

ARTICLES OF INCORPORATION
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

The undersigned, by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

ARTICLE I

NAME. The name of the corporation shall be "Hidden Dunes Community Association, Inc.," hereinafter referred to as the "Association."

ARTICLE II

PURPOSE. The purpose for which the Association is organized is as follows:

(1) To provide an entity pursuant to the Condominium Act, which is Chapter 718, Florida Statutes, 1982, for the operation, management, maintenance and control of such one (1) or more condominiums as may be from time to time submitted to its jurisdiction, and .

(2) To provide an entity to operate, manage, maintain and control all or such parts thereof of the real property located in Walton County, Florida, described on Exhibit A hereto together with the recreational, greenspace, ingress and egress, parking, utilities and other related amenities as may be from time to time constructed thereon, herein called the "Community Property." Pursuant to the Community Property Agreement entered into by and between the Association and Hidden Dunes Developers, a Joint Venture Partnership consisting of KKJVS Corporation, a Florida corporation, and Hidden Dunes, Inc., a Florida corporation, herein called the "Developer," and upon termination of the Community Property Agreement, the Association will receive fee simple title to the Community Property from the Developer pursuant to the covenants and agreements of the Community Property Agreement.

The Association shall make no distribution of income to its members, directors or officers.

ARTICLE III

SUBMISSION TO JURISDICTION. A condominium shall be deemed to be submitted to the jurisdiction of the Association if the Declaration of Condominium of the condominium provides that the operation of the condominium shall be by the Association.

ARTICLE IV

POWERS. The powers of the Association shall include and be governed by the following provisions:

(A) The Association shall have all the common law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles or the Declaration of Condominium of any condominium operated by the Association.

(B) The Association shall have all the powers and duties set forth in these Articles and the Declaration of Condominium of any condominium operated by the Association and in the Condominium Act except where the Act allows limitations by these Articles or the Declaration of Condominium of any condominium operated by the Association and all of the powers and duties reasonably necessary to operate condominiums pursuant to the Declaration of any condominium operated by the Association and as it may be amended from time to time, including but not limited to the following:

(1) To hold title to and own fee simple or other lesser interest in real, personal or mixed property, wherever situated, including units in any condominium operated by the Association, and to lease, mortgage and convey same.

(2) To make and collect assessments against the members as unit owners to defray the costs, expenses and losses of condominium operated by the Association or any costs, expenses or losses of the Association related to the Community Property, and to defray the costs, expenses and losses of any

other business, enterprise, venture or property interest of the Association.

(3) To use the proceeds of the assessments in the exercise of these powers and duties.

(4) To maintain, repair, replace and operate the property of any condominium operated by the Association, the Community Property, or any other property of the Association.

(5) To purchase insurance upon the property of any condominium operated by the Association, the Community Property or the other property of the Association and insurance for the protection of the Association and its members.

(6) To reconstruct improvements after casualty and to further improve the property of any condominium operated by the Association, the Community Property or any other property of the Association.

(7) To make and amend reasonable regulations respecting the use of the the property of any condominium operated by the Association, the Community Property or the other property of the Association.

(8) To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium of any condominium operated by the Association, these Articles, the By-Laws of the Association, the Community Property Agreement and regulations for the use of the property of any condominium operated by the Association, the Community Property or the other property of the Association.

(9) To contract for the management of the Association, the Community Property, any condominium operated by the Association or any portion thereof, and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Declaration of Condominium of any condominium operated by the Association to have approval of the Board of Directors or the membership of the Association.

(10) To contract with the Developer, its successors and assigns, and any of the partners of the Developer, their officers, directors or shareholders.

(11) To acquire fee simple title to, to lease, acquire memberships or acquire other possessory or use interest in and to operate lands and facilities, including but not limited to the Community Property, whether or not contiguous to the lands of any condominium operated by the Association, intended to provide for the enjoyment, recreation or other use or benefit of the members, or a substantial number of the members, of the Association.

(12) To employ personnel to perform the services required for the proper operation, management, maintenance or control of the Association, any condominium operated by the Association, the Community Property or any other property of the Association.

(13) To hire attorneys or other professionals for the purpose of bringing legal action or enforcing rights in the name of and on behalf of the members of the Association where such actions or rights are common to all of the members; and to bring such action in the name of and on behalf of the members.

(C) All funds and the title of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium of any condominium operated by the Association and by the By-Laws of the Association.

ARTICLE V

MEMBERS.

(A) The members of the Association shall consist of all of the record owners of units in such condominiums as may, from time to time, be submitted to the jurisdiction of the Association and after termination of any such condominium, shall consist of those who are members at the time of such termination and their successors and assigns.

328 126

(B) A change of membership in the Association shall be established by recording in the public ~~OFFICIAL RECORDS~~ ^{OFFICIAL RECORDS} in Duval County, Florida, a deed or other instrument establishing a record title to a unit in any of the condominiums operated by the Association and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

(C) The share of a member in the funds or assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

(D) The owner of each unit in a condominium operated by the Association shall be entitled to at least one (1) vote as a member of the Association. The exact number of votes to be cast and the manner of exercising voting rights shall be determined by the By-Laws of the Association.

ARTICLE VI

DIRECTORS.

(A) The affairs of the Association will be managed by a Board consisting of not less than three (3) directors who shall be designated or elected as hereinafter set forth, with the exact number of directors being determined at the time of their designation or election. Directors need not be members of the Association.

(B) The names and addresses of the members of the first Board of Directors who have been designated as such by the Developer and who shall hold office until their successors are designated or elected as herein provided and have qualified or until removed as herein provided are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Douglas W. Jackson	5401 Sherwood Road Little Rock, Arkansas 72207
Vic Deal	401 Lee Lane Destin, Florida 32541
Ernest Medlin, Jr.	105 Indian Bayou Drive Destin, Florida 32541

328 126

until unit owners other than the Developer are entitled to elect members of the Board of Directors, the members of the Board of Directors shall be designated by the Developer and may be changed from time to time as the Developer, in its sole discretion, may determine.

(C) Unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors when they own fifteen percent (15%) of the units in any one (1) condominium to be operated by the Association. Within sixty (60) days after unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than thirty (30) days nor more than forty (40) days notice of, a meeting of the unit owners to elect the members of the Board of Directors. The meeting may be called and the notice given by any unit owner if the Association fails to do so. The term of a director elected by unit owners other than the Developer prior to the transfer of majority control of the Association from the Developer to unit owners other than the Developer shall expire upon the election of their successor at a meeting held no sooner than twelve (12) months nor later than thirteen (13) months after the meeting at which the director was first elected. At any election of a director by unit owners other than the Developer, prior to the transfer of majority control from the Developer to unit owners other than the Developer, all unit owners other than the Developer who are members of the Association shall be entitled to vote, regardless of which condominium operated by the Association includes their unit.

(D) The basis upon which unit owners other than the Developer are entitled to elect not less than a majority of the Board of Directors is determined according to the percentage of units conveyed to purchasers in all condominiums that will

be operated ultimately by the Association. Therefore, unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors of the Association:

(1) Three (3) years after fifty percent (50%) of the units that will be operated ultimately by the Association have been conveyed to purchasers;

(2) Three (3) months after ninety percent (90%) of the units that will be operated ultimately by the Association have been conveyed to purchasers;

(3) When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or

(4) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, whichever occurs first. The Developer is entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%), of the units in a condominium operated by the Association.

(E) Beginning with the election at which unit owners other than the Developer are entitled to elect at least a majority of the Board of Directors, the affairs of the Association will be managed by a Board consisting of at least three (3) directors and shall include two (2) classes of directors as follows:

(1) Class A Directors. There shall be one (1) Class A Director for each condominium operated by the Association which director shall be elected by the unit owners of each respective condominium.

(2) At Large Directors. There shall be such number of directors elected at large by the members of

Association as may be determined by the By-Laws, absence of such determination shall consist of five (5) At Large Directors unless the number of At Large Directors, when added to the numbers of Class A Directors, shall be an even number, in which event the number of At Large Directors shall be four (4).

(3) After unit owners other than the Developer are entitled to elect a majority of the members of the Board of Directors, directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

ARTICLE VII

OFFICERS. The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Douglas W. Jackson President	5401 Sherwood Road Little Rock, Arkansas 72207
Vic Deal Vice-President	401 Lee Lane Destin, Florida 32541
Ernest Medlin, Jr. Secretary-Treasurer	105 Indian Bayou Drive Destin, Florida 32541

ARTICLE VIII

INDEMNIFICATION. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's 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 when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors and officers liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE IX

BY-LAWS. The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE X

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 considering the amendment may express their approval in writing provided such approval is delivered to the secretary or assistant secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than two-thirds (2/3) of the vote of the entire membership of the Association;

(C) Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members

and the joinder of all record owners of mortgages upon the condominium operated by the Association. 328
OFFICIAL RE

(D) Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to Hidden Dunes Developers, a Joint Venture Partnership consisting of Hidden Dunes, Inc., a Florida corporation, and KKJVS Corporation, a Florida corporation, its successors or assigns, or any successor developer, by these Articles or By-Laws without the prior written consent of Hidden Dunes Developers, a Joint Venture Partnership consisting of Hidden Dunes, Inc., a Florida corporation, and KKJVS Corporation, a Florida corporation, its successors or assigns, or a successor developer.

(E) A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Walton County, Florida.

ARTICLE XI

TERM. The term of the Association shall be perpetual.

ARTICLE XII

SUBSCRIBERS. The names and addresses of the subscribers to these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Vic Deal	401 Lee Lane Destin, Florida 32545
Les W. Burke	303 Magnolia Avenue Panama City, Florida 32401
Donna D. Miles	303 Magnolia Avenue Panama City, Florida 32401

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 12th day of Nov., 1982.



Vic Deal

328 15

OFFICIAL RECORD

Les W. Burke
Les W. Burke

Donna D. Miles
Donna D. Miles

STATE OF FLORIDA
COUNTY OF BAY

BEFORE ME, the undersigned officer, duly authorized to take acknowledgments and administer oaths, personally appeared Vic Deal, Les W. Burke and Donna D. Miles who being by me first duly cautioned and sworn upon their oaths, depose and say that they signed the above Articles of Incorporation for the conditions and purposes therein stated.

SWORN TO AND SUBSCRIBED before me this 12th day of Nov., 1982.

Sherry McArthur
NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JANUARY 27 1983
BORN IN FLORIDA

EXHIBIT A TO THE ARTICLES OF INCORPORATION
OF HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

Commencing at the Northeast corner of Section 34, Township 2 South, Range 21 West, Walton County, Florida, proceed Westerly along Section line 2678.6 feet to Northeast corner of Lot 3 and point of beginning, said point being on the West line of Gulf Pines, Plat Book 2, Page 86, thence North 2°07'46" East 322.66 feet; thence South 83°48'52" West 509.8 feet along South R/W of SR 30, thence South 2°11'46" West 2250 feet to Gulf of Mexico; thence meander South 68°01'56" East 539.05 feet, thence North 2°07'46" E 2184 feet to point of beginning.

OFFICIAL RECORDS

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

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

First--That Hidden Dunes Community Association, Inc. desiring to organize under the laws of the State of Florida with its principal office, as indicated in the By-Laws near the City of Destin, County of Walton, State of Florida, has named Les W. Burke located at 303 Magnolia Avenue, City of Panama City, County of Bay, State of Florida, 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 place designated in this Certificate, I hereby accept the Act in this capacity, and agree to comply with the provision of said Act relative to keeping open said office.

BY: LES W. BURKE
(Resident Agent)

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

On March 24, 1994, Articles of Amendment to Articles of Incorporation of Hidden Dunes Community Association, Inc. were recorded in the Office of the Clerk of Circuit Court of Walton County, Florida, in O.R. Book 1102 at Pages 245-247.

Due to a scrivener's error by the undersigned preparer of said Articles of Amendment, the book and page number of the public records where the declaration of each condominium operated by the association is recorded was omitted from the first page of same.

Each condominium operated by Hidden Dunes Community Association, Inc. and the book and page number of the public records where the declaration of each is recorded is as follows: HIDDEN DUNES (GULFSIDE I), A CONDOMINIUM, O.R. BOOK 328, PAGE 56; HIDDEN DUNES (BEACH COTTAGES), A CONDOMINIUM, O.R. BOOK 366, PAGE 116; HIDDEN DUNES (BEACH COTTAGES II), A CONDOMINIUM, O.R. BOOK 531, PAGE 246; HIDDEN DUNES (BEACH VILLAS), A CONDOMINIUM, O.R. BOOK 703, PAGE 290.

The Articles of Amendment to Articles of Incorporation of Hidden Dunes Community Association, Inc. are hereby being re-recorded to correct said scrivener's error.

CATHERINE KING CLERK
CO:WALTON ST:FL

FILED AND RECORDED
DATE 07/28/94 TIME 15:58

FL 488354 B 1165 P 174
CO:WALTON ST:FL

Dated this 26th day of July, 1994.

Witness:

Peggy Jeffcoat
Witness: Peggy Jeffcoat

Raymond F. Newman, Jr.
RAYMOND F. NEWMAN, JR.

Patricia K. Mullins
Witness: Patricia K. Mullins

FL 488354 B 1165 P 175
CO:WALTON ST:FL

STATE OF FLORIDA

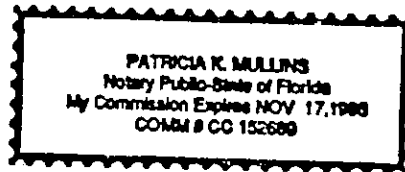
COUNTY OF OKALOOSA

Before me, the undersigned authority, appeared RAYMOND F. NEWMAN, JR., to me personally known and known to be the individual described in the foregoing instrument, and he acknowledged to and before me that he executed same for the uses and purposes therein expressed.

Sworn to and subscribed before me this 26th day of July, 1994.

Patricia K. Mullins
NOTARY PUBLIC

This instrument prepared by:
Raymond F. Newman, Jr.
P. O. Box 1346
Ft. Walton Beach, FL 32549



FILED AND RECORDED
DATE 03/24/94 TIME 13:00

FL 480641 B 1102 P 245
CO:WALTON ST:FL

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

94 MAR 11 AM 10:55

CATHERINE KING CLERK
CO:WALTON ST:FL

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

Pursuant to the provisions of Section 617.1006, Florida Statutes, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation.

1. Article VI (C) is amended to read as follows:

ARTICLE VI

(C) Unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors when they own fifteen percent (15%) of the units in any one (1) condominium to be operated by the Association. Within seventy-five (75) days after unit owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than sixty (60) days' notice of a meeting of the unit owners to elect the members of the Board of Directors. The meeting may be called and the notice given by any unit owner if the Association fails to do so. The term of a director elected by unit owners other than the Developer prior to the transfer of majority control of the Association from the Developer to unit owners other than the Developer shall expire upon the election of their successor at a meeting held no sooner than twelve (12) months nor later than thirteen (13) months after the meeting at which the director was first elected. At any election of a director by

FL 488354 B 1165 P 176
CO:WALTON ST:FL

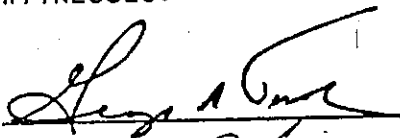

unit owners other than the Developer, prior to the transfer of majority control from the Developer to unit owners other than the Developer, all unit owners other than the Developer who are members of the Association shall be entitled to vote, regardless of which condominium operated by the Association includes their unit.

2. The date of adoption of the amendment was December 4, 1993.

3. The amendment was adopted by the members, and the number of votes cast for the amendment was sufficient for approval.

Dated this 16th day of February, 1994.

WITNESSES:

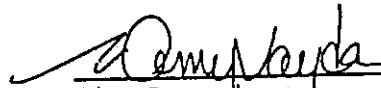



HIDDEN DUNES COMMUNITY
ASSOCIATION, INC.

BY: 

Its President

ATTEST:


Its Secretary

STATE OF FLORIDA

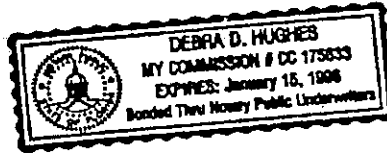
COUNTY OF WALTON

Before me, the undersigned authority, appeared Mark C. Scoggins, to me personally known and known to be the President of Hidden Dunes Community Association, Inc., and he acknowledged to and before me that he executed the foregoing instrument in such capacity and with due corporate authority vested in him.

FL 480641-B 1102 P 247
CO:WALTON ST:FL

SWORN TO AND SUBSCRIBED before me this 26th day of February, 1994.

Debra D. Hughes
NOTARY PUBLIC
My Commission Expires: 1-15-96



FL 488354 B 1165 P 178
CO:WALTON ST:FL

FILED AND RECORDED
DATE 01/18/96 TIME 14:47
FL 518091 B 1389 P 88
CO:WALTON ST:FL

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
95 SEP 29 PH12:19

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

Each condominium operated by Hidden Dunes Community Association, Inc. and the book and page number of the public records where the declaration of each is recorded is as follows: HIDDEN DUNES (GULFSIDE I), A CONDOMINIUM, O. R. BOOK 328, PAGE 56; HIDDEN DUNES (BEACH COTTAGES), A CONDOMINIUM, O. R. BOOK 366, PAGE 116; HIDDEN DUNES (BEACH COTTAGES II), A CONDOMINIUM, O. R. BOOK 531, PAGE 246; HIDDEN DUNES (BEACH VILLAS), A CONDOMINIUM, O. R. BOOK 703, PAGE 290; HIDDEN DUNES (GRAND VILLAS), A CONDOMINIUM, O. R. BOOK 1242, PAGE 236.

Pursuant to the provisions of Section 617.1006, Florida Statutes, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation.

1. Article X is amended as follows:

ARTICLE X

(F) Notwithstanding any other provision of this Article X to the contrary, these Articles of Incorporation may be amended by the affirmative vote of a majority of the Board of Directors to conform to the requirements of any law, or rule or regulation adopted pursuant thereto, of the United States, the State of Florida, any local governmental authority or any duly authorized agency of each without the consent or prior approval of the members. A copy of all such amendments with a reference to the law,

CATHERINE KING CLERK
CO:WALTON ST:FL

rule or regulation requiring same shall be made available to the membership at the next annual meeting of the Association following its adoption.

(The amendment is new in its entirety and is to be added as an additional paragraph at the end of the present Article X.)

2. The date of adoption of the amendment was July 29, 1995.

3. The amendment was adopted by the members, and the number of votes cast for the amendment was sufficient for approval.

Dated this 9th day of August, 1995.

WITNESSES:

Bruce Culpepper
Bruce Culpepper

Debra D. Hughes
Debra D. Hughes

HIDDEN DUNES COMMUNITY
ASSOCIATION, INC.

BY: George Turk
Its President - George Turk

ATTEST:

Jane B. Thompson
Its Secretary - Jane B. Thompson

STATE OF FLORIDA

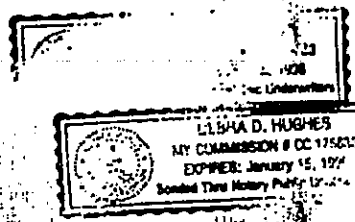
COUNTY OF WALTON

Before me, the undersigned authority, appeared GEORGE TURK, to me personally known and known to be the President of Hidden Dunes Community Association, Inc., and he acknowledged to and before me that he executed the foregoing instrument in such capacity and with due corporate authority vested in him.

FL 518091 B 1389 P 89
CO:WALTON ST:FL

SWORN TO AND SUBSCRIBED before me this 9th day of September, 1995.

Debra D. Hughes
NOTARY PUBLIC
My Commission Expires: 1-15-96



FL 518091 B 1389 P 90
CO:WALTON ST:FL

Prepared by:

Raymond F. Newman, Jr.
Attorney at Law
150 Eglon Parkway, NE
P.O. Box 1346
Fort Walton Beach, FL 32548