

EXHIBIT "B"
ARTICLES OF INCORPORATION
OF

21531050

BOOK

401 MANAGEMENT INC.
(a corporation not for profit)

In order to form a corporation under and in accordance with the provisions of the laws of the State of Florida for the formation of corporations not for profit, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned, and to that end we do, by these articles of incorporation, set forth:

I.

The name of the corporation shall be 401 MANAGEMENT INC..

II.

The purposes and objects of the corporation shall be to administer the operation and management of a condominium to be established by GRIFFIN FUNDING CORPORATION, a Florida corporation, hereinafter called "Developer," the condominium apartment complex to be established in accordance with the laws of the State of Florida upon the following described property situate, lying and being in Volusia County, Florida, to-wit:

Lots 140 and 141, Assessor's Subdivision
of the Robert Walker Grant as shown on
map in Map Book 3, Page 150 of the Public
Records of Volusia County, Florida.

and to undertake the performance of the acts and duties incident to the administration of the operation and management of said condominium in accordance with the terms, provisions, conditions and authorizations contained in these articles and which may be contained in the Declaration of Condominium which will be recorded in the public records of Volusia County, Florida, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a plan of condominium ownership; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said condominium. The corporation shall be conducted as a non-profit organization for the benefit of its members.

III.

The corporation shall have the following powers:

1. All of the powers and privileges granted to corporations not for profit under the law pursuant to which this corporation is chartered, and

all of the powers and privileges which may be granted unto said corporation or exercised by it under any other applicable laws of the State of Florida including the Condominium Act, Chapter 718, of the Florida Statutes.

2. All of the powers reasonably necessary to implement and effectuate the purposes of the corporation, including but not limited to:

a. Making and establishing reasonable rules and regulations governing the use of apartment units and the common elements in the condominium as said terms may be defined in the Declaration of Condominium.

b. Levying and collecting assessments against members of the corporation to defray the common expenses of the condominium as may be provided in the Declaration of Condominium and in the Bylaws of this corporation which may hereafter be adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including the apartment units in the condominium, which may be necessary or convenient in the operation and management of the condominium and in accomplishing the purposes set forth in the Declaration of Condominium.

c. Maintaining, repairing, replacing, operating and managing the condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvements of the condominium property.

d. Contracting for the management of the condominium and delegating to such contractor all of the powers and duties of the association except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the corporation.

e. Enforcing the provisions of the Declaration of Condominium, these Articles of Incorporation, the Bylaws of the corporation which may be hereafter adopted, and the rules and regulations governing the use of the condominium as same may hereafter be established.

f. To now or hereafter acquire and enter into leases and agreements of every nature, to facilitate operation of the Condominium as permitted by law.

g. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the corporation pursuant to the Declaration of Condominium.

IV

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The owners of all apartment units in the condominium shall be members of the corporation, and no other persons or entities shall be entitled to membership, except as provided in Item 5 of this Article IV.

2. Membership shall be established by the acquisition of fee title to an apartment unit in the condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminatee upon his being divested of all title to or his entire fee ownership interest in any apartment unit except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more apartment units, or who may own a fee ownership interest in two or more apartment units, so long as such party shall retain title to or a fee ownership interest in any apartment unit.

3. The interest of a member in the funds and assets of the corporation shall belong solely to the corporation subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium and in the said Bylaws.

4. On all matters on which the membership shall be entitled to vote, there shall be only one vote for each apartment unit in the condominium, which vote may be exercised or cast by the owner or owners of each apartment unit in such manner as may be provided in the Bylaws hereafter adopted. Should any member own more than one apartment unit, such members shall be entitled to exercise or cast as many votes as he owns apartment units, in the manner provided by said Bylaws.

5. Until such time as the property described in Article II hereof is submitted to a plan of condominium ownership by the recordation of said Declaration of Condominium, the membership of the corporation shall be

comprised of the subscribers of these Articles, each of which subscribers shall be entitled to cast one vote on all matters on which that membership shall be entitled to vote.

V

The corporation shall have perpetual existence.

VI

The principal office of the corporation shall be located at 401 N. Atlantic Avenue, New Smyrna Beach, Florida, but the corporation may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

VII

The affairs of the corporation shall be administered by the President of the corporation assisted by the Vice President, Secretary/Treasurer if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President, with the approval of the Board of Directors, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the condominium, and the affairs of the corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the corporation or a director or officer of the corporation.

VIII

The affairs of the corporation shall be managed by the Board of Directors. The number of members of the first Board of Directors of the corporation shall be three. The number of members of succeeding Boards of Directors shall be as provided from time to time by the Bylaws of the corporation. The members of the Board of Directors shall be elected by the members of the corporation at the annual meeting of the membership as provided by the Bylaws of the corporation, and at least a majority of the Board of Directors shall be members of the corporation or shall be authorized representatives, officers or employees of a corporate member of this corporation. Notwithstanding the foregoing, the first election of directors will not be

held until after the Developer has closed the sales of 90 percent of the condominium established by it upon the lands described in Article II hereof, unless an earlier date is required by law, or until it elects to terminate its control of the Association, whichever first occurs. The directors named in these Articles will serve until the first election of directors and any vacancies in their number occurring before the first election will be filled by the remaining directors.

IX

The Board of Directors shall elect a President, Vice President and Secretary/Treasurer, and as many additional Vice Presidents and Assistant Secretary/Treasurers as the Board of Directors shall determine. The President shall be elected from among the membership of the Board of Directors, but no other officer needs to be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of the President and Vice President shall not be held by the same person, nor shall the office of President and Secretary/Treasurer or Assistant Secretary/Treasurer be held by the same person.

X

The names and addresses of the First Board of Directors, who, subject to the provisions of these Articles, the Bylaws, and the laws of the State of Florida, shall hold office for the first year of the corporation's existence, or until their successors are elected and have qualified, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
LONNIE GRIFFIN	921 Pace Avenue Maitland, Florida 32069
ERIC WILCOX	8918 Tesoro Drive San Antonio, Texas 78217
HARRY APGAR	Post Office Box 3010 DeLand, Florida 32720

IX

The names and residences of the subscribers to these Articles of

Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
GRIFFIN FUNDING, INC.	401-N. Atlantic Avenue New Smyrna Beach, Florida 32069

XII

The officers of the corporation who shall serve until the first election under these Articles shall be the following:

PRESIDENT

VICE PRESIDENT

SECRETARY/TREASURER

XIII

The original Bylaws of the corporation shall be adopted by the Board of Directors, and thereafter, such Bylaws may be altered or rescinded only in such manner as said Bylaws may provide.

XIV

Every Director and every Officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the corporation, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of wilful misfeasance or malfeasance in the performance of his duties; provided, that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights which such Director or Officer may be entitled.

XV

An amendment or amendments to these Articles of Incorporation may

be proposed by the Board of Directors of the corporation acting upon a vote of the majority of the Directors, or by the members of the corporation owning a majority of the apartment units in the condominium, whether meeting as members or by instrument in writing signed by them.² Upon any amendment or amendments to these Articles being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the corporation or other officer of the corporation in the absence of the President, who shall thereupon call a special meeting of the members of the corporation for a date not sooner than twenty(20) days nor later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting, stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten (10) days nor more than thirty (30) days before the date set for such meeting.³ If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail, addressed to the member at his post office address as it appears on the records of the corporation, the postage thereon prepaid.⁴ Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the corporation, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member.⁵ At such meeting the amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than 75% of the apartment units in the condominium in order for such amendment or amendments to become effective.⁶ Thereupon, such amendment or amendments of these Articles shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State of Florida; and upon registration of such amendment or amendments with said Secretary of State, a certified copy thereof shall be recorded in the public records of Volusia County, Florida, within ten (10) days from the date on which the same are so registered. At any meeting held to consider such

SEE
ATTACHED

amendment or amendments of these Articles, the written vote of any member of the corporation shall be recognized, if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the corporation at or prior to such meeting. Notwithstanding the foregoing provisions of this Article XV, no amendment to these Articles which shall abridge, amend or alter the right of 401 MANAGEMENT, INC., to designate and select members of each Board of Directors of the corporation, as provided in Article VII hereof, may be adopted or become effective without the prior written consent of 401 MANAGEMENT, INC.

XVI

The name of the Resident Agent of this corporation and his address is as follows:

HARRY APCAR
Post Office Box 3010
DeLand, Florida 32720

IN WITNESS WHEREOF, the subscribers have hereunto set their hands and seals this _____ day of _____, 19____.

Griffin Funding, Inc. (SEAL)

(SEAL)

(SEAL)

STATE OF FLORIDA)
COUNTY OF VOLUSIA)

BEFORE ME, the undersigned authority, personally appeared
Lonnie Griffin, President, and _____
who, being by me first duly sworn, acknowledged that they executed the foregoing
Articles of Incorporation for the purposes therein expressed on this _____
day of _____, 19____.

Notary Public

My commission Expires:

CHANGE

21531058

BOOK PAGE

STATE OF FLORIDA)
)
)
COUNTY OF VOLUSIA)

BEFORE ME, the undersigned authority, personally appeared

_____ who, being by me first duly sworn,
acknowledged that _____ executed the foregoing Articles of Incorporation
for the purposes therein expressed on this _____ day of _____,
19____.

Notary Public

My commission Expires:

CHANGES TO THE ARTICLES OF INCORPORATION OF WATERMARK CONDOMINIUM a/k/a
401 MANAGEMENT, INC., ADOPTED BY VOTE OF THE MEMBERSHIP AT THE ANNUAL
MEETING OCTOBER 25, 1992.

BOOK 2153 PAGES 1049 thru 1058

7. PAGE 1056 (7), SECTION XV, SENTENCE 5 - CHANGE TO READ:

"AT SUCH MEETING THE AMENDMENT OR AMENDMENTS PROPOSED MUST BE APPROVED
BY AN AFFIRMATIVE VOTE OF THE MEMBERS OWNING NO LESS THAN 2/3'S OF THE
CONDOMINIUMS IN ORDER FOR SUCH AMENDMENT(S) TO BECOME EFFECTIVE."
(TO CONFORM WITH REQUIREMENTS OF THE BYLAWS AND DECLARATION.)

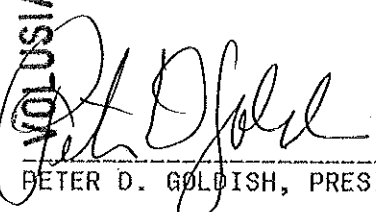
PAGE


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VOLUSIA CO., FL

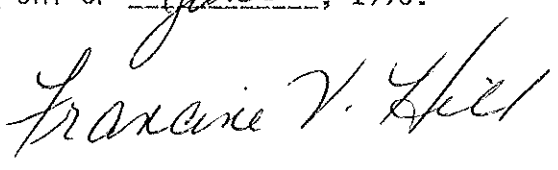

PETER D. GOLDISH, PRESIDENT


JEANETTE CORDELL, SECRETARY

SWORN TO AND SUBSCRIBED BEFORE ME THIS 23 DAY OF June, 1993.



"OFFICIAL SEAL"
Francine V. Hill
My Commission Expires 12/30/98
Commission #CC 249307



087078

Changes to the Articles of Incorporation of Watermark Condominium a/k/a/ 401 Management, Inc., adopted by vote of the membership at the Annual Meeting, October 7, 2001.

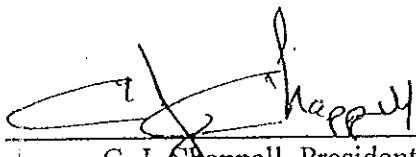
Book 2153 PAGES 1049 through 1058

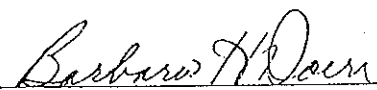
Page 1057, Page 8, Section XVI, Change first sentence to read:

~~The name of the~~ Resident Agent of this Corporation and his address is as follows:

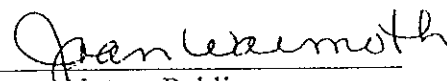
~~HARRY APGAR~~
~~Post Office Box 3010~~
~~Deland, Florida 32720~~

President, 401 Management, Inc.
% Resident Manager
401 North Atlantic Avenue
New Smyrna Beach, Florida, 32169


C. J. Chappell, President


Barbara H. Doerr, Secretary

Sworn to and subscribed before me this 13 day of October, 2001


Notary Public

JOAN WARMOTH
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION # CC906332
EXPIRES 12/31/2004
BONDED THRU 1-888-NOTARY1