

(COND03/DW)  
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**ARTICLES OF INCORPORATION  
OF  
SEA COLONY HOMEOWNER'S ASSOCIATION, INC.  
(A corporation not for profit)**

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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/DURATION**

The name of the corporation is SEA COLONY HOMEOWNER'S ASSOCIATION, INC., and its duration shall be perpetual.

**ARTICLE II**  
**PURPOSE AND POWERS**

The purpose of this corporation is to provide for a unified effort in protecting the value of the property of the members of the corporation, in accordance with the Declaration of Restrictive Covenants and Easements for Sea Colony recorded (or to be recorded) in the Public Records of

Flagler County, Florida, and any Supplemental Declaration filed in accordance therewith (collectively the "Declaration"). Terms used herein shall have the meanings ascribed to them in the Declaration, unless the context would prohibit. The Association shall exercise all the powers and privileges and perform all of the duties and obligations of the corporation as defined and set forth in these Articles, the By-Laws, and the "Declaration." The Association shall also have all powers granted by statutory and common law not in conflict with the terms of the

Declaration and these Articles, and terms, conditions, covenants and restrictions wherever recorded that pertain to Sea Colony, a platted section of Flagler County, as recorded in the Office of the Clerk of the Circuit Court in and for Flagler County, Florida. The powers of the Declaration include the establishment and enforcement of the payment of charges or assessments contained therein, the power to contract for the management of the Association and engagement in such other lawful activities as may be to the mutual benefit of the members and their property.

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

**ARTICLE III**  
**MEMBERSHIP AND VOTING RIGHTS**  
**IN THE ASSOCIATION**

**Section 1. Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is or is at any time made subject to the Declaration shall be a member of the Association. Membership shall be appurtenant to and inseparable from ownership of a Lot. Where any one Lot is owned by more than one person, firm, individual, corporation or other legal entity, the composite title holder shall be and constitute one member of the Corporation. Any person, firm, individual, corporation or legal entity owning more than one Lot shall be as many members as the number of Lots owned. Membership in the corporation and transfer thereof shall be upon such terms and conditions as provided in the Declaration and By-Laws.

**Section 2. Voting Rights.** The Association shall have two classes of voting membership:

**Class A Class A** Members shall be all of those owners as defined in Section 1, with the exception of the Company developing Sea Colony,

ITT Community Development Corporation, its subsidiaries, including Palm Coast Construction Company, and assigns (hereinafter referred to as "Company"). The Class A Member shall be entitled to one (1) membership interest and one (1) vote for each lot in which they hold the interests required for membership by Section 1.

**Class B.** **Class B** Member shall be the "Company", including any of its subsidiaries to which Company may transfer title. The Class B Member shall be entitled to ten (10) membership interests and ten (10) votes for each Lot in which it holds the interest required for membership by Section 1. The Class B Member shall be entitled to elect a majority of the Board of Directors until such time as 75% of all lots within the Parcel owned by Company has been sold and conveyed by the Company. Upon the transfer of title of any Lot from Company to an Owner other than to one of Company's subsidiaries or assigns, the Class B membership interest shall automatically be converted to a Class A membership interest.

Notwithstanding any provision to the contrary, the Company, or its duly authorized subsidiary, shall have the right to elect a majority of the Board of Directors of such Association until such time as "Company" has sold 75% of all lots owned by it within the Parcel. A transfer of title from ITT Community Development Corporation to one of its subsidiaries does not constitute a transfer of title under this paragraph, and any subsidiary of company shall have the same rights to Class B membership as Company.

#### **ARTICLE IV**

#### **<sup>1</sup>BOARD OF DIRECTORS**

The affairs of the corporation shall be managed by a Board of Directors consisting of not less than three (3) nor more than seven (7) persons. Directors need not be members of the corporation. The number of persons who are to serve initially on the Board of Directors until the first election thereof shall be three (3) and their names and addresses are as follows :

John Gazzoli	Executive Offices, Palm Coast, FL 32051
Vincent Viscomi	Executive Offices, Palm Coast, FL 32051
Dennis Fitzgerald	Executive Offices, Palm Coast, FL 32051

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<sup>1</sup> Amendment dated 11/4/91, recorded in the Flagler County, Public records in O.R. Book 457, Page 1905, amends this article. [See Amendment #7](#)

**ARTICLE V**

**OFFICERS**

Officers shall be elected by the Board of Directors and shall consist of a President, Vice President, Treasurer and Secretary. The following persons shall serve as Officers until the first election under these Articles of Incorporation:

John Cazzoli	President
Vincent Viscomi	Vice President
Dennis Fitzgerald	Secretary/Treasurer

**ARTICLE VI**

**INDEMNIFICATION**

**Section 1. Indemnity.** The Association shall indemnify any person who was or is a party to any pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. However no indemnification shall be made in respect to any claim, issue or matter in which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his or her duty to the Association. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon 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 interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

**Section 2. Approval.** Any indemnification under Section 1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper under the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of the directors who were not parties to such action, suit or proceeding, or (B) if a majority of disinterested directors so directs, by independent legal counsel in a written opinion, or by a majority of the members.

**Section 3. Advances.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of said action, if it is authorized by the Board of Directors in the specific case. Provided, the Board must first request an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article.

**Section 4. Miscellaneous.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or otherwise.

**Section 5. Insurance.** The 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 the Association, insuring 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 the Association would have the power to indemnify him against such liability under the provisions of this Article.

**ARTICLE VII**  
**SUBSCRIBERS**

The following persons hereby subscribe to these Articles of Incorporation:

John Cazzoli	Executive Offices, Palm Coast, FL 32051
Vicent Viscomi	Executive Offices, Palm Coast, FL 32051
Dennis Fitzgerald	Executive Offices, Palm Coast, FL 32051

The address of each of these incorporators is:

Executive Offices  
Palm Coast, FL 32051

**ARTICLE VIII**  
**BY-LAWS**

The By-Laws are to be written and approved by the Board of Directors. Until the first annual meeting, the By-laws may be amended, altered or rescinded by unanimous vote of all the Directors. The By-Laws may thereafter be adopted, amended, altered or rescinded only with the approval of not less than eighty (80%) percent of all the Directors or not less than fifty-five (55%) percent of the members of the Association. Provided, that no amendment shall be effective which would affect the rights of the Class B member without the approval of said member.

The By-Laws shall include the time and place for annual meetings and for regular and special meetings, quorum requirements, the manner of electing directors and officers and voting requirements.

**ARTICLE IX**  
**AMENDMENT OF ARTICLES**

**Section 1. Manner of Amendment.** These Articles of Incorporation may be amended, altered or rescinded only with the approval of not less than eighty (80%) percent of all the Directors or not less than seventy-five (75%) percent of the members of the association. Provided, that no amendment shall be effective which would affect the rights of the Class B member without the approval of such member.

**Section 2. Conflict.** In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control; and **in case of any conflict between these Articles of Incorporation and the Declaration, the Declaration shall control.**

**ARTICLE X**  
**INITIAL REGISTERED OFFICE AND AGENT**

The street address of the initial registered office of this Corporation is Executive Offices, 1 Corporate Drive, Palm Coast, Florida 32051, and the name of the initial registered agent of this Corporation is James E. Gardner.

**ARTICLE XI**  
**DISSOLUTION**

The Association may be dissolved, consistent with the applicable provisions of Florida Statutes, upon a petition having the assent given in writing and signed by not less than three-fourth (3/4) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be disposed of in accordance with the Declaration.



**ARTICLE XII**  
**No Stock or Dividends**

There shall be no dividends to a any of the members. This Corporation shall not issue shares of stock of any kind or nature whatsoever.

WE, the undersigned, being each of the subscribers hereto, do hereby subscribe to these Articles of Incorporation and in witness whereof , we have hereunto set our hands and seals this 31st day of January, 1986.

s/John Gazzoli  
s/Vincent Viscomi  
s/Dennis Fitzgerald

STATE OF FLORIDA  
COUNTY OF FLAGLER

BEFORE ME, the undersigned authority, personally appeared John R.Gazzoli, Vincent Viscomi, and Dennis Fitzgerald, and acknowledged before me that they executed the above and foregoing Articles of Incorporation for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Flagler County, Florida, this 31st day of January, 1986

S/Vickie S. Root \_\_\_\_\_

NOTARY PUBLIC

My Commission Expires: Notary Public, State of Florida At Large  
My Commission Expires Sept 11, 1987  
Bonded through Muroski-Ashton, Inc.