Ownership Interest only, if more than one is owned), provided the transfer is accomplished in accordance with all of the provisions of the Declaration. The transferor's membership automatically shall transfer and be vested in the new Owner succeeding to the ownership of the Ownership Interest, subject to a lien for all unpaid assessments, except as provided in the Declaration, if applicable. The Association may rely on a recorded deed as evidence of the transfer of ownership to terminate the transferor's membership and recognize the membership of the transferee. Membership shall also terminate on the termination of the Declaration.

Section 4. Each Ownership Interest owned by an Owner, including the Developer shall have one (1) vote in the Association. Each Biennial Timeshare Interest owned by an Owner, including the Developer shall have a one-half (1/2) vote in the Association.

Section 5. The share of Owners in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Ownership Interest.

#### ARTICLE VII. INCORPORATOR

Kurt P. Gruber, with an office at 8680 Commodity Circle, Orlando, Florida 32819 is the Incorporator of the Association.

#### ARTICLE VIII. BOARD

Section 1. The affairs of the Association shall be managed and conducted by the Board. The number, terms of office, and provisions regarding election, removal, and filling of vacancies on the Board shall be as set forth in the Bylaws.

Section 2. The initial Board shall consist of three (3) persons. The names and addresses of the initial Board who shall hold office until their successors have been duly appointed or elected and qualified as provided in the Bylaws are as follows:

Cary J. Erfurth	8680 Commodity Circle Orlando, Florida 32819
Nancy Sanders	8680 Commodity Circle Orlando, Florida 32819
Karen S. Holbrook	8680 Commodity Circle Orlando, Florida 32819

#### ARTICLE IX. OFFICERS

The officers of the Association shall consist of president, vice president, secretary, treasurer, and other officers the Board may from time to time deem appropriate. The officers of the Association shall be elected at the first meeting of the Board and at each annual meeting of the Board and shall hold office at the pleasure of the Board. Any officer may be removed at any meeting by the affirmative vote of a majority of the Board with or without cause. Any vacancy in any office may be filled by the Board at any meeting of the Board.

The names of the officers who shall serve until the first election are:

<u>Name</u>	<u>Office</u>
Cary J. Erfurth	President
Karen S. Holbrook	Secretary/Treasurer

## ARTICLE X. BYLAWS

The Bylaws are to be made or approved by the initial Board and may be amended, altered, modified, or rescinded as set forth in the Bylaws and as permitted by law.

## ARTICLE XI. AMENDMENTS TO THE ARTICLES OF INCORPORATION

Section 1. Amendments to these Articles of Incorporation shall be made in the following manner:

(a) The Board shall adopt a resolution setting forth the proposed amendment and, if members have been admitted, directing that it be submitted to a vote at a meeting of the members, which may be either the annual or a special meeting. If no members have been admitted, the amendment shall be adopted by a vote of a majority of the Board and the provisions for adoption by members shall not apply.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected by the amendment shall be given to each Owner of record entitled to vote on the amendment within the time and in the manner provided in the Bylaws for the giving of notice of meetings of members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of the annual meeting.

(c) At such meeting having a quorum in attendance in person or by proxy, a vote of the Owners entitled to vote on the amendment shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the number of eligible votes cast by the Owners in person or by proxy at such meeting.

Section 2. Any number of amendments may be submitted to the Owners and voted on by them at one meeting.

Section 3. Notwithstanding anything in these Articles of Incorporation to the contrary, no amendment shall make any change in the qualifications for membership without approval in writing of all of the Owners and the consent of all record holders of mortgages on any part of the Timeshare Property or on property held by the Association. No amendment shall be made that is in conflict with Chapter 721 or the Declaration. No amendment which affects the rights and privileges provided to the Developer in Chapter 721 or the Declaration shall be effective without the written consent of the Developer.

Section 4. Notwithstanding the foregoing, the Developer shall have the right to unilaterally amend these Articles of Incorporation as it may deem appropriate in its discretion; as may be required by any lending institution, title insurance company, insurance provider, or public body; as may be necessary to conform the Articles of Incorporation to the requirements of law; as may be in the best interests of the Association; or as may facilitate the sale of Ownership Interests. Any amendments to these Articles of Incorporation that may be unilaterally made by the Developer shall become effective upon the recording in the Public Records of Volusia County, Florida, of an instrument executed solely by the Developer, setting forth the text of such amendment in full, together with the appropriate recording data of these Articles of Incorporation.

## ARTICLE XII. ADDITIONAL PROVISIONS

Section 1. No officer, director, or Owner shall be personally liable for any debt or other obligation of the Association, except as provided in the Declaration.

Section 2. The Association shall not be operated for profit. The Association is organized under a non-stock basis; no dividend shall be paid; and no part of the income of the Association shall be distributed to its Owners, directors, or officers. The Board on behalf of the Association may pay compensation in a reasonable amount to its Owners, directors, or officers for services rendered and may confer benefits on its Owners as permitted by law. The Association may make distribution to its Owners upon dissolution or final liquidation, as permitted by a court of competent jurisdiction. No such payment, benefit, or distribution shall be deemed to be a dividend or distribution of income.

Section 3. Any assessments or fees collected by the Association, or by any agent acting on behalf of the Association, are held for the benefit of members of the Association and shall not be considered income of the Association.

Section 4. Unless the context of these Articles of Incorporation requires otherwise, the use of plural shall include the singular and the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

Section 5. Should any paragraph, sentence, phrase, or portion of any provision of these Articles of Incorporation or the Bylaws be held invalid or held inapplicable to certain circumstances, it shall not affect the validity of the remaining parts, remaining instruments, or the application of such provisions to different circumstances.

#### ARTICLE XIII. REGISTERED AGENT

The name and address of the initial registered agent for the service of process on the Association are:

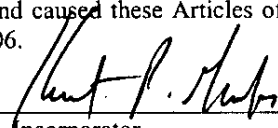
Korshak and Associates, P.A.  
8680 Commodity Circle, Orlando, FL 32819

The above address is also the address of the registered office of the Association.

#### ARTICLE XIV. INDEMNIFICATION


Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' and other professionals' fees, reasonably incurred by or imposed upon such officer or director in connection with any proceeding to which he or she may be a party, or in which such officer or director may become involved, by reason of his or her being or having been a director or officer at the time such expenses are incurred, except in such cases in which the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, this indemnification shall apply only when the Board has approved such settlement and reimbursement as being in the best interests of the Association. The foregoing indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

In witness whereof, the subscribing Incorporator has set his hand and caused these Articles of Incorporation to be executed this 17 day of May, 2006.

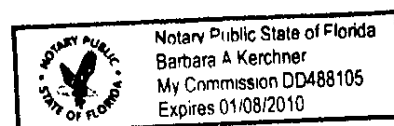
  
Kurt P. Gruber, Incorporator

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of May, 2006, by Kurt P. Gruber, as Incorporator of Cove II Owners Association, Inc. who is personally known to me.

  
(Signature of person taking acknowledgment)

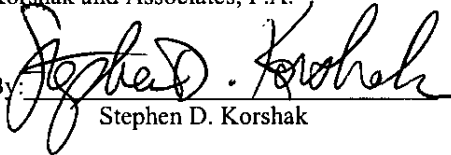
(Name of person taking acknowledgment typed, printed or stamped)



ACCEPTANCE BY AGENT

The undersigned, having been designated as agent for service of process on Cove II Owners Association, Inc. within the State of Florida, at the place designated in Article XIII of the foregoing Articles of Incorporation, accepts the appointment as registered agent for Cove II Owners Association, Inc. and is familiar with and accepts the obligations of this position.

Korshak and Associates, P.A.

By:   
Stephen D. Korshak

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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA