

ARTICLES OF INCORPORATION
OF
KELLY PLANTATION OWNERS ASSOCIATION, INC.
(A Florida Not For Profit Corporation)

FILED
201 FEB 15 11 00 AM
STATE OF FLORIDA
TALLAHASSEE

The undersigned adopts the following Articles for the purpose of forming a not for profit corporation under Chapter 617, Florida Statutes, and certifies as follows:

Article I
Name

The name of the Corporation shall be KELLY PLANTATION OWNERS ASSOCIATION, INC. For convenience, the Corporation shall be referred to in this instrument as the "Association."

Article II
Address

The address of the initial principal office of the Association and the initial mailing address of the Association is 34951 Emerald Coast Parkway, Destin, Florida 32541.

Article III
Definitions

All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Kelly Plantation, recorded or to be recorded in the Official Records, as amended from time to time (the "Declaration").

Article IV
Purposes

The purposes for which the Association is organized are:

- (a) to be and constitute the Association to which reference is made in the Declaration;
- (b) to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in the Declaration, in the By-Laws, and as provided by law; and
- (c) to provide an entity for the furtherance of the interests of the owners of real property subject to the Declaration.

Article V
Powers

The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all of the powers conferred upon a not for profit corporation under Florida statutory and common law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration, including, without limitation, the power:

(i) to fix and to collect assessments and other charges to be levied against property subject to the Declaration;

(ii) to manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Association by rule, regulation, covenant, or contract has a right or duty to provide such services;

(iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of real property subject to the Declaration;

(v) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or By-Laws;

(vi) to borrow money for any purpose, subject to such limitations as may be contained in the By-Laws;

(vii) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(ix) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide any and all supplemental municipal services to the real property subject to the Declaration as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article V are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

B. The Association shall make no distributions of income to its members, directors, or officers.

Article VI

Members

A. The Owner of each Unit, as those terms are defined in the Declaration, shall be a Class "A" Member of the Association and shall be entitled to vote in accordance with the terms of the Declaration, except there shall be no vote for any Unit owned by the Association. The Declarant, as that term is defined in the Declaration, shall be the Class "B" Member of the Association. The Class "B" Member shall have such rights, powers, and duties as are set forth in the Declaration and the By-Laws. The manner of exercising voting rights shall be as set forth in the Declaration and in the By-Laws of the Association.

B. Transfer of membership in the Association shall be established by recording in the Official Records a deed or other instrument establishing record title to real property subject to the Declaration. Upon such recordation, the owner designated by such instrument shall become a member of the Association and the membership of the prior owner shall be terminated.

C. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of such Member's property subject to the Declaration.

Article VII

Term

The Association shall be of perpetual duration.

Article VIII

Directors

A. The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board of Directors shall consist of three directors. The number of directors may be increased in accordance with the By-Laws.

B. The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Davage J. Runnels, Jr.
34951 Emerald Coast Parkway
Destin, Florida 32541

John McNeil, Jr.
34951 Emerald Coast Parkway
Destin, Florida 32541

Maggie McNeil
34951 Emerald Coast Parkway
Destin, Florida 32541

C. The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of directors shall be as set forth in the By-Laws.

D. The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

Article IX
By-Laws

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

Article X
Liability of Directors

To the fullest extent that the Florida Not For Profit Corporation Act, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article XI
Amendments

Amendments to these Articles of Incorporation may be proposed and adopted as provided in Chapter 617, Florida Statutes; provided, however, no amendment may be in conflict with the Declaration, and provided, further, no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration. Any proposed amendment must be approved by Owners representing 75% of the total Class "A" votes in the Association, and the consent of the Class "B" Member, if such exists; provided, however, no vote shall be required to amend these Articles of Incorporation for the sole purpose of complying with the requirements of any governmental or quasi governmental entity or institutional lender authorized to fund, insure or guarantee mortgages on individual Units, as such requirements may exist from time to time, which amendments may be adopted by the Board of Directors with the consent of the Class "B" Member.

Article XII
Dissolution

The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the affirmative vote of Owners representing 75% of the total Class "A" votes in the Association, and the consent of the Declarant so long as the Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration

by the Declarant. Upon dissolution of the Association any remaining real property assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that 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.

Article XIII
Merger and Consolidation

The Association may merge or consolidate only upon a resolution duly adopted by the Board of Directors and the affirmative vote of Owners representing 75% of the total Class "A" votes in the Association, and the consent of the Declarant so long as the Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant.

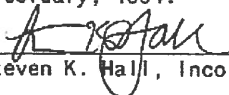
Article XIV
Incorporator

The name of the incorporator of the Association is Steven K. Hall, Esq., and such incorporator's address is 204 N.E. Buck Drive, Ft. Walton Beach, Florida 32548.

Article XV
Registered Agent and Office

The initial registered office of the Association is 204 N.E. Buck Drive, Ft. Walton Beach, Florida 32548, and the initial registered agent at such address is Steven K. Hall, Esq.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation this 1st day of February, 1994.



Steven K. Hall, Incorporator

DCCS323--02/08/94

CERTIFICATE OF DESIGNATION
REGISTERED AGENT/REGISTERED OFFICE

FILED
02. FEB 15 1994
STATE
TALLAHASSEE

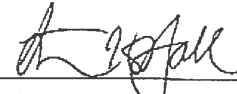
Pursuant to the provisions of Sections 607.0501 or 617.0501, Florida Statutes, the undersigned corporation, organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agent in the State of Florida.

1. The name of the corporation is KELLY PLANTATION OWNERS ASSOCIATION, INC.
2. The name and address of the registered agent and office is:

Steven K. Hall, Esq,
204 N.E. Buck Drive
Ft. Walton Beach, Florida 32548

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE-STATED CORPORATION AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.

Signature _____



Date _____

FEB. 8. 1994