

ARTICLES OF INCORPORATION  
OF THE  
SARATOGA BAY  
HOMEOWNERS ASSOCIATION. INC.

Florida Corporation Not-For--Profit)

In order to form a corporation not-for-profit, under and in accordance with Chapter 617 of the Florida Statutes, we, the undersigned hereby associate ourselves into a corporation not-for-profit, for the purpose and with the powers hereinafter set forth and to that end, we do, by these Articles of Incorporation, certify as follows:

ARTICLE I

DEFINITIONS

A. "Articles" shall mean these Articles of Incorporation of the Saratoga Bay Homeowners Association, Inc.

B. "Association" shall mean the Saratoga Bay Homeowners Association, Inc.

C. "Association Expenses" shall mean the expenses payable by members of the Association as set forth in the Declaration (as defined herein).

D. "Association Property" shall mean all real and personal property transferred to the Association for the benefit of all members.

E. "Board" shall mean the Board of Directors of the Association.

F. "Common Area" shall mean those areas of real property shown on the subdivision plat of Saratoga Bay, together with all improvements thereto, which are devoted to the common use and enjoyment of the members of the Association. The term "Common Area" may sometimes be used interchangeably with the term "Association Property".

G. "Declaration" shall mean the covenants, conditions, restrictions, easements, and all other terms set forth in the Declaration of Covenants and Restrictions for Saratoga Bay, and as may be amended from time to time.

H. "Developer" shall mean and refer to BURG & DIVOSTA CORPORATION, a Florida corporation, its successors and assigns.

I. "Director" shall mean a member of the Board.

J. "General Plan of Development" shall mean the subdivision plat of Saratoga Bay, as approved by the appropriate governmental agencies, and which shall represent the development plan and general uses of the real property.

K. "Homeowners Documents" means in the aggregate the Declaration, these Articles, the By-Laws of the Association, the Rules and Regulations of the Association, the Contract for Purchase and Sale of a Lot, the Escrow Agreement, the Villages of Palm Beach Lakes Declaration of Covenants and Restrictions, the Articles of Incorporation and By-Laws of the Villages of Palm Beach Lakes Property Owners Association, Inc., and all of the instruments and documents referred to herein and executed in connection with the general plan of development.

L. "Institutional Mortgagee" shall mean any lending institution having a first lien on a lot, including any of the following institutions: an insurance company or subsidiary thereof, a federal or state savings and loan association, a federal or state building and loan association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a federal or state banking association, the Palm Beach County Housing Authority or similar entity, a real estate investment trust, or any mortgage banking company authorized to do business in the State of Florida.

M. "Lot" shall include a residential lot, a single family home constructed thereon, a membership interest in the Association, and in the Villages of Palm Beach Lakes Property Owners Association, Inc. (as defined herein).

N. "Member" shall mean a member of the Association.

O. "Occupant" shall mean the occupant of a lot who shall be the owner, the lessee, or their respective guest.

P. "Owner" shall mean the fee simple title holder of any lot, whether one or more persons or entities.

Q. "Property" shall mean all of the real and personal property subject to the Declaration.

R. "Saratoga Bay" is the name given to a planned residential community of single family homes to be constructed by Developer in the City of West Palm Beach on Tracts GG and HH of the Flat of the Villages of Palm Beach Lakes, Flat No. 2, recorded in Flat Book 1, Pages 1-19 inclusive, Public Records of Palm Beach County, Florida. The Flat of the Saratoga Bay is recorded in Flat Book \_\_. Pages \_\_ inclusive, of the Public Records of Palm Beach County, Florida.

S. "Saratoga Bay Homeowners Association, Inc." shall mean that certain entity created to manage, maintain, and control the Common Areas of the Saratoga Bay.

T. "Transfer Date" shall mean the date that the Developer relinquishes the right to appoint a majority of the Directors, and conveys title to the Common Area to the Association. The Transfer Date shall occur 120 days after the Developer has closed the sales of 70% of the 122 lots contemplated by the general plan of development, or three years after the Developer has closed the sale of the first lot, or after the Developer elects to relinquish its control of the Association, whichever shall first occur.

U. "Village of Palm Beach Lakes" shall mean the property platted as the Village of Palm Beach Lakes, Plat No. 1, recorded in Flat Book 41, Pages 174-180, inclusive, Public Records of Palm Beach County, Florida, and the Village of Palm Beach Lakes, Flat No.2, recorded in Flat Book 44, Pages 1-19, inclusive, Public Records of Palm Beach County, Florida.

V. "Villages of Palm Beach Lake<sup>3</sup> Property Owners Association" shall mean that certain entity created to manage, maintain, and control the Common Areas of the Village of Palm Beach Lakes. It may also be referred to as the "Villages POA" herein.

## ARTICLE II

### NAME

The name of this Association shall be the SARATOGA BAY HOMEOWNERS ASSOCIATION, INC., whose present address is 10385 Ironwood Road, Palm Beach Gardens, Florida 33410.

## ARTICLE III

### GENERAL PLAN OF DEVELOPMENT AND PURPOSE OF ASSOCIATION

A. Developer plans to develop Saratoga Bay on the property described hereinabove. Developer intends that Saratoga Bay shall consist of one hundred twenty-two (122) lots. As set forth in the Plan, Developer also intends to set aside certain common areas in the Saratoga Bay. The Association shall ultimately be conveyed ownership of the common areas. Developer further intends that easements shall be established across, over, under and upon the Property, in order to provide means of ingress, egress and for other purposes for the convenience and benefit of Members of the Association, their family members, guests, licensees and invitees and other parties as set forth in the Declaration.

B. The purpose for which the Association is organized is to provide an entity to own, manage, maintain, and operate certain lands located in the Saratoga Bay. Said lands are to be used in common by all members of the Association. The Association shall be responsible for the management of the Property in accordance with the terms and conditions of the Declaration, and as same may be amended from time to time.

C. The Association shall make no distribution of income to its members, directors or officers.

## ARTICLE IV

### POWERS

The Association shall have the following powers which shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not-for-profit, which are not in conflict with the terms of these Articles or the Declaration.

B. The Association shall have all of the powers and duties set forth in the Declaration, except as limited by these Articles, and all powers and duties reasonably necessary to operate and administer the Saratoga Bay properties pursuant to the Declaration, including but not limited to the following:

1. To make and collect assessments against members to defray the costs and expenses of the Association property.

2. To use the proceeds of assessments in the exercise of its powers and duties.

3. To own, maintain, repair, replace, operate and convey the property of the Association in accordance with the Declaration.

4. To purchase insurance upon the property of the Association anti insurance for the protection of the Association and its members, in an amount equal to the maximum insurance replacement value, excluding foundation and excavation costs.

5. To dedicate or to transfer all or any part of the Association's property to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by not less than fifty-one percent (51%) of the membership of the Association, and approved by not less than seventy-five percent (75%) of the institutional mortgagees holding mortgages encumbering the lots.

6. To reconstruct the improvements to the Association's property after casualty, and to further improve the Association's properties, as provided in the Declaration.

7. To make and amend reasonable rules and regulations regarding the use of the property of the Association, provided that notice of the proposed modification, addition or deletion to the Rules and Regulations is sent by U. S. Certified Mail, return receipt requested, to each member of the Association at least thirty (30) days before the proposed modification, addition or deletion becomes effective.

8. To contract for the management of the Association property and to delegate to such contractors all powers and duties of the Association except such as are specifically required by the Declaration to have the approval of the Board or the membership of the Association, Any such contract may not exceed three (3) years,

and must provide for termination by either party without cause and without payment of a termination fee on sixty (60) days written notice.

9. To employ personnel for reasonable compensation to perform the services required for proper operation and administration of the Association property.

10. To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws of the Association, and the Rules and Regulations for the use of the Association's property as same may be promulgated, modified, or amended from time to time by the Association.

11. To pay taxes and assessments, which are liens against any part of the Association's property.

12. To pay the cost of all power, water, sewer, waste collection, and other utility services rendered to the property of the Association, and not billed to owners of Individual lots.

13. To enter any lot at a reasonable time and upon reasonable notice to make emergency repairs, to avoid waste, or to do such other work reasonably necessary for the proper protection, preservation, or maintenance of the property of the Association.

14. To grant such permits, licenses, and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the common areas.

15. To collect from members, assessments which are made and levied by the Villages of Palm Beach Lakes Property Owners Association.

16. To do such other things as may be necessary in order to perform the duties and to exercise the powers provided for the Association in the Declaration.

C. The Association shall not have the power to purchase a lot in Saratoga Bay except at sales in the foreclosure of lien for assessments for Association expenses, at which sales the Association shall bid not more than the amount secured by its lien.

D. All funds and the titles of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration, these Articles, and the By-Laws of the Association.

## ARTICLE V

### MEMBERS

A. The members of the Association shall consist of all of the record owners of lots in Saratoga Bay.

B. Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, a deed or other instrument establishing a record title to a lot at the Saratoga Bay, and the delivery to the Association of a copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated as of the date of execution of such instrument.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except upon transfer of title of his lot.

D. The owner of each lot shall be entitled to one vote as a member of the Association. The exact number of votes to be cast by lot owners and the manner of exercising voting rights, shall be determined by the By-Laws of the Association; subject, however, to the terms and conditions of the Declaration.

#### ARTICLE VI

##### TERM

The term for which this Association is to exist shall be perpetual.

#### ARTICLE VII

##### INCORPORATORS

The names and residences of the Incorporators to these Articles are as follows:

| NAME                | ADDRESS   |
|---------------------|---|
| Charles H. Hathaway | 10385 Ironwood Road Palm Beach Gardens, Fl. 33410 |
| Robert S. Kairalla  | 10385 Ironwood Road Palm Beach Gardens, Fl. 33410 |
| William E. Shannon  | 10385 Ironwood Road Palm Beach Gardens, Fl. 33410 |

ARTICLE VIII

##### OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or several Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, as Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board.

B. The Board shall elect the President, the Vice President, the Secretary and the Treasurer, and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board following the "Annual Members' Meeting" (as described in the By-Laws); provided, however, such officers may be removed by such Board and other persons may be elected by the Board as such officers in the manner provided in the By-Laws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary or Assistant Secretary.

ARTICLE IX

FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

|                |                     |
|----------------|---------------------|
| President      | Charles H. Hathaway |
| Vice President | Robert S. Kairalla  |
| Secretary      | William E. Shannon  |
| Treasurer      | William E. Shannon  |

ARTICLE X

BOARD OF DIRECTORS

A. The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than five (5) Directors. After the Developer elects to divest itself of control of the Association, Directors must be members of the Association.

B. After the Transfer Date, members of the Board shall serve for a term of two (2) years; provided, however, that two (2) members of the Board elected on the Transfer Date shall serve for an initial term of one (1) year, and the other member(s) of the Board elected on the Transfer Date shall serve for an initial term of two (2) years. Thereafter, the terms of no more than three (3) Board members will expire each year.

C. Directors of the Association shall be elected at the Annual Members' Meeting in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the By-Laws.

D. The first election of Directors shall not be held until 120 days after the Developer has closed the sales of 70% of the 122 lots contemplated under the general plan of development, or three years after the Developer has closed the sale of the first lot in Saratoga Bay or until the Developer elects to terminate control of the Association, whichever shall first occur. The Directors named in these Articles shall serve until the first election of Directors, and any vacancies in their number occurring before the first election shall be filled by the remaining Directors.

E. The names and addresses of the persons who are to serve as the first Board are as follows:

| NAME                | ADDRESS  |
|---------------------|--|
| Charles H. Hathaway | 10385 Ironwood Road<br>Palm Beach Gardens, Fl. 33410 |
| Robert S. Kairalla  | 10385 Ironwood Road<br>Palm Beach Gardens, Fl. 33410 |
| William E. Shannon  | 10385 Ironwood Road<br>Palm Beach Gardens, Fl. 33410 |

#### ARTICLE XI

##### INDEMNIFICATION

Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels and whether or not suit be instituted) reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation or settlement in which he may become involved by reason of his being or having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he is a Director or officer at the time such expenses and/or liabilities are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association. In instances where a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer may be entitled whether by statute or common law.

ARTICLE XII

BY-LAWS

The By-Laws of the Association shall be adopted by the first Board and thereafter may be altered, amended or rescinded by the affirmative vote of not less than a majority of the Members present at an Annual Members' Meeting or special meeting of the Membership and the affirmative approval of a majority of the Board at a regular or special meeting of the Board.

ARTICLE XIII

AMENDMENTS

A. Prior to the recording of the Declaration amongst the Public Records of Palm Beach County, Florida, these Articles may be amended only by an instrument in writing signed by all of the Incorporators to these Articles and filed in the Office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended, give the exact language of such amendments, and a certified copy of each such amendment shall always be attached to any certified copy of these Articles.

B. After the recording of the Declaration amongst the Public Records of Palm Beach County, Florida, these Articles may be amended in the following manner:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting (whether of the Board or of the Membership) at which such proposed amendment is to be considered; and

2. A resolution approving the proposed amendment may be first passed by either the Board or the Membership. After such approval of a proposed amendment by one of said bodies, such proposed amendment must be submitted to and approved by the other of said bodies. Approval by the Membership must be by a vote of a majority of the Members present at a meeting of the Membership at which a quorum is present and approval by the Board must be by a majority of the Directors present at any meeting of the Directors at which a quorum is present.

C. No Article shall be revised or amended by reference to its title or number only. Proposals to amend existing Articles shall contain the full text of the Articles to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Article. See Article \_\_\_ for present text." Non-material errors or omissions in the Article amendment process shall not invalidate an otherwise properly promulgated amendment.

D. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

E. Notwithstanding the foregoing provisions of this Article, there shall be no amendment to these Articles which shall abridge, amend or alter the priority of any Mortgagee, or the validity of any mortgage held by such Mortgagee without the prior written consent therefor by such Mortgagee; or abridge, amend or alter the rights of Developer, including the right to designate and select the Directors as provided herein, without the prior written consent therefor by Developer.

IN WITNESS WHEREOF, the Incorporators have hereunto affixed their signatures, this 22<sup>nd</sup> day of January, 1987.

Charles H. Hathaway  
Robert S. Kairalla  
William E. Shannon

STATE OF FLORIDA )

COUNTY OF PALM BEACH )

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared CHARLES H. HATHAWAY, ROBERT S. KAIRALLA and WILLIAM E. SHANNON, to me known to be the persons described as Incorporators in and who executed the foregoing Articles of Incorporation and they acknowledged before me that they executed the same for the purposes therein expressed.

IN WITNESS WHEREOF, the Incorporators have hereunto affixed their signatures, this 22<sup>nd</sup> day of January 1987.

Randel S. Kaplan  
Notary Public

My Commission Expires: 10-28-88

CERTIFICATE DESIGNATING A REGISTERED OFFICE AND  
A REGISTERED AGENT FOR THE SERVICE OF PROCESS  
WITHIN THE STATE OF FLORIDA

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted, in compliance with said Act:

The SARATOGA BAY HOMEOWNERS ASSOCIATION, INC., desiring to organize under the laws of the State of Florida, with its principal office as indicated in the Articles of Incorporation, at the City of Palm Beach Gardens, County of Palm Beach, State of Florida, has named CHARLES H. HATHAWAY located at 10385 Ironwood Road, City of Palm Beach Gardens, County of Palm Beach, State of Florida, as it's agent to accept service of process within the State of Florida.

ACKNOWLEDGMENT:

Having been named to accept service of process for the above stated corporation, at the place designated in this certificate, I hereby agree to act in this capacity, and agree to comply with the provision of the Act relative to keeping open said office.

BY \_\_\_\_\_

Charles H. Hathaway