

ARTICLES OF INCORPORATION

PERDIDO KEY COVES MAINTENANCE ASSOCIATION, INC.

On this 15th day of July, 1972, in the presence of the undersigned competent witnesses personally came and appeared the incorporators signing below who have executed this document for the purpose of forming a corporation not for profit on a non-stock basis, and do hereby certify as follows:

ARTICLE I

NAME

The name of this corporation is Perdido Key Coves Maintenance Association, Inc.

ARTICLE II

PURPOSES AND POWERS

The corporation does not contain any pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

To promote the health, safety and welfare of the residents within the property of attached Exhibit "A" and such additions thereto after be brought within the jurisdiction of this by annexation as provided in Article VI herein, here referred to as "The Properties" and for this purpose to:

- a) own, acquire, build, operate and maintain canals, entrance ways, beaches, cabanas, recreation areas, common areas, footways, club facilities, including buildings, structures, personal properties incident thereto, hereinafter referred to as "the common properties and facilities";
- b) provide garbage and trash collection;
- c) provide canal maintenance;
- d) provide street lighting;
- e) provide fire and police protection;
- f) maintain unkempt lands or trees;
- g) supplement municipal services;
- h) fix assessments (or charges) to be levied against The Properties;
- i) enforce any and all covenants, restrictions and agreements applicable to The Properties;
- j) pay taxes, if any, on the common properties and facilities; and
- k) insofar as permitted by law, to do any other thing that will promote the common benefit and enjoyment of the residents of The Properties.

Certified to be a true copy of the original on file in this office
Witness my hand and official seal

ERNIE LEE MAGAHA

Clerk of the Circuit Court

Franklin County, Florida

Filed: 07-25-72

Ref: 07-25-72

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a lot or living unit in The Properties shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. A temporary ownership interest such as a lease, or leasehold shall not be an ownership interest entitling the owner thereof to membership. Members do not have pre-emptive rights.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

A. Class A. Class A members shall be all those owners as defined in Article III that have not commenced and prosecuted to completion a housing unit upon their lot. Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interests required for membership by Article III. When more than one person holds such interest or interests in any Lot or Living Unit all such persons shall be members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Living Unit.

B. Class B. Class B members shall be those lot owners who have commenced and prosecuted to completion a housing unit on their lots. The Class B member shall be entitled to three votes for each Lot in which they hold the interest required for membership by Article III.

ARTICLE V

MEMBERSHIP RIGHTS

Every member in good standing shall have a right and easement of enjoyment in and to any common areas owned by the Association, subject to the right of the Association to suspend voting rights of the member and the right of the member, his family, tenants and occupants of his home to use the common areas of the Association for any period during which any assessment against his lot remains unpaid. Any member may delegate his right of use and enjoyment of the common areas to the members of his family, his tenants and contract purchasers who reside on the property.

ARTICLE VI

ASSESSMENTS

Each member who subscribes for or becomes a member of this Association and each owner of a lot, tract, or living unit in The Properties, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association, as follows:

1) For those lots and tracts in The Properties which adjoin or front on bulkheaded canals (coves) to pay for the maintenance of such canals (coves), a pro rata sum based upon the frontage of such lot or tract on the Cove to the total frontage of all lots and tracts in The Properties on such canals (coves). Such maintenance charges shall be computed on an estimated annual basis, payable either annually or monthly as the Association shall determine.

2) All owners of lots, tracts or building units in The Properties shall pay all assessments or charges for the maintenance of the beach area and cabana owned by the Association and the other common facilities in The Properties such as the entrance ways, signs, painting, and street lights, such assessment per lot, tract or building unit to be pro rata to the lots, tracts or building units, the owners of which are members of this Association.

3) The special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien on the property against which the assessment is made. Such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the member who was the owner of the property at the time the assessment fell. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

4) Any assessment not paid within 30 days after due date shall bear interest from the due date at the rate of 6% per annum. The Association may bring an action against the owner personally obligated to the same, or foreclose the lien against the property. The owner may not waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas.

5) The lien or the assessments provided for herein shall be subordinate to the lien of any existing or subsequent first mortgage. Sale or transfer of any lot shall not affect any assessment. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall release such lot from the lien for any assessments thereafter becoming due.

ARTICLE VII

BOARD OF DIRECTORS: SELECTION: TERMS OF OFFICE

The affairs of the corporation shall be managed by a board of not less than three (3) or no more than nine (9) directors. The initial Board of Directors shall consist of three (3) directors who shall hold office until the election of their successors. The Board of Directors may from time to time increase the number of members comprising the Board. Beginning with the first annual meeting to be held on the first Wednesday in February, 1973, the members at each annual meeting shall elect three (3) directors each for a term of three (3) years.

ARTICLE VIII

ADDITIONS TO PROPERTIES AND MEMBERSHIP

Additions to the properties described in Exhibit A may be made only in accordance with the provisions of the recorded covenants and restrictions applicable to said properties and further, must be approved by the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

Subject to the provisions of the recorded covenants and restrictions applicable to the properties described in Article II and to the extent permitted by law, the corporation may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes

provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE X

MORTGAGES; OTHER INDEBTEDNESS

The corporation shall have power to mortgage its properties.

The total debts of the corporation including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of five (5) times the annual assessments of such lots, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE XI

QUORUM

The quorum required for any action governed by Articles VIII, IX and X of these Articles shall be as follows:

At the first meeting duly called as provided therein, the presence of members, or of proxies, entitled to cast sixty percent (60%) of all 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 requirements set forth in said Articles, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE XII

SALE OF PROPERTIES

The corporation shall have power to dispose of its real properties only by a vote of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE XIII

DURATION

The corporation shall exist perpetually.

ARTICLE XIV

DISSOLUTION

The corporation may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds (2/3) of its membership. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with Article XV hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

ARTICLE XV

PROHIBITED ACTIVITIES

This corporation shall not (a) engage in any activities other than those permitted of organizations exempt from income tax under Section 501 of the Internal Revenue Code of 1954 and as it may be amended from time to time; (b) devote any part of its activities to attempting to influence legislation by property and/or otherwise; and (c) participate in or interfere in any political campaign on behalf of or in opposition to any candidate for public office.

No part of the net earnings of this corporation and no part of its assets shall revert to the benefit of any member whatsoever or to any private individual or association, other than as permitted by Section 501 of the Internal Revenue Code.

ARTICLE XVI

DISPOSITION OF ASSETS UPON DISSOLUTION

Upon dissolution of the corporation, the assets, both real and personal, of the corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused or accepted, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to the Properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XVII

AMENDMENTS

These articles may be amended in accordance with the law, provided that the voting and quorum requirements specified for any action under any provision of these Articles shall apply also to any amendment of such provision.

ARTICLE XVIII

THE INCORPORATORS

The name and address of each incorporator is:

Name	Address
McShep Development Corporation	2430 Brookline Drive, Birmingham, Ala. 35226
Henry K. Miller	3385 Convention Street, Baton Rouge, La. 70806
Ben R. Miller, Sr.	P. O. Box 1588, Baton Rouge, La. 70821

THIS DONE AND SIGNED by the incorporators in the presence of the undersigned witnesses, effective on the date set forth above.

WITNESSES:

[Signature]

[Signature]
Margaret T. Miller

McSHEP DEVELOPMENT CORPORATION

By: *[Signature]*

[Signature]
Ben R. Miller, Sr.

[Signature]
Henry K. Miller

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EXHIBIT "A"

Lots 1 through 64, inclusive, Perdido Key Cove, Unit No. 1, a subdivision of a portion of Section 32, Township 3 South, Range 32 West, Escambia County, Florida, per plat recorded in Plat Book 7 at page 26 of the public records of Escambia County, Florida, SUBJECT to restrictive covenants contained in the warranty deed recorded in Official Record Book 331 at page 510, et seq., to declaration of protective covenants as recorded in Official Record Book 436 at page 647, et seq., and in Official Record Book 591 at page 881, et seq., all of the public records of Escambia County, Florida.

That certain parcel of land situated in Section 32, Township 3 South, Range 32 West, Escambia County, Florida, being bounded northerly by Old River; easterly by Perdido Key Cove and Flood Cove; southerly by Lot 64, Perdido Key Cove, Unit No. 1 subdivision, the arched "turn-around" of Sharp Reef and by a line running 25 feet westerly from said turn-around and on the same bearing as that for the north line of said Lot 64; and westerly by a line running N 21° 51' 21" W from the southeast corner of this parcel, a distance of 626 feet, more or less, to the shore line of Old River.

That certain parcel of land also situated in said section, township and range which would be westerly of Sharp Reef and its arched "turn-around", and westerly of the west line of said tract as described above, and which would be easterly of a line drawn from a point 100 feet westerly of the intersection of the north line of State Road S-292 and the west line of Sharp Reef, to a point on the southerly shore line of Old River which marks the northwest corner of said Tract described above.

FILED AND RECORDED IN
THE PUBLIC RECORDS OF
ESCAMBIA COUNTY, FLA. ON
MAY 6 11 57 AM '76
NOTED ABOVE
A. J. LOMAS, CLERK
ESCAMBIA COUNTY

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