

Exhibit "B"
Articles of Incorporation

Unofficial Copy

State of Florida



Department of State

I certify from the records of this office that AVALON AT LEHIGH WOODS HOMEOWNERS' ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on March 23, 2006.

The document number of this corporation is N06000003289.

I further certify that said corporation has paid all fees due this office through December 31, 2006, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 406A00020211-032406-N06000003289-1/1, noted below.

Authentication Code: 406A00020211-032406-N06000003289-1/1

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Twenty-fourth day of March, 2006



Sue M. Cobb
Sue M. Cobb
Secretary of State



March 24, 2006

FLORIDA DEPARTMENT OF STATE
Division of Corporations

AVALON AT LEHIGH WOODS HOMEOWNERS' ASSOCIATION, INC.
735 FENTRESS ROAD
DAYTONA BEACH, FL 32202-5017

The Articles of Incorporation for AVALON AT LEHIGH WOODS HOMEOWNERS' ASSOCIATION, INC. were filed on March 23, 2006, and assigned document number N06000003289. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H06000077398.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file/effective date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4 or by going to their website at www.irs.ustreas.gov.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Tim Burch
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 406A00020211

P.O BOX 6327 - Tallahassee, Florida 32314

Confirmation Report - Memory Send

Page : 001
Date & Time: Mar-23-06 10:13am
Line 1 : 407 648 1743
Line 2 :
Machine ID : Foley & Lardner

Job number : 103
Date : Mar-23 10:09am
To : 4563#048857#0106#18502050381#
Number of pages : 008
Start time : Mar-23 10:09am
End time : Mar-23 10:13am
Pages sent : 008
Status : OK

Job number : 103
Division of Corporations

*** SEND SUCCESSFUL ***

Page 1 of 1

Florida Department of State
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To: Division of Corporations
Fax Number : (850) 205-0381
From: Account Name : FOLEY & LARDNER
Account Number : 119980000047
Phone : (407) 423-7656
Fax Number : (407) 648-1743

FLORIDA PROFIT/NON PROFIT CORPORATION

Avalon at Lehigh Woods Homeowners' Association, Inc.

Certificate of Status	1
Certified Copy	0
Page Count	07
Estimated Charge	\$78.75

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Document prepared by: Carol Borglum
(4563)
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No. of Pages 8

3/23/2006

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Division of Corporations
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ARTICLES OF INCORPORATION

OF

AVALON AT LEHIGH WOODS HOMEOWNERS' ASSOCIATION, INC.

In compliance with the requirements of Florida Statutes, the undersigned, all of whom are residents of the State of Florida and this day voluntarily associated themselves together for the purpose of forming a corporation, not for profit, and do hereby certify:

ARTICLE I

The name of the corporation is AVALON AT LEHIGH WOODS HOMEOWNERS' ASSOCIATION, INC. (hereafter called the "Association").

ARTICLE II

The principal office of the Association is located at 735 Fentress Road, Daytona Beach, Florida 32114.

ARTICLE III

F&L CORP., a Wisconsin corporation, whose address is Suite 1300, One Independent Drive, Jacksonville, FL 32202-5017, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

DEFINITIONS

Unless otherwise provided herein to the contrary, all terms and words utilized herein shall be as defined in that certain Declaration of Conditions, Covenants, Easements and Restrictions for Avalon at Lehigh Woods recorded or to be recorded in the Public Records of Flagler County, Florida (the "Declaration").

ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the area within that certain tract of land more particularly described in the Declaration and to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own hold improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3) vote of Members (with no distinction between classes), mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes; and

(f) Have and exercise any and all powers, rights and privileges which a corporation organized under the nonprofit corporation law of the State of Florida by law may now or hereafter have or exercise.

ARTICLE VI

MEMBERSHIP

Every Owner of a Lot which is subject to assessment by the Association, including contract sellers, and any other person or entity obligated by the Governing Documents to pay an assessment or amenity fee shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII

MEETING OF MEMBERS; QUORUM REQUIREMENTS

The presence at any meeting of Members entitled to cast or of proxies entitled to cast thirty percent (30%) of the votes shall constitute a quorum for any action except as otherwise provided in these Articles of Incorporation, the Declaration or the Bylaws.

ARTICLE VIII

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A Membership shall be all the Owners of Lots with the exception of the Declarant, and any other person or entity obligated under the Governing Documents to pay assessments or amenity fees. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised only by that one person who is Entitled To Vote. In no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to fifteen (15) votes for each Lot owned by the Class B Member. All voting rights of Class B Membership shall be freely transferable, subject to this Declaration, to third parties. The Class B membership shall cease and terminate upon the earlier to occur of the following: (i) ten (10) years from the date of the recording of the Declaration; (ii) at such time when the votes outstanding in the Class A Membership equal seventy-five percent (75%) of the total votes outstanding in the Class B Membership; (iii) three months after 90% of the Lots have been conveyed to Owners; or (iv) sooner at the election of the Declarant (but only if KB HOME ORLANDO, LLC consents in writing to the transfer during any period of time during which KB HOME ORLANDO, LLC, is the holder of all or any portion of the Declarant's voting rights, which consent shall not be unreasonably withheld). Upon the happening of any of these events, Declarant shall call a special meeting of the Association to advise of the termination of Class "B" membership. From and after the happening of these events, whichever occurs earlier, the Class B members shall be deemed Class A members entitled to one (1) vote for each Lot in which they hold the interest required for membership.

ARTICLE IX

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) directors ("Directors"), who need not be Members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

NAME	DIRECTORS
Robert Steinhoff	735 Fentress Blvd Daytona Beach, Florida 32114
Trace Hass	735 Fentress Blvd Daytona Beach, Florida 32114
Carl Hammond	735 Fentress Blvd Daytona Beach, Florida 32114

At the first annual meeting, the Members shall elect one Director for a term of one year, one Director for a term of two years, and one Director for a term of three years; and at each annual meeting thereafter the Members shall elect one Director for a term of three years.

ARTICLE X

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the Members (with no distinction between classes). 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. Notwithstanding the foregoing, the responsibility for the operation and maintenance of the surface water or stormwater management systems shall be transferred to an entity which would comply with the applicable provision of the Florida Administrative Code and be approved by the St. Johns River Water Management District prior to such dissolution.

ARTICLE XI

DURATION

The Association shall exist perpetually.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator is as follows:

Trace Hass, Director, Forward Planning, KB Home-Gold Coast LLC
735 Fentress Road
Daytona Beach, Florida 32114

ARTICLE XIII

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of all Members. Amendment of these Articles may be proposed by the Board of Directors and shall be voted on at a Special Meeting of the membership duly called for that purpose, or at an annual meeting of the membership; provided, however, the foregoing requirement as to a meeting of the membership shall not be construed to prevent the Members from waiving notice of a meeting; provided further, if Members (and/or persons holding valid proxies) with not less than seventy-five percent (75%) of the votes of the entire membership sign a written consent manifesting their intent that an Amendment to these Articles be adopted, then such Amendment

shall thereby be adopted as though proposed by the Board of Directors and voted on at a meeting of the membership as hereinabove provided.

ARTICLE XIV

BYLAWS

The Bylaws of this Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded by a majority vote of a quorum of all Members voting in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

ARTICLE XV

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XVI

INDEMNIFICATION

Subject to and consistent with the requirements and procedures for such indemnification under the applicable provisions of the Florida Statutes, the Association shall defend, indemnify and hold harmless 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, committee member or agent of the Association, from and against any and all liabilities, expenses (including attorneys' and paralegals' fees and for all stages prior to and in connection with any such action, suit or proceeding, including all appellate proceedings), judgments, fines and amounts paid in settlement as long as actually and reasonably incurred by him in connection with such action, suit or proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe this conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceedings 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 and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and

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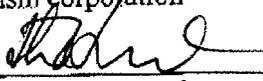
**ACCEPTANCE OF APPOINTMENT
BY INITIAL REGISTERED AGENT**

THE UNDERSIGNED, having been named in Article III of the foregoing Articles of Incorporation as initial Registered Agent at the office designated therein, hereby accepts such appointment and agrees to act in such capacity. The undersigned hereby states that it is familiar with, and hereby accepts, the obligations set forth in Section 607.0505, Florida Statutes, and the undersigned will further comply with any other provisions of law made applicable to it as Registered Agent of the corporation.

DATED, this 23 day of March, 2006.

REGISTERED AGENT:

F & L CORP.
a Wisconsin corporation

By: 
John A. Sanders,
As Agent and Authorized Signator

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