

Articles of Incorporation of Heritage Key Association, Inc.

The undersigned, by these Articles, associate themselves for the purpose of forming a not-for-profit corporation under and in accordance with Chapter 617 and Chapter 720, Florida Statutes, and certify as follows:

Article 1. Name. The name of the corporation is Heritage Key Association, Inc. "Association."

Article 2. Address. The address of the initial principal office of the Association and the initial mailing address of the Association is 1701 Porter SW, Suite 6, Wyoming, MI 49519.

Article 3. Definitions. Each capitalized term which is not defined in these Articles have the meaning in the Declaration of Covenants, Conditions, and Restrictions for Heritage Key Villas, recorded or to be recorded by FLPRD, LLC, a Florida limited liability company, ("Developer"), in the public records of Osceola County, Florida, as may be amended or restated from time to time ("Declaration"). The term "include" and similar terms (*e.g.*, includes, including, included, comprises, comprising, such as, *e.g.*, and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

Article 4. Purposes. Association does not contemplate pecuniary gain or benefit, direct or indirect, to its Members. By way of explanation and not of limitation, the purposes for which Association is organized are:

(a) to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of Association, and to exercise all rights and powers of the Association, as set forth in the Governing Documents and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of real property now and hereafter made subject to the Declaration ("Community"); and

(c) to own (if applicable), operate, maintain, and manage the Surface Water and Storm Water Management System in a manner consistent with the requirements of the District and applicable rules; to assist in the enforcement of the Declaration's provisions relating to the Surface Water and Storm Water Management System; and to levy and collect adequate assessments against Owners for the cost of maintenance and operation of the Surface Water and Storm Water Management System.

Article 5. Powers. In furtherance of its purposes, Association shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws, shall, if exercised at all, be exercised by the board of directors of Association ("Board"):

(a) all of the powers conferred on not-for-profit corporations by common law and Florida Statutes in effect from time to time; and

(b) all of the powers necessary or desirable to perform the obligations and to exercise the rights and powers set out in these Articles, the Bylaws, and the Declaration, including the following:

(i) to fix, levy, collect, and enforce payment of all charges or assessments authorized by the Declaration by any lawful means; to pay all expenses in connection therewith and all administrative and other expenses incident to the conduct of the business of Association including all licenses, taxes, or governmental charges levied or imposed against the property of Association;

(ii) to manage, control, operate, alter, maintain, repair, improve, and replace the common areas and facilities, and any property acquired by Association, or any property owned by another for which Association, by rule, regulation, declaration, or agreement, has a right or duty to provide such services;

(iii) to make rules and regulations and to enforce covenants, conditions, or restrictions affecting any property within the Community to the extent Association may be authorized to do so under the Declaration or Bylaws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of property within the Community subject to the Declaration;

(v) to buy, or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, own, hold, use, operate, and otherwise deal in and with, real, personal, and mixed property of all kinds and any right or interest therein for any purpose of Association;

(v) to borrow money for any purpose subject to such limitations as may be in the Declaration or Bylaws;

(vi) to enter into, make, perform, and enforce agreements of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of Association, with or in association with any other corporation, or other entity or agency, public or private;

(vii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals; and otherwise elect; and

(viii) to provide any and all supplemental municipal services to the Community as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 5.

Article 6. Members. Association shall be a membership corporation without certificates or shares of stock. There initially shall be two classes of membership, as more fully set forth in the Declaration. Each Owner shall be a Member and shall be entitled to vote as provided in the Declaration and the Bylaws. In addition, Developer shall be a Member for such period as provided in the Declaration, regardless of whether Developer owns any Unit. Membership in Association is appurtenant to, and may not be severed from the Unit. The rights and obligations of a Member may not be assigned or delegated except as provided in the Declaration, these Articles, or the Bylaws, and automatically shall pass to the successor-in-interest of any Owner on conveyance of such Owner's interest in the Unit.

Change of an Owner's membership in Association shall be established by recording in the Public Records of the County, a deed or other instrument establishing record title to a Unit. On such recordation, the Owner designated by such instrument shall become a Member and the membership of the prior Owner shall terminate.

Article 7. Existence and Duration. Existence of Association shall commence with the filing of these Articles with the Secretary of State of the State of Florida. Association shall exist in perpetuity.

Article 8. Board of Directors. Association's business and affairs shall be conducted, managed, and controlled by the Board. The Board may delegate its operating authority to such companies, individuals, or committees as it, in its discretion, may determine. The Board initially shall consist of three members, as provided in the Bylaws. The method of election and removal of directors, filling of vacancies, and the term of office of directors shall be as set forth in the Bylaws.

The names and addresses of the initial directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

<u>Name</u>	<u>Address</u>
Dan Hibma	1701 Porter SW, Suite 6, Wyoming, MI 49519

Roger Lucas

1701 Porter SW, Suite 6, Wyoming, MI 49519

Larry Burgess

1701 Porter SW, Suite 6, Wyoming, MI 49519

Article 9. Bylaws. The initial Bylaws shall be adopted by the Board and thereafter may be altered, amended, rescinded, or repealed in the manner provided in the Bylaws.

Article 10. Liability of Directors. To the fullest extent that Chapter 617 and Chapter 720, Florida Statutes, or other applicable law, as exists on the date of these Articles or as they may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, no director or officer of Association shall be personally liable to Association or its Members for monetary damages for breach of duty of care or other duty as a director or officer. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director or officer of Association for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

Article 11. Indemnification.

(a) Indemnity. Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, employee, officer, or agent of Association. Such indemnification shall include indemnification against expenses (including reasonable attorneys' fees and costs and those incurred in all bankruptcy and probate proceedings), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by the indemnified person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of Association, and, with respect to any criminal action or proceedings, such person had no reasonable cause to believe his conduct was unlawful. Notwithstanding the foregoing, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to Association, unless, and then only to the extent that, the court in which such action or suit was brought shall determine on application that despite the adjudication of liability, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as such court shall deem proper. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of Association, and with a respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Notwithstanding the foregoing, Association need not indemnify the managing agent of the Community unless such indemnification is required to do so by the agreement between Association and such managing agent, approved by the Board or required by law.

(b) Approval. Any indemnification under paragraph (a) above (unless ordered by a court) shall be made by Association only as authorized in the specific case on a determination that indemnification is proper under the circumstances because the person requesting indemnification has met the applicable standard of conduct set forth in paragraph (a) above. Such determination shall be made (i) by majority vote of the members of the Board who were not parties to such action, suit, or proceeding, if sufficient to constitute a quorum, or (ii) if a quorum of the Board is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, in a written opinion rendered by independent legal counsel engaged by Association, or (iii) by a majority vote of the Class "A" Members and the consent of the Class "B" Member, during the Development and Sale Period.

(c) Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board in any specific case on receipt of a written agreement by or on behalf of the affected director, officer, employee, or agent to repay such amount if it is ultimately determined that he is not entitled to be indemnified by Association as authorized in this Article.

(d) Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law, under the Bylaws, or pursuant to any

agreement, vote of Members, or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs and personal representatives of such person.

(e) Insurance. Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of Association, including as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not Association would have the power to indemnify him against such liability under this Article.

Article 12. Interested Directors.

(a) No contract or transaction between Association and one or more of its directors or officers, or between Association and any other corporation, partnership, or 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 such reason, or solely because the director or officer is present at or participates in the meeting of the Board at which such contract or transaction was authorized, or solely because his or their votes are counted for such purpose. No director or officer of Association shall incur liability by reason of the fact that he or she is or may be interested in any such contract or transaction.

(b) Interested directors may be counted in determining the presence of a quorum at a meeting of the Board at which a contract or transaction with an interested director is to be considered.

(c) Association may enter into contracts and transactions with Developer and Developer's Affiliates.

Article 13. Amendments. Until termination of the Class "B" membership, Developer may unilaterally amend these Articles for any purpose. After termination of the Class "B" Control Period, amendments to these Articles may be adopted on a resolution of the Board and the affirmative vote or written consent of Members representing at least 67% of the Class "A" votes in Association. No amendment may be in conflict with the Declaration.

Article 14. Dissolution. Association may be dissolved only on (a) a resolution duly adopted by the Board, and (b) the affirmative vote of Members who are Owners of not less than two-thirds (2/3) of the Units, and (c) so long as Developer or any Developer Affiliate owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration, the consent of Developer. On dissolution of Association, any remaining real property of Association shall be dedicated to an appropriate public agency or conveyed to a non-profit organization to be used for purposes similar to those for which Association was created. If acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

In the event of the Association's termination, dissolution, or final liquidation, the ownership of the property constituting and the responsibility for the operation and maintenance of the Surface Water and Storm Water Management System must be conveyed and transferred to and accepted by an appropriate agency of local government if it has not already been conveyed and transferred. If not accepted, then the Surface Water and Storm Water Management System will be dedicated to a similar non-profit corporation.

Article 15. Incorporator. The name of the incorporator of Association is Dan Hibma.

Article 16. Registered Agent and Office. The initial registered office of Association is CT Corporation System, 1200 S. Pine Island Road, Plantation, Florida 33324, and the initial registered agent at such address is CT Corporation System.

In witness whereof, the undersigned Incorporator has executed these Articles of Incorporation this ____ day of _____, 20____.

By: Dan Hibma
Incorporator

[SEAL]
STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Dan Hibma, as the Incorporator of Heritage Key Association, Inc. He/she did not take an oath and is personally known to me or produced _____ as identification.

Print Name: _____
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: _____

Certificate Designating Place of Business for Service of Process Within This State Naming an Agent on Whom Process May be Served

The following is submitted in compliance with pursuant to Chapter 48.091, Florida Statutes:

Heritage Key Association, Inc., desiring to organize under the laws of the State of Florida, with its principal office at 1701 Porter SW, Suite 6, Wyoming, MI 49519, has named CT Corporation System, whose office is located at CT Corporation System, 1200 S. Pine Island Road, Plantation, Florida 33324, as its agent to accept service of process within the State.

Acknowledgment

Having been named to accept service of process for the above stated corporation, at the place designated in this Certificate, CT Corporation System hereby accepts to act in this capacity, and agrees to comply with the provisions of Chapter 48.091, Florida Statutes relative to keeping open such office.

CT Corporation System

By: _____

Print Name: _____

Title: _____

Registered Agent

[SEAL]

SOLICITORS, 77248, 00001, 101042477.4, Articles of Incorporation