

This is a consolidation of the original Articles of Incorporation and all amendments. It is not an official copy of the Articles. Reference should be made to the original Articles and the amendments for the official version.

ARTICLES OF INCORPORATION
OF
LAKE CHARLESTON MAINTENANCE ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation not for profit under Chapter 617, Florida Statutes, as amended, hereby adopts the following Articles of Incorporation:

ARTICLE I
NAME

The name of the corporation shall be LAKE CHARLESTON MAINTENANCE ASSOCIATION, INC., which is hereinafter referred to as "the Association".

ARTICLE II
PURPOSES AND POWERS

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants and Restrictions for Lake Charleston recorded (or to be recorded) in the Public Records of Palm Beach County, Florida, as hereafter amended and/or supplemented from time to time (the "Covenants"). The

further objects and purposes of the Association are to preserve the values and amenities in The Properties and to maintain the Common Areas thereof for the benefit of the Members of the Association.

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

The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered into (which may be an affiliate of the Developer) the powers and duties of the Association, except those which require specific approval of the Board of Directors or Members.

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 and the Covenants above identified. The Association shall also have all of the powers necessary to implement the purposes of the Association as set forth in the Covenants and to provide for the general health and welfare of its membership.

Definitions set forth in the Covenants are incorporated herein by this reference.

ARTICLE III

Members

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association, provided that

any such person for entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

Section 2. Classes of Members. There shall be two classes of Members, as follows:

Class A: All Owners of Residential Lots within Lake Charleston shall be Class A Members.

Class C: All Owners of Commercial Lots shall be Class C Members.

There are no Class B Members.

Section 3. Voting Rights of Members. Beginning with the date that this amendment is filed with the Secretary of State and also recorded in the Public Records of Palm Beach County, Florida, all votes of Members shall be cast by Class A and Class C Members. (There are no longer any Class B Members). All of the Class A Members owning a Residential Lot shall collectively have one vote for the Lot, and all of the Class C Members owing a Commercial Lot shall collectively have one vote for each acre or portion of an acre of the Commercial Lot owned by same. Each of those Members are Voting Members, with one voting interest according to each vote. The procedures for the election of Directors are set forth in Article IV, Section 1 of the By-Laws.

ARTICLE IV
CORPORATE EXISTENCE

The Association shall have perpetual existence.

ARTICLE V
BOARD OF DIRECTORS

The number and method of election of Directors shall be as set forth in the By-Laws. Other provisions regarding Directors, including their qualifications, meetings, removal and resignation, are as contained in the By-Laws.

ARTICLE VI
OFFICERS

Section 1. Officers Provided For. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one (1) year and thereafter until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be a director; other

officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and thereafter until successors are duly elected and have taken office, shall be as follows:

<u>Name and Office</u>	<u>Address</u>
<u>President:</u> Doyle D. Dudley	The William Lyon Company 7241 Jog Road Lake Worth, FL 33467
<u>Vice President:</u> Dennis F. O'Shea	The William Lyon Company 500 E. Broward Blvd. Penthouse One Fort Lauderdale, FL 33394-3078
<u>Secretary-Treasurer:</u> Michael J. Belmont	The William Lyon Company 7241 Jog Road Lake Worth, FL 33467

ARTICLE VII

BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the By-Laws.

ARTICLE VIII

AMENDMENTS AND PRIORITIES

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors and thereafter submitted to a meeting of the membership of the Association for adoption or rejection (by affirmative vote of 66-2/3% of the voting interests of those Members present and voting in person and by proxy at a Members meeting).

Section 2. 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 Covenants, the Covenants shall control.

ARTICLE IX

INCORPORATOR

The name and address of the incorporator of this Corporation is:

Name

Address

Doyle D. Dudley

The William Lyon Company

7241 Jog Road

Lake Worth, FL 33467

ARTICLE X
INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he 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 in connection with such action, suit or proceeding, unless (a) it is determined by a court of competent jurisdiction, after all available appeals have been exhausted or not pursued by the proposed indemnities, that he did not act in good faith or that he acted in a manner he believed to be not in or opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further determines specifically that indemnification should be denied. 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 or did act in a manner which the believed to be not in or opposed to the best interest of the Association, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

Section 2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and

appellate attorneys' fees) actually incurred by him in connection therewith.

Section 3. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding through all available appeals upon receipt of 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 is entitled to be indemnified by the Association as authorized in this Article.

Section 4. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under by by-law, agreement, vote of Members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 5. 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, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, 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.

Section 6. The provisions of this Article X shall not be amended.

ARTICLE XI

REGISTERED AGENT

Until changed, Doyle D. Dudley shall be the registered agent of the Association and the registered office shall be at 7241 Jog Road, Lake Worth, FL 33467.

ARTICLE XII

GENERAL PROVISIONS

Section 1. 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 non-profit corporation, Association, trust or other organization to be devoted to such similar purposes.

Section 2. The Annexation of additional properties, mergers and consolidations, mortgaging of Common Area and the dissolution and amendment of these Articles, requires the prior approval of HUD/VA so long as there is a Class B membership.

IT WITNESS WHEREOF, the aforesaid incorporator has hereunto set his hand this ____ day of _____, 1988.