



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

March 24, 2000

CSC NETWORKS
1201 HAYS STREET
TALLAHASSEE, FL 32301

The Articles of Incorporation for WATERCOLOR COMMUNITY ASSOCIATION, INC. were filed on March 23, 2000 and assigned document number N00000001921. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT/UNIFORM BUSINESS REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT/UNIFORM BUSINESS REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT/UNIFORM BUSINESS REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Claretha Golden, Document Specialist
New Filings Section

Letter Number: 100A00016434

Account number: 072100000032

Account charged: 78.75

**ARTICLES OF INCORPORATION
OF
WATERCOLOR COMMUNITY ASSOCIATION, INC.
(A Florida Not For Profit Corporation)**

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

00 MAR 23 AM 10:40

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

Article 1. Name. The name of the Corporation is WaterColor Community Association, Inc. For convenience, the Corporation shall be referred to in this instrument as the "Association."

Article 2. Address. The address of the initial principal office of the Association and the initial mailing address of the Association is 415 Beckrich Road, Suite 315, Panama City Beach, Florida 32407.

Article 3. Definitions. All capitalized terms used herein which are not defined shall have the meaning set forth in the Declaration of Covenants, Conditions, and Restrictions for WaterColor, Recorded or to be Recorded in Walton County, Florida, as amended from time to time (the "Declaration").

Article 4. Purposes. The Association does not contemplate pecuniary gain or benefit, direct or indirect, to its members. In way of explanation and not of limitation, the purposes for which the 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 the 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 subject to the Declaration.

Article 5. Powers. In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or By-Laws of the Association, may be exercised by the Board of Directors:

(a) all of the powers conferred upon nonprofit corporations by common law and Florida statutes in effect from time to time;

(b) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, and the Declaration, including, without limitation, 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 the Association including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(ii) to operate, maintain, and manage the surface water or stormwater management system(s) in a manner consistent with Florida Department of Environmental Protection permits and rules, and to assist in the enforcement of the Declaration as relates to the surface water or stormwater management system.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

(iii) to implement the terms and conditions of the Incidental Take Permit applicable to the Community, as issued by the U.S. Fish and Wildlife Service under the Endangered Species Act;

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

(v) to make rules and regulations and to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

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

(vii) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, 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 the Association;

(viii) to borrow money for any purpose subject to such limitations as may be contained in the Declaration and By-Laws;

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

(x) 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;

(xi) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(xii) 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. The Association shall be a membership corporation without certificates or shares of stock. There shall be two classes of membership as more fully set forth in the Declaration. The Owner of each Lot, as those terms are defined in the Declaration, shall be a member of the association shall be entitled to vote as provided in the Declaration and the By-Laws.

Change of membership in the Association shall be established by recording in the Official Records of Walton County, Florida, a deed or other instrument establishing record title to real property subject to the Declaration. Upon such recordation, the Owner designated by such instrument shall become a member of the Association and the membership of the prior Owner shall terminate.

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

Article 8. Board of Directors. The Association's business and affairs shall be conducted, managed, and controlled by a Board of Directors. The Board may delegate its operating authority to such companies, individuals, or committees as it, in its discretion, may determine.

The initial Board shall consist of three members, as provided in the By-Laws. 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:

James M. Rester

415 Beckrich Road, Suite 315
Panama City Beach, FL 32407

William Britton Greene

415 Beckrich Road, Suite 315
Panama City Beach, FL 32407

Dana H. Percival

415 Beckrich Road, Suite 315
Panama City Beach, FL 32407

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 By-Laws.

Article 9. By-Laws. The By-Laws shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws.

Article 10. Liability of Directors. To the fullest extent that the Florida Not For Profit Corporation Act, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

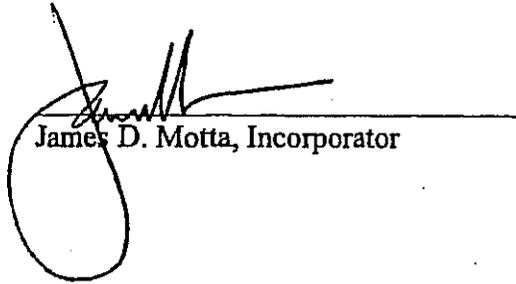
Article 11. Amendments. Until termination of the Class "B" membership, Declarant may unilaterally amend these Articles for any purpose. Thereafter, amendments to these Articles of Incorporation may be proposed and adopted upon a resolution duly adopted by the Board and the affirmative vote or written consent of Neighborhood Representatives representing at least 75% of the Class "A" votes in the Association, and the consent of Declarant, for so long as Declarant or any Declarant Affiliate owns property within the Community. No amendment may be in conflict with the Declaration, and no amendment shall be effective to impair or dilute any rights of Members that are governed by such Declaration.

Article 12. Dissolution. The Association may be dissolved only as provided by Florida law and in the Governing Documents. In the event of termination, dissolution, or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the Florida Department of Environmental Protection prior to such termination, dissolution, or liquidation.

Article 13. Incorporator. The name of the incorporator of the Association is James D. Motta, and such incorporator's address is 7900 Glades Road, Suite 200, Boca Raton, FL 33434.

Article 14. Registered Agent and Office. The initial registered office of the Association is James D. Motta, and the initial registered agent at such address is 7900 Glades Road, Suite 200, Boca Raton, Florida 33434.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation.



James D. Motta, Incorporator