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**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
THE DEERWOOD IMPROVEMENT ASSOCIATION, INC.,
a corporation not for profit**

FILED
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

These Articles of Amendment to Articles of Incorporation of The Deerwood Improvement Association, Inc., a Florida nonprofit corporation, are made effective December 6, 2004, by THE DEERWOOD IMPROVEMENT ASSOCIATION, INC., (the "Association").

RECITALS:

A. The name of the corporation is The Deerwood Improvement Associations, Inc., the original Articles of Incorporation of which were filed with the Florida Department of State on or about June 14, 1963, under document number 705758.

B. The Association desires to amend and restate its Articles of Incorporation as more particularly described hereafter. These Articles of Amendment have been proposed by the Board of Directors of the Association and have been approved by a majority vote of a quorum of the Members of the Association presently entitled to vote at a meeting of such members of the Association held on December 6, 2004.

NOW THEREFORE, the Association hereby amends and restates its Articles of Incorporation as follows:

1. The body of the Articles of Incorporation is deleted in its entirety and replaced with the following:

I. NAME AND DEFINITIONS.

The name of this corporation shall be The Deerwood Improvement Association, Inc. All defined terms contained in these Articles shall have the same meanings as such terms are defined by the Declaration of Covenants, Conditions and Restrictions for Deerwood recorded in the public records of Duval County, Florida (the "Declaration").

II. PRINCIPAL OFFICE AND MAILING ADDRESS.

The location of the corporation's principal office and its mailing address shall be C/O May Management, 10036 Sawgrass Dr. W. #1, Ponte Vedra Beach, FL 32082 or at such other place as may be established by resolution of the Association's Board of Directors from time to time.

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III. PURPOSES.

The general nature, objects and purposes of the Association are:

A. To promote matters of common interest and concern of the Owners of property within Deerwood; and to enhance the value of the property within Deerwood; to endeavor to see that ad valorem taxes levied on said property are uniform and fair; to endeavor to see that adequate police and fire protection, garbage and trash removal and other conveniences and utility services are furnished to property within Deerwood; to provide for the maintenance, improvement and beautification of access ways, parkways, lakes and ponds in Deerwood; and to engage in such other activities as may be to the benefit of other property owners within Deerwood, and as shall be specified from time to time in the Bylaws.

B. To own, maintain, repair and replace the Common Area, including without limitation the streets, streetlights, landscaping, structures, and other improvements located thereon, for which the obligation to maintain and repair has been delegated to and accepted by the Association.

C. To operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management Permits applicable to the Property, and applicable District rules, and to assist in the enforcement of the provisions of the Declaration which relate to the Surface Water or Stormwater Management System.

D. To cooperate with other associations responsible for administration of adjacent or contiguous properties in matters of common interest to the Association and such other associations and to contribute to such common maintenance interests whether within or without the Property.

E. To provide, purchase, acquire, replace, improve, maintain, operate and repair such buildings, structures, landscaping, paving and equipment, and to provide such other services for the benefit of the members of the Association, as the Board of Directors in its discretion determines necessary, appropriate, and/or convenient.

F. To operate without profit for the sole and exclusive benefit of its Members.

G. To perform all of the functions contemplated for the Association and undertaken by the Board of Directors pursuant to the terms and conditions of the Declaration.

IV. GENERAL POWERS.

The general powers that the Association shall have are as follows:

A. To hold funds solely and exclusively for the benefit of the Members for purposes set forth in these Articles of Incorporation.

B. To promulgate and enforce rules, regulations, bylaws, covenants, restrictions and

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agreements to effectuate the purposes for which the Association is organized.

C. To delegate power or powers where such is deemed in the interest of the Association.

D. To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of real or personal property, to enter into, make, perform or carry out contracts of every kind with any person, firm, corporation or association; to do any and all acts necessary or expedient for carrying on any and all of the activities and pursuing any and all of the objects and purposes set forth in the Declaration and these Articles of Incorporation and not forbidden by the laws of the State of Florida.

E. To fix assessments to be levied against all or any portion of the Property to defray expenses and costs of effectuating the objects and purposes of the Association and to create reasonable reserves for such expenditures, and to authorize its Board of Directors to enter into agreements with other property owner's associations or maintenance entities for the collection of such assessments. The foregoing shall include the power to levy and collect adequate assessments against the Members for the costs of maintenance and operation of the Surface Water or Stormwater Management System. Such assessments shall be used for the maintenance and repair of the Surface Water or Stormwater Management System, including but not limited to, work within retention areas, drainage structures and drainage easements.

F. To charge recipients for services rendered by the Association and the users of the Association property where such is deemed appropriate by the Board of Directors of the Association and permitted by the Declaration.

G. To pay taxes and other charges, if any, on or against property owned, accepted, or maintained by the Association.

H. To borrow money and, from time to time, to make, accept, endorse, execute and issue debentures, promissory notes or other obligations of the Association for monies borrowed, or in payment for property acquired, or for any of the other purposes of the Association, and to secure the payment of such obligations by mortgage, pledge, or other instrument of trust, or by lien upon, assignment of or agreement in regard to all or any part of the property rights or privileges of the Association wherever situated.

I. To merge with any other association which may perform similar functions located within the same general vicinity of the Property.

J. In general, to have all powers conferred upon a corporation by the laws of the State of Florida, except as prohibited herein and by the terms and conditions set forth in the Declaration.

V. MEMBERSHIP AND VOTING.

A. There shall be one class of members in the Association, which shall consist only of persons owning real property in the Deerwood subdivisions, and each such person, upon acquisition

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of title to such real property, automatically shall become a Member of the Association. Where two or more persons are joint owners of such real property, one, and only one of such persons, who shall be designated by all of such joint owners, shall become such Member. Where a corporation owns such real property, one, and only one of its stockholders, to be designated by its stockholders, shall become such Member. Whenever a Member shall cease to own real property in one of the Deerwood subdivisions or shall cease to own stock in a corporation that owns real property therein, the membership of such Member automatically shall terminate without action by the Association.

B. All Members shall be entitled to vote for the election of directors of the Association and upon any other matters that require a permit a vote of the Members, and each Member shall be entitled to one (1) vote.

C. The affirmative vote of the majority of the Members present at a duly called meeting of the Members at which a quorum is present, or cast by written ballot of a quorum of the Membership, shall be binding on the Members and on the Association.

VI. ASSESSMENTS.

The Association will obtain funds with which to operate by assessment of its Members in accordance with the provisions of the Declaration, as supplemented by the provisions of the Articles and Bylaws of the Association relating thereto.

VII. BOARD OF DIRECTORS.

A. The affairs of the Association shall be managed by a Board of Directors consisting of eleven (11) Directors who shall be Members of the Association. Directors shall be elected by the Members of an annual meeting of the Members or at such other time as may be specified in the Bylaws. Each District (as described below) within Deerwood shall be entitled to elect one Director by majority vote among its residents from at least two nominees, and the remaining number of Directors shall be elected at-large by majority vote of all Members. A District for these purposes shall mean the districts labeled District 1 through District 8 on the map of Deerwood attached hereto as Exhibit A.

B. Elections shall be by majority vote. In the event more than two candidates run for any single position on the Board of Directors, the candidates shall be elected using an instant runoff procedure. For each Director for which a Member is entitled to vote, such Member shall vote for a first choice candidate, a second choice candidate, and a third choice candidate. In the event that no single candidate receives a majority of first choice votes, an instant runoff shall be held as follows:

- (1) the candidate receiving the lowest percentage of first choice votes shall be eliminated;
- (2) the second choice votes of Members voting for the eliminated candidate as their first choice shall then be allocated to the remaining candidates and added to the first place votes for such remaining candidates. For the purposes of this instant runoff procedure,

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the second choice votes of such Members shall then be deemed their first choice votes, and the third choice votes of such Members shall then be deemed their second choice votes;

- (3) in the event that the allocation of the second choice votes of Members whose first choice candidate has been eliminated results in any single candidate receiving a majority vote, that candidate shall be elected to the Board of Directors;
- (4) in the event that that allocation of the second choice votes of Members whose first choice candidate has been eliminated does not result in any single candidate receiving a majority vote, the candidate receiving the lowest percentage of votes following such allocation shall be eliminated, and the second choice votes of Members voting for that eliminated candidate shall then be allocated to the remaining candidates and added to the first choice votes for such candidates in addition to the votes previously allocated to such candidates pursuant to subsection (2) above;
- (5) this instant run-off procedure shall be repeated until a majority of votes have been allocated to a single candidate, and that candidate shall be elected to the Board of Directors;
- (6) in the event that this instant runoff procedures fails to result in any single candidate receiving a majority vote, the then elected Board shall appoint one candidate to the Board of Directors from the candidates who have not been eliminated from the election by the instant runoff procedure set forth above.

VIII. OFFICERS.

A. The Officers of the Association, who shall manage its affairs under the direction of Board of Directors, shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time elect or appoint. Any two (2) or more offices, may be held by the same person except the offices of President and Secretary. Officers shall be elected for one (1) year terms in accordance with the procedure set forth in the Bylaws.

IX. CORPORATE EXISTENCE.

The Association shall have perpetual existence.

X. BYLAWS.

The Members shall adopt Bylaws consistent with these Articles. Such Bylaws may be altered, amended, or repealed by a vote of a majority of the Members present at a meeting thereof at which a quorum is present.

XI. AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS.

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Amendments to these Articles may be proposed and adopted as follows: Every amendment shall first be proposed by the Board of Directors and shall then be approved by a majority of the Members present at any meeting thereof at which a quorum is present. Each approved amendment shall include a recital that it has been approved by the Members, shall be executed and acknowledged by the President or Vice President, and shall be filed in accordance with law. St. Johns River Water Management District must approve any amendments as to any matters pertaining to the Surface Water or Stormwater Management System.

XII. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

A. To the extent allowed by law, the Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

1. Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity as a Director or officer of the Association or as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable grounds for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or a plea of ~~nolo contendere~~ or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interest of the Association or that he had reasonable grounds for belief that such action was unlawful.

2. By or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Director or officer of the Association, or by reason of his being or having been a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein if such person acted in good faith in the reasonable belief that such action was in the best interest of the Association. Such person shall not be entitled to indemnification in relation to matters to which such person has been adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association unless, and only to the extent that, the court, administrative agency, or investigative body before which such action, suit or proceeding is held shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

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B. The Board of Directors shall determine whether amounts for which a Director or officer seek indemnification were properly incurred and whether such Director or officer acted in good faith in a manner he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.

C. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

XIII. TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED.

A. No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or in which they have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose. All such contracts or transactions shall, however, be fair and reasonable and upon terms reasonably comparable to those which could be obtained in arms-length transactions with unrelated entities. No Director or Officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

XIV. DISSOLUTION OF THE ASSOCIATION.

A. Upon dissolution of the Association, all of its assets remaining after provisions for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

1. Dedication to any applicable municipal or other governmental authority of any property determined by the Board of Directors of the Association to be appropriate for such dedication and which the authority is willing to accept.

2. If no municipal or governmental authority will accept such dedication, the assets shall be distributed among the Members, subject to the limitation set forth below, each Member's share of the assets to be determined by multiplying such remaining assets by a fraction the numerator of which is all amounts assessed by the Association since its organization against the portion of Property which is owned by the Member at that time, and the denominator of which is the total amount (excluding penalties and interest) assessed by the Association against all properties

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which at the time of dissolution are part of the Property. The year of dissolution shall count as a whole year for purposes of the preceding fractions.

B. The Association may be dissolved upon a resolution to that effect being approved by a majority of the Board of Directors and by two-thirds (2/3) of the Members. In the event of incorporation by annexation or otherwise, of all or part of the Property by a political subdivision of the State of Florida, the Association may be dissolved in the manner set forth above.

C. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., or any similar rule, and such entity must be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

XV. MERGERS AND CONSOLIDATIONS.

Subject to the provisions of the Declaration applicable to the Property and to the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall be approved in the manner provided by Chapter 617, Florida Statutes as the same may be amended from time to time. For purposes of any vote of the Members required pursuant to said statutes, for so long as the Developer shall own any portion of the Property, any such merger or consolidation shall require the Developer's prior approval.

These amended and restated Articles of Incorporation shall completely amend and supercede the Articles of Incorporation previously on file with the Secretary of State of Florida and any amendments thereto.

IN WITNESS WHEREOF, the Association has executed these Articles of Amendment to Articles of Incorporation effective the date first above written.

**THE DEERWOOD IMPROVEMENT ASSOCIATION,
INC., a Florida nonprofit corporation**

By:



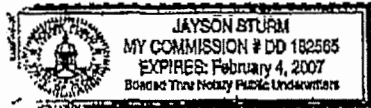
Thomas O. McConnell
President

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STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 21th day of December, 2004, by Thomas O. McConnell, as President of The Deerwood Improvement Association, Inc., a Florida nonprofit corporation, on behalf of the corporation.



Jayson Sturm
(Print Name Jayson Sturm)
NOTARY PUBLIC
State of Florida at Large
Commission # DD 182565
My Commission Expires: Feb 4, 2007

Personally Known _____
or Produced I.D. ✓
[check one of the above]

Type of Identification Produced
Florida Drivers License

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