

EXHIBIT "B"

COPY OF ARTICLES OF INCORPORATION OF THE GLADES ON SYLVAN LAKE HOMEOWNERS ASSOCIATION, INC.

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ARTICLES OF INCORPORATION

OF

THE GLADES ON SYLVAN LAKE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit

The undersigned incorporator, for the purpose of forming a corporation not-for-profit pursuant to the laws of the State of Florida, Florida Statutes, Chapter 617, hereby adopts the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation is THE GLADES ON SYLVAN LAKE HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

TYPE OF CORPORATION

The Association is a not-for-profit corporation and has no capital stock.

ARTICLE III

DURATION

The period of duration is perpetual.

ARTICLE IV

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to its members, and the purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence lots and common maintenance area within that certain real property described in that certain Declaration of Covenants, Conditions and Restrictions for The Glades on Sylvan Lake, executed by Centex Real Estate Corporation, a Nevada corporation ("Declarant") to be recorded in the Official Records of Seminole County, Florida, (hereinafter called the "Declaration"), and such additional properties as may be added thereto from time to time by annexation or otherwise as provided in the Declaration and in these Articles; and to promote the health, safety and welfare of the residents within such properties and for these purposes the Association shall have the following powers:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in said Declaration and as the same may be

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amended from time to time as therein provided, the Declaration being incorporated herein as if set forth at length;

(b) To fix, levy and collect (enforcing payment by any lawful means) all charges and 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 for example, but not by way of limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) With the consent of 2/3 of each class of members, to purchase, receive, lease 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; provided, however, that without obtaining the approval of the membership the Board of Directors may convey the common areas to another organization whose purposes are substantially similar to those of the Association and whose membership includes the members of the Association;

(d) To borrow money, and with the assent of two-thirds (2/3) of each class of members to mortgage or pledge any or all of its real or personal property as security for money borrowed or debts incurred;

(e) To engage the services of agents, independent contractors or employees to manage, operate or perform all or any part of the affairs and business of the Association; and

(f) To do and perform any and all lawful things and acts which in its discretion are necessary or desirable in carrying out any or all of the purposes for which the Association is formed, and pay the costs and/or expenses in connection therewith.

Further, the Association shall have and exercise any and all powers, rights and privileges which a corporation organized under Chapter 617 of the Florida Statutes may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner ("Owner") of a fee or undivided fee interest in any lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold 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. Ownership of such lot shall be the sole qualification of membership.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

**Class A.** Class A members shall be all those Owners as defined in Article V with the exception of the Declarant. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article V. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

**Class B.** Class B members shall be the Declarant or its assignee or successor who owns Lots (or Lots with Units that have never been occupied) and shall be entitled to three (3) votes for each unoccupied Lot owned by it. The Class B membership shall cease and be converted

to Class A membership one hundred twenty (120) days after the conveyance of the Lot which causes the total votes outstanding in the Class A membership to equal the total votes outstanding in the Class B membership, or seven (7) years after conveyance of the first Lot by Declarant, whichever occurs earlier. Class B membership shall be reinstated at any time before the expiration of 20 years from the date of conveyance of the first Lot if additional Lots owned by Class B members are annexed into the Association in sufficient numbers to restore a ratio of at least one Class B Lot to each three Class A Lots in the overall area subject to the Association.

Members may vote by proxy as provided in the bylaws. No action may be taken which would suspend a Member's right to vote.

## ARTICLE VII

### ASSOCIATION TURNOVER

Section 1. *Time of Turnover.* The Turnover of the Neighborhood Association by the Declarant shall occur at the Association Turnover Meeting described in Section 2 below, which meeting shall take place within sixty (60) days of the occurrence of the following events, whichever occurs earliest:

- (a) December 31, 2001;
- (b) Upon voluntary conversion to Class A membership by the Declarant; or,
- (c) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

The Declarant, or its successors or assigns, shall remain a member so long as it owns a Lot or Unit subject to this Declaration.

Section 2. *Procedure of Calling Association Turnover Meeting.* The purpose of the Association Turnover Meeting shall be to elect directors to the Association. No more than sixty (60) days and no less than thirty (30) days prior to the Turnover meeting, the Association shall notify in writing all Members of the date, location, and purpose of the Turnover meeting.

- (a) *Procedure at the Association Turnover Meeting.* At the Association Turnover Meeting (whereupon the Class A Members are obligated to elect the Board of Directors and assume control of the Association), a special meeting (the "Association Turnover Meeting") of the membership shall be called in accordance with the provisions of the By-Laws for the calling of a special meeting of the membership. For the purpose of convening the Association Turnover Meeting, a quorum shall consist of at least 30% of the Members of each class of the membership. Among any other business to be presented at such meeting, nominations for places on the Board of Directors shall be taken from the floor and election of the Board of Directors shall be made therefrom. Each Member shall have one (1) vote for every place on the Board of Directors to be filled but shall be able to cast only one (1) vote for each position to be filled (by way of example, if three (3) positions on the Board of Directors are to be filled, and five (5) persons are nominated for the three (3) positions, then each Member shall have the ability to cast one (1) vote for any three (3) candidates).
- (b) *By Written Nomination and Written Ballot If The Association Turnover Meeting Fails For Lack Of Quorum.* If a quorum is not present at the Association Turnover Meeting, then, within fourteen (14) days after the time for the Association Turnover Meeting, the Association shall send written notice to each Member that a quorum was not present and that

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election of Directors shall proceed by written nomination and later by written ballot. In such notice, the Association shall solicit nominations for positions on the Board of Directors and shall require that such written nominations be received by the Association within fourteen (14) days of such notice. Thereafter, the Association shall prepare a written ballot of all persons nominated and shall send such ballot to each Member with notice that the ballot must be returned to and received by the Association within fourteen (14) days of the mailing of such ballot. Those candidates receiving the most votes shall be elected to the Board of Directors and shall take office within thirty (30) days thereafter (at which time all Declarant-appointed Directors shall resign). Such an election shall be valid and effective notwithstanding the receipt by the Association of votes of less Members than required for a quorum at any duly called and authorized meeting, provided, however, that this provision shall apply only to the election of Directors at the time the Declarant turns control of the Neighborhood Association over to the Class A Members.

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**Section 3. Procedure for Association Turnover Meeting.** The Association Turnover Meeting shall be conducted in accordance with the most recent revision of Robert's Rules of Order.

**ARTICLE VIII**

**AGENT AND OFFICES**

The registered office of the Association shall be:

151 Southhall Lane  
 Suite 230  
 Maitland, Florida 32751

The registered agent of the Association shall be CENTEX REAL ESTATE CORPORATION, a Nevada corporation.

The principal office of the Association is located at 151 Southhall Lane, Suite 230, Maitland, Florida 32751.

**ARTICLE IX**

**BOARD OF DIRECTORS**

The affairs of the Association shall be managed by a Board of not less than three (3) directors, who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association but shall always consist of an odd number. The names and addresses of the persons who are to serve until the election of their successors are:

<u>Directors</u>	<u>Address</u>
Gregory L. LePera	151 Southhall Lane Suite 230 Maitland, Florida 32751
Douglas Knox	151 Southhall Lane Suite 230 Maitland, Florida 32751
Karolins Matthai	151 Southhall Lane Suite 230 Maitland, Florida 32751

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At the first annual meeting, the Declarant shall appoint one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and, at each annual meeting thereafter, the Class A and Class B members shall elect each succeeding director for a term of three (3) years to fill each expiring term.

ARTICLE X

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other not-for-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of voting membership; all subject, however, to the provisions relating to annexation as set forth in the Declaration.

ARTICLE XI

AUTHORITY TO MORTGAGE

After same real property has been conveyed to the Association, any mortgage by the Association of the common area defined in said Declaration shall have the assent of two-thirds (2/3) of each class of membership.

ARTICLE XII

AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell or transfer all or any part of the common area (after same has been conveyed to it) 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 may be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3) of the votes of each class of membership agreeing to such dedication, sale or transfer.

ARTICLE XIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than ninety percent (90%) of each class of membership. Upon dissolution of the Association, the assets both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any not-for-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. This procedure shall be subject to court approval on dissolution pursuant to F.S. 617.05.

ARTICLE XIV

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES X THROUGH XIII

In order to take actions under Articles X through XIII, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. The presence of members or of proxies entitled to cast a majority of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting

may be called, subject to the notice requirement set forth above. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

#### ARTICLE XV

##### OFFICERS

The officers of the Association shall be a president, vice president, secretary, treasurer and such other officers as the Board may from time to time by resolution create. The officers shall serve at the pleasure of the Board. The Bylaws may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers. The name of the officers who shall serve until their successors are designated by the Board are as follows:

President: Gregory L. LePera  
Vice President: Douglas Knox  
Secretary: Karoline Matthai  
Treasurer: Karoline Matthai

#### ARTICLE XVI

##### BYLAWS

The first Bylaws shall be adopted by the Board and may be altered, amended or rescinded by the Declarant (as defined in the Declaration), the directors or members in the manner provided by the Bylaws.

#### ARTICLE XVII

##### AMENDMENTS

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

(a) A resolution setting forth the proposed amendment may be proposed by a majority of the Board or by not less than one-third (1/3) of the membership.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in the Bylaws for the giving of notice of a meeting of the members. If the meeting is a annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(c) At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of 2/3 of the votes of each class of membership of the Association.

(d) Any number of amendments may be submitted to the members and voted upon by them at any meeting.

(e) Prior to the closing of the sale of all Lots within the Property, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment.

(f) Upon approval of an amendment to these Articles by the members, the articles of amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the public records of Volusia County, Florida.

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(g) Any amendment made by Declarant, and any amendment made by the members prior to the completion of 75% of the Units that may be constructed within the Property must be approved by the Federal Housing Administration or by the Veterans Administration if any mortgage encumbering a Lot is guaranteed or insured by either such agency, and if such amendment materially and adversely affects the Owners or materially and adversely affects the general scheme of development created by the Declaration. Such approval shall specifically not be required where the amendment is made to correct errors or omissions or is required by any Institutional Lender so that such lender will make, insure or guarantee mortgage loans for the Lots, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to Declarant or to the Association within twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by a certificate of Declarant or the Association that the approval was given or deemed given.

ARTICLE XVIII

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

Annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication of common area, dissolution and amendment of these Articles.

ARTICLE XIX

INCORPORATOR

The name and street address of the incorporator is:

CENTEX REAL ESTATE CORPORATION  
151 Southhall Lane  
Suite 230  
Maitland, Florida 32751

Wherefore, the incorporator, and the initial registered agent, have executed these Articles this \_\_\_\_ day of October, 1995.

CENTEX REAL ESTATE CORPORATION

By: /s/ Walter A. Tilley  
Walter A. Tilley, Vice-President  
Development