

**The Highlands
Homeowners'
Association**

Articles of Incorporation

THE HIGHLANDS HOMEOWNERS' ASSOCIATION, INC.

ARTICLES OF INCORPORATION

AS AMENDED TO NOVEMBER 6, 1984

ARTICLES OF INCORPORATION
OF
HIGHLANDS HOMEOWNERS' ASSOCIATION, INC.

In compliance with the requirements of Chapter 617 of the Florida Statutes, the undersigned, by these Articles, who are competent to contract, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and hereby certify:

ARTICLE I

NAME OF THE CORPORATION

The name of the Corporation shall be Highlands Homeowners' Association, Inc., hereafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 675 Shepard Road, Winter Springs, Florida, 32708. The Board of Directors from time to time may designate such other address and place for the principal office of the Association as it may see fit.

ARTICLE III

PURPOSE OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide maintenance, improvement, and preservation of the land area and architectural control of the buildings, fences, walls or other structures thereon within "The Properties" as described in that certain Declaration of Covenants, Conditions and Restrictions dated February 20, 1973 and recorded in O.R. Book 969, Page 734, of the Public Records of Seminole County, Florida, hereinafter called the "Declaration", and such additions thereto as may hereafter be brought within the jurisdiction of the Association by the terms of the Declaration; and to promote the recreation, health, safety and welfare of the residents within The Properties and any additions thereto.

ARTICLE IV

POWERS OF THE ASSOCIATION

The Association shall have all of the powers and duties reasonably necessary to operate and maintain The Association, including, but not limit to the following:

(a) exercise all of the powers privileges and duties as set forth in the Declaration, as presently drafted 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 for governmental charges levied or imposed against the property of the Association.

*(c) acquire (by gift, purchase, or otherwise), own, hold, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with affairs of the Association, provided that no such conveyance, sale, transfer, dedication for public use, or disposal of real property shall be effective unless Members representing no less than two-thirds (2/3) of the total number of votes entitled to be cast by all Members of the Association shall have approved such sale, transfer dedication for public use or disposal of real property at a meeting duly called for such purpose, and unless written notice of the proposed agreement and action thereunder is sent to every Member as provided in Section 4.4 of the Association By-Laws.

*(d) borrow money, and with the consent of not less than two-thirds (2/3) of the total number of votes entitled to be cast by (i) the Class A Members, or (ii) the Class C Members to 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) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and Common Properties, provided that prior to January 1, 1975, any such merger, consolidation, or annexation is consented to by not less than eighty-five percent (85%) of the total number of votes entitled to be cast by the Members voting in person or by proxy at a meeting duly called for such purpose. Thereafter, the consent of not less than two-thirds (2/3) of the

*As amended 3/29/84, filed with Secretary of State 11/6/84 in O.R. Book 1600 p. 1861.

total number of votes entitled to be cast by the Members voting in person or by proxy at a meeting duly called for such purpose shall be required. Written notice of any meeting called pursuant hereto shall be sent to all Members at least thirty (30) days in advance;

(f) under direct financial assistance, make direct contributions or grants of money, make loans or advances to the State of Florida or to Seminole County, or any agency, subdivision, authority or instrumentality of said State or County, or to any Association or any civic or other non-profit organization, when in the opinion of the Board of Directors such assistance is desirable and beneficial for the health, safety and welfare of the residents of The Properties;

(g) make, operate and maintain improvements to promote the health, safety and welfare of the residents of The Properties, including building, parks and recreational facilities, and any other structures necessary or appropriate for use by the residents of The Properties;

(h) furnish any service to promote the health, safety and welfare of the residents of The Properties;

(i) codify By-Laws;

(j) approve all improvements of any kind or description to be erected, constructed or maintained upon The Properties and to approve any exterior addition to or changes or alterations therein;

(k) the right to suspend the enjoyment right of any Member or occupant of an assessable Living Unit owned by such Member for any period during which any assessment remains unpaid, and for any period, not to exceed thirty (30) days, for any infraction of its published rules and regulations;

(l) exercise any and all powers, rights and privileges which a corporation organized under the Corporations Not for Profit Law of the State of Florida by law may now or hereafter have or exercise.

ARTICLE V

CAPITAL STOCK UNAUTHORIZED

The association is not authorized to issue any capital stock or securities convertible into shares of capital stock.

ARTICLE VI

MEMBERSHIP

Florida Land Company (the "Developer"), and/or each Owner who is designated as a successor developer by developer, and each Owner of an assessable Living Unit shall be a Member of the Association unless such owner holds such interest in an

assessable Living Unit merely as a security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Living Unit which is assessable by the Association.

ARTICLE VII

VOTING RIGHTS

*The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of assessable Living Units. Class A Members shall be entitled to one (1) vote for each assessable Living Unit which they own. If a Living Unit is owned by more than one person or entity, all such persons and entities shall be Members and the vote with respect to such Living Unit shall be exercised as such persons and entities shall among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Living Unit.

Class C. Class C Members shall be the Developer and/or any Owner who is a successor developer so designated by the Developer. Class C Members shall be entitled to cast three (3) votes for each Living Unit contemplated by the PUD Plan for construction on the property owned by such Member, or, if there is no PUD Plan in existence with respect to such property, twelve (12) votes for each acre of such property owned by such Member. The Developer initially had 5538 votes based upon the PUD Plan of The Existing Property as approved on August 16, 1971.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors consisting of either three (3), five (5) or seven (7) Directors, who need not be Members of the Association. The initial Board of Directors shall consist of five (5) Directors who shall hold office until the election of their successors as specified in the By-Laws.

The names and addresses of the persons who shall serve as directors until the first election thereof are:

*As amended 3/29/84. Filed with the Secretary of State 11/6/84 in O.R. Book 1600 p. 1862.

Selby W. Sullilvan	620 Pinetree Road Winter Park, FL 32789
Robert N. Dosh, Jr.	400 Jennie Jewel Drive Orlando, FL 32806
J. Nolan Reed, Jr.	2494 Middleton Avenue Winter Park, FL 32789
Harold J. Murphy	6575 Lawyer Ct. Orlando, FL 32808
Warren E. Williams	111 Kingsway Winter Park, FL 32789

ARTICLE IX

OFFICERS

The affairs of the Association are to be administered by a President, Vice-president, Secretary and Treasurer and such Assistant Secretary, Assistant Treasurer and other officers as may be elected by the Board of Directors from time to time. The officers shall be elected by the Board of Directors at the first meeting of the Board of Directors following such annual meeting of the Members of The Association.

The names and addresses of the officers who shall serve until their successors are elected by the Board of Directors are:

President	Robert N. Dosh, Jr. 400 Jennie Jewel Drive Orlando, FL 32806
Vice-president	J. Nolan Reed, Jr. 2494 Middleton Avenue Winter Park, FL 32789
Treasurer	James H. Newlon 1708 Hickorywood Lane Orlando, FL 32808
Secretary	Edward F. Lupe 626 N. Semoran Boulevard Winter Park, FL 32789
Assistant Secretary	Bessie L. Chase 613 Magnolia Avenue Sanford, FL 32771

ARTICLE X

BY-LAWS

The first By-Laws of this Association shall be adopted by the Board of Directors and may be amended, altered, or rescinded by the Board of Directors, at a regular or special meeting in the manner provided in the By-Laws.

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the consent given in writing and signed by Members entitled to cast two-thirds (2/3) of the votes, irrespective of the class of membership. 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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XII

INDEMNIFICATION

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

ARTICLE XIII

DURATION

The corporation shall exist perpetually.

ARTICLE XIV

AMENDMENTS

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

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the Members of the Association. Directors and Members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the secretary at or prior to the meeting.

*(c) Approval of a proposed amendment will require the consent of not less than two-thirds (2/3) of the total number of votes entitled to be cast by the Members of the Association voting in person or by proxy.

ARTICLE XV

RESIDENT AGENT

The resident agent of the corporation to accept service of process in this state and who shall serve until replaced by the Board of Directors of the corporation shall be: Arthur Friedman, Attorney, P.A., whose street address is: 127 West Church Avenue, Longwood, Florida, 32750 in the county of Seminole.

*As amended 3/29/84. Filed with the Secretary of State 11/6/84 in O.R. Book 1600 p. 1863.