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ARTICLES OF INCORPORATION
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KEYSTONE PROPERTY OWNERS ASSOCIATION, INC. SECRETARY OF STATE
(A Corporation Not For Profit) TALLAHASSEE, FLORIDA

Heron's Forest Development Company, a Florida corporation, and its successors and assigns ("Declarant") hereby forms a Not-For-Profit Corporation in compliance with the requirements of Chapters 607 and 617 of the Florida Statutes. The undersigned incorporator hereby adopts these Articles of Incorporation on behalf of the Declarant.

ARTICLE I - NAME AND ADDRESS

This corporation shall be known as KEYSTONE PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION." The principal office of the ASSOCIATION shall be located at 17 South Palafox Place, Suite 394, P.O. Box 12358, Pensacola, Florida 32591.

ARTICLE II - REGISTERED OFFICE AND REGISTERED AGENT

The address of the initial registered office is 17 South Palafox Place, Suite 394, P.O. Box 12358, Pensacola, Florida 32591. The Board of Directors may from time to time change the principal office of the ASSOCIATION to any other address in the State of Florida. The name of the initial registered agent is Richard R. Baker, 17 S. Palafox Place, Suite 394, Pensacola, Florida 32501.

ARTICLE III - PURPOSES AND POWERS

The purpose for which this ASSOCIATION is organized is to create an entity which can provide for maintenance and architectural control of the Subdivision and common properties and architectural control of the residential lots within that certain tract of property described as follows, to-wit:

See Exhibit "A".

Together with any and all other property added to the control of the ASSOCIATION by amendment to the Declaration of Covenants, Conditions and Restrictions affecting the above-described property, and to promote the health, safety and welfare of the residents within the Subdivision and to:

- a. Exercise all of the powers and privileges and 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 in the Public Records of Escambia County, Florida, as 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 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 Areas and the Conservation Easement to any public agency, authority, entity 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 three-fourths (3/4) of the members agreeing to such dedication, sale, or transfer;

f. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or annex additional property and Common Area, provided that any such merger, consolidation, or annexation shall have the consent of three-fourths (3/4) of each class of members except that for a period of two years after recording the plat, the Declarant may annex additional property as provided in the DECLARATION;

g. Have and exercise any and all powers, rights and privileges which a corporation not for profit organized under the Florida law may now or hereafter have or exercise by law.

ARTICLE IV - QUALIFICATION AND MANNER OF ADMISSION OF MEMBERS

Every person or entity who is a record owner of a lot, either individually or jointly with others which is subject by covenants of record to assessment by the ASSOCIATION, including a contract seller, shall be a member of the ASSOCIATION. The foregoing is not intended to include persons or entities holding an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the ASSOCIATION.

A member, unless acting in the capacity of a duly elected officer of the ASSOCIATION, does not have the authority to act for the ASSOCIATION solely by virtue of being a member.

ARTICLE V - VOTING RIGHTS/TRANSITION OF CONTROL

The ASSOCIATION shall have three classes of voting membership:

Class A. Class A members shall be the Owners (with, while a Class B member, the exception of the Declarant) of all Lots (including any subsequently annexed Lots), who shall be entitled to one (1) vote for each Lot owned. When more than one (1) person or an entity holds an interest in a single Lot, then all such persons shall be members. The vote attributable to a single Lot shall be exercised as the members determine, but in no event shall more than one (1) vote be cast with respect to a single Lot.

Class B. The only Class B member shall be the Declarant, as defined in the DECLARATION, who shall be entitled to three (3) votes for each Lot owned (including any subsequently annexed Lots from time to time). Class B membership shall cease and be converted to Class A membership upon the first to occur of the following:

(i) when 90% of the Lots are issued certificates of occupancy and are owned by a Class A member other than a Builder; or

(ii) on January 1, 2012; or

(iii) when, at Declarant's discretion, Declarant records in the public records of Escambia County, Florida, an instrument terminating the Class B membership.

Notwithstanding the foregoing however if, after conversion of the Class B membership to Class A membership, there are additional Lots annexed, the Class B membership shall be thereupon re-instated until the first to occur of the following:

(i) either (i) or (iii) above occur; or

(ii) on the 1st of January occurring five years after the date of recording the plat which includes any annexed Lots.

Notwithstanding the foregoing, members other than the Declarant (which excludes builders, contractors, or others who purchase a Lot for the purpose of constructing improvements thereon for resale) are entitled to elect at least a majority of the members of the Board of Directors three months after ninety percent (90%) of the Lots in the Subdivision have been conveyed to members.

Declarant shall be entitled to elect at least one member to the Board of Directors as long as Declarant holds at least five percent (10%) of the Lots for sale in the ordinary course of business.

After Declarant relinquishes control of the ASSOCIATION, Declarant may continue to vote any Declarant owned lots in the same manner as any other member.

Class C. The only Class C member(s) shall be the property owner(s) of the platted commercial parcel. The total of Class C membership shall consist of three (3) votes, and if the commercial parcel is split by different ownerships into four or more parcels, the owners of the three largest parcels by square footage shall each have one vote and the owners of the smaller parcels shall have no votes. If there are equal sizes of parcels for the purpose of determining who has voting rights, those owning the equivalent-sized parcels will decide among themselves who shall have the vote and so notify the secretary of the Association.

ARTICLE VI - TERM OF EXISTENCE

This corporation is to exist perpetually.

ARTICLE VII - INCORPORATOR

The name and address of the Incorporator is Richard R. Baker, Heron's Forest Development Company, 17 S. Palafox Place, Suite 394, Pensacola, Florida 32502.

ARTICLE VIII - BOARD OF DIRECTORS

The business affairs of this ASSOCIATION shall be managed by the Board of Directors, which shall initially consist of three (3) members. The number of Directors may be increased or decreased from time to time as provided in the Bylaws, but shall never be less than three (3)

The members of the Board of Directors need not be members of the ASSOCIATION and shall serve for a term as set forth in the Bylaws.

The President of the ASSOCIATION shall at all times be a member of the Board

of Directors, and members of the Board of Directors shall be elected and hold office in accordance with the Bylaws.

The names and street addresses of the persons who are to serve as the first Board of Directors of the corporation are:

1. Jennifer J. Rigby
17 South Palafox, Suite 394
Pensacola, FL 32502
2. Garrett W. Walton
17 South Palafox, Suite 394
Pensacola, FL 32502
3. Richard R. Baker
17 South Palafox, Suite 394
Pensacola, FL 32502.

ARTICLE IX - OFFICERS

The officers of this ASSOCIATION shall be a President, who shall at all times be a member of the Board of Directors, a Vice President and Secretary/Treasurer, and such other officers as the Board of Directors may from time to time create.

The names of the persons who are to serve as officers of this ASSOCIATION until the first election are:

President: Jennifer J. Rigby
Vice President: Garrett W. Walton
Secretary/Treasurer: Richard R. Baker

The officers shall be selected at the annual meeting of the Board of Directors as provided in the Bylaws and each shall hold office until he or she shall sooner resign or shall be removed or otherwise disqualified to serve. Officers shall serve at the pleasure of the Directors.

ARTICLE X - BYLAWS

The Bylaws of the ASSOCIATION are to be made and adopted by the Board of Directors, and may be altered, amended or rescinded by the Board of Directors.

ARTICLE XI - DISSOLUTION

The ASSOCIATION may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of the 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 acceptance of such dedication is refused, the 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 – AMENDMENTS

These Articles of Incorporation may be amended by a two-thirds (2/3) vote of the total members at a special meeting of the membership called for that purpose.

Amendments may also be made at a regular meeting of the membership by a two-thirds (2/3) vote of the total members upon notice given, as provided by the Bylaws, of intention to submit such amendments. However, no amendment shall be effective without the written consent of the Declarant until after five (5) years from the date of filing these Articles of Incorporation with the Secretary of State in and for the State of Florida.

ARTICLE XIII – DEFINITION

The terms used herein shall have the same definition as set forth in the DECLARATION and the Bylaws.

ARTICLE XIV - FHA/VA APPROVAL

As long as there is a Class B membership, the following actions may require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties (except as provided in the DECLARATION), mergers and consolidations, mortgaging of common area, dedication of common area, and dissolution and amendment of these Articles. The Declarant reserves the right unto itself to amend these Articles of Incorporation anytime within eight (8) years after the date hereof if doing so is necessary or advisable to accommodate FHA, VA, Fannie Mae, other agencies or lenders which are involved with the financing of residential structures within the subdivision; or to conform to the requirements of any governmental body or agency with permitting or other regulatory authority; or to correct any scrivener's errors herein contained or to clarify any ambiguities contained herein.

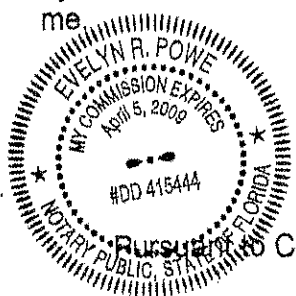
IN WITNESS WHEREOF, I, the undersigned subscribing incorporator, have hereunto set my hand and seal this 31 day of March, 2006, for the purpose of forming this corporation not for profit under the laws of the State of Florida.

Richard R. Baker

Richard R. Baker, Incorporator

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing was acknowledged before me this 31 day of March, 2006, by Richard R. Baker, who personally appeared before me and is personally known to me



Evelyn R. Powe

NOTARY PUBLIC

RESIDENT AGENT'S CERTIFICATE

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in

compliance with said Act:

KEYSTONE PROPERTY OWNERS ASSOCIATION, INC., a Florida Corporation Not For Profit, desiring to organize under the laws of the State of Florida, with its principal office as indicated in the Articles of Incorporation, in Pensacola, Escambia County, Florida, has named Richard R. Baker, 17 S. Palafox Place, Suite 394, Pensacola, Florida 32501, as its agent to accept service of process within this State.

Acknowledgment and Acceptance

Having been named to accept service of process for the above stated corporation (or Association) at the place designated in this Certificate, I hereby accept such designation and agree to comply with the provisions of said Act relative to keeping open said office.

Richard R. Baker

Richard R. Baker

This instrument prepared by:
Heron's Forest Development Company
P. O. Box 12358
Pensacola, FL 32591

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA