



Cape Shores

ASSOCIATION, INC.

6701 North Atlantic Avenue
Cape Canaveral, Florida 32920
Telephone (305)783-5742

AN ADULT WATERFRONT CONDOMINIUM

September 28, 1978

TO: ALL MEMBERS OF THE CAPE SHORES ASSOCIATION, INC.

The acquisition of the lease for Cape Shores Recreation Facilities has been completed.

The following documents pertaining to this action are attached hereto:

1. Assignment of lease to Cape Shores Facilities, Inc.
2. Assignment of 50% of lease which was originally conveyed to United National Bank by Jack C. and Charlotte Moline back to aforementioned lessors by the bank.
3. Amendment of long term lease to reduce the term from 99 years to 20 years and to eliminate the cost of living escalation clause.
4. Articles of Incorporation for Cape Shores Facilities, Inc. This is a corporation established to administer the purchase of the recreation lease.
5. By-Laws of Cape Shores Facilities, Inc.

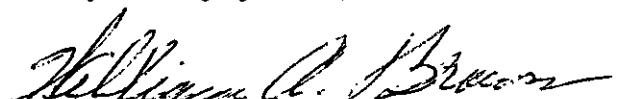
These actions effectively transfer the ownership of the Cape Shores Association, Inc. Recreation Lease to Cape Shores Facilities, Inc., a corporation fully owned and controlled by Cape Shores Association, Inc.

Cape Shores Facilities, Inc., has purchased the lease from Jack C. and Charlotte Moline and Glen J. and Evelyn Schoessow for the sum of \$376,114.52 secured by mortgages to the mortgagees for a period of 20 years commencing 1 May 1978.

Payment terms are as follows:

- a. Installment payments over a 20 year period at the rate of \$18.00 per month for a 2 bedroom unit and \$12.60 for a 1 bedroom unit. This amount is presently included in the monthly maintenance fee and required no change.
- b. Prepayment of \$2,000.00 for a 2 bedroom unit and \$1,400.00 for a 1 bedroom unit. Principal payments made under the installment plan will be credited at time of prepayment. This option is not available at present, pending a ruling by Internal Revenue Service.

Very truly yours,


William A. Brown, President
Cape Shores Association, Inc.
Cape Shores Facilities, Inc.

SFD:amv

Enclosures: As noted

ARTICLES OF INCORPORATION
OF
CAPE SHORES FACILITIES, INC.

APPROVED
AND
FILED
FEB 16 8 16 AM 1978
FLORIDA DEPT. OF STATE
CORPORATIONS DIVISION
TALLAHASSEE, FLORIDA

ARTICLE I.

The name of the Corporation is Cape Shores Facilities, Inc.

ARTICLE II.

This Corporation shall have perpetual existence.

ARTICLE III.

This Corporation is organized for the purpose of conducting, maintaining, owning and operating the recreational and lease facilities located at the Cape Shores Condominium Complex, Cape Canaveral, County of Brevard, State of Florida, and to do all things incidental and necessary to the ownership of such facilities, including the amortization of obligations secured thereby and the collection of income for utilization thereof.

ARTICLE IV.

This Corporation is authorized to issue one thousand shares at \$5.00 par value common stock.

ARTICLE V.

The street address of the initial registered office of this Corporation is Suite 201, 101 South Courtenay Parkway, Merritt Island, Florida 32952 and the name of the initial registered agent of this Corporation at that address is Leonard Spielvogel.

ARTICLE VI.

This Corporation shall have three Directors initially. The number of Directors may be either increased or diminished from time to time by the By-Laws, but shall never be less than one. The names and addresses of the initial Directors of this Corporation are:

LEONARD SPIELVOGEL Suite 201, 101 South Courtenay Parkway
Merritt Island, Florida 32952

JAMES I. KNUDSON Suite 201, 101 South Courtenay Parkway
Merritt Island, Florida 32952

DIANE GUTHRIE Suite 201, 101 South Courtenay Parkway
Merritt Island, Florida 32952

ARTICLE VII.

The name and address of the person signing these Articles is LEONARD SPIELVOGEL, Suite 201, 101 South Courtenay Parkway, Merritt Island, Florida 32952.

ARTICLE VIII.

The following additional provisions for the regulation of the business and for the conduct of the affairs of the Corporation and creating, dividing, limiting, and regulating the powers of the Corporation, its Stockholders and Directors, are hereby adopted as a part of these Articles of Incorporation, to-wit:

a. The Board of Directors from time to time shall determine whether and to what extent, and at which time and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to the inspection of the Stockholders, and no Stockholder shall have any right to inspect any account or document of the Corporation, except as conferred by a statute or authorized by the Board of Directors, or by resolution of the Stockholders.

b. No person shall be required to own, hold or control stock in the Corporation as a condition precedent to holding an office in this Corporation.

c. The Directors may prescribe a method or methods for replacement of lost certificates and prescribe reasonable conditions by way of security for the issue of new certificates therefor.

d. No contract or other transaction between the Corporation and any other corporation, in the absence of fraud, shall be affected or invalidated by the fact that any one

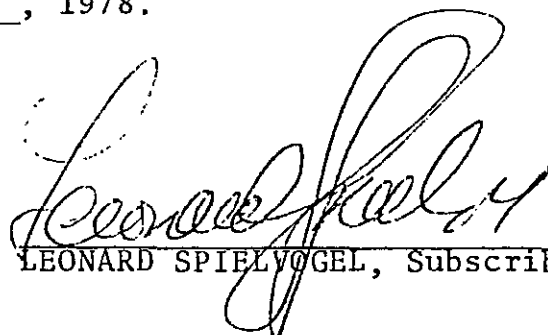
or more of the Directors of the Corporation is or are interested in, or is a director or officer, or are directors or officers of such other corporation, and any Director or Directors, individually or jointly, may be a party or parties to, or may be interested in, any such contract or transaction of the Corporation or in which the Corporation is interested, and each and every person who may become a Director of the Corporation is hereby relieved from any liability that might otherwise exist from his contracting with the Corporation for the benefit of himself or any firm, association or corporation in which he may be in anywise interested. Any Director of the Corporation may vote upon any contract or other transaction between the Corporation and any subsidiary or controlled company without regard to the fact that he also is a director of such subsidiary or controlled company.

e. The Corporation shall indemnify any Officer or Director, or any former Officer or Director, to the full extent permitted by law.

ARTICLE IX.

This Corporation reserves the right to amend or repeal any provision contained in these Articles of Incorporation, or any amendment hereto, and any right conferred upon the Stockholders is subject to this reservation. (to be in effect from April 1, 1978)

IN WITNESS WHEREOF, the undersigned Subscriber has executed these Articles of Incorporation this 9th day of February, 1978.

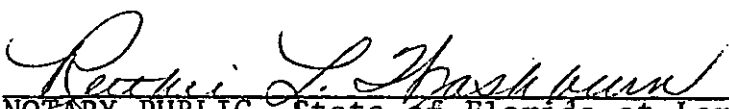

LEONARD SPIELVOGEL, Subscriber

(Seal)

STATE OF FLORIDA
COUNTY OF BREVARD

Before me, a Notary Public authorized to take acknowledgements in the State and County set forth above, personally appeared Leonard Spielvogel, known to me and known by me to be the person who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the State and County aforesaid, this 9th day of February, 1978.


NOTARY PUBLIC, State of Florida at Large

My COMMISSION EXPIRES:

Notary Public, State of Florida at Large
My Commission Expires Nov. 23, 1981
Bonded By American Fire & Casualty Company

