

## NOTICE

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Coventry H.O.A

DECLARATION OF COVENANTS AND RESTRICTIONS

OF

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ROYAL RIDGE

THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF ROYAL RIDGE is made this 17th day of August, 1989, by ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation ("DECLARANT").

DECLARANT owns a portion the property described herein, and is the contract vendee of the remaining portion of the property described herein. DECLARANT intends to develop the property as a residential community. The purpose of this DECLARATION is to provide various use and maintenance requirements and restrictions in the best interest of the future owners of dwellings within the property, to protect and preserve the values of the property. This DECLARATION will also establish an association which will own, operate and/or maintain various portions of the property and improvements constructed within the property, and will be given various other rights and responsibilities. The expenses of the association will be shared by the owners of the property, who will be members of the association.

NOW, THEREFORE, DECLARANT hereby declares that the SUBJECT PROPERTY, as herein defined, shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens and charges set forth herein, all of which are created in the best interest of the owners and residents of the SUBJECT PROPERTY, and which shall run with the SUBJECT PROPERTY and shall be binding upon all persons having and/or acquiring any right, title or interest in the SUBJECT PROPERTY or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the SUBJECT PROPERTY, or any portion thereof.

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1. DEFINITIONS. The terms used in this DECLARATION, and in the ARTICLES and the BYLAWS, shall have the following meanings, unless the context otherwise requires:

1.1. ADJACENT PROPERTY means that certain property more particularly described on Exhibit "D" attached hereto.

1.2. APPROVING PARTY means DECLARANT, so long as DECLARANT owns any LOT or until DECLARANT assigns its rights as the APPROVING PARTY to the ASSOCIATION, and thereafter means the ASSOCIATION. DECLARANT reserves the right to assign its rights as the APPROVING PARTY to the ASSOCIATION in whole or in part. Notwithstanding the foregoing, DECLARANT, and not the ASSOCIATION, shall be the APPROVING PARTY with respect to the initial construction of any improvements within the SUBJECT PROPERTY by any builder or developer.

1.3. ARTICLES means the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.

1.4. ASSESSMENT means the amount of money which may be assessed against an OWNER for the payment of the OWNER's share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the ASSOCIATION as provided by this DECLARATION, the ARTICLES or the BYLAWS.

1.5. ASSOCIATION means the corporation established pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.6. BOARD means the Board of Directors of the ASSOCIATION.

1.7. BYLAWS means the Bylaws of the ASSOCIATION, as same may be amended from time to time.

1.8. COMMON AREAS means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by the ASSOCIATION or which is declared to be a COMMON AREA by this DECLARATION. COMMON AREAS may include, but are not limited to, parks, open areas, lakes, recreational facilities, private roads and entranceways, parking areas and other similar

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properties, provided that the foregoing shall not be deemed a representation or warranty that any or all of the foregoing types of COMMON AREAS will be provided.

1.9. COMMON EXPENSES means all expenses of any kind or nature whatsoever incurred by the ASSOCIATION, including, but not limited to, the following:

1.10. Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the COMMON AREAS, or any other property to be maintained by the ASSOCIATION as provided in this DECLARATION, including, but not limited to, utilities, taxes, assessments, insurance, operation, maintenance, repairs, improvements and alterations.

1.10.1 Expenses of obtaining, repairing or replacing personal property in connection with any COMMON AREA or the performance of the ASSOCIATIONS's duties.

1.10.2. Expenses incurred in connection with the administration and management of the ASSOCIATION.

1.10.3. Common water, sewer, trash removal and other common utility, governmental, or similar services for the UNITS which are not separately metered or charged to the OWNERS, or which the ASSOCIATION determines to pay in common in the best interest of the OWNERS.

1.10.4. Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION, or by the ARTICLES or BYLAWS.

1.10.5. Any amounts payable by the ASSOCIATION to any governmental authority.

1.10.6. Assessments and other expenses due the MASTER ASSOCIATION in accordance with the terms and conditions of the MASTER DECLARATION.

1.11. COMMON SURPLUS means the excess of all receipts of the ASSOCIATION over the amount of the COMMON EXPENSES.

1.12. DECLARANT means ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation, or any PERSON who may subsequent to the date hereof be assigned the rights of DECLARANT pursuant to a written assignment executed by the then present DECLARANT recorded in the public records of the county in which the SUBJECT PROPERTY is located. In addition, BUCKHEAD, INC., a Florida corporation, its successors and assigns (hereinafter collectively "BUCKHEAD") may, subsequent to the date hereof, declare itself the sole DECLARANT in the manner more particularly set forth in the Joinder of BUCKHEAD attached hereto. In addition, in the event any PERSON subsequent to the date hereof, obtains title to all the SUBJECT PROPERTY then owned by DECLARANT as a result of the foreclosure of any mortgage or deed in lieu thereof, such PERSON may elect to become the DECLARANT by a written election recorded in the public records of the county in which the SUBJECT PROPERTY is located, and regardless of the exercise of such election, such PERSON may appoint as DECLARANT any third party who acquires title to all or any portion of the SUBJECT PROPERTY by written appointment recorded in the public records of the county in which the SUBJECT PROPERTY is located. In any event, any subsequent DECLARANT shall not be liable for any actions or defaults of, or any obligations incurred by any prior DECLARANT, except as same may be expressly assumed in writing by the subsequent DECLARANT.

1.13. DECLARATION means this document as it may be amended from time to time.

1.14. IMPROVEMENT means any building, fence, wall, patio area, driveway, walkway, landscaping, antenna, sign, mailbox, pool, or other structure or improvement which is constructed, made, installed, placed or developed within or upon, or removed from, any LOT or any change, alteration, addition or removal of any such structure or improvement other than normal maintenance and repair which does not materially alter or change the exterior appearance, condition and color of same.

1.15. INSTITUTIONAL LENDER means the holder of a mortgage encumbering a LOT or LOTS, which holder in the ordinary course of business makes, purchases,

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guarantees, or insures mortgage loans, and which is not owned or controlled by the OWNER of the LOT or LOTS encumbered. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender. For definitional purposes only, an INSTITUTIONAL LENDER shall also mean the holder of any mortgage executed by or in favor of DECLARANT, or which encumbers any portion of the SUBJECT PROPERTY which is owned by DECLARANT, whether or not such holder would otherwise be considered an INSTITUTIONAL LENDER, and notwithstanding anything contained herein to the contrary, the holder of any such mortgage shall be entitled to all rights and protections granted to first mortgages hereunder, whether or not such mortgage is a first mortgage.

1.16. LOT means any platted lot within the SUBJECT PROPERTY, or any other parcel of land located within the SUBJECT PROPERTY, which has been or is intended to be conveyed by DECLARANT to an OWNER and which contains or could contain a UNIT, and shall include any UNIT constructed upon the LOT.

1.17. MASTER ASSOCIATION means ROYAL LAND MASTER ASSOCIATION, INC., a Florida not-for-profit corporation.

1.18. MASTER DECLARATION means the MASTER DECLARATION OF COVENANTS AND RESTRICTIONS for ROYAL LAND dated November 15, 1988 and recorded November 16, 1988 at Official Records Book, 15961, Page 248 of the Public Records of Broward County, Florida as amended by FIRST AMENDMENT TO MASTER DECLARATION OF COVENANTS AND RESTRICTIONS FOR ROYAL LAND dated May 2, 1989, recorded July 21, 1989 in Official Records Book 16617, Page 603, of the Public Records of Broward County, Florida together with all exhibits and attachments thereto and rules and regulations promulgated pursuant thereto, as same may be amended from time to time.

1.19. OWNER means the record owner(s) of the fee title to a LOT.

1.20. PERSON means an individual, corporation, partnership, trust or any other legal entity.

1.21. SUBJECT PROPERTY means all of the property subject to this DECLARATION from time to time, which as of the execution of this DECLARATION is the property described in Exhibit "A" attached hereto, and includes any property that is hereafter withdrawn from this DECLARATION, by an amendment.

1.22. UNIT means the residential dwelling constructed upon a LOT.

2. ASSOCIATION. In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the ASSOCIATION has been organized under the Laws of the State of Florida.

2.1. ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "B." No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

2.2. BYLAWS. A copy of the BYLAWS is attached as Exhibit "C." No amendment to the BYLAWS shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

2.3. Powers of the ASSOCIATION. The ASSOCIATION shall have all of the powers indicated or incidental to those contained in its ARTICLES and BYLAWS. In addition, the ASSOCIATION shall have the power to enforce this DECLARATION and shall have all of the powers granted to it by this DECLARATION. By this DECLARATION, the SUBJECT PROPERTY is hereby submitted to the jurisdiction of the ASSOCIATION.

2.4. Approval or Disapproval of Matters. Whenever the approval, consent, or decision of the OWNERS is required for any matter pursuant to this DECLARATION, the ARTICLES or the BYLAWS, such approval, consent, or decision shall be made by a majority of the votes of the OWNERS present in person or by

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proxy at a duly called meeting of the ASSOCIATION at which a quorum exists, in accordance with the ARTICLES and the BYLAWS, except for matters where a greater voting requirement is specified.

2.5. Acts of the ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES or BYLAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of the OWNERS, and the BOARD may so approve an act through the proper officers of the ASSOCIATION without a specific resolution. When an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate, or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided in the contrary.

2.6. Management and Service Contracts. The ASSOCIATION shall have the right to contract for professional management or services on such terms and conditions as the BOARD deems desirable in its sole discretion, provided however, that any such contract shall not exceed three (3) years and shall be terminable by either party without cause and without payment of a termination or penalty fee on ninety (90) days or less written notice.

2.7. Membership. All OWNERS shall be members of the ASSOCIATION. Membership as to each LOT shall be established and transferred, as provided by the ARTICLES and the BYLAWS.

2.8. OWNERS Voting Rights. The votes of the OWNERS shall be established and exercised as provided in the ARTICLES and BYLAWS.

3. COMMON AREAS, DUTIES AND OBLIGATIONS OF THE ASSOCIATION.

3.1. Conveyance of COMMON AREAS to ASSOCIATION.

3.1.1. By DECLARANT. DECLARANT shall have the right to convey title to any property owned by it, or any easement or interest therein, to the ASSOCIATION as a COMMON AREA, and the ASSOCIATION shall be required to accept such conveyance. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of the county where the SUBJECT PROPERTY is located.

3.1.2. By Any Other PERSON. Any other PERSON may also convey title to any property owned by such PERSON, or any easement or interest therein, to the ASSOCIATION as a COMMON AREA, but the ASSOCIATION shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the ASSOCIATION, unless the BOARD expressly accepts the conveyance by executing the deed or other instrument of conveyance or by recording a written acceptance of such conveyance in the public records of the county in which the SUBJECT PROPERTY is located.

3.2. Use and Benefit. All COMMON AREAS shall be held by the ASSOCIATION for the use and benefit of the ASSOCIATION and the OWNERS, the residents of the SUBJECT PROPERTY, and their respective guests and invitees, the holders of any mortgage encumbering any LOT from time to time, and any other persons authorized to use the COMMON AREAS or any portion thereof by DECLARANT or the ASSOCIATION, for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this DECLARATION, subject to the terms of any easement, restriction, reservation or limitation of record affecting the COMMON AREA or contained in the deed or instrument conveying the COMMON AREA to the ASSOCIATION, and subject to any rules and regulations adopted by the ASSOCIATION. An easement and right for such use is hereby created in favor of all OWNERS, appurtenant to the title to their LOTS.

3.3. Grant and Modification of Easements. The ASSOCIATION shall have the right to grant, modify or terminate easements over, under, upon, and/or across any property owned by the ASSOCIATION, and shall have the further right to modify, relocate or terminate existing easements in favor of the ASSOCIATION.

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3.4. Additions, Alterations or Improvements. The ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however that the approval of not less than 2/3 of the votes of all of the OWNERS shall be required for any addition, alteration, or improvement or any purchase of personal property, exceeding a sum equal to one (1) month's total ASSESSMENTS for COMMON EXPENSES payable by all of the MEMBERS, or if the cost of the foregoing shall in any fiscal year exceed in the aggregate a sum equal to two (2) months' ASSESSMENTS for COMMON EXPENSES payable by all of the OWNERS. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing COMMON AREAS, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the COMMON AREAS, or the purchase of any personal property, shall be a COMMON EXPENSE. In addition, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, DECLARANT shall have the right to make any additions, alterations or improvements to the COMMON AREAS as may be desired by DECLARANT in its sole discretion from time to time, at DECLARANT's expense.

3.5. Utilities. The ASSOCIATION shall pay for all utility services for the COMMON AREAS, or for any other property to be maintained by the ASSOCIATION, as a COMMON EXPENSE.

3.6. Taxes. The ASSOCIATION shall pay all real and personal property taxes and assessments, if any, assessed against any property owned by the ASSOCIATION, as a COMMON EXPENSE.

3.7. Insurance. The ASSOCIATION shall purchase insurance as a COMMON EXPENSE, as follows:

3.7.1. Hazard Insurance protecting against loss or damaged by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard all-risk endorsement, covering 100% of the current replacement cost of all COMMON AREAS and property owned by the ASSOCIATION, excluding land, foundations, excavations, landscaping, and other items normally excluded from insurance coverage. The ASSOCIATION shall not use hazard insurance proceeds for any purpose other than the repair, replacement or reconstruction of any damaged or destroyed property without the approval of at least two-thirds (2/3) of the votes of the OWNERS.

3.7.2. Comprehensive General Liability Insurance protecting the ASSOCIATION from claims for bodily injury, death or property damage providing for coverage of at least \$500,000 for any single occurrence or such lesser amount as is approved by the OWNERS.

3.7.3. Blanket Fidelity Bonds for anyone who handles or is responsible for funds held or administered by the ASSOCIATION, covering the maximum funds that will be in the custody or control of the ASSOCIATION or a managing agent, which coverage shall be at least equal to the sum of three months assessments on all LOTS plus reserve funds.

3.7.4. Such other insurance as may be desired by the ASSOCIATION, such as flood insurance, errors and omissions insurance, workman's compensation insurance, or any other insurance.

3.7.5. All insurance purchased by the ASSOCIATION must include a provision requiring at least thirty (30) days written notice to the ASSOCIATION before the insurance can be cancelled or the coverage reduced for any reason.

3.7.6. Any deductible or exclusion under the policies shall be a COMMON EXPENSE and shall not exceed \$2,500 or such other sum as is approved by the OWNERS.

3.7.7. Upon request, each INSTITUTIONAL LENDER shall have the right to receive a copy or certificate of the insurance purchased by the ASSOCIATION, and shall have the right to require at least thirty (30) days written notice to the INSTITUTIONAL LENDER before any insurance can be cancelled or the coverage reduced for any reason. Each INSTITUTIONAL LENDER

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shall have the right upon notice to the ASSOCIATION to review and approve, which approval shall not be unreasonably withheld, the form, content, issuer, coverage and deductibles of all insurance purchased by the ASSOCIATION, and to require the ASSOCIATION to purchase insurance complying with the reasonable and customary requirements of the INSTITUTIONAL LENDER. In the event of a conflict between the INSTITUTIONAL LENDER, the requirements of the INSTITUTIONAL LENDER holding mortgages encumbering LOTS which secure the largest aggregate indebtedness shall control.

3.7.8. Waiver. If the BOARD determines that the insurance required to be purchased by the ASSOCIATION pursuant to this Paragraph would be unduly expensive, or if such insurance is not obtainable, the ASSOCIATION may purchase insurance with less coverage than specified above, provided the BOARD gets the approval of the OWNERS as to such action.

3.8. Default. Any OWNER or INSTITUTIONAL LENDER may pay for any utilities, taxes or assessments, or insurance premiums which are not paid by the ASSOCIATION when due, or may secure new insurance upon the lapse of an insurance policy, and shall be owed immediate reimbursement therefor from the ASSOCIATION, plus interest and any costs of collection, including attorneys' fees.

3.9. Damage or Destruction. In the event any improvement (other than landscaping) within any COMMON AREA is damaged or destroyed due to fire, flood, wind, or other casualty or reason, the ASSOCIATION shall restore, repair, replace or rebuild (hereinafter collectively referred to as a "repair") the damaged improvement to the condition the improvement was in immediately prior to such damage or destruction, unless otherwise approved by two-thirds (2/3) of the votes of the OWNERS. If any landscaping within any COMMON AREA or any other property maintained by the ASSOCIATION is damaged or destroyed, the ASSOCIATION shall only be obligated to make such repairs to the landscaping as is determined by the BOARD in its discretion. Any excess cost of repairing any improvement over insurance proceeds payable on account of any damage or destruction shall be a COMMON EXPENSE, and the ASSOCIATION shall have the right to make a special ASSESSMENT for any such expense.

3.10. Maintenance of COMMON AREAS and other Property. The ASSOCIATION shall maintain all COMMON AREAS and property owned by the ASSOCIATION, and all improvements thereon, in good condition at all times. If pursuant to any easement the ASSOCIATION is to maintain any improvement within any property, then the ASSOCIATION shall maintain such improvement in good condition at all times. In addition, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION if the BOARD, in its sole discretion, determines that the operation and/or maintenance of such property by the ASSOCIATION would be in the best interests of the residents of the SUBJECT PROPERTY. In such event, where applicable the ASSOCIATION shall so notify any OWNER otherwise responsible for such operation or maintenance, and thereafter such property shall be operated and/or maintained by the ASSOCIATION and not by the OWNER, until the BOARD determines no longer to assume the obligation to operate and/or maintain such property and so notifies the appropriate OWNER in writing. Without limitation, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the SUBJECT PROPERTY, and any pavement, landscaping, sprinkler systems, sidewalks, paths, signs, entrance features, or other improvements, in or within 40 feet of any public road right-of-ways within or contiguous to the SUBJECT PROPERTY. To the extent the ASSOCIATION assumes the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION, the ASSOCIATION shall have an easement and right to enter upon such property in connection with the operation in or maintenance of same, and no such entry shall be deemed a trespass. Such assumption by the ASSOCIATION of the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION may be evidenced by a supplement to this DECLARATION, or by a written document recorded in the public records of the county in which the SUBJECT PROPERTY is located, and may be made in connection with an agreement with any OWNER, the DECLARANT, or any governmental authority otherwise responsible for such operation or maintenance, and pursuant to any such document the operation and/or maintenance of any property may be made a permanent obligation of the ASSOCIATION. The ASSOCIATION may also enter into agreements with any other PERSON, or any governmental authority, to share in

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the maintenance responsibility of any property if the BOARD, in its sole and absolute discretion, determines this would be in the best interest of the OWNER. Notwithstanding the foregoing, if any OWNER or any resident of any UNIT, or their guests or invitees, damages any COMMON AREA or any improvement thereon, the OWNER of such UNIT shall be liable to the ASSOCIATION for the cost of repair or restoration to the extent not covered by the ASSOCIATION's insurance. The provisions of this Paragraph shall not be deemed to include assumption of the obligation to operate and/or maintain property owned and/or maintained by the MASTER ASSOCIATION unless (and to the extent that) same is permitted by the MASTER DECLARATION and the MASTER ASSOCIATION.

3.11. Surface Water Management System. It is acknowledged the surface water management and drainage system for the SUBJECT PROPERTY and the ADJACENT PROPERTY is one integrated system, and accordingly the entire surface water management system for the SUBJECT PROPERTY shall be deemed a COMMON AREA, and an easement is hereby created over, across, under and through the entire SUBJECT PROPERTY for surface water drainage and for the installation and maintenance of the surface water management and drainage system for the SUBJECT PROPERTY and the ADJACENT PROPERTY provided however that such easement shall be subject to improvements constructed within the SUBJECT PROPERTY as permitted by the MASTER DECLARATION and the controlling governmental authorities from time to time. The surface water management and drainage system of the SUBJECT PROPERTY shall be developed, operated and maintained in conformance with the requirements of the MASTER DECLARATION and the Sunshine Water Control District and/or any other controlling governmental authority. The ASSOCIATION shall maintain as a COMMON EXPENSE the entire surface water management and drainage system for the SUBJECT PROPERTY, including, but not limited to, all lakes, canals, swale areas, retention areas, culverts, pipes, pumps, catch basins and related appurtenances are located within the SUBJECT PROPERTY whether or not same are owned by the ASSOCIATION. Such maintenance shall be performed in conformance with the requirements of the MASTER DECLARATION and the Sunshine Water Control District and any other controlling governmental authority, and an easement for such maintenance is hereby created. Such maintenance responsibility on the part of the ASSOCIATION shall not be deemed to include the maintenance of those portions of the surface water management system lying within the ADJACENT PROPERTY or the banks of any lake or canal, or the maintenance of any landscaping, within any PROPERTY located within the SUBJECT PROPERTY which is not a COMMON AREA or contiguous to a COMMON AREA or which is not otherwise to be maintained by the ASSOCIATION pursuant to this DECLARATION or the MASTER DECLARATION. Such maintenance responsibility may, but is not required to, include any portion of the surface water management and drainage system for the SUBJECT PROPERTY which is owned and maintained by any controlling governmental authority.

3.12. Mortgage and Sale of COMMON AREAS. The ASSOCIATION shall not encumber, sell or transfer any COMMON AREA owned by the ASSOCIATION without the approval of two-third (2/3) of the votes of all of the OWNERS, excluding DECLARANT, provided, however, that the ASSOCIATION may dedicate any COMMON AREA to any governmental authority with the approval of the OWNERS. Notwithstanding the foregoing, if DECLARANT changes the location of any unconveyed LOTS such that a portion of the COMMON AREA would be within a relocated LOT, then the ASSOCIATION shall have the right without the approval of the OWNERS to convey such portion of the COMMON AREAS to DECLARANT, and in connection therewith, DECLARANT shall convey to the ASSOCIATION any property which will be a COMMON AREA due to the relocation of the LOTS. If ingress or egress to any PROPERTY is through any COMMON AREA, any conveyance or encumbrance of such COMMON AREA shall be subject to an appurtenant easement for ingress and egress in favor of the OWNER(S) of such PROPERTY, unless alternative ingress and egress is provided to the OWNER(S).

3.13. Perimeter Wall or Fence. DECLARANT and the ASSOCIATION shall have an easement around the entire boundary of the SUBJECT PROPERTY (excluding such portions of the boundary as lie within the PLAT) including, but not limited to the LOTS, which easement shall extend ten (10) feet into the SUBJECT PROPERTY including, but not limited to the aforesaid LOTS, from the outer boundary of the SUBJECT PROPERTY, for the installation and maintenance of a wall or fence. If any wall or fence is constructed within such easement, the ASSOCIATION shall maintain the wall or fence, and the landscaping located between the wall or fence and the perimeter of the SUBJECT PROPERTY, and an easement for such maintenance is hereby established over, across, under and

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through the SUBJECT PROPERTY, including but not limited to the aforesaid LOTS for such purposes. Notwithstanding anything to the contrary in this Paragraph 3.13, the provisions of this Paragraph 3.13 shall not include or apply to any property, wall, fence or landscaping owned and/or to be maintained by the MASTER ASSOCIATION in accordance with the MASTER DECLARATION nor shall same include or apply to the boundary wall constructed pursuant to the CORAL SPRINGS AGREEMENT (as defined in Paragraph 4.07 of this DECLARATION). Additionally, the rights granted hereunder shall not in any way interfere with the rights, duties and obligations granted to the MASTER ASSOCIATION pursuant to the MASTER DECLARATION or granted pursuant to the CORAL SPRINGS AGREEMENT to the parties thereto.

3.14. Guardhouse or Security Gate. It is acknowledged that DECLARANT may, but will not be required to, construct a guardhouse and/or security gate at the entrance(s) into the SUBJECT PROPERTY, which may be staffed by a guard, or which may contain a unmanned security system. So long as DECLARANT appoints a majority of the Directors of the ASSOCIATION if the guardhouse is to be staffed by a guard, DECLARANT shall have the right to determine, in its sole discretion, whether, and during what hours the guardhouse will be staffed. In any event, DECLARANT or the ASSOCIATION shall not have any liability for any injury, damage or loss, of any kind or nature whatsoever due to the fact that the guardhouse is not staffed by a guard, or due to the failure of any guard or mechanical or electrical security system to prevent or detect a theft, burglary or any unauthorized entry into the SUBJECT PROPERTY.

3.15. Sidewalks and Street Lighting. The ASSOCIATION shall maintain any common sidewalks or walkways within the SUBJECT PROPERTY, but not any sidewalk or walkway exclusively serving only one LOT or which is maintained by a governmental or quasi-governmental entity or utility company. The ASSOCIATION shall also maintain any common street lighting within the SUBJECT PROPERTY, other than any street lighting exclusively serving one LOT or that is maintained by a governmental or quasi-governmental entity or utility company, and the ASSOCIATION shall maintain and pay for any utility services used in connection with such common street lighting.

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this DECLARATION.

4.1. Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, their mortgagees, and their guests and invitees.

4.2. Perpetual Nonexclusive Easement in COMMON AREAS. The COMMON AREAS shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive appurtenant easement in favor of all OWNERS and residents of the SUBJECT PROPERTY from time to time, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

4.3. Service and Utility Easements. Easements in favor of governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies and mail carrier companies, over and across all private roads existing from time to time with the SUBJECT PROPERTY, and over, under, on and across the COMMON AREAS, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the SUBJECT PROPERTY. Also, easements as may be required for the installation, maintenance, repair and providing of utility services, equipment and fixtures in order to adequately serve the SUBJECT PROPERTY, including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities, and electronic security. However, easements affecting any LOT which serve any other portion of the SUBJECT PROPERTY shall only be under the LOT, and shall only be for utility

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services actually constructed, or reconstructed, and for the maintenance thereof, unless otherwise approved in writing by the OWNER of the LOT. An OWNER shall do nothing on his LOT which interferes with or impairs the utility services using these easements. The BOARD or its designee shall have a right of access to each LOT and UNIT to inspect, maintain, repair or replace the utility service facilities contained under the LOT and to remove any improvements interfering with or impairing the utility services or easement herein reserved; provided such right of access shall not unreasonably interfere with the OWNER's permitted use of the LOT and, except in the event of an emergency, entry into any UNIT shall be made with reasonable notice to the OWNER.

4.4. Encroachments. If any portion of the COMMON AREAS encroaches upon any LOT; if any UNIT or other improvement encroaches upon any LOT or upon any portion of the COMMON AREAS; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the COMMON AREAS made by or with the consent of the ASSOCIATION; (iv) any repair or restoration of any improvements (or any portion thereof) or any UNIT after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any UNIT or the COMMON AREAS; or (v) any non-purposeful or non-negligent act of an OWNER except as may be authorized by the BOARD, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

4.5. Additional Easements. DECLARANT (so long as it owns any LOT) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of DECLARANT or any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements benefitting or affecting the SUBJECT PROPERTY. In connection with the grant, modification, relocation, abandonment or termination of any easement, DECLARANT reserves the right to relocate private roads and parking areas, utility lines, and other improvements upon or serving the SUBJECT PROPERTY. So long as the foregoing will not unreasonably and adversely interfere with the use of LOTS for dwelling purposes, no consent of any OWNER or any mortgagee of any LOT shall be required or, if same would unreasonably and adversely interfere with the use of any LOT for dwelling purposes, only the consent of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

4.6. Sale and Development Easement. DECLARANT reserves and shall have an easement over, upon, across and under the SUBJECT PROPERTY as may be reasonably required in connection with the development, construction, sale and promotion, or leasing, of any LOT or UNIT within the SUBJECT PROPERTY or within any other property owned by DECLARANT.

4.7. Easements and Restrictions of Record. The SUBJECT PROPERTY is subject to all restrictions, reservations and easements which have been placed of record prior to the recording of this DECLARATION including, but not limited to, (i) the MASTER DECLARATION, (ii) the PLAT of ROYAL LAND AMENDED recorded at Plat Book 132, Page 20 of the Public Records of Broward County, Florida and (iii) that certain Agreement by and between the CITY OF CORAL SPRINGS, a municipal corporation of the State of Florida, CORAL SPRINGS JOINT VENTURE, an Indiana general partnership and PORTEN SULLIVAN CORPORATION OF FLORIDA, a Florida corporation dated July 5, 1988, and recorded in Official Records Book 15651, Page 44 of the Public Records of Broward County, Florida (the "CORAL SPRINGS AGREEMENT"). Regarding the CORAL SPRINGS AGREEMENT, the ASSOCIATION shall be responsible for and hereby specifically assumes in perpetuity all of the maintenance and upkeep obligations regarding (i) that portion of the boundary wall that is more particularly described in Paragraph 2(a) of the CORAL SPRINGS AGREEMENT that faces the SUBJECT PROPERTY and (ii) the trees to be planted on the SUBJECT PROPERTY pursuant to Paragraph 2(b) of the CORAL SPRINGS AGREEMENT. The cost of any and all such maintenance and upkeep is hereby declared to be a COMMON EXPENSE of the ASSOCIATION. In accordance with the CORAL SPRINGS AGREEMENT, an easement is hereby created in

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favor of CORAL SPRINGS JOINT VENTURE its contractors, agents and employees over and across such portions of the LOTS within which the trees more particularly described in Paragraph 2(b) of the CORAL SPRINGS AGREEMENT are to be planted (LOTS 7 through 23, both inclusive of Block 5 of the PLAT) as is reasonably necessary for the planting of such trees in accordance with the requirements of the CORAL SPRINGS AGREEMENT. An additional easement is hereby created in favor of the ASSOCIATION over and across such portions of the aforesaid LOTS as is reasonably necessary for the maintenance and upkeep of such trees by the ASSOCIATION.

5. USE RESTRICTIONS.

5.1. One UNIT Per LOT. Only one UNIT shall be constructed on any LOT.

5.2. Roofs. Unless otherwise approved by the APPROVING PARTY, all roofs shall be pitched and shall be constructed of flat or barrel cement tile, handsawn or split cedar shake, slate or copper, all as defined by common usage. In the event some new, attractive material for roofing is developed, the APPROVING PARTY may in its sole discretion approve the use of such material, and provided further that nothing herein shall preclude the installation of skylights or solar energy devices if in the sole judgment of the APPROVING PARTY same does not detract from the appearance of the UNIT.

5.3. Garages. Each UNIT shall have a garage or garages providing parking for at least two (2) automobiles. No garage shall be erected which is separate from the UNIT, provided that the APPROVING PARTY may approve a garage which, while separated from the UNIT, is connected by a portico or similar structure. No garage shall be permanently enclosed, and no portion of a garage originally intended for the parking of an automobile shall be converted into a living space or storage area without the prior written consent of the APPROVING PARTY. All garage doors shall remain closed when not in use.

5.4. No Trade or Business. No trade, business, profession, or commercial activity, or any other nonresidential use, shall be conducted upon any portion of the SUBJECT PROPERTY or within any LOT or UNIT, without the consent of the APPROVING PARTY. The foregoing shall not prohibit any OWNER from leasing his UNIT.

5.5. Leases. All leases of a UNIT must be in writing and specifically be subject to this DECLARATION, the ARTICLES and the BYLAWS and copies delivered to the APPROVING PARTY prior to occupancy by the tenant(s). No lease shall be for a period of less than three (3) months, and no UNIT may be leased more than two (2) times in any consecutive twelve (12)-month period, without the consent of the APPROVING PARTY.

5.6. Outside Storage of Personal Property. The personal property of any resident of the SUBJECT PROPERTY shall be kept inside the resident's UNIT or a fenced or a walled-in yard, except for patio furniture and accessories, and other personal property commonly kept outside, which must be kept in the rear of the LOT and must be neat appearing and in good condition.

5.7. Portable Buildings. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any LOT for storage or otherwise, without the prior written consent of the APPROVING PARTY, and in any event any permitted such building or structure must be screened from view from adjoining roads.

5.8. Garbage and Trash. Each OWNER shall regularly pick up all garbage, trash, refuse or rubbish on the OWNER's LOT. Garbage, trash, refuse or rubbish that is required to be placed at the front of the LOT in order to be collected may be placed and kept at the front of the LOT after 5:00 p.m. on the day before the scheduled day of collection, and any trash facilities must be removed on the collection day. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a UNIT or fenced-in area and screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

5.9. Vehicles and Boats. Only automobiles, vans constructed as private passenger vehicles with permanent rear seats and side windows, and other

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vehicles manufactured and used as private passenger vehicles, may be parked overnight within the SUBJECT PROPERTY or on the roadways adjacent to the SUBJECT PROPERTY without the prior written consent of the APPROVING PARTY, unless kept within an enclosed garage. In particular and without limitation, without the prior written consent of the APPROVING PARTY, no vehicle containing commercial lettering, signs or equipment, and no truck, recreational vehicle, camper, trailer or vehicle other than a private passenger vehicle as specified above, and no boat, may be parked or stored outside of a UNIT overnight. No overnight parking is permitted on any streets, lawns, or areas other than driveways and garages, without the consent of the APPROVING PARTY. Notwithstanding the foregoing, automobiles owned by governmental law enforcement agencies are expressly permitted. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the SUBJECT PROPERTY. All vehicles parked within the SUBJECT PROPERTY or on the roadways adjacent to the SUBJECT PROPERTY must be in good condition and repair, and no vehicle which does not contain a current license plate or which cannot operate on its own power shall be parked within the SUBJECT PROPERTY outside of an enclosed garage or on the roadways adjacent to the SUBJECT PROPERTY for more than twenty-four (24) hours, and no major repair of any vehicle shall be made on the SUBJECT PROPERTY or on the roadways adjacent to the SUBJECT PROPERTY. No motorcycle, motorbike, moped, all-terrain vehicle, or other such vehicle is permitted to be operated within the SUBJECT PROPERTY or the roadways adjacent to the SUBJECT PROPERTY unless such vehicle is licensed for street use and equipped with appropriate noise-muffling equipment so that its operation does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY, and if the APPROVING PARTY determines the operation of any such vehicle creates an unreasonable annoyance to the residents of the SUBJECT PROPERTY, then after written demand from the APPROVING PARTY, the vehicle shall not be operated within the SUBJECT PROPERTY or upon the roadways adjacent to the SUBJECT PROPERTY.

5.10. Pets. No animals, livestock or poultry of any kind shall be permitted within the SUBJECT PROPERTY except for common household domestic pets. No pit bull terriers are permitted without the consent of the APPROVING PARTY. Any pet must be carried or kept on a leash when outside of a UNIT or fenced-in area. No pet shall be permitted to go or stray on any other LOT without the permission of the OWNER of the LOT. Any pet must not be an unreasonable nuisance or annoyance to other residents of the SUBJECT PROPERTY. Any resident shall immediately pick up and remove any solid animal waste deposited by his pet on the SUBJECT PROPERTY or the roadways adjacent to the SUBJECT PROPERTY, except for designated pet-walk areas, if any. No commercial breeding of pets is permitted within the SUBJECT PROPERTY. The APPROVING PARTY may require any pet to be immediately and permanently removed from the SUBJECT PROPERTY due to a violation of this paragraph.

5.11. Landscaping. The initial landscaping of any HOME, and any material modifications, additions, or substitutions thereof, must be approved by the APPROVING PARTY. The OWNER of each LOT containing a HOME shall be required to maintain the landscaping on his LOT, and on any contiguous property between his LOT and the pavement edge of any abutting road or the waterline of any abutting lake or canal, all in accordance with the landscaping plans approved by the APPROVING PARTY, and in accordance with the provisions of this DECLARATION and the requirements of any controlling governmental authority. All such landscaping shall be maintained by the OWNER in first class condition and appearance and, as reasonably required, mowing, watering, trimming, fertilizing, and weed, insect and disease control shall be performed by the OWNER. Underground sprinkler systems shall be installed, maintained and used to irrigate all landscaping on the LOT, or any other landscaping which the OWNER of the LOT is required to maintain pursuant to this paragraph. All landscaped areas shall be primarily grass, and shall not be paved or covered with gravel or any artificial surface without the prior written consent of the APPROVING PARTY. All dead or diseased sod, plants, shrubs, trees, or flowers shall be promptly replaced, and excessive weeds, underbrush or unsightly growth shall be promptly removed. No artificial grass, plants, or other artificial vegetation shall be placed or maintained upon the exterior of any LOT. Notwithstanding the foregoing, no OWNER shall install or maintain any landscaping on any portion of his LOT to be maintained by the ASSOCIATION, without the prior written consent of the BOARD.

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5.12. Maintenance. Each OWNER shall maintain his UNIT and all improvements and personal property upon his LOT in first class condition at all times, except any portions thereof to be maintained by the ASSOCIATION as provided in this DECLARATION. The exterior of all UNITS including but not limited to roofs, walls, doors, windows, patio areas, pools, screenings, and awnings shall be maintained in first class condition and repair and in a neat and attractive manner. All exterior painted areas shall be painted as reasonably necessary, with colors which are harmonious with other UNITS, and no excessive rust deposits on the exterior of any UNIT, peeling of paint or discoloration of same shall be permitted. No OWNER shall change the exterior color of his UNIT without the consent of the APPROVING PARTY. All sidewalks, driveways and parking areas within the OWNER's LOT or serving the OWNER's UNIT shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary.

5.13. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall, or portable air conditioning units are permitted.

5.14. Clotheslines and Outside Clothes Drying. No clotheslines or clothespoles shall be erected, and no outside clothes-drying is permitted, except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the APPROVING PARTY shall have the right to approve the portions of any LOT used for outdoor clothes-drying purposes and the types of devices to be employed in this regard, which approval must be in writing.

5.15. Nuisances. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practices which is an unreasonable source of annoyance to the residents within the SUBJECT PROPERTY or which shall interfere with the peaceful possession and proper use of the SUBJECT PROPERTY by its residents shall be permitted. No unreasonable offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times by the OWNERS.

5.16. Outside Antennas and Flag Poles. No outside signal receiving or sending antennas, dishes or devices are permitted without the consent of the APPROVING PARTY. The foregoing shall not prohibit any antenna or signal receiving dish owned by the APPROVING PARTY which services the entire SUBJECT PROPERTY. No flag poles are permitted without the consent of the APPROVING PARTY.

5.17. Lakes and Canals. No swimming or motorized boating is allowed in any lake or canal within or contiguous to the SUBJECT PROPERTY. No OWNER shall deposit or dump any garbage or refuse in any lake or canal within or contiguous to the SUBJECT PROPERTY. No OWNER shall install any improvement upon a LOT within twenty (20) feet of any lake or canal without the prior written consent of the APPROVING PARTY, including, but not limited to, landscaping (other than grass), fences, walls or any other improvements. No OWNER shall use any lake or canal within or contiguous to the SUBJECT PROPERTY for irrigation purposes.

5.18. Further Subdivision. No LOTS shall be further subdivided without the prior written consent of the APPROVING PARTY if same would result in the creation of more LOTS than before such resubdivision. Notwithstanding the foregoing, portions of a LOT may be conveyed to the OWNER(S) of contiguous LOT(S) in order to increase the size of the contiguous LOT(S), so long as any remaining portion of the divided LOT not so conveyed is independently useful for the construction of a UNIT that complies with the requirements of this DECLARATION. If all of any LOT is divided between the contiguous LOTS in order to increase the size of the contiguous LOTS, then the OWNERS of the divided LOT shall be required to divide among themselves the vote and ASSESSMENT responsibility of the divided LOT pursuant to an instrument recorded in the Public Records of the County where the SUBJECT PROPERTY is located and approved by the ASSOCIATION.

5.19. Garbage Containers, Oil and Gas Tanks, Air Conditioners. All garbage and refuse containers, air conditioning units, oil tanks, bottled gas tanks, and all permanently affixed swimming pool equipment and housing shall be underground or placed in walled-in or landscaped areas as approved by the APPROVING PARTY so that they shall be substantially concealed or hidden from any eye-level view from any street or adjacent property.

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5.20. Signs. No signs shall be placed upon any LOT, and no signs shall be placed in or upon any UNIT which are visible from the exterior of the UNIT, without the prior written consent of the APPROVING PARTY. Notwithstanding the foregoing, a portable and tasteful "open house" advertising sign is permitted upon any LOT for a period not to exceed eight (8) hours in any day, and twenty-four (24) hours in any consecutive seven (7)-day period, which shall not be larger than two and one-half (2 1/2) square feet in size, during such periods when the OWNER or a licensed real estate broker or sales person is holding a bona fide "open house" to lease or sell the UNIT on the LOT. In the event any sign is installed on any LOT or on the exterior of any UNIT which violates this Paragraph, the APPROVING PARTY shall have the right to remove such sign without notice to the OWNER, and the removal shall not be deemed a trespass and the APPROVING PARTY shall not be liable to the OWNER for the removal or for any damage or loss to the sign.

5.21. Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for period not exceeding one (1) week after an OWNER or tenant first moves into a UNIT or when permanent window treatments are being cleaned or repaired.

5.22. Boats. No boats may be kept or stored outside of any UNIT, without the prior written consent of the APPROVING PARTY.

5.23. Surface Water Management. No OWNER or any other PERSON shall do anything to adversely affect the surface water management and drainage system of the ADJACENT PROPERTY. No OWNER or any other PERSON shall do anything to adversely affect the surface water management and drainage of the SUBJECT PROPERTY without the prior written approval of the APPROVING PARTY and any controlling governmental authority. Acts of an OWNER or other PERSON with respect to the surface water management and drainage system included within the aforesaid limitations include but are not limited to the excavation or filling in of any lake or any portion of the SUBJECT PROPERTY; provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the SUBJECT PROPERTY by DECLARANT or by the developer of any portion of the SUBJECT PROPERTY in accordance with permits issued by controlling governmental authorities. In particular, no OWNER other than DECLARANT shall install any landscaping or place any fill on the OWNER's LOT which would adversely affect the drainage of any contiguous LOT.

5.24. Swimming Pools. No above-ground swimming pools, spas, or the like, shall be installed without the consent of the APPROVING PARTY.

5.25. Fences and Walls. Fences and walls shall not be permitted in the front of any UNIT. All fences and walls must be maintained in good condition at all times. No fence or wall shall be installed without the consent of the APPROVING PARTY as to the location and type of the fence or wall. The APPROVING PARTY, in approving any fence or wall as elsewhere provided, shall have the right to require all fences and walls throughout the SUBJECT PROPERTY to be of a specified standard type of construction and material, and shall have the right to prohibit any other types of fences and/or walls, and shall further have the right to change such standard as to any new fences or walls from time to time, as the APPROVING PARTY deems appropriate. Notwithstanding the foregoing, no OWNER shall maintain any portion of any wall or fence which is to be maintained by the ASSOCIATION or the MASTER ASSOCIATION, as elsewhere provided in this DECLARATION or the MASTER ASSOCIATION. Additionally, and notwithstanding anything to the contrary in this DECLARATION, neither the ASSOCIATION nor any OWNER shall be permitted to attached a fence, wall or other structure to the boundary wall more particularly described in Paragraph 2(a) of the CORAL SPRINGS AGREEMENT, however, the ASSOCIATION and the OWNERS of LOTS abutting such boundary wall may install a fence or wall to within one (1)-inch of the aforesaid boundary wall provided such installation otherwise complies with the terms and conditions of this DECLARATION as well as all applicable ordinances, rules and regulations of the City of Coral Springs, Florida.

5.26. Wells and Septic Tanks. No well shall be installed within any PROPERTY within the SUBJECT PROPERTY. The use of Septic Tanks shall not be permitted on any PROPERTY within the SUBJECT PROPERTY.

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5.27 Architectural Control for Exterior Changes.

5.27.1. Purpose. The APPROVING PARTY shall have the right to exercise architectural control over all IMPROVEMENTS, to assist in making the entire SUBJECT PROPERTY a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any IMPROVEMENT including, but not limited to, size, height, site planning, set-back exterior design, materials, colors, open space, landscaping, waterscaping and aesthetic criteria.

5.27.2. OWNER to Obtain Approval. No OWNER shall make any IMPROVEMENT, and no OWNER shall apply for any governmental approval or building or other permit for any IMPROVEMENT, unless the OWNER first obtains the written approval of the IMPROVEMENT from the APPROVING PARTY.

5.27.3. Request for Approval. Any request for approval by the APPROVING PARTY of any IMPROVEMENT shall be in writing and shall be accompanied by plans and specifications or other details as the APPROVING PARTY may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The plans and specifications submitted for approval shall show the nature, kind, shape, height, materials, color and location of all proposed IMPROVEMENTS. If the APPROVING PARTY deems the plans and specifications deficient, the APPROVING PARTY may require such further detail in the plans and specifications as the APPROVING PARTY deems necessary in connection with its approval of same, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors, and until receipt of the foregoing, the APPROVING PARTY may postpone review of any plans submitted for approval. The APPROVING PARTY shall have the right to charge a reasonable fee to any PERSON requesting architectural approval, including where applicable the fee of any architect or engineer hired by the APPROVING PARTY to review any plans or specifications, provided that the APPROVING PARTY shall not be required to use the services of any architect or engineer in connection with its exercise of architectural approval. The APPROVING PARTY shall not be obligated to review or approve any plans and specifications until such fee is paid. Approval of any request shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any PROPERTY, but may be withheld due to aesthetic considerations.

5.27.4. Approval. The APPROVING PARTY shall notify the OWNER of its approval or disapproval, or that the APPROVING PARTY requires additions to the plans and specifications or other materials, by written notice within thirty (30) days after request for such approval is made in writing to the APPROVING PARTY, and all documents, plans and specifications, and other materials required by the APPROVING PARTY in connection with such approval have been submitted. In the event the APPROVING PARTY fails to disapprove any request within such thirty (30)-day period, the request shall be deemed approved and upon request the APPROVING PARTY shall give written notice of such approval, provided the party requesting such approval pays any fee charged by the APPROVING PARTY in connection with the approval. In consenting to any proposed IMPROVEMENT, the APPROVING PARTY may condition such consent upon changes being made and any such approval shall be deemed a disapproval unless and until the party requesting the approval agrees to the changes. If the APPROVING PARTY approves, or is deemed to have approved, any IMPROVEMENT, the OWNER requesting approval may proceed to make the IMPROVEMENT in strict conformance with the plans and specifications approved or deemed to have been approved, subject to any conditions of the APPROVING PARTY's approval, and shall not make any material changes without the approval of the APPROVING PARTY. If the APPROVING PARTY approves any IMPROVEMENT, same shall not require the APPROVING PARTY, or any subsequent APPROVING PARTY to approve any similar IMPROVEMENT in the future, and the APPROVING PARTY shall have the right in the future to withhold approval of similar IMPROVEMENTS requested by any other OWNER.

5.27.5. Architectural Guidelines and Criteria. The APPROVING PARTY may adopt and modify from time to time, in its discretion, minimum guidelines, criteria and/or standards which will be used by it in connection with its exercise of architectural control, provided however that same shall not apply to any previously existing or approved IMPROVEMENT. The foregoing may include, but are not limited to, minimum square footage, maximum height, minimum set-back and minimum landscaping requirements.

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5.27.6. Inspections. Upon the completion of any IMPROVEMENT, the applicable OWNER shall give written notice of the completion to the APPROVING PARTY. Within ninety (90) days thereafter, the APPROVING PARTY shall inspect the IMPROVEMENT and notify the OWNER in writing that the IMPROVEMENT is accepted, or that the IMPROVEMENT is deficient because it was not completed in conformance with the approved plans and specifications or in a manner otherwise acceptable to the APPROVING PARTY, specifying the particulars of such deficiencies. Within thirty (30) days thereafter the OWNER shall correct the deficiencies set forth in the notice, and upon completion of the work the APPROVING PARTY shall again be given a notice of the completion, and the provisions of this paragraph shall again become operative. If the APPROVING PARTY fails to notify the OWNER of any deficiencies within ninety (90) days after receipt of a notice of completion the IMPROVEMENT shall be deemed to have been accepted by the APPROVING PARTY.

5.27.7. Remedy for Violations. In the event this section is violated in that any IMPROVEMENT is made without first obtaining the approval of the APPROVING PARTY, or is not made in strict conformance with any approval given or deemed given by the APPROVING PARTY, the APPROVING PARTY shall specifically have the right to injunctive relief to require the applicable OWNER to stop, remove and/or alter any IMPROVEMENT in a manner which complies with the requirements of the APPROVING PARTY, or the APPROVING PARTY may pursue any other remedy available to it. If DECLARANT is the APPROVING PARTY, then in connection with the enforcement of this section, DECLARANT shall have all of the rights of enforcement granted to the ASSOCIATION pursuant to this DECLARATION, including, but not limited to, the right to impose fines, and to assess and lien for costs and expenses incurred in enforcing this section, except that any fines shall be paid to the ASSOCIATION. In connection with the enforcement of this section, the APPROVING PARTY shall have the right to enter onto any PROPERTY and make any inspection necessary to determine that the provisions of this paragraph have been complied with. The failure of the APPROVING PARTY to object to any IMPROVEMENT prior to the completion of the IMPROVEMENT shall not constitute a waiver of the APPROVING PARTY's right to enforce the provisions of this section. Any action to enforce this Section must be commenced within one (1) year after notice of the violation by the APPROVING PARTY, or within three (3) years after the date of the violation, whichever occurs first. The foregoing shall be in addition to any other remedy set forth herein for violation of this DECLARATION. Notwithstanding anything contained within this DECLARATION to the contrary, the APPROVING PARTY shall have the exclusive authority to enforce the provisions of this paragraph.

5.27.8. No Liability. Notwithstanding anything contained herein to the contrary, the APPROVING PARTY shall merely have the right, but not the duty, to exercise architectural control, and shall not be liable to any OWNER due to the exercise or non-exercise of such control, or the approval or disapproval of any IMPROVEMENT. Furthermore, the approval of any plans or specifications or an IMPROVEMENT shall not be deemed to be a determination or warranty that such plans or specifications or IMPROVEMENT are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the APPROVING PARTY, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the APPROVING PARTY shall not be liable for any defect or deficiency in such plans or specifications or IMPROVEMENT, for any injury resulting therefrom.

5.27.9. Compliance with Governmental Requirements. In addition to the foregoing requirements, any IMPROVEMENT made by any OWNER must be in compliance with the requirements of all controlling governmental authorities, and the OWNER shall be required to obtain an appropriate building permit from the applicable governmental authority when required by controlling governmental requirements. Any consent or approval by the APPROVING PARTY to any IMPROVEMENT may be made conditioned upon the OWNER obtaining a building permit for same, or providing the APPROVING PARTY written evidence from the controlling governmental authority that such permit will not be required, and in that event the OWNER shall not proceed with any IMPROVEMENT until such building permit or evidence that a building permit is not required is obtained and submitted to the APPROVING PARTY.

5.27.10. Within ten (10) days after the request of any OWNER, the APPROVING PARTY shall issue without charge a written certification in

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recordable form as to whether or not the IMPROVEMENTS located upon the OWNER's LOT comply with the provisions of this DECLARATION.

5.28. Rules and Regulations. The APPROVING PARTY may adopt additional reasonable rules and regulations relating to the use and maintenance of the SUBJECT PROPERTY, and rules and regulations relating to the recreational facilities within the SUBJECT PROPERTY may be posted at such recreational facilities. Copies of such rules and regulations and amendments shall be furnished by the APPROVING PARTY to any OWNER upon request.

5.29. Waiver. The APPROVING PARTY shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any LOT where, in the discretion of the APPROVING PARTY, special circumstances exist which justify such waiver or deviation, or such waiver or deviation, when coupled with any conditions imposed for the waiver or deviation by the APPROVING PARTY, will not adversely affect any other OWNERS. In granting any waiver or deviation, the APPROVING PARTY will impose such conditions and restrictions as the APPROVING PARTY may deem necessary, and the OWNER shall be required to comply with any such restrictions or conditions in connection with any waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the APPROVING PARTY, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other LOTS, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future. Furthermore, any approval given by the APPROVING PARTY as to any matter shall not be deemed binding upon the APPROVING PARTY in the future, and shall not require the APPROVING PARTY to grant similar approvals in the future as to any other LOT or OWNER.

5.30. Exceptions. The foregoing use and maintenance restrictions shall not apply to DECLARANT, or to any portion of the SUBJECT PROPERTY while owned by DECLARANT, and shall not be applied in a manner which would prohibit or restrict the development of any portion of the SUBJECT PROPERTY and the construction of any UNITS and other improvements thereon, or any activity associated with the sale or leasing of any UNITS, by DECLARANT. In addition, DECLARANT shall have the right to exempt any other builder or developer from any of the foregoing use and maintenance restrictions. Specifically, and without limitation, DECLARANT shall have the right to, and any other builder or developer who is exempted from the foregoing restrictions by DECLARANT shall have the right to: (i) construct any buildings or improvements within the SUBJECT PROPERTY, and make any additions, alterations, improvements, or changes thereto, (ii) maintain customary and usual sales, leasing, general office and construction operations on any LOT; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any PROPERTY for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any LOT; and (v) post, display, inscribe or affix to the exterior of a UNIT or upon any PROPERTY, signs and other materials used in developing, constructing, selling or promoting any LOT.

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## 6. ASSESSMENT FOR COMMON EXPENSES.

6.1. Each OWNER of a LOT (including the DECLARANT) shall be responsible for the payment to the ASSOCIATION of ASSESSMENTS for COMMON EXPENSES for each LOT owned by the OWNER, which amount shall be assessed to the OWNER as described below. In addition, each OWNER shall be responsible for the payment to the ASSOCIATION of any ASSESSMENTS owned by the prior OWNER, except for any ASSESSMENTS owed by DECLARANT, and except as provided in Paragraph 7.1.6 of this DECLARATION.

6.2. Prior to the beginning of each fiscal year of the ASSOCIATION, through BOARD shall adopt a budget for such fiscal year which shall estimate all of the COMMON EXPENSES to be incurred by the ASSOCIATION during the fiscal year. The BOARD shall then establish the ASSESSMENT for COMMON EXPENSES for each LOT, which shall be equal and shall be determined by dividing the total amount to be assessed for COMMON EXPENSES by the number of LOTS for which

ASSESSMENTS for COMMON EXPENSES are to be made pursuant to the budget. The ASSOCIATION shall then notify each OWNER in writing of the amount, frequency and due dates of the ASSESSMENT for COMMON EXPENSES. From time to time during the fiscal year, the BOARD may modify the budget, and pursuant to the revised budget or otherwise, the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS for COMMON EXPENSES. If the expenditure of funds for COMMON EXPENSES is required in addition to funds produced by regular ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which may include ASSESSMENTS to provide funds to pay for an existing or proposed deficit of the ASSOCIATION, or for any additions, alterations, or improvements to any COMMON AREA, or for any other purpose. Special ASSESSMENTS for COMMON EXPENSES shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS, and shall be payable in one lump sum or as otherwise determined by the BOARD in its sole discretion and as stated in the notice of any special ASSESSMENT for COMMON EXPENSES. In the event any ASSESSMENTS for COMMON EXPENSES are made payable in equal periodic payments, as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any ASSESSMENTS for COMMON EXPENSES be due less than ten (10) days from the date of the notification of such ASSESSMENTS.

6.3. In addition to ASSESSMENTS for COMMON EXPENSES, after a certificate of occupancy for a UNIT constructed upon a LOT is issued by the controlling governmental authority, upon the conveyance of the LOT, or upon the first occupancy of the UNIT, whichever occurs first, the OWNER of the LOT shall pay to the ASSOCIATION a contribution to a working capital fund of the ASSOCIATION in an amount equal to two (2) months' ASSESSMENTS for COMMON EXPENSES, which shall be in addition to the OWNER's responsibility for ASSESSMENTS for COMMON EXPENSES. The working capital fund shall be used by the ASSOCIATION for start-up expenses or otherwise as the ASSOCIATION shall determine from time to time and need not be restricted or accumulated.

6.4. Notwithstanding the foregoing, during the period when DECLARANT appoints all of the directors of the ASSOCIATION, the ASSESSMENTS for COMMON EXPENSES shall be established by DECLARANT based upon DECLARANT's estimate of what the expenses of the ASSOCIATION would be if all UNITS and IMPROVEMENTS contemplated within the SUBJECT PROPERTY were completed, so that ASSESSMENTS for COMMON EXPENSES during such period will be approximately what the ASSESSMENTS would be if the development of the SUBJECT PROPERTY as contemplated by DECLARANT was complete.

## 7. DEFAULT.

### 7.1. Monetary Defaults and Collection of Assessments.

7.1.1. Late Fees and Interest. If any ASSESSMENT is not paid within ten (10) days after the due date, or if any check for any ASSESSMENT is dishonored, the ASSOCIATION shall have the right to charge the applicable OWNER a late or bad check fee of ten (10%) percent of the amount of the ASSESSMENT, or Twenty-Five (\$25.00) Dollars, whichever is greater, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.

7.1.2. Acceleration of ASSESSMENTS. If any OWNER is in default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than ten (10) days after written demand by the ASSOCIATION, the ASSOCIATION upon written notice to the defaulting OWNER shall have the right to accelerate and require such defaulting OWNER to pay to the ASSOCIATION ASSESSMENTS for COMMON EXPENSES for the twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES, plus interest at the highest rate permitted by law from the date of such notice until the accelerate ASSESSMENTS for COMMON EXPENSES are paid. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the

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regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES and/or for all other ASSESSMENTS payable to the ASSOCIATION.

7.1.3. Lien for ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for late fees and interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION's lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other moneys owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payments in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien in recordable form.

7.1.4. Collection and Foreclosure. The ASSOCIATION may bring an action in its name to foreclose a lien for ASSESSMENTS in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien, and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement and/or foreclosure of the ASSOCIATION's lien, including reasonable attorneys' fees whether or not incurred in legal proceedings, and all sum paid by the ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the ASSOCIATION's lien. The BOARD is authorized to settle and compromise the ASSOCIATION's lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.

7.1.5. Rental and Receiver. If an OWNER remains in possession of his UNIT and the claim of lien of the ASSOCIATION against his LOT is foreclosed, the court, in its discretion, may require the OWNER to pay a reasonable rental for the UNIT, and the ASSOCIATION is entitled to the appointment of a receiver to collect the rent.

7.1.6. Subordination of Lien. Where any person obtains title to a LOT pursuant to the foreclosure of a first mortgage of record, or where the holder of a first mortgage accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other moneys owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other moneys are COMMON EXPENSES collectable from all of the OWNERS, including such acquirer and his successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the OWNER's LOT. Any person who acquires a LOT, except through foreclosure of a first mortgage of record or deed in lieu thereof, including, without limitation, persons acquiring title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable for all unpaid ASSESSMENTS and other moneys due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other moneys have been paid in full.

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7.1.7. Assignment of Claim and Lien Rights. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid ASSESSMENTS and any other moneys owed to the ASSOCIATION, to any third party.

7.1.8. Unpaid ASSESSMENTS Certificate. Within fifteen (15) days after written request by any OWNER or any INSTITUTIONAL LENDER holding or making a mortgage encumbering any LOT, the ASSOCIATION shall provide the OWNER or INSTITUTIONAL LENDER a written certificate as to whether or not the OWNER of the LOT is in default with respect to the payment of ASSESSMENTS or with respect to compliance with the terms and provisions of this DECLARATION, and any person or entity who relies on such certificate in purchasing or in making a mortgage loan encumbering any LOT shall be protected thereby.

7.1.9. Application of Payments. Any payments made to the ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien, next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of assessments and other moneys owed to the ASSOCIATION by the OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENTS or other moneys due to the ASSOCIATION, as provided herein, and next towards any unpaid ASSESSMENTS owed to the ASSOCIATION, in the inverse order that such ASSESSMENTS were due.

7.2. Non-Monetary Defaults. In the event of a violation by any OWNER or any tenant of an OWNER, or any person residing with them, or their guests or invitees, (other than the non-payment of any ASSESSMENT or other moneys) of any of the provisions of the MASTER DECLARATION and/or this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations of the ASSOCIATION, the ASSOCIATION shall notify the OWNER and any tenant of the OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the OWNER or tenant fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, or if any similar violation is thereafter repeated, the ASSOCIATION may, at its option:

7.2.1. Impose a fine against the OWNER or tenant as provided in Paragraph 7.3; and/or

7.2.2. Commence an action to enforce the performance on the part of the OWNER or tenant, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

7.2.3. Commence an action to recover damages; and/or

7.2.4. Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable, but is not limited to, removing any addition, alteration, improvement or change which has not been approved by the ASSOCIATION, or performing any maintenance required to be performed by this DECLARATION.

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten (10%) percent of such expenses, and all expenses incurred by the ASSOCIATION in connection with any legal proceedings to enforce this DECLARATION, including reasonable attorneys' fees whether or not incurred in legal proceedings, shall be assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located.

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7.3. Fines. The amount of any fine shall be determined by the BOARD, and shall not exceed the greater of Twenty-Five Dollars (\$25.00) or one month's ASSESSMENT for COMMON EXPENSES for the first offense, Fifty Dollars (\$50.00) or two (2) months' ASSESSMENT for COMMON EXPENSES for a second similar offense, and One Hundred Dollars (\$100.00) or three (3) months' ASSESSMENT for COMMON EXPENSES for a third or subsequent similar offense. Notwithstanding the foregoing, if any violation of this DECLARATION or the Rules and Regulations is of a continuing nature, and if the OWNER fails to cure any continuing violation within thirty (30) days after written notice of such violation, or if such violation is not capable of being cured within such thirty (30)-day period, if the OWNER fails to commence action reasonably necessary to cure the violation within such thirty (30)-day period or shall thereafter fail to diligently proceed to cure the violation as soon as is reasonably practical, a daily fine may be imposed until the violation is cured in an amount not to exceed the greater of Five Dollars (\$5.00) or one-fourth (1/4) of one (1) month's ASSESSMENT for COMMON EXPENSES. Prior to imposing any fine, the OWNER or tenant shall be afforded an opportunity for a hearing after reasonable notice to the OWNER or tenant of not less than fourteen (14) days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the DECLARATION, BYLAWS or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the ASSOCIATION. The OWNER or tenant shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the ASSOCIATION. At the hearing, the BOARD shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the BOARD so determines, it may impose such fine as it deems appropriate by written notice to the OWNER or tenant. If the OWNER or tenant fails to attend the hearing as set by the BOARD, the OWNER or tenant shall be deemed to have admitted the allegations contained in the notice to the OWNER or tenant. Any fine imposed by the BOARD shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the BOARD's decision at the hearing. Any fine levied against an OWNER shall be deemed an ASSESSMENT, and if not paid when due all of the provisions of this DECLARATION relating to the late payment of ASSESSMENTS shall be applicable. If any fine is levied against a tenant and is not paid within ten (10) days after same is due, the ASSOCIATION shall have the right to evict the tenant as hereinafter provided. In any event, the ASSOCIATION shall not have the right to impose any fine against DECLARANT.

7.4. Negligence. An OWNER shall be liable and may be assessed by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent otherwise provided by law and to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a LOT or UNIT, or the COMMON AREAS.

7.5. Responsibility of an OWNER for Occupants, Tenants, Guests, and Invitees. To the extent otherwise provided by law, each OWNER shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his UNIT, and for all guests and invitees of the OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the COMMON EXPENSES, or any liability to the ASSOCIATION, the OWNER shall be assessed for same as in the case of any other ASSESSMENT, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION, of the ARTICLES, or the BYLAWS, by any resident of any UNIT, or any guest or invitee of an OWNER or any resident of a UNIT, shall also be deemed a violation by the OWNER, and shall subject the OWNER to the same liability as if such violation was that of the OWNER.

7.6. Right of ASSOCIATION to Evict Tenants, Occupants, Guests and Invitees. With respect to any tenant or any person present in any UNIT or any portion of the SUBJECT PROPERTY, other than an OWNER and the members of his immediate family permanently residing with him in the UNIT, if such person shall materially violate any provision of this DECLARATION, the ARTICLES, or

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the BYLAWS, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the SUBJECT PROPERTY, or shall willfully damage or destroy any COMMON AREAS or personal property of the ASSOCIATION, then upon written notice by the ASSOCIATION such person shall be required to immediately leave the SUBJECT PROPERTY and if such person does not do so, the ASSOCIATION is authorized to commence an action to evict such tenant or compel the person to leave the SUBJECT PROPERTY and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable OWNER, and the ASSOCIATION may collect such ASSESSMENT and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the ASSOCIATION.

7.7. No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BYLAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

7.8. Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION from executing any additional remedies, rights or privileges as may be granted or as it might have by law.

7.9. Enforcement By or Against other Persons. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT (so long as DECLARANT is an OWNER), or the MASTER ASSOCIATION by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION, including attorneys' fees shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

8. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time the MASTER ASSOCIATION and one hundred percent (100%) of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50)-year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until the MASTER ASSOCIATION and a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds any mortgage encumbering any LOT.

9. AMENDMENT.

9.1. This DECLARATION may be amended upon the approval of not less than two-third (2/3) of the OWNERS, except that if any provision of this DECLARATION requires more than a two-third (2/3) vote of the OWNERS to approve any action, such provision may not be amended to require a lesser vote, and

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may not be deleted, without the same number of votes required to approve such action. In addition, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, this DECLARATION may be amended from time to time, by DECLARANT without the consent of the ASSOCIATION or any OWNER, and no amendment may be made by the OWNERS without the written joinder of DECLARANT. Such right of DECLARANT to amend this DECLARATION shall specifically include, but shall not be limited to, (i) amendments adding any property which will be developed in a similar manner as the SUBJECT PROPERTY, or deleting any property from the SUBJECT PROPERTY which will be developed differently than the SUBJECT PROPERTY (provided that any such amendment shall require the joinder of the owners of such property or any portion thereof if the owners are different than DECLARANT, and further provided that DECLARANT shall not have the obligation to add any property to or delete any property from the SUBJECT PROPERTY), and (ii) amendments required by any INSTITUTIONAL LENDER or governmental authority in order to comply with the requirements of same. In order to be effective, any amendment to this DECLARATION must first be recorded in the public records of the county in which the SUBJECT PROPERTY is located, and in the case of an amendment made by the OWNERS, such amendment shall contain a certification by the President and Secretary of the ASSOCIATION that the amendment was duly adopted.

9.2. No amendment shall discriminate against any OWNER or class or group of OWNERS, unless the OWNERS so affected join in the execution of the amendment. No amendment shall change the number of votes of any OWNER or increase any OWNER's proportionate share of the COMMON EXPENSES, unless the OWNERS affected by such amendment join in the execution of the amendment. No amendment may prejudice or impair the priorities of INSTITUTIONAL LENDERS granted hereunder unless all INSTITUTIONAL LENDERS join in the execution of the amendment. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to DECLARANT, unless DECLARANT joins in the execution of the amendment. No amendment shall be contrary to the terms and provisions of the MASTER DECLARATION or adversely affect same unless the MASTER ASSOCIATION joins in the execution of the Amendment. As long as LOMAS & NETTLETON FINANCIAL CORPORATION, a Delaware corporation and/or LOMAS MORTGAGE USA, INC., a Connecticut corporation and/or any related or affiliated company or other entity of any of same hold a mortgage or mortgages on any portion of the SUBJECT PROPERTY, this DECLARATION cannot be amended without the consent of LOMAS & NETTLETON FINANCIAL CORPORATION, LOMAS MORTGAGE USA, INC. and/or such related or affiliated company or other entity, as applicable.

9.3. Notwithstanding anything contained herein to the contrary, any amendment to this DECLARATION which would adversely affect the surface water management system, including the water management portions of the COMMON AREAS, must have the prior approval of the Sunshine Water Control District.

#### 10. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

10.1. Notice of Action. Upon written request to the ASSOCIATION by an INSTITUTIONAL LENDER holding, insuring or guaranteeing a first mortgage encumbering any LOT, identifying the name and address of the holder, insurer or guarantor will be entitled to timely written notice of:

10.1.1. Any condemnation or casualty loss which affects a material portion of the SUBJECT PROPERTY or the LOT;

10.1.2. Any sixty (60)-day default in the payment of ASSESSMENTS or charges owed to the ASSOCIATION or in the performance of any obligation hereunder by the OWNER of the LOT;

10.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the ASSOCIATION;

10.1.4. Any proposed action which would require the consent of a specified percentage of INSTITUTIONAL LENDERS.

10.2. Consent of INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any LOTS is required by this DECLARATION, the ARTICLES, the BYLAWS, or any applicable statute or law, to any amendment of

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the DECLARATION, the ARTICLES, or the BYLAWS, or to any action of the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the ASSOCIATION), which response must be received by the ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the ASSOCIATION, which affidavit, where necessary may be recorded in the public records of the county where the SUBJECT PROPERTY is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as the matters therein contained. The foregoing shall not apply where an INSTITUTIONAL LENDER is otherwise required to specifically join in an amendment to this DECLARATION.

10.3. Payment of Taxes and Insurance. Any INSTITUTIONAL LENDER may pay any taxes or assessments owed to any governmental authority by the ASSOCIATION which are in default, or any overdue insurance premiums required to be purchased by the ASSOCIATION pursuant to this DECLARATION, or may secure new insurance upon the lapse of a policy, and shall be owed, immediate reimbursement therefore from the ASSOCIATION plus interest at the highest rate permitted by law and any costs of collection, including attorneys' fees.

11. MISCELLANEOUS.

11.1. Conflict With ARTICLES or BYLAWS. In the event of any conflict between the ARTICLES and the BYLAWS and this DECLARATION, this DECLARATION, the ARTICLES, and the BYLAWS, in that order, shall control.

11.2. Authority of ASSOCIATION and Delegation. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

11.3. Severability. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions, or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

11.4. Validity. In the event any court shall hereafter determine that any provisions as originally drafted herein violate the rule against perpetuities, the period specified in this DECLARATION shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of law.

11.5. Assignment of DECLARANT's Rights. Any and all of the rights, privileges, or options provided to or reserved by DECLARANT in this DECLARATION, the ARTICLES, or the BYLAWS, may be assigned by DECLARANT, in whole or in part, as to all or any portion of the SUBJECT PROPERTY, to any person or entity pursuant to an assignment recorded in the public records of the county in which the SUBJECT PROPERTY is located. Any partial assignee of any of the rights of DECLARANT shall not be deemed the DECLARANT, and shall have no other rights, privileges or options other than as are specifically assigned. No assignee of DECLARANT shall have any liability for any acts of DECLARANT or any prior DECLARANT unless such assignee is assigned and agrees in writing to assume such liability.

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11.6. Performance of ASSOCIATION's Duties by DECLARANT. DECLARANT shall have the right from time to time, at its sole discretion, to perform at DECLARANT's expense the duties and obligations required hereunder to be performed by the ASSOCIATION, and in connection therewith to reduce the budget of the ASSOCIATION and the ASSESSMENTS for COMMON EXPENSES payable by the OWNER, provided however that any such performance on the part of DECLARANT may be discontinued by DECLARANT at any time, and any such performance shall not be deemed to constitute a continuing obligation on the part of DECLARANT.

11.7. Inapplicability of Condominium Act. It is acknowledged that the ASSOCIATION is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Florida Statutes, Chapter 718.

11.8. Lawsuits Brought by the ASSOCIATION. The ASSOCIATION shall not commence any legal proceedings on its behalf or on behalf of the OWNERS, and shall not spend any money or make an assessment for any money to pay for attorneys' fees or any other fees, costs, or expenses of any kind or nature whatsoever to investigate, prepare for, or research any legal proceedings, without the consent of at least seventy-five (75%) of all of the OWNER obtained at a duly called special meeting of the OWNER for the purpose of approving such action, and without the consent of INSTITUTIONAL LENDERS holding a majority of the mortgages that encumber the LOTS, except for legal proceedings against an OWNER, other than DECLARANT, or BUCKHEAD, INC. to enforce the OWNER's obligations, monetary or otherwise, under this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations.

11.9. Modification of Development Plan. DECLARANT reserves the right at any time and from time to time to modify the development plan for all or any portion of the SUBJECT PROPERTY, and in connection therewith to develop UNITS upon the SUBJECT PROPERTY which are substantially different from the UNITS planned for the SUBJECT PROPERTY from time to time, and in the event DECLARANT changes the type, size, or nature of the UNITS or other improvements to be constructed upon the SUBJECT PROPERTY, DECLARANT shall have no liability therefor to any OWNER. In addition, DECLARANT makes no representations or warranties as to the manner in which any other property outside of the SUBJECT PROPERTY will be developed, and shall have no liability to any OWNER as regards the development of any other property in or around the SUBJECT PROPERTY.

11.10. Utility Deposits. It is acknowledged that various utility deposits may be required for utility services for the COMMON AREAS which will be supplied as a COMMON EXPENSE, and in the event DECLARANT pays for such deposits, DECLARANT shall be entitled to reimbursement from the ASSOCIATION when funds are available for such reimbursement, and until DECLARANT is reimbursed for any deposits paid by it, DECLARANT shall be entitled to any refunds of any utility deposits from the appropriate authority holding same, and if any deposit is refunded to the ASSOCIATION, same shall be promptly paid to DECLARANT by the ASSOCIATION upon receipt.

11.11. Royal Land. ROYAL LAND WEST is part of ROYAL LAND which includes the SUBJECT PROPERTY and the ADJACENT PROPERTY. ROYAL LAND WEST is subject to all of the terms, conditions, provision and limitations of the MASTER DECLARATION for ROYAL LAND and all of said terms, conditions, provisions and limitations are incorporated herein by reference. If there are any inconsistencies between the terms, conditions, provisions and limitations of the MASTER DECLARATION and the terms, conditions, provisions and limitations of this DECLARATION, the terms, conditions, provisions and limitations of the MASTER DECLARATION shall prevail. The MASTER DECLARATION provides, among other things, for assessments against the ASSOCIATION and OWNERS of LOTS within ROYAL LAND WEST. Those assessments are considered to be a COMMON EXPENSE of the ASSOCIATION. Additionally, OWNERS shall not be members of the MASTER ASSOCIATION. The sole member of the MASTER ASSOCIATION for the SUBJECT PROPERTY shall be the ASSOCIATION who shall appoint a REPRESENTATIVE to represent it at MASTER ASSOCIATION meetings in the manner prescribed in the MASTER DECLARATION.

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IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION this 17<sup>th</sup> day of August, 1989.

WITNESSES:

Roberta Ann Bartley  
[Signature]

ROYAL RIDGE DEVELOPMENT CORPORATION  
a Florida corporation

By: L. Frost  
President

STATE OF FLORIDA )  
PALM BEACH )  
COUNTY OF BROWARD )

The foregoing instrument was acknowledged and sworn to before me this 17 day of August, 1989, by Laurie Frost, President of ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation, on behalf of the corporation.

Roberta Ann Bartley  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires:

(Notary Seal)

JOINDER OF ASSOCIATION

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the ASSOCIATION hereby agrees to the terms, provisions and conditions of this DECLARATION and does by these presents accept all of the benefits and duties, responsibilities, obligations and burdens imposed upon it by the terms, provisions and conditions of this DECLARATION.

IN WITNESS WHEREOF, the ASSOCIATION has caused this DECLARATION to be executed by the ASSOCIATION this 17 day of August, 1989.

ROYAL RIDGE ASSOCIATION, INC.,  
a Florida corporation not-for-profit

By: L. Frost  
President

STATE OF FLORIDA )  
PALM BEACH )  
COUNTY OF BROWARD )

The foregoing instrument was acknowledged and sworn to before me this 17 day of August, 1989, by Laurie Frost, President of ROYAL RIDGE ASSOCIATION, INC., a Florida corporation not-for-profit, on behalf of the association.

Roberta Ann Bartley  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

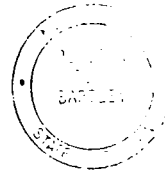
My commission expires:

Notary Public, State of Florida  
My Commission Expires September 1990

(Notary Seal)

This Instrument Prepared By:

DANA C. FERRELL, ESQ.  
Goldberg & Young, P.A.  
1630 North Federal Highway  
Fort Lauderdale, Florida 33305  
(305) 564-8000



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EXHIBIT "A"

SUBJECT PROPERTY

Lots 1-33 inclusive of Block 1, Lots 1-22 inclusive of Block 2, Lots 1-23 inclusive of Block 3, Lots 1-22 inclusive of Block 4, Lots 1-23 inclusive of Block 5 and Tract L-1 of ROYAL LAND AMENDED according to the Plat thereof recorded at Plat Book 132, Page 20 of the Public Records of Broward County, Florida.

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# State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of ROYAL RIDGE ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on August 9, 1989, as shown by the records of this office.

The document number of this corporation is N33651.

OK-1669316-227

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
10th day of August, 1989.



*Jim Smith*  
Jim Smith  
Secretary of State

ARTICLES OF INCORPORATION  
OF  
ROYAL RIDGE ASSOCIATION, INC.,  
A Florida Corporation Not-For-Profit

FILED  
AUG 4 9 02 AM '88  
SECRETARY  
TALLAHASSEE, FLORIDA

The undersigned incorporator, for the purpose of forming a corporation not-for-profit pursuant to the laws of the State of Florida, Florida Statutes, Chapter 617, hereby adopts the following Articles of Incorporation:

P R E A M B L E :

ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation ("DECLARANT"), is under contract to purchase certain property in Broward County, Florida (the "SUBJECT PROPERTY"), and intends, after becoming the owner of the Subject Property, to execute and record a Declaration of Covenants and Restrictions of Royal Land West (the "DECLARATION") which will affect all of the SUBJECT PROPERTY. This association is being formed as the association to administer the DECLARATION, and to perform the duties and exercise the powers pursuant to the DECLARATION, as and when the DECLARATION is recorded in the Public Records of Broward County, Florida with these Articles of Incorporation attached as an exhibit. All of the definitions contained in the DECLARATION shall apply to these Articles of Incorporation, and to the Bylaws of the Association.

ARTICLE I - NAME

The name of the corporation is ROYAL RIDGE ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the "ASSOCIATION."

ARTICLE II - PURPOSE

The purposes for which the ASSOCIATION is organized are as follows:

1. To operate as a corporation not-for-profit pursuant to Chapter 617 of the Florida Statutes.
2. To enforce and exercise the duties of the ASSOCIATION as provided in the DECLARATION.
3. To promote the health, safety, welfare, comfort, and social and economic benefit of the members of the ASSOCIATION.

ARTICLE III - POWERS AND DUTIES

The ASSOCIATION shall have the following powers and duties:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of the State of Florida.
2. To administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the DECLARATION, including but not limited to, the following:
  - 2.1 To own, purchase, sell, mortgage, encumber, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.
  - 2.2 To make and collect ASSESSMENTS against OWNERS to defray the costs, expenses and losses incurred or to be incurred by the ASSOCIATION, and to use the proceeds thereof in the exercise of the ASSOCIATION's powers and duties.
  - 2.3 To enforce the provisions of the DECLARATION, these ARTICLES, and the BYLAWS.

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2.4 To make, establish and enforce reasonable rules and regulations governing the use of COMMON AREAS, LOTS, UNITS and other property under the jurisdiction of the ASSOCIATION.

2.5 To grant and modify easements, and to dedicate property owned by the ASSOCIATION to any public or quasi-public agency, authority or utility company for public, utility, drainage and cable television purposes.

2.6 To borrow money for the purposes of carrying out the powers and duties of the ASSOCIATION.

2.7 To exercise control over exterior alterations, additions, improvements, or changes in accordance with the terms of the DECLARATION.

2.8 To obtain insurance as provided by the DECLARATION.

2.9 To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the ASSOCIATION and for proper operation of the properties for which the ASSOCIATION is responsible, or to contract with others for the performance of such obligations, services and/or duties.

2.10 To sue and be sued.

2.11 To operate and maintain the surface water management system for the SUBJECT PROPERTY as permitted by the Sunshine Water Control District, including all lakes, retention areas, culverts and related appurtenances, as may be applicable.

#### ARTICLE IV - MEMBERS

1. The members of the ASSOCIATION shall consist of all of the record owners of LOTS. Membership shall be established as to each LOT upon the recording of the DECLARATION. Upon the transfer of ownership of fee title to, or fee interest in, a LOT, whether by conveyance, devise, judicial decree, foreclosure, or otherwise, and upon the recordation amongst the public records in the county in which the SUBJECT PROPERTY is located of the deed or other instrument establishing the acquisition and designating the LOT affected thereby, the new OWNER designated in such deed or other instrument shall thereupon become a member of the ASSOCIATION, and the membership of the prior OWNER as to the LOT designated shall be terminated, provided, however, that the ASSOCIATION shall not have the responsibility or obligation of recognizing any such change in membership until it has been delivered a true copy of the applicable deed or other instrument, or is otherwise informed of the transfer of ownership of the LOT. Prior to the recording of the DECLARATION, the incorporator shall be the sole member of the ASSOCIATION.

2. The share of each member in the funds and assets of the ASSOCIATION, and the COMMON SURPLUS, and any membership in this ASSOCIATION, cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the LOT for which that membership is established.

3. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each LOT. In the event any LOT is owned by more than one person and/or entity, the vote for such LOT shall be cast in the manner provided by the BYLAWS. Any person or entity owning more than one LOT shall be entitled to one vote for each LOT owned.

4. The BYLAWS shall provide for an annual meeting of the members of the ASSOCIATION and shall make provision for special meetings.

#### ARTICLE V - TERM OF EXISTENCE

The ASSOCIATION shall have perpetual existence.

#### ARTICLE VI - INCORPORATOR

The name and street address of the incorporator is:

ROYAL RIDGE DEVELOPMENT CORPORATION 9900 West Sample Road  
a Florida corporation Suite 200  
Coral Springs, Florida 33065

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ARTICLE VII - DIRECTORS

1. The property, business and affairs of the ASSOCIATION shall be managed by a BOARD which shall consist of not less than three (3) directors, and which shall always be an odd number. The BYLAWS may provide for a method of determining the number of directors from time to time. In the absence of a determination as to the number of directors, the BOARD shall consist of three (3) directors. Directors are not required to be members of the ASSOCIATION.
2. All of the duties and powers of the ASSOCIATION existing under the DECLARATION, these ARTICLES and the BYLAWS shall be exercised exclusively by the BOARD, its agents, contractors or employees, subject to approval by the members only when specifically required.
3. The DECLARANT shall have the right to appoint all of the directors until DECLARANT has conveyed 75% of all of the LOTS within the SUBJECT PROPERTY, or until five (5) years after the DECLARATION is recorded in the public records in the county in which the SUBJECT PROPERTY is located, whichever occurs first, and thereafter shall have the right to appoint a majority of the directors so long as the DECLARANT owns any LOT within the SUBJECT PROPERTY. The DECLARANT may waive its right to elect one or more directors by written notice to the ASSOCIATION, and thereafter such directors shall be elected by the members. When the DECLARANT no longer owns any LOT within the SUBJECT PROPERTY, all of the directors shall be elected by the members in the manner provided in the BYLAWS.
4. Directors may be removed and vacancies on the BOARD shall be filled in the manner provided by the BYLAWS, however any director appointed by the DECLARANT may only be removed by the DECLARANT, and any vacancy on the BOARD shall be appointed by the DECLARANT if, at the time such vacancy is to be filled, the DECLARANT is entitled to appoint the directors.
5. The names and addresses of the initial directors, who shall hold office until their successors are appointed or elected, are as follows:

L. J. FROST	9900 West Sample Road, Suite 200 Coral Springs, Florida 33065
JON HEDBERG	c/o Richard Rosin, Esq. Krane, Spolin, Rosin, et. al. 1888 Century Park East #35 Los Angeles, California 90061
DONALD MCKNOUGHT	9900 West Sample Road, Suite 200 Coral Springs, Florida 33065

ARTICLE VIII - OFFICERS

The officers of the ASSOCIATION shall be a president, vice president, secretary, treasurer and such other officers as the BOARD may from time to time by resolution create. The officers shall serve at the pleasure of the BOARD, and the BYLAWS may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers. The names of the officers who shall serve until their successors are designated by the BOARD are as follows:

President/Secretary . . . . .	L. J. FROST
Vice President . . . . .	JON HEDBERG
Vice President/Treasurer . . . . .	MICHAEL MCKNOUGHT
Vice President/Assistant Secretary . . . . .	KAY E. BEIN

ARTICLE IX - INDEMNIFICATION

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 (other than an action by or in the right of the ASSOCIATION) by reason of the fact that he is or was a director, employee, officer or agent of the ASSOCIATION, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him

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in connection with the action, suit or proceeding 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, if he had no reasonable cause to believe his conduct was unlawful; except, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duties to the ASSOCIATION unless and only to the extent that the court in which the action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. 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, in and 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 with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

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 Paragraph 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 and reasonably incurred by him in connection therewith.

3. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the ASSOCIATION in advance of the final disposition of such action, suit or proceeding as authorized by the BOARD in the specific case upon receipt of an undertaking by or on behalf of the directors, 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 herein.

4. The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any BYLAW, agreement, vote of members or otherwise, and as to action taken in an official capacity while holding office, shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

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, as 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.

#### ARTICLE X - BYLAWS

The first BYLAWS shall be adopted by the BOARD and may be altered, amended or rescinded by the DECLARANT, the Directors and/or members in the manner provided by the BYLAWS.

#### ARTICLE XI - AMENDMENTS

Amendments to these ARTICLES shall be proposed and adopted in the following manner:

1. A majority of the BOARD shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be the annual or a special meeting.

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in the BYLAWS for the giving of notice of a meeting of the members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

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3. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of the entire membership of the ASSOCIATION.
4. Any number of amendments may be submitted to the members and voted upon by them at any one meeting.
5. If all of the directors and all of the members eligible to vote sign a written statement manifesting their intention that an amendment to these ARTICLES be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.
6. No amendment shall make any changes in the qualifications for membership nor in the voting rights of members without approval by all of the members and the joinder of all INSTITUTIONAL LENDERS holding mortgages upon the LOTS. No amendment shall be made that is in conflict with the DECLARATION. Prior to the closing date of the sale of all LOTS within the SUBJECT PROPERTY, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the DECLARANT, unless the DECLARANT shall join in the execution of the amendment, including, but not limited to, any right of the DECLARANT to appoint directors pursuant to Article VII. In addition, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, these ARTICLES may be amended from time to time by DECLARANT without the consent of the ASSOCIATION or any owner. No amendment shall be contrary to the terms and provisions of the MASTER DECLARATION which adversely affect same unless the MASTER ASSOCIATION joins in the execution of the Amendment. As long as LOMA & NETTLETON FINANCIAL CORPORATION, a Delaware corporation and/or LOMAS MORTGAGE USA, INC., a Connecticut corporation and/or any related or affiliated company or other entity of any of same hold a mortgage or mortgages on any portion of the SUBJECT PROPERTY, these ARTICLES cannot be amended without the consent of LOMAS & NETTLETON FINANCIAL CORPORATION, LOMAS MORTGAGE USA, INC. and/or such related or affiliated company or other entity, as applicable.
7. No amendment to these ARTICLES shall be made which discriminates against any OWNER(S), or affects less than all of the OWNERS within the SUBJECT PROPERTY, without the written approval of all of the OWNERS so discriminated against or affected.
8. Upon the approval of an amendment to these ARTICLES, the articles of amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the public records of the county in which the SUBJECT PROPERTY is located.

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#### ARTICLE XII - DISSOLUTION

In the event of dissolution or final liquidation of the ASSOCIATION, the assets, both real and personal, of the ASSOCIATION, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the ASSOCIATION. 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 purposes as nearly as practicable to the same as those to which they were required to be devoted by the ASSOCIATION. No such disposition of ASSOCIATION properties shall be effective to divest or diminish any right or title of any MEMBER vested in him under the recorded DECLARATION unless made in accordance with the provisions of such DECLARATION. The ASSOCIATION shall not be dissolved without the approval of the MASTER ASSOCIATION.

#### ARTICLE XIII

##### INITIAL REGISTERED OFFICE ADDRESS AND NAME OF REGISTERED AGENT

The initial registered office of the ASSOCIATION shall be at 9900 West Sample Road, Suite 200, Coral Springs, Florida 33065. The initial registered agent of the ASSOCIATION at that address is ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation.

WHEREFORE, the incorporator, and the initial registered agent, have executed these ARTICLES on this 7<sup>th</sup> day of August, 1989.

ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation

By: L. J. Frost  
L. J. FROST, its President

STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF BROWARD )

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of August, 1989, by L. J. FROST, President of ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation, as Incorporator and as Registered Agent.

Robert H. Scott  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My Commission expires:  Notary Public, State of Florida  
My Commission Expires Oct. 22, 1991  
Backed by Troy Law Insurance Inc.

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EXHIBIT "C"

BYLAWS

OF

ROYAL RIDGE ASSOCIATION, INC.,  
A Florida Corporation Not-For-Profit

1. GENERAL PROVISIONS.

1.1. Identity. These are the BYLAWS of ROYAL RIDGE ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the "ASSOCIATION," a corporation not-for-profit formed under the laws of the State of Florida. The ASSOCIATION has been organized for the purposes stated in the ARTICLES and shall have all of the powers provided in these BYLAWS, the ARTICLES, the DECLARATION, and any statute or law of the State of Florida, or any other power incident to any of the above powers.

1.2. Principal Office. The principal office of the ASSOCIATION shall be at such place as the BOARD may determine from time to time.

1.3. Fiscal Year. The fiscal year of the ASSOCIATION shall be the calendar year.

1.4. Seal. The seal of the ASSOCIATION shall have inscribed upon it the name of the ASSOCIATION, the year of its incorporation and the words "Corporation Not-for-Profit." The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the ASSOCIATION.

1.5. Inspection of Books and Records. The books and records of the ASSOCIATION shall be open to inspection by all OWNERS or their authorized representatives, and all holders, insurers or guarantors of any first mortgage encumbering a LOT. Such records of the ASSOCIATION shall include current copies of the DECLARATION, ARTICLES and BYLAWS, and any amendments thereto, any contracts entered into by the ASSOCIATION, and the books, records and financial statements of the ASSOCIATION. The ASSOCIATION shall be required to make available to prospective purchasers of LOTS current copies of the DECLARATION, ARTICLES and BYLAWS, and the most recent annual financial statement of the ASSOCIATION. Notwithstanding the foregoing, any inspection of any books or records of the ASSOCIATION will only be permitted upon reasonable notice, during normal business hours or under reasonable circumstances, and must be for a proper purpose which is reasonably related to an interest that the person making the inspection has or may have in the ASSOCIATION.

1.6. Definitions. Unless the context otherwise requires, all terms used in these BYLAWS shall have the same meaning as are attributed to them in the ARTICLES, and the DECLARATION.

2. MEMBERSHIP IN GENERAL.

2.1. Qualification. Pursuant to the ARTICLES, all of the record owners of LOTS shall be members of the ASSOCIATION. Membership for each LOT shall be established upon the recording of the DECLARATION. Prior to the recording of the DECLARATION, the incorporator shall be the sole member of the ASSOCIATION, but its membership shall terminate upon the recording of the DECLARATION, unless it owns any LOT(S).

2.2. Changes in Membership. The transfer of the ownership of any LOT, either voluntarily or by operation of law, shall automatically terminate the membership of the prior owner, and the transferee or new owner shall automatically become a member of the ASSOCIATION. It shall be the responsibility of any such transferor and transferee of a LOT to notify the ASSOCIATION of any change in the ownership of any LOT, and the corresponding change in any membership, by delivering to the ASSOCIATION a copy of the deed or other instrument of conveyance which establishes a transfer of ownership. In the absence of such notification, the ASSOCIATION shall not be obligated to recognize any change in membership or ownership of a LOT for purposes of notice, voting, ASSESSMENTS, or for any other purpose.

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2.3. Member Register. The secretary of the ASSOCIATION shall maintain a register in the office of the ASSOCIATION showing the names and addresses of the members of the ASSOCIATION. It shall be the obligation of each member of the ASSOCIATION to advise the secretary of any change of address of the member, or of the change of ownership of the member's LOT, as set forth above. Any member who mortgages his LOT shall notify the ASSOCIATION of the name and address of his mortgagee. Any member who satisfies the mortgage encumbering his LOT shall also notify the ASSOCIATION thereof, and shall file a copy of the satisfaction of mortgage with the ASSOCIATION. The names and addresses of any such mortgagee shall also be maintained in the member register.

3. MEMBERSHIP VOTING.

3.1. Voting Rights. There shall be one vote for each LOT. In the event any LOT is owned by more than one person, or is owned by a person other than an individual, the vote for such LOT shall be cast as set forth below, and votes shall not be divisible. In the event any member owns more than one LOT, the member shall be entitled to one vote for each such LOT.

3.2. Majority Vote and Quorum Requirements. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding upon all members and OWNERS for all purposes, except where otherwise provided by law, in the DECLARATION, in the ARTICLES, or in these BYLAWS. Unless otherwise so provided, at any regular or special meeting, the presence in person or by proxy of persons entitled to cast the votes for one-third of the LOTS shall constitute a quorum.

3.3. Determination as to Voting Rights.

3.3.1. In the event any LOT is owned by one person, his right to cast the vote for the LOT shall be established by the record title to his LOT.

3.3.2. In the event any LOT is owned by more than one person or by an entity, the vote for the LOT may be cast at any meeting by any co-owner of the LOT provided, however, that in the event a dispute arises between the co-owners as to how the vote for the LOT shall be cast, or in the event the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the LOT on the matter being voted upon at that meeting, but their membership shall be counted for purposes of determining the existence of a quorum. For purposes of this paragraph, the principals or partners of any entity (other than a corporation) owning a LOT shall be deemed co-owners of the LOT, and the directors and officers of a corporation owning a LOT shall be deemed co-owners of the LOT.

3.3.3. Proxies. Every member entitled to vote at a meeting of the members, or to express consent or dissent without a meeting, may authorize another person or persons to act on the member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it. Every proxy shall specifically set forth the name of the person voting by proxy, and the name of the person authorized to vote the proxy for him. Every proxy shall contain the date, time, and place of the meeting for which the proxy is given, and if a limited proxy, shall set forth those items which the proxy holder may vote, and the manner in which the vote is to be cast.

4. MEMBERSHIP MEETINGS.

4.1. Who May Attend. In the event any LOT is owned by more than one person, all co-owners of the LOT may attend any meeting of the members. In the event any LOT is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. However, the vote for any LOT shall be cast in accordance with the provisions of Paragraph 3 above. INSTITUTIONAL LENDERS have the right to attend all members meetings.

4.2. Place. All meetings of the members shall be held at the principal office of the ASSOCIATION or at such other place and at such time as shall be designated by the BOARD and stated in the notice of meeting.

4.3. Notices. Written notice stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by first-class mail or personal delivery to each member entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting, either personally or by first-class mail, by or at the direction of the president, the secretary or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears in the records of the ASSOCIATION, with postage thereon pre-paid. For the purpose of determining members entitled to notice of, or to vote at, any meeting of the members of the ASSOCIATION, or in order to make a determination of the members for any other purpose, the BOARD shall be entitled to rely upon the member register as same exists ten (10) days prior to the giving of the notice of any meeting, and the BOARD shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. Notwithstanding the foregoing, if a LOT is owned by more than one person or by an entity, only one (1) notice shall be required to be given with respect to the LOT, which may be given to any co-owner as defined in Paragraph 3.3.2 of these BYLAWS. Notice to any member or co-owner shall be sent to the LOT of such member or co-owner, unless the LOT OWNER(S) of the LOT otherwise request.

4.4. Waiver of Notice. Whenever any notice is required to be given to any member under the provisions of the ARTICLES or these BYLAWS, or as otherwise provided by law, a waiver thereof in writing signed by the person or persons entitled to such a notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.5. Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business shall be held once each year at a time and place to be determined by the BOARD and as is contained in the notice of such meeting. However, so long as DECLARANT is entitled to appoint a majority of the directors of the ASSOCIATION, no annual meetings will be required.

4.6. Special Meetings. Special meetings of the members may be called at any time by any director, the president, or at the request, in writing, by not less than 25% of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given by the secretary, or other officers of the ASSOCIATION, to all of the members within thirty (30) days after the same is duly called, and the meeting shall be held within forty-five (45) days after the same is duly called.

4.7. Adjournments. Any meeting may be adjourned or continued by a majority vote of the members present in person or by proxy and entitled to vote, or if no member entitled to vote is present, then any officer of the ASSOCIATION may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to members not present at the original meeting, without giving notice to the members which were present at such meeting.

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4.8. Organization. At each meeting of the members, the president, the vice president, or any person chosen by a majority of the members present, in that order, shall act as chairman of the meeting. The secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

4.9. Order of Business. The order of business at the annual meetings of the members shall be:

- 4.9.1. Determination of chairman of the meeting;
- 4.9.2. Calling of the roll and certifying of proxies;
- 4.9.3. Proof of notice of meeting or waiver of notice;
- 4.9.4. Reading and disposal of any unapproved minutes;
- 4.9.5. Reports of directors, officers or committees;
- 4.9.6. Nomination and election of inspectors of election;
- 4.9.7. Determination of number of directors;
- 4.9.8. Election of directors;
- 4.9.9. Unfinished business;
- 4.9.10. New business; and
- 4.9.11. Adjournment.

4.10. Minutes. The minutes of all meetings of the members shall be kept in a book available for inspection by the members or their authorized representatives, and the directors, upon reasonable notice, during reasonable times, for a proper purpose. The ASSOCIATION shall retain these minutes for a period of not less than seven (7) years.

4.11. Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the members of the ASSOCIATION, may be taken without a meeting, without proper notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If a LOT is owned by more than one person or by a corporation, the consent for such LOT need only be signed by one person who would be entitled to cast the vote for the LOT as a co-owner pursuant to Paragraph 3.3.2 of these BYLAWS.

## 5. DIRECTORS.

### 5.1. Membership.

5.1.1. The affairs of the ASSOCIATION shall be managed by a BOARD of not less than three (3) nor more than nine (9) directors. So long as the DECLARANT is entitled to appoint any director pursuant to the ARTICLES, the number of directors will be determined, and may be changed from time to time, by the DECLARANT by written notice to the BOARD. After the DECLARANT is no longer entitled to appoint any director, the number of directors may be changed at any meeting where the members are to elect any directors (i) by the then existing BOARD, if prior to such meeting of the members the BOARD votes to change the number of directors and such change is indicated in the notice of the meeting sent to the members, or (ii) by the members at the meeting prior to the election of directors. If the number of directors on the BOARD is not changed, then the number of directors shall be the same as the number on the BOARD prior to such meeting (plus any unfilled vacancies created by the death, resignation or removal of a director). In any event there shall always be an odd number of directors.

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5.2. Election of Directors by Members. Election of directors to be elected by the members of the ASSOCIATION shall be conducted in the following manner:

5.2.1. Within sixty (60) days after the members other than the DECLARANT are entitled to elect any directors, as provided in the ARTICLES, or within sixty (60) days after the DECLARANT notifies the ASSOCIATION that it waives its right to appoint one or more directors, the ASSOCIATION shall call, and give not less than thirty (30) days nor more than forty-five (45) days notice of, a special meeting of the members to elect any directors the members are then entitled to elect, or to replace the appropriate number of directors previously appointed by the DECLARANT. Such special meeting may be called and the notice given by any member if the ASSOCIATION fails to do so. At such special meeting the members shall be required to elect any directors which they are entitled to elect, and if they fail to do so any directors appointed by DECLARANT which would have been replaced by any directors elected by the members may resign without further liability or obligation to the ASSOCIATION. In the event such a special meeting is called and held, at the meeting the members may elect not to hold the next annual meeting of the members if such next annual meeting would be less than four (4) months after the date of the special meeting, and upon such election the next annual meeting of the members shall not be held.

5.2.2. Except as provided above, the members shall elect directors at the annual members' meetings.

5.2.3. Prior to any special or annual meeting at which directors are to be elected by the members, the existing BOARD may nominate a committee, which committee shall nominate one person for each director to be elected by the members, on the basis that the number of directors to serve on the BOARD will not be altered by the members at the members meeting. Nominations for additional directorship created at the meeting shall be made from the floor, and other nominations may be made from the floor.

5.2.4. The election of directors by the members shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each member voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

5.3. Term of Office. All directors elected by the members shall hold office until the next annual meeting of the members and until their successors are duly elected, or until such director's death, resignation or removal, as hereinafter provided or as otherwise provided by statute or by the ARTICLES.

5.4. Organizational Meeting. The newly elected BOARD shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5.5. Regular Meetings. Regular meetings of the BOARD may be held at such time and place as shall be determined, from time to time, by a majority of the directors. During the period when DECLARANT appoints a majority of the Directors, no regular meetings of the BOARD will be required.

5.6. Special Meetings. Special meetings of the BOARD may be called by any director, or by the president, at any time.

5.7. Notice of Meetings. Notice of each meeting of the BOARD shall be given by the secretary, or by any other officer or director, which notice shall state the day, place and hour of the meeting. Notice of such meeting shall be delivered to each director either personally or by telephone or telegraph, at least 48 hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, addressed to such director at his residence, or usual place of business, at least three (3) days before the day on which such meeting is to be held. Notice of a meeting of the BOARD need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute

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a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the BOARD need to be specified in any notice or waiver of notice of such meeting.

5.8. Quorum and Manner of Acting. A majority of the directors determined in the manner provided in these BYLAWS shall constitute a quorum for the transaction of any business at a meeting of the BOARD. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the BOARD, unless the act of a greater number of directors is required by statute, the DECLARATION, the ARTICLES, or by these BYLAWS. A director may join by written concurrence in any action taken at a meeting of the BOARD but such concurrence may not be used for the purposes of creating a quorum.

5.9. Adjourned Meetings. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the BOARD to another place and time. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment, and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.10. Presiding Officer. The presiding officer of the BOARD meetings shall be the chairman of the BOARD if such an officer is elected; and if none, the president of the ASSOCIATION shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.

5.11. Order of Business. The order of business at a BOARD meeting shall be:

- 5.11.1. Calling of roll;
- 5.11.2. Proof of due notice of meeting;
- 5.11.3. Reading and disposal of any unapproved minutes;
- 5.11.4. Reports of officers and committees;
- 5.11.5. Election of officers;
- 5.11.6. Unfinished business;
- 5.11.7. New business; and
- 5.11.8. Adjournment.

5.12. Minutes of Meetings. The minutes of all meetings of the BOARD shall be kept in a book available for inspection by the members of the ASSOCIATION, or their authorized representatives, and the directors, upon reasonable notice, during reasonable times, for a proper purpose. The ASSOCIATION shall retain these minutes for a period of not less than seven (7) years.

5.13. Committees. The BOARD may, by resolution duly adopted, appoint committees. Any committee shall have and may exercise such powers, duties and functions as may be determined by the BOARD from time to time, which may include any powers which may be exercised by the BOARD and which are not prohibited by law from being exercised by a committee.

5.14. Resignation. Any director may resign at any time by giving written notice of his resignation to another director or officer. Any such resignation shall take effect at the time specified therein, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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5.15. Removal of Directors. Directors may be removed as follows:

5.15.1. Any director other than a director appointed by the DECLARANT may be removed by majority vote of the remaining directors, if such director has been absent for the last three (3) consecutive BOARD meetings, and/or adjournments and continuances of such meetings.

5.15.2. Any director other than a director appointed by the DECLARANT may be removed with or without cause by the vote of a majority of the members of the ASSOCIATION at a special meeting of the members called by not less than ten percent (10%) of the members of the ASSOCIATION expressly for that purpose. The vacancy on the BOARD caused by any such removal may be filled by the members at such meeting or, if the members shall fail to fill such vacancy, by the BOARD, as in the case of any other vacancy on the BOARD.

5.16. Vacancies.

5.16.1. Vacancies in the BOARD may be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and a director so chosen shall hold office until the next annual election and until his successor is duly elected, unless sooner displaced. If there are no directors, then a special election of the members shall be called to elect the directors. Notwithstanding anything contained herein to the contrary, the DECLARANT at all times shall have the right to appoint the maximum number of directors permitted by the ARTICLES, and any vacancies on the BOARD may be filled by the DECLARANT to the extent that the number of directors then serving on the BOARD which were appointed by the DECLARANT is less than the number of directors the DECLARANT is then entitled to appoint.

5.16.2. In the event the ASSOCIATION fails to fill vacancies on the BOARD sufficient to constitute a quorum in accordance with these BYLAWS, any LOT OWNER may apply to the Circuit Court of the County in which the SUBJECT PROPERTY is located for the appointment of a receiver to manage the affairs of the ASSOCIATION. At least thirty (30) days prior to applying to the Circuit Court, the LOT OWNER shall mail to the ASSOCIATION a notice describing the intended action giving the ASSOCIATION the opportunity to fill the vacancies. If during such time the ASSOCIATION fails to fill the vacancies, the LOT OWNER may proceed with the petition. If a receiver is appointed, the ASSOCIATION shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all powers and duties of a duly constituted member of the BOARD, and shall serve until the ASSOCIATION fills vacancies on the BOARD sufficient to constitute a quorum.

5.17. Directors Appointed by the DECLARANT. Notwithstanding anything contained herein to the contrary, the DECLARANT shall have the right to appoint the maximum number of directors in accordance with the privileges granted to the DECLARANT pursuant to the ARTICLES. All directors appointed by the DECLARANT shall serve at the pleasure of the DECLARANT, and the DECLARANT shall have the absolute right, at any time, and in its sole discretion, to remove any director appointed by it, and to replace such director with another person to serve on the BOARD. Replacement of any director appointed by the DECLARANT shall be made by written instrument delivered to any officer or any other director, which instrument shall specify the name of the person designated as successor director. The removal of any director and the designation of his successor by the DECLARANT shall become effective immediately upon delivery of such written instrument by the DECLARANT.

5.18. Compensation. The Directors shall not be entitled to any compensation for serving as Directors unless the members approve such compensation, provided however, the ASSOCIATION may reimburse any Director for expenses incurred on behalf of the ASSOCIATION without approval of the members.

5.19. Powers and Duties. The directors shall have the right to exercise all of the powers and duties of the ASSOCIATION, express or implied, existing under these BYLAWS, the ARTICLES, the DECLARATION, or as otherwise provided by statute or law.

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6. OFFICERS.

6.1. Members and Qualifications. The officers of the ASSOCIATION shall include a president, a vice president, a treasurer and a secretary, all of whom shall be elected by the directors and may be pre-emptively removed from office with or without cause by the directors. Any person may hold two or more offices except that the president shall not also be the secretary. The BOARD may, from time to time, elect such other officers and designate their powers and duties as the BOARD shall find to be appropriate to manage the affairs of the ASSOCIATION from time to time. Each officer shall hold office until the meeting of the BOARD following the next annual meeting of the members, or until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned, or until he shall have been removed, as provided in these BYLAWS.

6.2. Resignations. Any officer may resign at any time by giving written notice of his resignation to any director or officer. Any such resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.3. Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these BYLAWS for the regular election or appointment of such office.

6.4. The President. The president shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power to appoint committees from among the members from time to time, as he may in his discretion deem appropriate to assist in the conduct of the affairs of the ASSOCIATION.

6.5. The Vice President. The vice president shall, in the absence or disability of the president, exercise the powers and perform the duties of the president. He shall also assist the president generally and exercise such other powers and perform such other duties as may be prescribed by the directors.

6.6. The Secretary. The secretary shall prepare and keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly executed. He shall keep the records of the ASSOCIATION, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an association, and as may be required by the directors or the president.

6.7. The Treasurer. The treasurer shall have custody of all property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep books of account for the ASSOCIATION in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the BOARD for examination at reasonable times. He shall submit a Treasurer's Report to the BOARD at reasonable intervals and shall perform all other duties incident to the office of treasurer. He shall collect all ASSESSMENTS and shall report to the BOARD the status of collections as requested.

6.8. Compensation. The officers shall not be entitled to compensation unless the BOARD specifically votes to compensate them. However, neither this provision, nor the provision that directors will not be compensated unless otherwise determined by the members, shall preclude the BOARD from employing a director or an officer as an employee of the ASSOCIATION and compensating such employee, nor shall they preclude the ASSOCIATION from contracting with a director for the management of property subject to the jurisdiction of the ASSOCIATION, or for the provision of services to the ASSOCIATION, and in either such event to pay such director a reasonable fee for such management or provision of services.

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7. FINANCES AND ASSESSMENTS.

7.1. ASSESSMENT ROLL. The ASSOCIATION shall maintain an ASSESSMENT roll for each LOT, designating the name and current mailing address of the OWNER, the amount of each ASSESSMENT against such OWNER, the dates and amounts in which the ASSESSMENTS come due, the amounts paid upon the account of the OWNER, and the balance due.

7.2. Depositories. The funds of the ASSOCIATION shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the BOARD from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, directors or other persons as may be designated by the BOARD. Fidelity bonds as required by the DECLARATION shall be required of all signatories on any account of the ASSOCIATION.

7.3. Depositing of Payments. All sums collected by the ASSOCIATION from ASSESSMENTS may be deposited in a single fund or divided into more than one fund, as determined by the BOARD.

7.4. Accounting Records and Reports. The ASSOCIATION shall maintain accounting records according to good accounting practices. The records shall be open to inspection by OWNERS and INSTITUTIONAL LENDERS or their authorized representatives, at reasonable times. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) the ASSESSMENT roll of the members referred to above. The BOARD may, and upon the vote of a majority of the members shall, conduct a review of the accounts of the ASSOCIATION by a certified public accountant, and if such a review is made, a copy of the report shall be furnished to each member, or their authorized representative, within fifteen (15) days after same is completed.

7.5. Reserves. The budget of the ASSOCIATION shall provide for a reserve fund for the periodic maintenance, repair and replacement of improvements to the COMMON AREAS and those other portions of the SUBJECT PROPERTY which the ASSOCIATION is obligated to maintain.

8. PARLIAMENTARY RULES.

8.1. Roberts' Rules of Order (latest edition) shall govern the conduct of the ASSOCIATION meetings when not in conflict with any DECLARATION, the ARTICLES or these BYLAWS.

9. AMENDMENTS.

Except as otherwise provided, these BYLAWS may be amended in the following manner:

9.1. Notice. Notice of the subject matter of a proposed amendment shall be included in the Notice of any meeting at which a proposed amendment is to be considered.

9.2. Initiation. A resolution to amend these BYLAWS may be proposed either by any director, or by or at the direction of twenty-five percent (25%) or more of the members of the ASSOCIATION.

9.3. Adoption of Amendments.

9.3.1. A resolution for the adoption of the proposed amendment shall be adopted by not less than a majority of the votes of the entire membership of the ASSOCIATION. Any amendment approved by the members may provide that the BOARD may not further amend, modify or repeal such amendment.

9.3.2. Notwithstanding anything contained herein to the contrary, so long as the DECLARANT owns any portion of the SUBJECT PROPERTY, the DECLARANT shall have the right to unilaterally amend these BYLAWS without the joinder or approval of the BOARD or any member and no amendment to these BYLAWS shall be effective without the written approval of the DECLARANT.

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9.4. No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of members without approval by all of the members and the joinder of all record owners of mortgages upon the LOTS. No amendment shall be made that is in conflict with the DECLARATION or the ARTICLES. No amendment shall be contrary to the terms and provisions of the MASTER DECLARATION or adversely affect same unless the MASTER ASSOCIATION joins in the execution of the Amendment. As long as LOMA & NETTLETON FINANCIAL CORPORATION, a Delaware corporation and/or LOMAS MORTGAGE USA, INC., a Connecticut corporation and/or any related or affiliated company or other entity of any of same hold a mortgage or mortgages on any portion of the SUBJECT PROPERTY, these BYLAWS cannot be amended without the consent of LOMAS & NETTLETON FINANCIAL CORPORATION, LOMAS MORTGAGE USA, INC. and/or such related or affiliated company or other entity, as applicable.

9.5. No amendment to these BYLAWS shall be made which discriminates against any OWNER(S), or affects less than all of the OWNERS without the written approval of all of the OWNERS so discriminated against or affected.

9.6. Execution and Recording. No modification of, or amendment to, the BYLAWS shall be valid until recorded in the public records of the county in which the SUBJECT PROPERTY is located.

#### 10. MISCELLANEOUS.

10.1. Tenses and Genders. The use of any gender or of any tense in these BYLAWS shall refer to all genders or to all tenses, wherever the context so requires.

10.2. Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

10.3. Conflicts. In the event of any conflict, the DECLARATION, the ARTICLES and these BYLAWS, shall govern, in that order.

10.4. Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these BYLAWS or the intent of any provisions hereof.

10.5. Waiver of Objections. The failure of the BOARD or any officers of the ASSOCIATION to comply with any terms and provisions of the DECLARATION, the ARTICLES or these BYLAWS which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the ASSOCIATION within ten (10) days after the member is notified, or becomes aware, of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

The foregoing was adopted as the BYLAWS of the ASSOCIATION at the First Meeting of the BOARD on the 17 day of August, 1987.

By: \_\_\_\_\_

*[Handwritten Signature]*  
pres. and secr.

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EXHIBIT "D"

ADJACENT PROPERTY

All of the Lots, Blocks and Tracts located within ROYAL LAND AMENDED according to the Plat hereof recorded at Plat Book 132, Page 20 of the Public Records of Broward County, Florida excluding Tract "B" of the aforesaid Plat and further excluding the property more particularly described in Exhibit "A" of this DECLARATION (the SUBJECT PROPERTY).

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JOINDER AND CONSENT OF MORTGAGEE

WHEREAS, LOMAS MORTGAGE USA, INC., a Connecticut corporation, and LOMAS FINANCIAL CORPORATION, a Delaware corporation formerly known as LOMAS & NETTLETON FINANCIAL CORPORATION, a Delaware corporation (hereinafter collectively "LOMAS"), are the owners of the following:

1. Mortgage (with Security Agreement and Assignment of Rents and Leases) dated September 20, 1988 by and between BUCKHEAD, INC., a Florida corporation, as Mortgagor and LOMAS as Mortgagee and Secured Party and recorded September 21, 1988 in Official Records Book 15801, Page 475, of the Public Records of Broward County, Florida, which Mortgage secures a Note in the original principal amount of SIXTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$16,500,000.00); and
2. UCC-1 Financing Statement wherein Mortgagor is named as Debtor and LOMAS is named as Secured Party, recorded in Official Records Book 15801, Page 500, of the Public Records of Broward County, Florida and at the Office of the Florida Secretary of State, at File No. 1880163148; and
3. UCC-1 Financing Statement wherein Mortgagor is named as Debtor and LOMAS is named as Secured Party, recorded with the State of Maryland at File No. 82738151 (hereinafter the above collectively being referred to as the "MORTGAGE"), which MORTGAGE encumbers the property more particularly described in Exhibit "A" of the DECLARATION OF COVENANTS AND RESTRICTIONS OF ROYAL RIDGE (the "DECLARATION"); and

WHEREAS, LOMAS has been requested by BUCKHEAD, INC., a Florida corporation, the present owner of the property described in Exhibit "A" of the DECLARATION to join in and consent to the easements, restrictions, covenants and other provisions more particularly described in the DECLARATION which encumber said property.

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00), and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, LOMAS hereby joins in and consents to the execution, delivery and recording of the DECLARATION, and hereby agrees that the lien and encumbrance of the MORTGAGE is hereby made subordinate and subject to the easements, restrictions, covenants and other provisions more particularly set forth in the DECLARATION. This Joinder and Consent does not release any property from the lien and effect of the MORTGAGE and does not waive any provisions or requirements of the MORTGAGE.

IN WITNESS WHEREOF, LOMAS MORTGAGE USA, INC., a Connecticut corporation and LOMAS FINANCIAL CORPORATION, a Delaware corporation formerly known as LOMAS & NETTLETON FINANCIAL CORPORATION, a Delaware corporation have executed this instrument this 9 day of August, 1989.

WITNESSES:

Cheryl W. Powell  
Angelia M. Venker

LOMAS MORTGAGE USA, INC.,  
a Connecticut corporation

By: Paul Puzos  
Paul Puzos,  
as Authorized Officer

LOMAS FINANCIAL CORPORATION, a  
Delaware corporation formerly known as  
LOMAS & NETTLETON FINANCIAL  
CORPORATION, a Delaware corporation

Cheryl W. Powell  
Angelia M. Venker

By: Paul Puzos  
Paul Puzos,  
as Authorized Officer

(NOTARIES CONTAINED FOLLOWING PAGE)

JK 6693FG 245

STATE OF TEXAS )  
COUNTY OF DALLAS )

The foregoing instrument was acknowledged and sworn to before me this 9<sup>th</sup> day of August, 1989, by Paul Puck, Authorized Officer of LOMAS MORTGAGE USA, INC., a Connecticut corporation, on behalf of the corporation.

Alice Jackson  
NOTARY PUBLIC, STATE OF TEXAS

My commission expires: 11-28-92 (Notary Seal)

STATE OF TEXAS )  
COUNTY OF DALLAS )

The foregoing instrument was acknowledged and sworn to before me this 9<sup>th</sup> day of August, 1989, by Paul Puck, Authorized Officer of LOMAS FINANCIAL CORPORATION, a Delaware corporation formerly known as LOMAS & NETTLETON FINANCIAL CORPORATION, a Delaware corporation, on behalf of the corporation.

Alice Jackson  
NOTARY PUBLIC, STATE OF TEXAS

My commission expires: 11-28-92 (Notary Seal)

JK#6693PG 216

JOINDER OF BUCKHEAD, INC.

WHEREAS, BUCKHEAD, INC., a Florida corporation (hereinafter BUCKHEAD, INC., and its successors and assigns shall collectively be referred to as "BUCKHEAD"), is the owner of the following portions of the SUBJECT PROEPRTY (as that term is defined in this Declaration of Covenants and Restrictions of Royal Land West, herein the "DECLARATION");

See Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "BUCKHEAD PROPERTY").

WHEREAS, BUCKHEAD has been requested by ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation (hereinafter ROYAL RIDGE DEVELOPMENT CORPORATION and its permitted successors and assigns shall collectively be referred to as ROYAL), the present owner of the remaining portions of the SUBJECT PROPERTY, to consent to, join in and subject the BUCKHEAD PROPERTY to the dedication of the easements, restrictions and covenants more particularly described in the DECLARATION which encumber all of the SUBJECT PROPERTY.

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, BUCKHEAD hereby consents to and joins in the execution, delivery and recording of the DECLARATION for the purpose of subjecting the BUCKHEAD PROPERTY to said DECLARATION subject to the following terms, provisions and conditions and ROYAL hereby agrees to the following terms, provisions and conditions:

1. ROYAL acknowledges and agrees that BUCKHEAD is not and shall not (except under the conditions more particularly set forth in Paragraph 2 hereof) be considered or deemed a DECLARANT (as that term is defined in the DECLARATION) of the SUBJECT PROPERTY or any portion thereof and ROYAL shall and does hereby agree to save and hold BUCKHEAD harmless from and against any and all obligations, liabilities, claims, actions, accounts, demands, liens or encumbrances, whether direct, contingent or consequential and no matter how arising in anyway related to, arising from or in connection with BUCKHEAD being alleged, considered or deemed to be a DECLARANT of the SUBJECT PROPERTY or any portion thereof.

2. If ROYAL has not on or before May 1, 1990 purchased all of those portions of the SUBJECT PRPERTY owned by BUCKHEAD as hereinabove set

JK#16693FG 247



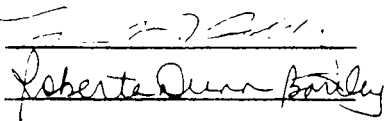
forth, BUCKHEAD may, at its sole option and discretion, declare itself to be and thereby become the sole DECLARANT of all of the SUBJECT PROPERTY. BUCKHEAD shall become DECLARANT upon recording a Declaration of such intent upon the Public Records of Broward County, Florida. It shall not be necessary for BUCKHEAD to secure the consent or joinder of ROYAL or any lender or other lien holder having any interest in the SUBJECT PROPERTY or any portion thereof to such Declaration and such Declaration shall automatically become effective upon the recording of same upon the Public Records of Broward County, Florida. Notwithstanding the preceding sentence, within five (5) days of request, ROYAL warrants and represents that ROYAL and any other lender or lien holder having any interest in the SUBJECT PROPERTY not owned by BUCKHEAD shall join in and consent to any such Declaration by BUCKHEAD. Upon the recording of such Declaration, ROYAL shall cease to be the DECLARANT and BUCKHEAD shall be the sole DECLARANT of the SUBJECT PROPERTY.

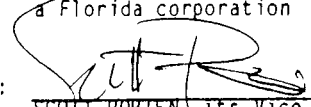
3. BUCKHEAD shall not be liable for any actions, inactions, defaults of or obligations incurred by ROYAL as prior DECLARANT, or otherwise, and ROYAL shall and does hereby agree to save and hold BUCKHEAD harmless from and against any and all obligations, liabilities, claims, actions, accounts, demands, liens or encumbrances whether direct, contingent or consequential and no matter how arising in any way relating to same.

4. Notwithstanding anything to the contrary in the DECLARATION, ARTICLES (as that term is defined in the DECLARATION) and/or BYLAWS (as that term is defined in the DECLARATION), ROYAL without first securing the written consent of BUCKHEAD which consent may be withheld in BUCKHEAD's sole discretion, shall not during the period of time within which BUCKHEAD is entitled to declare itself DECLARANT in accordance with Paragraph 2 hereof, (i) turn over control of the ASSOCIATION (as that term is defined in the DECLARATION) to the OWNERS of LOTS within the SUBJECT PROPERTY, (ii) dissolve the ASSOCIATION, (iii) terminate the DECLARATION or (iv) convey, assign, pledge or hypothecate any or all of its rights, duties or obligations as DECLARANT or any or all of its rights, duties or obligations arising hereunder to any PERSON (as that term is defined in the DECLARATION).

IN WITNESS WHEREOF, ROYAL and BUCKHEAD have executed this instrument this day of 2 1989.

WITNESSES:

  
\_\_\_\_\_  
Roberte Owen Bailey

BUCKHEAD, INC.,  
a Florida corporation  
By:   
\_\_\_\_\_  
SCOTT PORTEN, its Vice President

WITNESSES (con't):

William H. Meek  
Roberta Dawn Barclay

ROYAL RIDGE DEVELOPMENT CORPORATION,  
a Florida corporation

By: Laurie J. Frost  
LAURIE J. FROST

STATE OF FLORIDA )  
COUNTY OF ~~BROWARD~~ <sup>PALM BEACH</sup> )

The foregoing instrument was acknowledged and sworn to before me this day of August, 1989, by SCOTT L. PORTEN, Vice President of BUCKHEAD, INC., a Florida corporation, on behalf of the corporation.

[Signature]  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires:

STATE OF FLORIDA )  
COUNTY OF ~~BROWARD~~ <sup>PALM BEACH</sup> )

(Notary Seal)  
"OFFICIAL NOTARY SEAL"  
MICHAEL SHAPIRO  
MY COMM. EXP. 11/6/92

The foregoing instrument was acknowledged and sworn to before me this day of August, 1988, by LAURIE J. FROST, President of ROYAL RIDGE DEVELOPMENT CORPORATION, a Florida corporation, on behalf of the corporation.

[Signature]  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires:

(Notary Seal)  
"OFFICIAL NOTARY SEAL"  
MICHAEL SHAPIRO  
MY COMM. EXP. 11/6/92

JK116693PG 219

EXHIBIT "A"

Lots 1-4, inclusive and Lots 9-18, inclusive, Block 1; Lots 1-6, inclusive and Lots 17-22, inclusive, Block 2; Lots 1-6, inclusive and Lots 18-23, inclusive; Block 3; Lots 1-22, inclusive, Block 4; and Lots 1-23, inclusive, Block 5, of ROYAL LAND AMENDED, according to the plat thereof as recorded in Plat Book 132, Page 20, of the Public Records of Broward County, Florida.

RECORDED IN THE OFFICIAL RECORDS 80J  
OF BROWARD COUNTY, FLORIDA  
L. A. HESTER  
COUNTY ADMINISTRATOR

JKH16693PG 250

MINUTES FROM SPECIAL MEETING OF BOARD OF DIRECTORS  
OF ROYAL RIDGE ASSOCIATION, INC.

A special meeting of the Board of Directors of Royal Ridge Association, Inc. (the "Corporation") was duly held on December 17, 1991, at which meeting all three Directors were present.

A meeting was held in order to remove the prior officers and elect new officers of the Corporation and to designate a new registered agent of the Corporation.

The following individuals were removed from their respective positions as officers of the Corporation as designated below:

L.J. FROST ..... President/Secretary  
JOHN HEDBERG ..... Vice President  
MICHAEL MCKNOUGHT ..... Vice President/Treasurer  
KAY E. BEIN ..... Vice President/Assistant Secretary

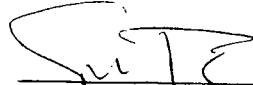
The Board of Directors unanimously elected the below named individuals as officers until successors are elected or appointed:

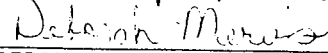
President ..... JOCK McCARTNEY  
Secretary ..... JUDITH FITZWATER

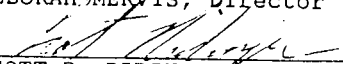
The Board of Directors unanimously designated a new registered agent as set forth below:

BUCKHEAD, INC.  
Attn: Scott Porten, Vice President  
8900 N.W. 44th Court  
Coral Springs, Florida 33065

There being no further business to come before the meeting,  
the meeting was, upon motion duly made and carried, adjourned.

  
\_\_\_\_\_  
SCOTT B. PORTEN, Director

  
\_\_\_\_\_  
DEBORAH MERVIS, Director

  
\_\_\_\_\_  
SCOTT R. RIDINGER, Director

MSW\CONTRACT\BUCK.MIN  
cad121291.3

DECLARATION OF BUCKHEAD, INC.

WHEREAS, BUCKHEAD, INC., a Florida corporation (hereinafter "BUCKHEAD"), is the owner of the following portions of the SUBJECT PROPERTY (as that term is defined in that certain Declaration of Covenants and Restrictions of Royal Ridge, dated August 17, 1989, recorded August 19, 1989, in Official Records Book 16693, Page 201, of the Public Records of Broward County, Florida, hereinafter the "DECLARATION"):

Lots 1 through 4, inclusive, of Block 1, Lots 1 through 6, inclusive of Block 3, Lots 1 through 10, inclusive, and Lots 13 through 22, inclusive, of Block 4, and Lots 1 through 23, inclusive of Block 5, of ROYAL LAND AMENDED, according to the Plat thereof, recorded in Plat Book 132, at Page 20, of the Public Records of Broward County, Florida; and

WHEREAS, pursuant to that certain Joinder of BUCKHEAD, INC., to the DECLARATION, which Joinder is recorded in Official Records Book 16693, at Page 247, of the Public Records of Broward County, Florida (the "Joinder"), BUCKHEAD, at its sole option and discretion, has the right to declare itself to be the sole DECLARANT of all of the SUBJECT PROPERTY in the event of a default by Royal Ridge Development Corporation, a Florida corporation ("Royal Ridge"); and

WHEREAS, BUCKHEAD desires to exercise its right to declare itself the sole DECLARANT of all of the SUBJECT PROPERTY.

NOW, THEREFORE, BUCKHEAD hereby makes the following declaration:

1. Pursuant to Paragraph 2 of the Joinder, BUCKHEAD hereby declares itself to be the sole DECLARANT of all of the SUBJECT PROPERTY encumbered by the DECLARATION. This DECLARATION shall become immediately effective upon the recording hereof in the Public Records of Broward County, Florida.

2. BUCKHEAD shall not be liable for any actions, inactions, defaults of or obligations incurred by Royal Ridge, as prior Declarant under this DECLARATION.

IN WITNESS WHEREOF, BUCKHEAD has executed this DECLARATION this 21 day of October, 1991.

WITNESSES:

*[Handwritten signatures]*

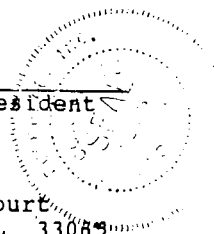
BUCKHEAD, INC., a Florida corporation

By: *[Signature]*  
SCOTT PORTEN, Vice President

(Corporate Seal)

Address: 8900 N.W. 44th Court  
Coral Springs, FL 33083

9K18974PG0627



STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF BROWARD )

The foregoing instrument was acknowledged before me this 11th day of October, 1991, by SCOTT PORTEN, Vice President of BUCKHEAD, INC., a Florida corporation, on behalf of the corporation.

Deborah Mervis 10/11/91  
NOTARY PUBLIC, STATE OF FLORIDA

My commission expires:  
Notary Public, State of Florida  
My Commission Expires Dec. 10, 1993  
based on the law: 1991 ch. 100

(Notary Seal)

Deborah L. Mervis

RECORDED IN THE OFFICIAL RECORDS BOOK  
OF BROWARD COUNTY, FLORIDA  
COUNTY ADMINISTRATOR

BK18974PG0628

Prepared By:  
MONA S. WEISS, ESQ.  
GOLDBERG & YOUNG, P.A.  
1630 North Federal Highway  
Fort Lauderdale, Florida 33305

RECORD & RETURN TO:  
GOLDBERG & YOUNG, P.A.  
1630 North Federal Highway,  
P.O. Box 23800  
Fort Lauderdale, Florida 33307  
M.L.W. 90254

31514646

FIRST AMENDMENT TO DECLARATION OF  
COVENANTS AND RESTRICTIONS OF ROYAL RIDGE

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF ROYAL RIDGE ("AMENDMENT") is made this 17 day of October, 1991, by BUCKHEAD, INC., a Florida corporation ("BUCKHEAD"), joined in by COVENTRY ASSOCIATION, INC., A Florida Corporation Not For Profit (the "ASSOCIATION").

R E C I T A L S:

A. Pursuant to that certain Declaration of Buckhead, Inc., recorded in Official Records Book 13174, Page 677, of the Public Records of Broward County, Florida (hereinafter "BUCKHEAD DECLARATION"), BUCKHEAD is the "DECLARANT" [as that term is defined in the Declaration of Covenants and Restrictions of Royal Ridge, dated August 17, 1989 and recorded in Official Records Book 16693, Page 201, of the Public Records of Broward County, Florida (hereinafter "DECLARATION")].

B. The ASSOCIATION has filed an Amendment to its Articles of Incorporation (hereinafter "AMENDED ARTICLES") changing its name from "Royal Ridge Association, Inc." to "Coventry Association, Inc.," a copy of which AMENDED ARTICLES are attached hereto as Exhibit "A" and made a part hereof.

C. As of the date of this AMENDMENT, DECLARANT is the owner of portions of the subject property and accordingly, pursuant to Article 9.1 of the DECLARATION, DECLARANT may amend the DECLARATION.

D. DECLARANT desires to amend the DECLARATION to reflect the name change of the ASSOCIATION and to change the name of the DECLARATION to be consistent therewith, as more fully set forth below.

NOW, THEREFORE, in consideration of the premises, covenants and provisions herein contained, DECLARANT hereby amends the DECLARATION in the manner stated below:

1. The above recitals are true and correct.
2. The DECLARATION is hereby amended to delete any and all references to and/or designations of "ROYAL RIDGE" wherever it appears throughout the DECLARATION, including any and all exhibits thereto and including the BUCKHEAD DECLARATION (subject to the provisions of Paragraph 3 below), and is hereby amended to replace same with the name "COVENTRY." The DECLARATION is further amended to delete any and all references to and/or designations of "ROYAL RIDGE ASSOCIATION, INC." wherever it appears throughout the DECLARATION, including any and all exhibits thereto and including the BUCKHEAD DECLARATION (subject to the provisions of Paragraph 3 below), and is hereby amended to replace same with the name "COVENTRY ASSOCIATION, INC.". Accordingly, any reference to or designation of: "ROYAL RIDGE" shall hereby mean and refer to "COVENTRY"; "ROYAL RIDGE ASSOCIATION, INC." shall hereby mean and refer to "COVENTRY ASSOCIATION, INC."; and "DECLARATION OF COVENANTS AND RESTRICTIONS OF ROYAL RIDGE" shall mean and refer to "DECLARATION OF COVENANTS AND RESTRICTIONS OF COVENTRY."

Also attached hereto as Exhibit B is ACTION BY DECLARANT amending the By-Laws.

31514646  
EX 19041 PG 0717

Handwritten initials and date: 10/26/91



3. It is hereby acknowledged that the original DECLARANT under the DECLARATION was Royal Ridge Development Corporation, a Florida corporation, which is an entity that is separate from, unaffiliated with, and unrelated to the ROYAL RIDGE ASSOCIATION, INC., notwithstanding the similarity in their names. Accordingly, nothing in this AMENDMENT shall be deemed to amend the DECLARATION, its exhibits, or the BUCKHEAD DECLARATION to change or otherwise affect the name "Royal Ridge Development Corporation."

4. Other than the change in the names as specifically provided in Paragraph 2 above, all of the terms, obligations, liabilities, duties, and/or any other provisions set forth in the DECLARATION, its exhibits and/or the BUCKHEAD DECLARATION, shall be unmodified and shall remain in full force and effect and are by this reference incorporated herein.

IN WITNESS WHEREOF, BUCKHEAD as DECLARANT has hereunto affixed its hand and seal this 17<sup>th</sup> day of December, 1991.

WITNESSES:

BUCKHEAD, INC., a Florida corporation

*[Handwritten signature]*  
\_\_\_\_\_  
*[Handwritten signature]*  
\_\_\_\_\_

By: *[Handwritten signature]*  
SCOTT B. PORTEN, Vice President

(Corporate Seal)

STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF BROWARD )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of December, 1991, by SCOTT B. PORTEN, Vice President of BUCKHEAD, INC., a Florida corporation, on behalf of the corporation.

*[Handwritten signature]*  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires: (Notary Seal)

Notary Public, State of Florida  
My Commission Expires Dec. 10, 1993  
Revised This Text Case & Instrument Form

JOINED IN AND CONSENTED TO:

COVENTRY ASSOCIATION, INC., a Florida corporation not for profit

By: *[Handwritten signature]*  
JOCK McCARTNEY, as President

STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF BROWARD )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of December, 1991, by JOCK McCARTNEY, as President of COVENTRY ASSOCIATION, INC., a Florida corporation not for profit, on behalf of the corporation.

*[Handwritten signature]*  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires: (Notary Seal)

Notary Public, State of Florida  
My Commission Expires Dec. 10, 1993  
Revised This Text Case & Instrument Form

EX 1906160718

**CERTIFICATE OF AMENDMENT OF  
CERTIFICATE OF INCORPORATION OF  
ROYAL RIDGE ASSOCIATION, INC.**

91 DEC 24 AM 10:32  
FILED

WE, the undersigned, President and Secretary, respectively, of ROYAL RIDGE ASSOCIATION, INC., a corporation not for profit, organized and existing under the laws of the State of Florida, hereby certify as follows:

1. The original name of the corporation as it appears on the Certificate of Incorporation (hereinafter referred to as the "ARTICLES") filed with the Secretary of State of Florida on the 9th day of August, 1989, was ROYAL RIDGE ASSOCIATION, INC.

2. Paragraph 6, of Article XI of the ARTICLES, empowers the "DECLARANT" (as that term is defined in the ARTICLES) so long as DECLARANT owns any portion of the "SUBJECT PROPERTY" (as that term is defined in the ARTICLES) to amend the ARTICLES without the consent of the "ASSOCIATION" or any "OWNER" (as those terms are defined in the ARTICLES), no members are entitled to vote.

3. BUCKHEAD, is the "DECLARANT" (as that term is defined in the Declaration of Covenants and Restrictions of Royal Ridge, recorded in Official Records Book 16693, Page 201, of the Public Records of Broward County, Florida, consistently with the definition in the ARTICLES as set forth above). As of the date hereof, DECLARANT is the owner of portions of the SUBJECT PROPERTY.

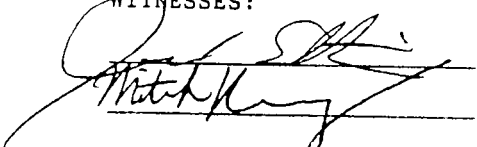
4. DECLARANT has elected to change the name of the ASSOCIATION pursuant to the Certificate of DECLARANT attached hereto as Exhibit "A" and made a part hereof, and has instructed the ASSOCIATION to execute and file this Certificate of Amendment to effectuate same.

5. The recommended resolution of the Board of Directors, the same being the amendment as instructed by the DECLARANT is adopted by the Board Of Directors on December 17, 1991.

RESOLVED, that the corporation's name, ROYAL RIDGE ASSOCIATION, INC., be changed to COVENTRY ASSOCIATION, INC., and that said name be used by the corporation as its corporate name, subsequent to its filing in the office of the Secretary of State of the State of Florida.

IN WITNESS WHEREOF, the said corporation has caused its corporate seal to be affixed hereto, and the Certificate to be signed and executed by JOCK MCCARTNEY, as President and JUDITH FITZWATER, Secretary, this 17th day of December, 1991.

WITNESSES:



ROYAL RIDGE ASSOCIATION, INC.

By:   
JOCK MCCARTNEY, President

Attest:   
JUDITH FITZWATER, Secretary

(Corporate Seal)

EX 1904180715

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF BROWARD )

BEFORE ME, the undersigned authority duly authorized to take acknowledgements, personally appeared JOCK McCARTNEY, as President and JUDITH FITZWATER, Secretary, respectively, of ROYAL RIDGE ASSOCIATION, INC., who, after first being duly sworn, states that they have executed the foregoing Certificate of Amendment on behalf of the said corporation, and that said statements contained therein are true and correct.

WITNESS my hand and official seal in the County and State set forth above, this 17th day of December, 1991.

Deborah Lynn Meris  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires:

(Notary Seal)

Notary Public, State of Florida  
My Commission Expires Dec. 10, 1993  
Bonded thru Tray Fair - Insurance Inc.

EX 1904 P30720

CERTIFICATE OF DECLARANT

I, the undersigned, Vice President of BUCKHEAD, INC., a Florida corporation, organized under the laws of the State of Florida, hereby certify as follows:

1. BUCKHEAD, INC., pursuant to that certain Declaration of Buckhead, Inc., recorded in Official Records Book 18974, Page 627, of the Public Records of Broward County, Florida, is the "DECLARANT" [as that term is defined in the Declaration of Covenants and Restrictions of Royal Ridge, dated August 17, 1989, and recorded in Official Records Book 16693, Page 201, of the Public Records of Broward County, Florida (hereinafter "DECLARATION")]. "DECLARANT" is also defined in the Certificate of Incorporation of Royal Ridge Association, Inc. (hereinafter "ARTICLES"), which term is consistently defined in the DECLARATION and in the ARTICLES.

2. As of the date hereof, DECLARANT owns portions of the "SUBJECT PROPERTY" (as that term is consistently defined in the DECLARATION and in the ARTICLES).

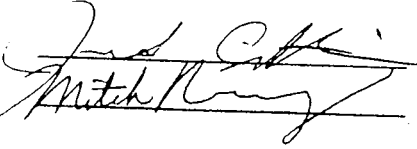
3. Pursuant to Paragraph 6 of Article XI of the ARTICLES, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, DECLARANT may amend the ARTICLES without the consent of the "ASSOCIATION" or any "OWNER" (as those terms are consistently defined in the DECLARATION and in the ARTICLES). DECLARANT has elected to change the name of the ASSOCIATION from ROYAL RIDGE ASSOCIATION, INC. to COVENTRY ASSOCIATION, INC., and has instructed the ASSOCIATION to execute and file a Certificate of Amendment to the ARTICLES to effectuate same.

4. Upon receipt of a Certificate from the Secretary of the State of Florida evidencing that the Certificate of Amendment to the ARTICLES to which this CERTIFICATE OF DECLARANT is attached, DECLARANT shall cause an Amendment to the DECLARATION to be executed and recorded in the Public Records of Broward County, Florida, reflecting the change in the name of the ASSOCIATION and to change the name of the DECLARATION itself to be consistent therewith.

IN WITNESS WHEREOF, BUCKHEAD, INC. as DECLARANT, has hereunto affixed its hand and seal this 17<sup>th</sup> day of December, 1991.

WITNESSES:

BUCKHEAD, INC., a Florida corporation



By:   
SCOTT B. PORTEN, Vice President

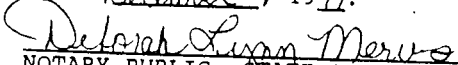
(Corporate Seal)

STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF BROWARD )

EX 1906 PG 0721

BEFORE ME, the undersigned authority duly authorized to take acknowledgements, personally appeared SCOTT PORTEN, Vice President of BUCKHEAD, INC., who, after first being duly sworn, state that he has executed the foregoing Certificate on behalf of the said corporation, and that said statements contained therein are true and correct.

WITNESS my hand and official seal in the County and State set forth above, this 17 day of December, 1991.

  
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

My commission expires: (Notary Seal)

Notary Public, State of Florida  
My Commission Expires Dec. 10, 1993  
Registered Under Law Case: 1989-1000

EXHIBIT "A"

EXHIBIT B

ACTION BY BUCKHEAD, INC., a Florida Corporation  
("THE DECLARANT")  
CONCERNING ROYAL RIDGE ASSOCIATION, INC.

Pursuant to the authority contained in Paragraph 5.17 of the By-Laws of Royal Ridge Association, Inc., the Declarant may replace and remove any Director to serve on the Board of Directors. In accordance with said power, the undersigned does hereby take and adopt the following actions in writing concerning Royal Ridge Association, Inc. (the "Corporation"):

- 1. Removal of Directors. The following persons are hereby removed as Directors of the Corporation effective immediately:

L. J. FROST  
JOHN HEDBERG  
DONALD MCKNOUGHT

- 2. Appointment of Successors Directors. The following persons are hereby designated as Directors of the Corporation, to serve until their successors are elected or appointed:

SCOTT B. PORTEN  
DEBORAH MERVIS  
SCOTT R. RIDINGER

This action effective as of the 17 day of December, 1991.

BUCKHEAD, INC., a Florida corporation

By:

  
SCOTT B. PORTEN, Vice President

Date: 12/17/91

SK 19041860722

JOINDER AND CONSENT OF MORTGAGEE

WHEREAS, LOMAS MORTGAGE USA, INC., a Connecticut corporation, and LOMAS FINANCIAL CORPORATION, a Delaware corporation formerly known as LOMAS & NETTLETON FINANCIAL CORPORATION, a Delaware corporation (hereinafter collectively "LOMAS"), are the owners of the following:

1. Mortgage (with Security Agreement and Assignment of Rents and Leases) dated September 20, 1988 by and between BUCKHEAD, INC., a Florida corporation, as Mortgagor and LOMAS as Mortgagee and Secured Party and recorded September 21, 1988 in Official Records Book 15801, Page 475, of the Public Records of Broward County, Florida, which Mortgage secures a Note in the original principal amount of SIXTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$16,500,000.00) as affected by Modification Agreements recorded in Official Records Book 17133, Page 209; Official Records Book 17577, Page 152; Official Records Book 18207, Page 80; and Official Records Book 18614, Page 315; and

2. UCC-1 Financing Statement wherein Mortgagor is named as Debtor and LOMAS is named as Secured Party, recorded in Official Records Book 15801, Page 500, of the Public Records of Broward County, Florida and at the Office of the Florida Secretary of State, at File No. 1880163148; and

3. UCC-1 Financing Statement wherein Mortgagor is named as Debtor and LOMAS is named as Secured Party, recorded with the State of Maryland at File No. 82738151.

The above instruments shall hereinafter be collectively referred to as the "MORTGAGE," which MORTGAGE encumbers certain real property subject to the DECLARATION OF COVENANTS AND RESTRICTIONS OF ROYAL RIDGE (the "DECLARATION"), as affected by the Declaration of Buckhead, Inc., recorded in Official Records Book 15774, Page 637, of the Public Records of Broward County, Florida.

WHEREAS, the DECLARATION has been amended by the First Amendment to Declaration of Covenants and Restrictions of Royal Ridge (hereinafter "AMENDMENT"), together with the Amended Articles of Incorporation attached to the AMENDMENT as Exhibit "A" (hereinafter "AMENDED ARTICLES"), to which this Joinder and Consent of Mortgagee is attached.

WHEREAS, LOMAS has been requested by Buckhead, Inc., a Florida corporation, the DECLARANT pursuant to the DECLARATION and by Coventry Association, Inc., formerly known as Royal Ridge Association, Inc., the ASSOCIATION (as that term is defined in the DECLARATION) to join in and consent to the terms and provisions of the AMENDMENT and the AMENDED ARTICLES.

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00), and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, LOMAS hereby joins in and consents to the execution, delivery and recording of the AMENDMENT and the AMENDED ARTICLES, and hereby agrees that the lien and encumbrance of the MORTGAGE shall continue to be subordinate and subject to the easements, restrictions, covenants and other provisions more particularly set forth in the DECLARATION, as amended. This Joinder and Consent does not release any property from the lien and effect of the MORTGAGE and does not waive any provisions or requirements of the MORTGAGE.

IN WITNESS WHEREOF, LOMAS MORTGAGE USA, INC., a Connecticut corporation and LOMAS FINANCIAL CORPORATION, a Delaware corporation formerly known as LOMAS & NETTLETON FINANCIAL CORPORATION, a

BK 19041 PG 0723

Delaware corporation have executed this instrument this 16<sup>th</sup> day of December, 1991.

WITNESSES:

Helen C. McCann  
Dianna Muller

LOMAS MORTGAGE USA, INC.,  
a Connecticut corporation

By: Stephen E. King  
STEPHEN E. KING,  
as Authorized Officer

WITNESSES:

Helen C. McCann  
Dianna Muller

LOMAS FINANCIAL CORPORATION, a  
Delaware corporation formerly  
known as LOMAS & NETTLETON  
FINANCIAL CORPORATION, a  
Delaware corporation

By: Stephen E. King  
STEPHEN E. KING,  
as Authorized Officer

STATE OF GEORGIA )  
                          ) SS:  
COUNTY OF COBB )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of December, 1991, by STEPHEN E. KING, Authorized Officer of LOMAS MORTGAGE USA, INC., a Connecticut corporation, on behalf of the corporation.

Dianna Muller  
NOTARY PUBLIC, STATE OF GEORGIA AT LARGE

My commission expires:

(Notary Seal)

Notary Public, Cobb County, Georgia.  
My Commission Expires September 13, 1994.

STATE OF GEORGIA )  
                          ) SS:  
COUNTY OF COBB )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of December, 1991, by STEPHEN E. KING, Authorized Officer of LOMAS FINANCIAL CORPORATION, a Delaware corporation formerly known as LOMAS & NETTLETON FINANCIAL CORPORATION, a Delaware corporation, on behalf of the corporation.

Dianna Muller  
NOTARY PUBLIC, STATE OF GEORGIA AT LARGE

My commission expires:

(Notary Seal)

Notary Public, Cobb County, Georgia.  
My Commission Expires September 13, 1994.

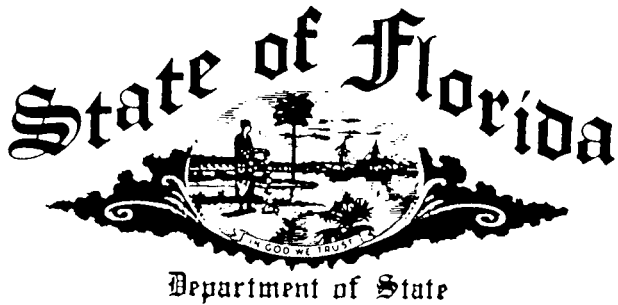
SK 1904160724

RECORDED IN THE OFFICIAL RECORDS BOOK  
OF BROWARD COUNTY FLORIDA  
COUNTY ADMINISTRATOR

91514647

RECORDS SECTION  
FLORIDA DEPARTMENT OF STATE  
630 North Florida Avenue, G-1549  
Tallahassee, Florida 32307

91514647



I certify from the records of this office that ROYAL RIDGE ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on December 24, 1991.

The document number of this corporation is N33651.

I further certify that said corporation has paid all fees due this office through December 31, 1991, and its most recent annual report was filed on December 24, 1991, and its status is active.

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

DEC 31 1991  
Pm 12:48  
BK 1904, 1 PG 0725

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 24th day of December, 1991.

RECORDED IN THE OFFICIAL RECORDS BOOK  
OF BROWARD COUNTY FLORIDA  
COUNTY ADMINISTRATOR



*Jim Smith*

Jim Smith  
Secretary of State

CR2EO22 (2-91)

*Seal*