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1937 DEC 10 AM 1:45
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

OF

CAROLINA MAINTENANCE ASSOCIATION

The undersigned incorporator, desiring to form a corporation not for profit under Chapter 617, Florida Statutes, as amended, hereby adopts the; following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation shall be CAROLINA MAINTENANCE ASSOCIATION, inc., which is hereinafter referred to as "the Association".

ARTICLE II

PURPOSES AND POWERS

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants and Restrictions for Carolina recorded (or to be recorded) in the Public Records of Broward County, Florida, as hereafter amended and/or supplemented from time to time (the "Covenants"). The further objects and purposes of the Association are to preserve the values and amenities in The Properties and to maintain the Common Areas thereof for the benefit of the Members of the Association.

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member or individual person, firm or corporation.

The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered into (which may be an affiliate of the Developer) the powers and duties of the, Association, except those which require specific approval of the Board of Directors' or Members.

The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles and the Covenants above identified. The Association shall also have all of the powers necessary- to implement the purposes of the Association as set forth in the Covenants and to provide for the general health and welfare of its membership.

Definitions set forth in the Covenants are incorporated herein by this reference.

ARTICLE III

MEMBERS

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot shall be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

Section 2. Voting Rights. The Association shall have three (3) classes of Voting Members, each to be selected and to cast the numbers of votes set forth below:

Class A. Each Voting District which contains Residential Lots shall elect one (1) Class A Voting Member who shall cast as many votes as there are Residential Lots in that District. Each District shall elect its Voting Member at the annual meeting of the Voting District. The Voting Member so elected shall serve until the next annual meeting of the Voting District or until his successor is selected.

Class B. The Class B Voting Member shall be Developer. The Class B Voting Member shall be entitled to cast one (1) vote, plus two(2) votes for each vote which the Class A and Class C Voting Members are entitled to cast from time to time, provided that the Class B Membership shall cease and terminate one (1) year after the last Lot within Carolina has been sold and conveyed and all the other portions of Carolina have been conveyed by Developer, or at any time, prior to that date at the election of the, Developer.

Class C. Class C Voting Members shall be all Owners of Commercial Lots with the exception of Developer (as long as the Class B Membership shall exist, and thereafter, Developer shall be a Class C Member to the extent it would otherwise qualify). Each Class C Member shall have one (1) vote for each acre or portion of an acre of Commercial Lots owned by it.

In the case of Commercial Lots; which are subject to a District, the Class C Voting Member therefor shall be elected in the same manner, and be subject to the same provisions, as a Class A Voting Member; provided, however, that the Class C Voting Member shall have as many votes as the Class C Members he/she represents (computed as stated above).

If a Neighborhood Association is created for a portion of Carolina, the Members of the Neighborhood Association shall meet annually and elect a Neighborhood Association Voting Member who shall vote at the annual meeting of the Voting District within which the Neighborhood Association is located for the Voting District Member. At such meeting the Neighborhood Association Voting Member shall be entitled to cast as many votes for the District Voting Member as there are Lots in the Neighborhood Association.

Section 3. Selection of Voting Members. Each Voting District shall give written notice to the Association of the person elected or designated as its/his Voting Member, such notice to be, given at or before the first meeting of the Association which the Voting Member is to attend. The Association and all other Voting Members (and their constituents) shall be entitled to rely on such notices as constituting the authorization of the District (and its members) to the designated Voting Member to cast all votes of the District (and its members) and to bind same in all Association, matters until such notice is changed, superseded or revoked.

Section 4. Meetings of Members. The By-Laws of the Association shall provide for an annual meeting of Members and shall provide for an annual meeting of Voting Districts and may make provisions for regular and special meetings of Members and Districts other than the annual meeting. A quorum for the transaction of business at any meeting of the Members and Voting Districts shall exist if 33-1/3% of the total number of Members in good standing shall be present or represented at the meeting.

Section 5. General Matters. When reference is made in this Declaration, or in the Articles of Incorporation or By-Laws or other relevant documents to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members represented by their respective Voting Members at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots. To the extent lawful, the foregoing shall apply to, without limitation/ the establishment of a quorum at any applicable meeting.

ARTICLE IV

CORPORATE EXISTENCE

The Association shall have perpetual existence.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Management by Directors. The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist of not less than three (3) persons' and not more than five (5) persons. A majority of the directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including an annual meeting.

Section 2. Original Board of Directors. The names and addresses of the first Board of Directors of the Association, who shall hold office until the first annual meeting of Members and thereafter until qualified successors are duly elected and have taken office, shall be as follows:

<u>Name</u>	<u>Address</u>
Dwight W. Jundt	The William Lyon Company 500 E. Broward Blvd. Penthouse One Fort Lauderdale, FL 33394-3078

Dennis F. O'Shea

The William Lyon Company
500 E. Broward Blvd.
Penthouse One
Fort Lauderdale, FL 33394-3078

Timothy Edmond

The William Lyon Company
500 E. Broward Blvd.
Penthouse One
Fort Lauderdale, FL 33394-3078

Section 3. Election of Members of Board of Directors. Except as otherwise provided herein and for the first Board of Directors, directors shall be elected by the Voting Members of the Association at the annual meeting of the membership as provided by the By-Laws of the Association, and the By-Laws may provide for the method of voting in the election and for removal from office of directors. All directors shall be members of the Association residing in The Properties or shall be authorized representatives, officers, or employees of corporate members of the Association, or designees of the Developer.

Section 4. Duration of Office. Members elected to the Board of Directors shall hold office until the next succeeding annual meeting of Members, and thereafter until qualified successors are duly elected and have taken office.

Section 5. Vacancies. If a director elected by the general membership shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the term.

ARTICLE VI

OFFICERS

Section 1. Officers Provided For. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one (1) year and thereafter until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal

from office of officers, for filling vacancies and for the duties of the officers. The President, shall be a director; other officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and thereafter until successors are duly elected and have taken office, shall be as follows:

<u>Name and Office</u>	<u>Address</u>
<u>President:</u>	
Dennis F. O'Shea	The William Lyon Company 500 E. Broward Blvd. Penthouse One Fort Lauderdale, FL 33394-3078
<u>Vice-President:</u>	
Timothy Edmond	The William Lyon Company 500 E. Broward Blvd. Penthouse One Fort Lauderdale, FL 33394-3078
<u>Secretary-Treasurer:</u>	
Diane Moore	The William Lyon Company 500 E. Broward Blvd. Penthouse One Fort Lauderdale, FL 33394-3078

ARTICLE VII

BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the By-Laws.