

ARTICLES OF INCORPORATION
OF
HERNANDO OAKS MASTER ASSOCIATION, INC.
(A Corporation Not-For-Profit)

In order to form a corporation not for profit in compliance with Chapter 617 of the Florida Statutes, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned; and to that end we do, by these Articles of Incorporation, set forth the following:

ARTICLE I - NAME

The name of this corporation shall be Hernando Oaks Master Association, Inc.

ARTICLE II - PRINCIPAL

The principal office of the corporation is located, at 1610 Barrancas Avenue, Pensacola, Florida 32501.

ARTICLE III - PURPOSE

The Corporation is organized to take title to, operate, and maintain the Nonresidential Property dedicated to the Corporation in a Plat or conveyed to the Corporation (collectively the "Corporation Property") in accordance with the terms set forth in such dedication or conveyance and to carry out the covenants and enforce the provisions of the Master

Declaration of Covenants, Conditions, and Restrictions of
Hernando Oaks filed in the Public Records of Hernando County,
Florida.

ARTICLE IV - CORPORATE EXISTENCE

This Corporation shall have perpetual existence commencing
on the date that these Articles are executed by the Subscribers.

ARTICLE V - DEFINITIONS

The words and phrases when used in these Articles shall have
the meanings as defined in the Declaration of Master Covenants,
Conditions, and Restrictions for Hernando oaks filed in the
Public Records of Hernando County, Florida.

ARTICLE VI - POWERS

The powers of the corporation shall be as follows:

(a) The Corporation shall have all the common law and
statutory powers of a corporation not-for-profit;

(b) The Corporation shall have all of the powers reasonably
necessary to implement its purposes including, but not limited
to, the following:

(1) To do all of the acts required to be performed by
it under the Master Declaration or any Supplemental Declarations;

(2) To make, establish, and enforce rules and
regulations governing the use of the Corporation Property and
Common Areas;

(3) To make, levy, and collect assessments from its

members to pay for the operational expenses of the Corporation; Operating Expenses; and Costs of Collection; and, to use the proceeds of assessments in the exercise of its powers and duties hereunder;

(4) To maintain, repair, replace, and operate the Corporation Property (including, but not limited to, any Corporation Property to be maintained in a natural state, utilized for recreation purposes, or utilized for drainage purposes) and all Common Areas, in accordance with the Planned Unit Development ("PUD") requirements of the County which are applicable to HERNANDO OAKS; the Master Declaration; or any Supplemental Declarations, in accordance with the terms and purposes set forth in the dedication or conveyance of the Corporation Property to the Corporation;

(5) To borrow money and to mortgage or pledge any of its property as security therefore;

(6) To enforce by legal means the obligations of the members of the Corporation; the provisions of the Declaration; and the provisions of a dedication or conveyance of the Corporation Property to the Corporation with respect to the use and maintenance thereof;

(7) To contract for professional management with a "Manager," which may be an individual, corporation, partnership

or other entity and to delegate to such Manager the powers and duties of the Corporation.

ARTICLE VII - TERM

The Corporation shall exist perpetually.

ARTICLE VIII - MEMBERSHIP AND VOTING

The membership of the Corporation shall be comprised of all the owners of Lots and Dwelling Units within the committed property effective upon taking title to such Lot or Dwelling unit, including the developer. Members shall be entitled to one (1) vote for each Lot or Dwelling Unit owned. In the event that a member's Lot or Dwelling Unit is represented by a Homeowners Association, then in that event, the vote of such Lot or Dwelling Unit owner shall be through the President or such other representative of The Homeowners Association as may be designated, in writing, to the Corporation by the Board of Directors of The Homeowners Association (The "Voter Representative". Each Homeowners Association shall have that number of votes to cast corresponding to the total number of Lots and Dwelling Units owned by its members.

All notices and official communication from the Corporation to The Homeowners Association shall be through the Voter Representative. Only the Voter Representative shall have the right to attend and participate in meetings of the Corporation members. Members whose Lots or Dwelling Units are not

represented by a Homeowners Association may represent themselves and attend and participate in meetings of the Corporation members.

Each member shall be entitled to the benefits of membership and shall be bound by the provisions of the Articles and Bylaws of this Corporation.

ARTICLE IX - BOARD OF DIRECTORS

(a) The affairs of the Corporation shall be managed by its Board of Directors.

(b) The number of members of the first Board of Directors ("First Board) shall be five (5). Thereafter, the number of members of the Board shall be increased or decreased by Amendments to these articles as provided in Article XIV.

(c) Developer shall appoint, designate, and elect all of the members of the First Board of Directors and their successors until the Turnover Date. Developer shall relinquish its right to appoint Directors and cause the First Board to resign on the Turnover Date.

(d) The names and street addresses of the persons who are to serve as the First Board are as follows:

Name
David A. Brannen

Address
17 West Cedar Street
Pensacola, Fl 32501

Allen Levin

2200 Via de Luna
Pensacola Beach, Fl 32561

Charles S. Liberis

1610 Barrancas Avenue
Pensacola, Fl 32501

Scott Pate

214 Church Street
Pensacola, Fl 32501

James Kostoryz

702 N. Franklin Street
7th Floor
Tampa, Florida 33602

(e) The First Board shall be the Board of Directors of the Corporation until the Turnover Date. Thereafter, on the second Friday of November of each year, the Members shall elect the Board Members.

(f) Notwithstanding anything herein contained, the election of the first Members shall not take place until the "Turnover Date" which date shall be thirty (30) days after Developer has conveyed Lots and Dwelling Units equal to ninety (90%) percent of the total number of Dwelling Units which are permitted to be constructed within HERNANDO OAKS according to applicable governmental regulations; or at any time upon a voluntary election of Developer. Until such Turnover Date, the Directors of the Corporation named by Developer shall serve, and, in the event of vacancies, the vacancies shall be filled by Developer.

(g) After the Turnover Date for so long as Developer owns Dwelling Units and Lots, the aggregate of the number of which is at least twenty-five (25), Developer shall have the right to designate two additional Board members.

ARTICLE X - OFFICERS

The officers of the Corporation shall be President, assisted by several Vice Presidents, Secretary, and Treasurer and such other officers as provided in the By-Laws.

The Directors shall elect the officers. The President shall be elected from amongst the Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible, provided, however, the office of President and a Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE XI - FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Directors are as follows:

President: Allen Levin
Vice President: Scott Pate
Secretary: Charles S. Liberis
Treasurer: David A. Brannen

ARTICLE XII - INDEMNIFICATION

Every Director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with 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 Corporation, or any settlement thereof, 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 Directors approve such settlement and reimbursement as being for the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all right to which such Director or Officer may be entitled by common law or statutory.

ARTICLE XIII - BY-LAWS

By-Laws of the Corporation shall be adopted by the Board of Directors named herein, and may be altered, amended, or rescinded in the manner provided for in the By-Laws.

ARTICLE XIV - AMENDMENTS

(a) Until the turnover date, these Articles may be amended only by a majority vote of the Board evidenced by an instrument in writing signed by the President or Vice President and Secretary or Assistant Secretary and filed with the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended and give the exact language and date of adoption of such

amendment, and a certified copy of each such amendment shall always be attached to any certified copy of these Articles and shall be an exhibit to the Declaration upon the recording of such Declaration.

(b) After the turnover date, these articles may be amended by the following procedures:

(1) The Board, upon a vote of its majority, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting.

(2) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the By-Laws for the giving of notice of meetings of Members.

(3) At such meeting a vote of the Members shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of 75% of the votes of all Members. Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

(4) Notwithstanding the foregoing provisions, there shall be no amendment to these Articles which shall abridge, amend, or alter the rights of Developer, including the right to designate and select the Directors as provided herein, nor shall

there be any amendment to these Articles which shall abridge, alter, or modify the rights of any Institutional Mortgagee.

ARTICLE XV
TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are Directors or Officers, or have a financial interest, shall be invalid, void, or voidable solely for this reason, or solely because the Director or Officer is present at or participates in the meeting of the Board or Committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or Officer of the Corporation shall incur liability by reason of the fact that he is or may be in any such contract or transaction.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction..

ARTICLE XVI - INITIAL REGISTERED AGENT

The initial registered agent of the Corporation shall be Charles S. Liberis. The street address of the initial registered office of the Corporation is 1610 Barrancas Avenue, Pensacola, Florida 32501.

ARTICLE XVII - SUCCESSOR ENTITIES

In the event of the dissolution of the Corporation, or any successor entity hereto, the Corporation Property shall be transferred to either a successor entity or an appropriate governmental agency or public body to be maintained for the purposes for which the Corporation, or a successor hereto, was maintaining such Corporation Property in accordance with the terms and provisions under which such Corporation Property was being held by the Corporation, or such a successor.

ARTICLE XVIII - DISSOLUTION

In the event of dissolution or final liquidation of the Corporation, the assets utilized in connection with the surface water management system, both real and personal, of the Corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes of nearly as practicable to the same as those to which they were required to be devoted by the Corporation. 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 purposes as nearly as practicable to the same as those to which they were required to be devoted by the Corporation. No such disposition of Corporation Property shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds

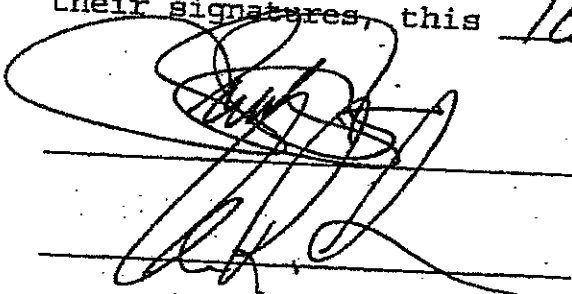
unless made in accordance with the provisions of such covenants and deeds.

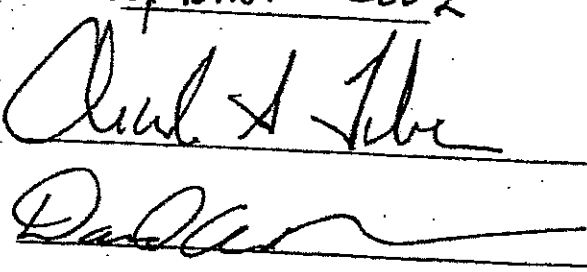
ARTICLE XIX - SUBSCRIBERS

The names and addresses of the subscribers to these Articles are:

<u>Name</u>	<u>Address</u>
David A. Brannen	17 West Cedar Street Pensacola, Fl 32501
Allen Levin	2200 Via de Luna Pensacola Beach, Fl 32561
Charles S. Liberis	1610 Barrancas Avenue Pensacola, Fl 32501
Scott Pate	214 Church Street Pensacola, Fl 32501

IN WITNESS WHEREOF, the subscribers have hereunto affixed their signatures, this 16th day of September 2002





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

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

That HERNANDO OAKS MASTER ASSOCIATION, INC., desiring to organize under the laws of the State of Florida with its principal office as indicated in the Articles of Incorporation at 1610 Barrancas Avenue, Pensacola, FL 32501, has named Charles Liberis, County of Escambia, as its agent to accept service of process within this State.

ACKNOWLEDGMENT:

Having been named to accept service of process for the above stated corporation at 1610 Barrancas Avenue, Pensacola, FL 32501, I hereby accept to act in this capacity and agree to comply with the provision of said Act relative to keeping open said office.

By: 

Resident Agent