

**ARTICLES OF INCORPORATION
OF
SCOTSDALE BLUFFS HOMEOWNERS' ASSOCIATION, INC.*
A corporation not-for-profit**

ARTICLE I – NAME OF CORPORATION

The name of the corporation is Scotsdale Bluffs Homeowners' Association, Inc. a corporation not-for-profit under the provisions of the laws of the State of Florida (hereinafter referred to as the "Association").

ARTICLE II – DEFINITIONS

Unless defined in these Articles of Incorporation (the "Articles") or the Bylaws of the Association (the "Bylaws"), all terms used in the Articles and Bylaws shall have the same meanings as used in the Declaration of Covenants, Conditions and Restrictions for Scotsdale Bluffs (the Declaration").

ARTICLE III – PRINCIPAL PLACE OF BUSINESS

The principal office of the Association is located at 101 Phillippe Parkway, Suite 305, Safety Harbor, Florida 34695.

ARTICLE IV – INITIAL REGISTERED AGENT

J. Marcus Vernon, whose address is 577 Duncan Avenue South, Clearwater, Florida, 34616, is hereby appointed the initial registered agent of this Association.

ARTICLE V – INCORPORATOR

The name and address of the Incorporator is J. Marcus Vernon, Esquire whose address is 577 Duncan Avenue South, Clearwater, Florida 34616

ARTICLE VI – PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain residential subdivision known as Scotsdale Bluffs located within the incorporated limits of Dunedin, Florida, and to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

Section 1. exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, applicable to the Property and recorded or to be recorded in the Public Records of Pinellas County, Florida, and as the same may be amended from time to time as therein provided, the Declaration being incorporated herein as if set forth at length;

Section 2. fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office 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 real or personal property of the Association;

*ARTICLES OF INCORPORATION as filed on February 13, 1997, Offices of the Secretary of State, Tallahassee, Florida.

Section 3. acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

Section 4. borrow money, and with the assent of two-thirds (2/3) of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

Section 5. dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of Members, agreeing to such dedication, sale or transfer;

Section 6. participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Areas, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of each class of Members;

Section 7. have and to exercise to the fullest extent under the law, any and all powers, rights and privileges which a corporation not-for-profit, organized under the laws of the State of Florida, may now or hereafter have or exercise;

Section 8. operate, maintain and manage the Surface Water or Storm Water Management System(s) in a manner consistent with the South West Florida Water Management District permit for Scotsdale Bluffs and applicable District rules, and assist in the enforcement of the restrictions and covenants contained therein. The Association shall levy and collect adequate assessments against Members of the Association for the maintenance and repair of the Surface Water or Storm Water Management Systems including but not limited to work within retention areas, drainage structures and drainage easements; and

Section 9. operate, maintain and manage the collection and retention system in a manner consistent with the South West Florida Management District permit for Scotsdale Bluffs and all applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained therein. The Association shall be required to monitor and exercise practices which shall provide drainage, water storage, conveyance, survival and growth of installed aquatic plant material or other Surface Water or Storm Water Management requirements as permitted by the South West Florida Water Management District and Pinellas County.

ARTICLE VII - MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VIII - VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the two following events:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on the date exactly five years from the recording of the Declaration.

ARTICLE IX - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board consisting of no less than three (3) and no more than nine (9) Directors who need not be Members of the Association. The number of Directors shall always consist of an odd number. The initial number of Directors shall be three (3) and may be changed by amendment of the Bylaws. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are Keith E. Bass, Stephen D. Hove and Louise Hove, 101 Philippe Parkway, Suite 305, Safety Harbor, Florida 34695.

At the first annual meeting the Members shall elect one Director for a term of one year, one Director for a term of two years and one Director for a term of three years; and at each annual meeting thereafter the Members shall elect one Director for a term of three years. In the event the number of Directors is more than three, additional Directors shall be elected for a term of three years.

ARTICLE X - OFFICERS

The affairs of the Association shall be administered by the Officers designated in the Bylaws as shall be elected by the Board of Directors at its first meeting, following the first annual meeting of the general membership, and they shall serve at the pleasure of the Board of Directors. Pending the election of the permanent Officers of this Association by the Board of Directors, the following named persons shall be the temporary Officers of the Association until their successors have been duly elected:

President\Treasurer: Keith E. Bass

Vice President\Secretary: Stephen D. Hove

ARTICLE XI - INDEMNIFICATION

The Directors and Officers of the Association shall be indemnified by the Association to the fullest extent now or hereafter permitted by law and shall not be personally liable for any act, debt, or liability or other obligation of the Association. Similarly, Members are not personally liable for any act, debt, liability or obligation of the Association. A Member may become liable to the Association for dues, assessments or fees as provided by law.

ARTICLE XII - BYLAWS

Bylaws of the Association will be hereinafter adopted at the first meeting of the Board of Directors. Such Bylaws may be amended or repealed, in whole or in part, at a regular or special meeting of the Members, by vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") shall have the right to vote amendments while there is a Class B membership.

ARTICLE XIII - DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) 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 dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, 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 termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water or Storm Water Management System must be transferred to and accepted by an entity which would be approved by the South West Florida Water Management District prior to termination, dissolution or liquidation.

ARTICLE XIV - DURATION

The duration of this Association shall be perpetual.

ARTICLE XV - AMENDMENTS

Amendments of these Articles shall require the consent of fifty percent (50%) of the entire membership of the Association.

ARTICLE XVI - CONFLICT

In the event that any provision of these Articles conflicts with any provision of Declaration, the provision of Declaration in conflict therewith shall control. If any provision of these Articles conflicts with any provision of the Bylaws, the provision of the Articles shall control.

NOTE: It is believed that this copy of the Articles of Incorporation of Scotsdale Bluffs Homeowners' Association, Inc. is a true and correct copy as filed on February 13, 1997 with the Secretary of State, Tallahassee, Florida. This copy has been prepared for the sole and express use of Members of the Scotsdale Bluffs Homeowners' Association. The document number of this corporation is N97000001069.