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State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SILVER OAKS PHASE I OWNERS' ASSOCIATION, INC., a Florida corporation, filed on September 18, 1998, as shown by the records of this office.

The document number of this corporation is N98000005425.

** OFFICIAL RECORDS **
BK 2181 PG 2308

FILE # 1651881 RCD: Sep 25 1998 @ 03:30PM
Newman C. Brackin, Clerk, Okaloosa Cnty FI

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-first day of September, 1998



CR2EO22 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

ARTICLES OF INCORPORATION
OF
SILVER OAKS PHASE I OWNERS' ASSOCIATION, INC.

98 SEP 18 PM 2:57
SECRETARY OF STATE
TALLAHASSEE
FILED

In compliance with the requirement of Chapter 617 of the Florida Statutes, the undersigned have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I. The name of the Corporation is Silver Oaks Phase I Owners' Association, Inc.

ARTICLE II. The principal office is located at 225 Main Street, Suite 11, Destin, Florida 32541.

ARTICLE III. The individual who is hereby appointed as the initial resident agent of this association is JAMES W. GRIMSLEY at 25 Walter Martin Avenue, Fort Walton Beach, 32548.

ARTICLE IV. This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Areas within that certain tract of property described as follows:

Silver Oaks Phase I, a subdivision, as recorded in the Public Records of Okaloosa County.

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Clerk of Circuit Court of Okaloosa County, Florida, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;
- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the

- Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
 - (d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
 - (e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
 - (f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;
 - (g) maintain, repair, replace, operate and manage the above-described property and any improvements therein including the right to reconstruct improvements owned by the association after casualty and to make further improvements of the property or to purchase additional property and improvements;
 - (h) enter into contracts for management, insurance coverage, maintenance, and to delegate all of the powers and duties of the association except those the delegation of which may be required by the Declaration to have approval of the board of directors or membership of the association;
 - (i) enforce the provisions of the proposed Declaration, these Articles of Incorporation, the By-laws of the association which may be hereafter adopted, and the rules and regulations governing the use of the property and the improvements thereon as same may be hereafter established;
 - (j) exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the association pursuant to the Declaration, and
 - (k) have and to exercise any and all powers, rights and privileges which a corporation organized under Chapter 617 of the Florida Statutes regarding corporations not for profit may now or hereafter have or exercise together with all other powers reasonably necessary to effectuate the purpose of the association as set out herein.

ARTICLE V. Every person or entity who is a record fee simple owner of a lot within Silver Oaks Phase I, a subdivision, shall be a member of the association. Membership shall be appurtenant to and may not be separated from ownership of any lot. No member can assign, hypothecate or transfer in any manner, except as an appurtenance to his lot, his interest in the funds and assets of the association subject to the limitation that the same be expanded, held or used for the benefit of the membership and for the purposes authorized herein, in the proposed Declaration, and in the By-laws which may be hereafter adopted.

ARTICLE VI. The association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the following events, whichever occurs earlier:

- (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 from the conveyance of the first lot.

ARTICLE VII. The affairs of this Association shall be managed by the Board of three (3) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of successors are:

JAMES W. GRIMSLEY

Name

25 Walter Martin Road NE
Address Ft Walton Bch, FL 32548

JILL R. GRAHAM

Name

225 Main Street Suite 11
Address Destin Florida 32540

ROBERT A. BONEZZI

Name

225 MAIN STREET SUITE 11
Address Destin, FL 32540

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a terms of three years none of which are required to be members of the association.

ARTICLE VIII. The Association may be dissolved with the assent given in writing and signed by not less than 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 any nonprofit corporation, association, trust or other organization to be devoted to similar purposes. This procedure shall be subject to court approval on dissolution pursuant to F.S. 617.05.

Upon any such termination, any stormwater management system or discharge facility for which the Association is responsible shall be maintained by local government units, including Okaloosa County or municipal service taxing unit, an active water control district, a drainage district created by special act, a community development district created under Chapter 190, Florida Statutes, a special assessment district created under Chapter 170, Florida Statutes, a state or federal agency, any duly constituted communication, water, sewer, electrical or other public utility, any entity acceptable to the Department of Environmental Regulation or its successor under its rules and regulations

ARTICLE IX. The corporation shall exist perpetually.

ARTICLE X. An amendment or amendments to these Articles of Incorporation may be proposed either by 60% of the entire membership or by the Board of Directors of the Association acting upon a vote of the majority of the directors. To become effective, such amendment or amendments must be approved by an affirmative vote of 75% of the entire membership cast in person or by proxy at a specially called meeting for such purpose, the notice of which shall describe the amendment or amendments being proposed.

ARTICLE XI. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, we, the undersigned constituting the incorporates of this association, have executed these Articles of Incorporation this 16th day of Sept, 1998.

[Signature]
James W. Grimsley
[Signature]
Jill R. Graham
[Signature]
Robert A. Bonazzi

STATE OF FLORIDA }
COUNTY OF OKALOOSA }

The foregoing instrument was acknowledged before me this 16th day of Sept, 1998, by JAMES W. GRIMSLEY, JILL R. GRAHAM and Robert A. Bonazzi, who are personally known to me and who did not take an oath.

[Signature]
Notary Public

My Commission Expires: 5.20.2002



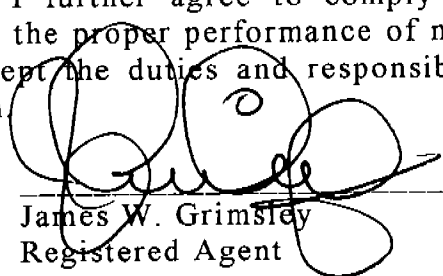
**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING
AGENT UPON WHOM PROCESSMAY BE SERVED:**

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

That SILVER OAKS PHASE I OWNERS' ASSOCIATION, INC. a corporation duly organized and existing under the laws of the State of Florida with its principal office as indicated in the Articles of Incorporation at Destin, Florida, has named James W. Grimsley, 25 Walter Martin Road, Fort Walton Beach, FL 32548, as its agent to accept service of process for the above-named corporation at the place designated in this Certificate.

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept the service of process for the above-named corporation at the place designated in this Certificate, I hereby agree to act in this capacity and I further agree to comply with the provisions of all statutes relative to the proper performance of my duties. I hereby am familiar with and accept the duties and responsibilities as registered agent for said corporation.



James W. Grimsley
Registered Agent

STATE OF FLORIDA
COUNTY OF OKALOOSA

Before me, a notary public authorized to take acknowledgements in the State and County set forth above, personally appeared JAMES W. GRIMSLEY, who is

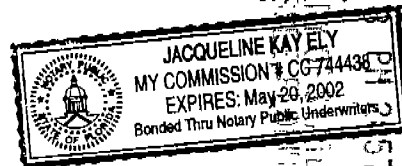
personally known to me, or who
 produced a Florida Driver's License as identification

being first duly sworn, acknowledged before me that he executed the foregoing Articles of Incorporation for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal in the State and County aforesaid this ____ day of September, 1998



Notary Public
My Commission expires: 5/20/2002



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