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THIS INSTRUMENT WAS PREPARED BY,
AND AFTER RECORDING RETURN TO:
Jason Hamilton Mikes, JD, MBA
HAMILTON MIKES, P.A.
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Naples, Florida 34102

CERTIFICATE OF AMENDMENT

Amended and Restated Master Declaration of Covenants, Conditions and Restrictions
for
Royal Wood Golf & Country Club

Amended and Restated Articles of Incorporation
Second Amended and Restated Bylaws
of
Royal Wood Master Association, Inc.

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I, the undersigned President of Royal Wood Master Association, Inc. ("Association"), hereby certify that on March 17, 2014, at a duly-called and properly-noticed meeting of the Association members at which a quorum was present, the attached Amended and Restated Master Declaration of Covenants, Conditions and Restrictions and exhibits thereto, were approved by the required voting interests of the Association.

Dated this 15 day of March, 2014.

Witnesses:

ROYAL WOOD MASTER ASSOCIATION, INC.

By: James Krzykowski - President
By: James Krzykowski, President

By: Claire Klynkroop

By:

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF COLLIER

Subscribed before me this 15 day of April 2014, by James Krzykowski, who is personally known to me.

NOTARY PUBLIC

DEBORAH A. MAJO
MY COMMISSION # EE 042530
EXPIRES: March 17, 2015
Bonded Thru Notary Public Underwriters

AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ROYAL WOOD GOLF & COUNTRY CLUB

RECITALS:

On August 4, 1988, Elba Development Corporation, a Florida corporation ("Declarant"), joined by Royal Wood Master Association, Inc., a Florida not-for-profit corporation ("Master Association"), made the Master Declaration of Covenants, Conditions and Restrictions for Royal Wood Golf & Country Club ("Declaration") and recorded the same on August 5, 1988 in Official Records Book 1371, at Pages 54, *et seq.*, of the Public Records of Collier County, Florida, to provide for the preservation and enhancement of the property value and desirability and attractiveness of the property in Royal Wood Golf & Country Club.

On September 8, 1988, the Declarant further amended the Declaration as evidenced by the Certificate of Amendment recorded on September 16, 1988, in Official Records Book 1380, at Pages 1742, *et seq.*, of the Public Records of Collier County, Florida.

On March 8, 1994, the Master Association further amended the Bylaws as evidenced by the Certificate of Amendment recorded on March 28, 1994, in Official Records Book 1928, Pages 563, *et seq.*, of the Public Records of Collier County, Florida.

On March 13, 2000, the Master Association further amended the Articles of Incorporation and Bylaws as evidenced by the Certificate of Amendment recorded on April 4, 2000, in Official Records Book 2664, Pages 359, *et seq.*, of the Public Records of Collier County, Florida.

On March 14, 2005, the Master Association further amended the Amended and Restated Bylaws as evidenced by the Certificate of Amendment recorded on March 31, 2005, in Official Records Book 3763, Pages 2736, *et seq.*, of the Public Records of Collier County, Florida.

The Properties encompassed by the Declaration are described in Plat Book 15, Pages 16 through 18 for Royal Wood Golf and Country Club Unit One; at Plat Book 15, Pages 19 and 20 for Royal Wood Golf and Country Club Unit Two; and at Plat Book 15, Pages 95 and 96 for Royal Wood Golf and Country Club Unit Three, all of the Public Records of Collier County, Florida.

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WITNESSETH:

The Master Association does hereby declare that the Declaration, Articles, Bylaws and all amendments to those documents shall be amended and restated in their entirety, and that the property within Royal Wood Golf & Country Club ("Properties") shall hereafter be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth herein, as the same may be amended from time to time, for the purpose of establishing uniform standards for the improvement of the Properties and provide for the health, safety, welfare and recreational opportunities of the owners and users thereof.

1. **DEFINITIONS.** The following definitions shall apply to the terms used in this Declaration and its recorded exhibits, unless the context clearly requires another meaning.

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1.1 **Architectural Review Committee or "A.R.C."** shall mean and refer to the A.R.C. as established and empowered by this Declaration.

1.2 **"Assessment"** or **"Assessments"** shall mean and refer to any charge imposed by the Master Association on any or all Owners including without limitation Annual Assessments and Special Assessments, as authorized by the Governing Documents.

1.3 **"Board"** shall mean and refer to the Board of Directors of ROYAL WOOD MASTER ASSOCIATION, INC.

1.4 **"Club Common Areas"** shall mean and refer to the golf course and all other real property and any improvements and fixtures thereon, owned, leased or the use of which has been granted to the Master Association for the common use and enjoyment of its members.

1.5 **"Charge"** means any legal or equitable indebtedness or sums owed to or due to the Master Association, incurred by, or on behalf of, an Owner, other than Assessments for Common Expenses. Said obligations may arise by oral or written contract, by law or in equity, or may be created by these Governing Documents.

1.6 **"Common Expenses"** means the actual and estimated expenses of operating the Master Association, including but not limited to, maintenance of the Club Common Areas, services and any reasonable reserves, all as may be found necessary and appropriate by the Board pursuant to this Declaration, the Articles and the Bylaws.

1.7 **"Master Declaration"** shall mean and refer to this document, entitled "Master Declaration of Covenants, Conditions and Restrictions for Royal Wood Golf & Country Club", as it may be amended from time to time.

1.8 **"Governing Documents"** shall mean and refer to the Master Declaration, Articles of Incorporation and By-Laws of the Master Association, rules and regulations promulgated by the Board, and any architectural and maintenance guidelines and restrictions, as the same may be amended from time to time. In the event of conflict or inconsistency among the documents, the controlling document shall be that first appearing in the following sequence: The Master Declaration, the Articles, the By-Laws and any rules, restrictions and guidelines.

1.9 **"Lease"** when used in the context of the renting of Living Units, means the grant by an Owner of a right of use of the Owner's Living Unit for consideration.

1.10 **"Living Unit"** or **"Unit"** shall mean and refer to any residential structure, including a house or condominium unit, located within the Properties and intended for occupancy by one family or household. Where a Living Unit is a free-standing single family home located on a Lot, the use of the term "Living Unit" or "Unit" shall be interpreted as if the term was followed immediately by the words "and the Lot on which it is located."

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1.11 **"Lot"** shall mean and refer to those platted parcels of land within the Properties used as a site for one Living Unit. The term shall not mean or refer to condominium units.

1.12 **"Master Association"** shall mean and refer to ROYAL WOOD MASTER ASSOCIATION, INC., a Florida corporation not for profit, which has its principal place of business in Collier County, Florida, its successors and assigns. The Articles of Incorporation and By-Laws of the Master Association are attached hereto as Exhibit "B" and "C", respectively.

1.13 **"Members"** shall mean and refer to those persons who are entitled to membership in the Master Association as provided in its Articles of Incorporation and By-Laws.

1.14 **"Neighborhood"** shall mean and refer to the groups of single family homes, and condominium units, located in the Properties that are subject to separate Neighborhood Covenants.

1.15 **"Neighborhood Association"** shall mean and refer to any homeowners association, condominium association, commons association or other similar entity, their

successors and assigns, for any particular Neighborhood as set forth in the Neighborhood Covenants.

1.16 **"Neighborhood Common Area"** or **"N.C.A."** shall mean and refer to all real property including any improvements and fixtures thereon, owned, leased or the use of which has been granted to a Neighborhood Association for the common use and enjoyment of the Neighborhood Association's members. If a Neighborhood is a condominium, the term shall refer to the common elements of the condominium.

1.17 **"Neighborhood Covenants"** shall mean and refer to declarations of condominium and any and all other covenants, conditions, restrictions, and other provisions imposed by all recorded instruments and applicable to one or more specific Neighborhoods but not to all Neighborhoods.

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1.18 **"Occupant"** when used in connection with a Living Unit, means a person who is physically present in a Living Unit on two or more consecutive days, including staying overnight for one night.

1.19 **"Owner"** shall mean and refer to the record owner of fee simple title to any Living Unit located within the Properties, but does not include a person having an interest in a Living Unit merely as security for the performance of an obligation.

1.20 **"Properties"** shall mean and refer to the real property located within ROYAL WOOD as described in Exhibit "A" hereto.

1.21 **"PUD"** shall mean and refer to the document titled "ROYAL WOOD GOLF & COUNTRY CLUB, a Planned Unit Development", approved by the Board of County Commissioners of Collier County, Florida, on September 15, 1987, as it may from time to time be modified or amended. If any provision of the PUD shall be inconsistent with the terms of the Governing Documents, the PUD shall control.

1.22 **"Structure"** shall mean improvements that are built or constructed, or any piece of work artificially built up or composed of parts joined together in some definite manner, the use of which requires more or less permanent location on the ground, or which is attached to something having a permanent location on the ground. The term shall be construed as if followed by the words "or part thereof". The term includes, without limitation, all Living Units, swimming pools, fences, flagpoles, antennas, playground equipment, and storage sheds.

1.23 **"Tenant" or "Lessee"** means a person occupying a Living Unit pursuant to a verbal or written agreement, where said occupancy involves consideration, the payment of money, the exchange of goods and services, etc. The term "tenant" shall be used interchangeably with "lessee."

1.24 **"Tract"** refers to any and all platted parcels of land within Royal Wood other than the Living Units.

1.25 **"Voting Interest"** means and refers to the right appurtenant to each Living Unit, which gives the Owner (or Owners collectively) of each Living Unit the right to cast one vote on certain corporate matters of the Master Association as more fully described in the Master Declaration, Articles and Bylaws.

2. PURPOSES AND POWERS

2.1 **Operation, Maintenance and Repair of Common Area.** The Master Association, in order to insure that the Club Common Areas and other land for which it is responsible hereunder will continue to be maintained in a manner that will contribute to the comfort and enjoyment of the Owners and provide for other matters of concern to them, has organized the Master Association. The purposes of the Master Association shall be: to hold title to, operate, maintain, repair and replace the Club Common Areas including, but not limited to, the golf course, roadways, retention areas, the surface water management system and any improvements thereon, any decorative entranceways, any medians in the streets within the Properties designated by the Directors; to pay for the costs incident to the above described responsibilities and the costs of street lighting for the Club Common Areas, if any; to promulgate rules and regulations governing the use of Club Common Areas for the enjoyment, health, safety and welfare of the Members, their families, guests and invitees; and, to take such other action as the Master Association is authorized to take with regard to the Properties pursuant to its Articles of Incorporation and By-Laws, or this Declaration, and with regard to any other areas as designated by the Board.

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2.2 **Golf Course and Clubhouse.** The Master Association shall operate, maintain, and hold record title to the Club Common Areas, including the golf course and clubhouse. There shall be a total of not more than 800 Class A memberships for the golf course. The aforesaid 800 golf memberships shall be rights appurtenant to ownership of the Livings Units and shall not be assignable and/or transferable other than through the sale or conveyance of the Living Unit to which they are appurtenant. Upon sale of a Living Unit to which a golf membership is appurtenant, the seller shall be deemed to have automatically assigned and

transferred the golf membership with his property; however, upon the lease of a unit, the lessor may retain the right to use the Club Common Areas, in which case, the tenant shall have no such rights. The Board may promulgate reasonable rules and regulations pertaining to the Golf Course and Clubhouse. All purchasers who acquire a membership agree to abide by the provisions set forth in the Master Declaration. The Master Association shall operate, maintain and hold record title to the golf course and clubhouse for the use and benefit of its Members. The Master Association shall have the following powers:

(A) To exercise the rights more particularly described in Section 7 below.

(B) To transfer the operating rights of any restaurant or pro shop operated by the Master Association on the Properties to an unrelated third party.

2.3 **Easements for Playing Golf.** Easements to permit the doing of every act necessary and proper to the playing of golf on the golf course adjacent to the Living Units and Neighborhood Common Areas which are subject to these restrictions are hereby granted and established. These acts shall include, but not be limited to, the recovery of golf balls from any area of such Living Units and N.C.A.'s, the flights of golf balls from any area of such Lots or N.C.A.'s, the flights of golf balls over and upon such Living Units and N.C.A.'s, the use of necessary and usual equipment upon such golf course (and golf course easement as herein set out), the usual and common noise level created by the playing of the game of golf, together with all of the other common and usual activity associated with the operation of the Golf Course. For any Living Units and N.C.A.'s which shall abut a pond or lake within the Properties and which as a result thereof, do not have direct access to the golf course, there is created hereby a walkway easement over and across any Living Units and N.C.A.'s which shall constitute the nearest and most practicable route to the golf course for said Owner. In the event of disputes among Owners regarding the location of any such walkway easement, the Association shall establish the location of said walkway, which decision shall be binding upon all Living Units and/or Unit owners involved.

2.4 **Consent of Purchasers to Irrigation.** By acceptance of title to a Living Unit, all Owners hereby consent to the irrigation of the golf course located upon the Club Common Areas with treated effluent water, provided that said effluent water emanates from an approved treatment plant with a current operating permit from the State of Florida, Department of Environmental Regulation.

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3. GENERAL COVENANTS, RESTRICTIONS AND RESERVATIONS, AND COMPLIANCE

3.1 Use Restrictions. The Properties shall be used for those purposes provided in the PUD and in accordance with the Governing Documents.

3.2 Residential Use. All Living Units shall be used, improved and devoted exclusively to single-family residential use. No trade or business may be conducted on any Living Unit unless: (i) the existence or operation of the business activity is not apparent or detectible by sight, sound or smell from outside the Living Unit; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Properties; (iii) the business activity does not involve persons coming on the Living Unit or the door-to-door solicitation in the Properties; and (iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of the residents in the Properties, as may be determined from time to time in the sole discretion of the Board. The term "business" and "trade" as used in this Section shall be construed to have ordinary, generally accepted meanings, and shall include any occupation, work or activity undertaken on an ongoing basis that involves the provision of goods or services to persons other than the residents of a provider's Living Unit and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time; (b) such activity is intended or does generate a profit; or (c) a license is required for such activity. The leasing of a Living Unit by the Owner thereof shall not be considered a trade or business within the meaning of this Section.

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3.3 Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Living Unit.

3.4 Unlawful Use. The Master Association and the Owners shall comply with all applicable laws, zoning ordinances, orders, rules, regulations or requirements of any governmental agency relating to the Properties.

3.5 Fishing. Fishing is not permitted within the lakes within the Properties.

3.6 Yard Sales; Garage Sales. Yard sale or garage sales are prohibited.

3.7 **Leases**. Subject to the terms of this Section, an entire Living Unit may be leased to a Lessee from time to time by an Owner provided that each of the following conditions are satisfied:

(A) The lease or rental agreement must be in writing and in conformance with the form of lease provided by the Master Association;

(B) The lease or rental agreement must be for a term not less than thirty (30) days, nor more than one (1) year, and the Living Unit subject to the lease must not have been leased more than six (6) times during the calendar year;

(C) The lease or rental agreement must contain provisions that the lease or rental agreement is subject to the Governing Documents, that any violation of any of the foregoing shall be a default under the lease or rental agreement, and that lessee has received and agrees to be bound by the provisions now or hereafter set forth in the Governing Documents; and

(D) At least twenty (20) days before commencement of the lease term or rental agreement, the Owner shall provide the Master Association with a copy of the lease, the names of the lessees and each person who will reside upon the Living Unit and the address and telephone number of the Owner. The Owner shall further provide a lease application, administrative fee and documentation and information reasonably requested by the Board of Directors.

(E) Each Owner, by acceptance of title to a Living Unit, hereby assigns first to the Neighborhood Associations, and then to the Master Association, the right to collect rent from any Lessee in the event such Owner becomes delinquent in paying his or her assessments or other charges to the Neighborhood Associations and/or Master Association and the Owner hereby expressly grants consent to the Neighborhood Associations and the Master Association to contact the Lessee regarding such matters. Any such rent payments received by the Neighborhood Associations and Master Association and accepted shall be applied first to any interest accrued, then to any administrative late fees accrued, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessments. Once the Owner's account with the Neighborhood Association is brought current, and then once the Owner's account with the Master Association is brought current, then the Master Association shall authorize redirection of future rent from the Lessee back to the Owner.

An Owner that leases or rents a Living Unit shall keep the Master Association informed at all times of the Owner's address and telephone number. Any lease or rental agreement shall

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be subject to the Governing Documents, and any breach thereof shall constitute a default under the lease or rental agreement, regardless of whether it so provides in the lease or rental agreement. If any Lessee breaches any restriction or other term contained in the Declaration or Rules and Regulations, the Owner, upon demand by the Master Association, immediately shall take such actions as may be necessary to correct the breach, including, if necessary, eviction of the lessee. Notwithstanding the foregoing, the Master Association shall have all rights and remedies provided for in the Governing Documents against Lessees and Owners for violations of the Governing Documents and the Master Association may initiate legal action to have the lessee and occupants removed from the Living Unit and the Properties. The cost and expense incurred by the Master Association for any such legal action shall be a Charge against the Owner, payment of which shall be secured by the Master Association's continuing lien and security interest in the Owner's Living Unit.

3.8 Colors. No exterior colors on any structure shall be permitted that, in the judgment of the A.R.C., would be inharmonious or discordant or incongruous with other colors within the Properties or the particular Neighborhood. Any changes of exterior colors must be approved in writing by the A.R.C. in advance.

3.9 Factory-Built or Existing Structures. No structure of any kind of what is commonly known as "factory-built", "modular", or "mobile-home" type construction shall be erected or permitted to exist.

3.10 Landscaping; Sprinkler Systems. All areas not covered by structures, walkways or paved parking facilities shall be maintained as lawn or landscaped areas to the pavement edge of any abutting streets and to the waterline of any abutting lakes, canals or water management areas. No stone, gravel, or paving of any type shall be used as a substitute for grass in a lawn. Certain areas as determined by the A.R.C. may remain in a natural or unimproved state. All lawns and landscaping shall be kept in a neat and attractive condition by Owner. Sprinkler systems located on Neighborhood Common Areas shall be the operation, maintenance, repair and replacement responsibility of the Neighborhood Association.

3.11 Sidewalks. Driveway cuts may be made in sidewalks or curbs, provided that the cuts and the construction of the driveways must be done in accordance with plans and specifications approved by A.R.C. The owner of a Living Unit shall be liable to the Master Association for all damage done to sidewalks and/or the Community Common Areas and roads by construction of Living Units on the Owner's Living Unit. The owner of such Living Unit shall repair to the satisfaction of the Master Association, any such damage or if he fails to make such repairs then the Master Association may make such repairs at the expense of the owner.

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3.12 Driveways and Parking Areas. Driveways and parking areas must be paved with concrete or another surface approved by A.R.C. Driveways must be at least sixteen (16) feet wide. Maintenance and repair of all driveways, parking and other paved parking facilities within the Properties, exclusive of driveways serving only one single family home and common elements of the Neighborhood Association condominiums, shall be the responsibility of the Master Association. Sidewalks that are not common elements of the Neighborhood Association condominiums shall be maintained, repaired and replaced by the Master Association.

3.13 Underground Utilities. All electric, telephone, gas and other utility lines must be installed underground.

3.14 Antennas and Flagpoles. No radio or television antennas, satellite dishes or electrical wiring of any kind shall be installed on the condominium property without written permission of the Board of Directors. It is the intent of these restrictions to comply with the Federal Communications Commission's Over-the-Air Reception Device (OTARD) Rule. Nevertheless, the Board desires to protect the condominium property and avoid unnecessary expense for owners by ensuring, prior to installation, that:

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- direct broadcast satellite dishes (DBS) are less than one meter in diameter and multi-channel, multi-point distribution service devices (MMDS) are less than one meter in diameter or diagonal measurement.

- DBS and MMDS are only installed in exclusive use areas, in locations that are not visible from any street and in a location to minimize annoyance or inconvenience to other residents of the community if this the placement would still permit reception of an acceptable quality signal. Antennae may not extend beyond the plane of the imaginary lot line; and,

- All antennae shall be painted to blend in to the background against which it is mounted, so long as the paint does not interfere with an acceptable quality signal.

Installation of permanent flagpoles must be in accordance with the Architectural / Aesthetic Criteria and County building codes and only after approval of the flagpole and installations is approved by the A.R.C.

3.15 Temporary and Accessory Structures. No tents, trailers or temporary structures shall be permitted unless their size, appearance and temporary location on the Living Unit have first been approved by the A.R.C.

3.16 Outdoor Equipment. All garbage and trash containers, playground equipment, oil tanks, bottled gas tanks, swimming pool equipment and housing and sprinkler pumps and other such outdoor equipment must be underground or placed in areas so that they shall not be readily visible from Common Areas and neighboring Living Units, or adequate landscaping used as screening shall be installed around these facilities and maintained by the Owner or Neighborhood Association.

3.17 Air Conditioners. Wall and window air conditioning or heating units shall not be permitted.

3.18 Solar Collectors; Roof Vents. Solar collectors, roof vents and other installations on the roofs of structures, shall be permitted only at locations approved in writing by the A.R.C.

3.19 Signs. No signs, including "for sale," "for rent," or "open house," signs, shall be erected or displayed in or on any Living Unit except in accordance with the Rules and Regulations.

3.20 Walls, Fences, Hedges, etc. No wall, fence, hedge, or other divider shall be constructed with a height of more than six feet above the ground level of any Living Unit or N.C.A., and no hedge or shrubbery upon the Living Units or N.C.A. boundary lines shall be permitted without the prior written approval of the A.R.C. No wall, fence, or a hedge shall be constructed on any Living Units or N.C.A. unless its height, length, type, design, composition, material and location shall have first been approved in writing by A.R.C. The height of any wall or fence shall be measured from the property elevations of adjoining developed property. Any dispute as to height, length, type, design, composition or material shall be resolved by A.R.C., whose decision shall be final. Approval shall not be given for the construction of any wall, fence or hedge which obstructs the water view of any Living Unit.

3.21 Lighting. All exterior lighting shall be accomplished in accordance with a lighting plan approved in writing by A.R.C.

3.22 Clothes Drying Area. No outdoor clothes drying area shall be allowed.

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3.23 Trucks, Commercial Vehicles, Recreation Vehicles, Motor Homes, Mobile Homes, Boats, Campers and Trailers.

(A) No commercial vehicle of any kind shall be parked in the Properties for a period of more than four hours per day, unless such vehicle is necessary in the actual construction or repair of a structure or for grounds maintenance or maintenance of public utilities, or unless such vehicle is fully enclosed inside a structure. The parking of trucks no larger than pick-up trucks and vans will be permitted if the following requirements are met:

(1) The vehicle will be used for personal, non-business use only.

(2) All vans must have windows on both side panels and seating capacity throughout.

(3) No tools, equipment, merchandise, materials or supplies may be kept or stored in the van or pick-up truck.

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(B) No boat, boat trailer or other trailer of any kind, camper, mobile home, motor home or disabled vehicle shall be permitted to be parked or stored in the Properties unless kept fully enclosed inside a structure.

(C) No vehicle shall be parked anywhere but on paved areas intended that purpose. Parking on lawns or landscaped areas is prohibited.

(D) No vehicle shall be used as a domicile or residence, either permanent or temporary.

(E) Paragraphs (A) through (D) shall not be deemed to prohibit any temporary facility permitted by Section 3.9 above.

(F) No Owner may keep a golf cart in any Neighborhood unless licensed and insured for private highway use. Such carts cannot be used on the golf course at any time.

(G) The Board shall have the right to have any mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, truck, motorcycle, motorbike, or other motor vehicle that is unlicensed, parked, kept, maintained, constructed, reconstructed or repaired in violation hereof towed away at the sole cost and expense of the owner or operator of the vehicle or

equipment. Payment of such cost and expense shall be secured by a continuing lien on the Owner's Living Unit in the same manner as Assessments.

3.24 Pets and Animals. Only dogs, cats, fish and birds may be kept in Living Units, subject to a limitation of two dogs, two cats, or one of each, or a combination thereof and other reasonable regulation by the Master Association. All animals shall be leashed (if outdoors), or contained within the Owner's unit and shall not be permitted to roam free. The Master Association may restrict the walking of pets to certain areas. Owners who walk their pets on the Properties must clean up after their pets. Commercial activities involving animals shall not be allowed. If in the opinion of the Board, any pet shall create unreasonable annoyance to others then the Owner, upon written notice, shall be required to remove said pet from the Properties. Pets may not be left unattended or leashed on porches or lanais, patios, on Club Common Areas, Neighborhood Common Areas, or in garages.

3.25 Maintenance of Premises. No weeds, underbrush, high grass or other unsightly vegetation shall be permitted to grow or remain upon any Living Unit, including roof tops and sidewalks, or N.C.A. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Living Unit, including roof tops and sidewalks, or N.C.A. Improvements upon Living Units shall be kept free of mold, mildew, rust and other unsightly conditions and such structures shall be regularly pressure washed and periodically painted. If for any reason an Owner or Neighborhood Association permits such weeds, high grass, underbrush or other unsightly growths, permits refuse or unsightly objects to be placed or remain upon any Living Unit, fails to keep Living Units free of mold, mildew, rust or other unsightly conditions, fails to regularly pressure wash and periodically paint and fails to correct same after five (5) days notice by the Master Association, then the Master Association shall have the right to enter upon the premises and make such corrections and shall charge the Owner or Neighborhood Association for the cost of the corrections. Said Charge, until paid, shall be a lien against the offending Living Unit or N.C.A. All lawns, landscaping and sprinkler systems and all structures, improvements and appurtenances shall at all times be kept in good, safe, clean, neat and operational condition, and all structures shall be maintained in a finished, painted and attractive condition.

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3.26 Lakes and Other Surface Water Management Areas. The Master Association shall be responsible for the maintenance of the surface water management system in the Properties.

(A) No structure of any kind (including docks) shall be constructed or erected, nor shall an Owner or any Neighborhood Association in any way change, alter, impede, revise or

otherwise interfere with the flow and the volume of water, in any portion of any water management area including, but not limited to lakes, ponds, swales, drainage ways, or areas intended for the accumulation of runoff waters, without the specific written permission of the Board of Directors.

(B) No Owner or Neighborhood Association shall unreasonably deny or prevent ingress and egress to water management areas for maintenance, repair, or landscaping purposes the Master Association or any appropriate governmental agency that may reasonably require any right of ingress and egress, and easements therefore are hereby specifically reserved and created.

(C) No Living Unit or N.C.A. shall be increased in size by filling in any lake, pond or other water retention or drainage areas which it abuts. Owners or Neighborhood Associations shall not fill, dike, rip-rap, block, divert or change the established water retention and drainage areas that have been or may be created without the prior written consent of the Master Association. No owner may draw water for irrigation or other purposes from any lake, pond or other water management area, nor is any boating or swimming in such areas allowed.

(D) All surface water management systems within the Properties, excluding those areas (if any) normally maintained by Collier County, will be the ultimate responsibility of the Master Association. The Master Association may enter any Living Unit or Neighborhood Common Area and make whatever improvements or repairs are deemed necessary to restore proper water management. The cost shall be an expense of the Master Association.

(E) Nothing in this Section shall be construed to allow construction of any new water management facility or alteration of water management systems without first obtaining the necessary permits from all governmental regulatory agencies having jurisdiction.

3.27 **Park and Preserve Areas**. The Park and Preserve Areas may not be altered from their natural state, other than to provide the two utility easements as shown on the Plat. Activities prohibited within the Park and Preserve Areas include but are not limited to construction or placing of buildings on or above the ground; dumping or placing soils or other substances such as trash in a Park or Preserve Area; removal or destruction of soil material; diking or fencing; and any other activities detrimental to drainage, flood control, water conservation, erosion control, or fish and wildlife habitat conservation or preservation.

3.28 **Nuisances**. Nothing may or shall be done which is or may become a reasonable source of annoyance or nuisance to residents of any Neighborhood. No obnoxious,

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unpleasant or offensive activity shall be carried on, nor may anything be done, which can reasonably be construed to constitute a nuisance, public or private in nature. Any question with regard to the interpretation of this Section shall be decided by the Board of Directors whose decision shall be final.

3.29 Litter. In order to preserve the beauty of the Properties, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon the Properties except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Board, or in proper-sized, closed plastic bags for curbside pickup as required. All containers, dumpsters and other garbage collection facilities shall be screened from view outside the Living Unit which same are located and kept in a clean condition with no noxious or offensive odors emanating therefrom.

3.30 Correction of Health and Safety Hazards. Any conditions which are deemed by the Master Association to be a hazard to the public health or safety may be corrected immediately as an emergency matter by the Master Association and the cost thereof shall be charged to the responsible Owner or Neighborhood Association, and payment may be enforced by a lien against the Unit with the same force and effect as if the charge were part of the Master Association's assessments.

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3.31 Subdivision and Regulation of Land.

(A) No Living Unit shall be divided or subdivided.

(B) No Owner or Neighborhood Association shall inaugurate or implement any variation from, modification to, or amendment of the PUD or any other governmental plans, land development regulations, development orders or development permits applicable to any of the Properties, without the prior written approval of the Master Association, which approval may be denied at the sole discretion of the Master Association.

3.32 Owner and Member Compliance. The protective covenants, conditions, restrictions and other provisions of this Declaration shall apply not only to Owners, Members and persons to whom a Member has delegated his right of use in and to the Club Common Areas, but also to any other person occupying an Owner's Living Unit under lease from the Owner or by permission or invitation of the Owner or his tenants, expressed or implied, licensees, invitees or guests. Failure of an Owner to notify any person of the existence of the easements, covenants, conditions, restrictions, and other provisions of this Declaration shall not in any way act to limit or divest the right of the Master Association of enforcement of these provisions and, in addition, the Owner shall be responsible for any and all violations of these provisions by his tenants,

delegates, licensees, invitees or guests, and by his guests, licensees and invitees of his tenants at any time

3.33 Neighborhood Covenants. The documents establishing or governing a Neighborhood and/or Neighborhood Association shall not be inconsistent with the Governing Documents, except they may establish use restrictions on such subjects as pets, age of residents, leasing and guest occupancy, and parking that are more restrictive than those set forth in the Governing Documents.

3.34 Assignment of Approval Rights. All rights originally granted to the Declarant to approve or disapprove any use, construction, or other activity in the Properties shall be deemed assigned to the Board of Directors of the Master Association.

4. ARCHITECTURAL AND AESTHETIC CONTROL.

4.1 General. No building, structure or other improvement shall be erected or altered, nor shall any grading, excavation, landscaping, change of exterior color, or other work which in any way materially alters the exterior appearance of any structure, Living Unit, or Neighborhood Common Area shall be performed without the prior written approval of the A.R.C. In obtaining said written approval, an Owner or any other person applying shall comply with all applicable requirements and procedures set forth in the Governing Documents.

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4.2 Architectural Review Committee. The architectural and aesthetic review and control functions of the Master Association shall be administered and performed by the A.R.C. The A.R.C. shall consist of not less than three (3) individuals. The term of office, composition, compensation (if any), qualifications and meeting procedures of the A.R.C. shall be as provided by the Governing Documents. Provided, however, the Board of Directors of the Master Association shall have the right to appoint all of the members of the A.R.C..

4.3 Powers. The A.R.C. shall have the power to:

(A) Propose the adoption, modification or amendment of written Architectural/Aesthetic Criteria, which shall set forth such things as landscape material, colors and materials which the A.R.C. finds acceptable. Said Criteria shall be consistent with provisions of this Declaration and shall not be effective until adopted by the Board of Directors at a meeting duly called and noticed at which a quorum of the Board is present and voting. Notice of any meeting to act upon the adoption, modification or amendment to the Architectural/Aesthetic Criteria, shall be mailed to each Member at least fourteen (14) days prior to the meeting at which

such adoption, modification or amendment is acted upon. A verbatim copy of such adoption, modification or amendment shall be made available to the Members for review and inspection;

(B) Require submission to the A.R.C. of complete plans and specifications for any building, structure, or other improvement proposed to be erected or altered, or any proposed grading, excavation, tree or other landscape material removal or installation, change of exterior color or other work in which in any way alters the exterior appearance of any structure, Living Unit or Neighborhood Common Area. The A.R.C. may also require submission of samples of building materials or colors proposed for use on any Living Unit or Neighborhood Common Area, and may require such additional information as may reasonably be necessary for the A.R.C. to fully evaluate the proposed work;

(C) Approve or disapprove the erection or alteration of any building, structure or other improvement; or any grading, excavation, landscaping, change of exterior color, or other work which in any way alters the appearance of any structure, Living Unit or Neighborhood Common Area. All decisions of the A.R.C. shall be submitted in writing to the Board, and evidence thereof may be made by a certificate, in recordable form, executed under seal by the President, or any Vice-President of the Master Association. Any person aggrieved by a decision of the A.R.C. shall have the right to make a written appeal to the Board within thirty (30) days of such decision. The determination of the Board upon reviewing any such decision shall, in all events, be final;

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(D) Adopt a schedule of reasonable fees for processing requests for A.R.C. review of proposed changes. Such fees, if any, shall be payable to the Master Association, in cash or check, at the time the request is submitted to the A.R.C.;

(E) Adopt a procedure for inspecting approved changes during and after construction to insure conformity with approved plans.

4.4 Variances. Pursuant to the Architectural / Aesthetic Criteria, the A.R.C., upon a majority vote of its members, has the right to recommend to the Board of Directors variances from the Architectural / Aesthetic Criteria to individual Owners or Neighborhood Associations.

4.5 Roofing. All replacements of roofing materials or change in color of roofing materials are subject to architectural approval in accordance with the Architectural Standards.

5. EASEMENTS.

5.1 Utility and Other Easements.

(A) There is hereby reserved, for the purpose of installing, operating and maintaining governmental, public or private utility facilities, and for other purposes incidental to the development of the Properties, those easements shown upon the recorded plats of the Properties.

(B) The Master Association shall have the right, and the power to declare, grant and record additional easements granting the full free right, power and authority to lay, operate and maintain such drainage facilities, sanitary sewer lines, potable and irrigation water lines, storm sewers, gas and electric lines, communication lines, cable television lines, and such other further service facilities as the Master Association may deem necessary, along, through, in, over and under a strip of land up to ten (10) feet in width extending from all sides, front and rear lines of any stand alone, single family Living Unit and, along, through, in, over and under Club Common Areas and Neighborhood Common Areas. The duration of any such easement shall be set forth in an instrument of public record. Said easements and the rights granted shall not be inconsistent with the then existing improvements on the applicable portions of the Living Unit, Club Common Area, or Neighborhood Common Area. Such easements may benefit the Properties or properties not within Royal Wood.

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(C) Each Living Unit shall be subject to an easement in favor of adjoining or adjacent Living Units for lateral and subjacent support.

5.2 Service Easement. The Master Association hereby grants to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities that service the Properties, and to such other persons as the Master Association may from time to time designate, the nonexclusive, perpetual right of ingress and egress over and across the Properties for the sole purpose of performing their authorized services and investigation.

6. MASTER ASSOCIATION.

6.1 Members.

(A) Every Owner shall be a Member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of a Living Unit.

(B) Members' rights, powers, duties and privileges shall be as set forth in the Articles of Incorporation and By-Laws of the Master Association.

6.2 The Members of the Master Association shall be all owners of Living Units and shall have full membership in the Master Association and all rights and privileges of the facilities including full golf membership with golfing privileges. One vote in the affairs of the Master Association shall be appurtenant to each Living Unit, which vote may be cast as set forth in the Master Association Articles and Bylaws.

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7. CLUB COMMON AREAS.

7.1 Members Rights and Easements.

(A) Every Owner shall have a right and easement of enjoyment and use in and to the Club Common Areas including the Golf Course, which right and easement shall be appurtenant to and shall pass with the title to every Living Unit, subject to:

(1) The right of the Master Association to charge any admission, use or other fees for any Club Common Areas as it may deem appropriate. The fees may be higher for non-Owners.

(2) The right of the Master Association to suspend an Owner's right to use Club Common Areas for any period during which any assessment against the Owner's Living Unit or any other financial obligation of the Owner to the Master Association, remains unpaid, and for a reasonable period during or after any infraction of the provisions within the Governing Documents.

(3) The right of the Master Association to dedicate or transfer all or any part of the Club Common Areas to any governmental agency, public authority, or utility;

(4) The right of the Master Association to grant easements over, across or through the Club Common Area or any part thereof.

(5) The right of the Master Association to open the Club Common Area and, in particular, the golf course for use by non-members of the Master Association or non-owners.

(6) The right of the Master Association to borrow money for the purpose of improving the Club Common Areas, and in aid thereof, to mortgage Club Common Areas;

(7) The right to take such steps as are reasonably necessary to protect Club Common Areas against foreclosure; and

(8) The provisions of the Governing Documents regulating the use and enjoyment of the Club Common Areas.

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7.2 **Delegation of Right.**

(A) An Owner may temporarily grant the right of use in and to the Club Common Areas to non-resident guests if the guests are accompanied by the Owner or to tenants who reside in the Owner's Living Unit, but only to the extent and subject to conditions, limitations and restrictions as may be provided for in the Governing Documents. A fee may be imposed for such right, not necessary limited to the cost of processing the grant.

(B) Each Owner shall be financially and legally responsible for the actions of any person to whom the Owner has granted his right to use the Club Commons Areas.

7.3 **Conveyance and Use.** Any real property conveyed, leased, or the use of which has been granted to the Master Association as Club Common Areas is not and shall not be deemed dedicated for use by the general public but is, and shall be, deemed restricted for the common use and enjoyment of Members.

7.4 **Master Association's Rights and Powers.**

(A) Subject to the provisions of this Declaration or any other applicable recorded instrument and the Master Association's Articles and By-Laws, the Master Association

shall have the right, and the power, to develop, promulgate and enforce reasonable rules and regulations for the use and enjoyment of Club Common Areas.

(B) No Club Common Areas shall be used in violation of the Governing Documents.

(C) The Club Common Areas shall be subject to the provisions of Section 3 of this Declaration. The uses of the Club Common Areas shall be in conformity with the uses permitted in Section 3.

(D) No nuisance or obnoxious or offensive activity shall be conducted or permitted on any Club Common Areas. The Master Association shall have the right and the power in the exercise of its reasonable discretion to determine the activities or the uses which constitute nuisances or obnoxious or offensive activity. Nothing shall be done within the Club Common Areas which is a reasonable source of annoyance to the residents within the Properties.

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7.6 Master Association Maintenance Responsibilities. The Master Association shall be responsible for the maintenance, repair, replacement and control of all Club Common Areas, and shall keep the same in good, safe, clean, attractive and sanitary condition, and in good working order at all times.

7.7 Owner's Maintenance Responsibility. Each Owner shall maintain his or her Living Unit and all structures, parking areas, and other improvements comprising the Living Unit in a manner consistent in accordance with the Governing Documents and all applicable provisions of the Governing Documents. In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, the Master Association may perform such maintenance responsibilities and assess all costs incurred by the Master Association against the Living Unit and the Owner as a Charge, which Charge shall be secured by a continuing lien and security interest as described in Section 8 hereof. The Master Association shall afford the Owner notice, which is reasonable in light of the violation, and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

7.8 Standard of Performance. Maintenance, as used in this Section, shall include, without limitation, repair and replacement as needed, as well as such other duties, which may include irrigation, as the Board may determine necessary or appropriate. All maintenance shall be performed in accordance with the Governing Documents and all applicable covenants.

Notwithstanding anything to the contrary contained herein, the Master Association, the Directors on the Board, and members of any committee established by the Governing Documents or the Board shall not be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own unless and only to the extent that it has been negligent in the performance of its maintenance responsibilities.

7.9 **Partition Prohibited.** There shall be no judicial partition of the Club Common Areas, except as expressly provided elsewhere herein, nor shall any Owner or any other person acquiring any interest in any part of the Properties, seek judicial partition thereof. Nothing herein shall be construed to prohibit judicial partition of any Living Unit owned in co-tenancy. The ownership of any Living Unit and the ownership of the improvements constructed thereon may not be separated or separately conveyed, nor may any person who does not have an ownership interest in at least one Living Unit hold membership in the Master Association.

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8. ASSESSMENTS.

8.1 Creation of the Lien and Personal Obligation.

(A) Each Owner, by acceptance of a deed for a Living Unit, whether or not it shall be so expressed in such deed, shall be covenanting and agreeing to pay to the Master Association:

(1) Annual Assessments.

(2) Special Assessments.

(3) Capital Contribution Assessment.

(4) Other fees or charges,including fines, against the Owner of one or more Living Units, as provided for in the Governing Documents ("Charges").

(B) Assessments shall be fixed, levied, established and collected as provided in the Governing Documents.

(C) The Assessments and Charges, together with interest, late payment penalties and costs of collection, including reasonable attorney's fees, which includes those resulting from any appellate proceedings, shall be a continuing lien upon the Living Unit against which such Assessment or Charge is made.

(D) Each Assessment and Charge, together with interest and costs of collection, including reasonable attorney's fees, which include those resulting from appellate proceedings, shall also be the personal obligation of any person who was the Owner of the Living Unit at the time such Assessment or Charge came due, and any due and unpaid Assessments and Charges shall also be the personal obligation of each subsequent Owner of the Living Unit. Each Owner, by acceptance of a deed for a Living Unit, is personally covenanting and agreeing to pay any obligation coming due prior to or during the time of his ownership and such personal obligation shall survive any conveyance. Joint Owners shall be jointly and severally liable.

(E) The Master Association will collect dues and unpaid Master Association assessments and other charges directly from any Owner personally and may impose a lien against any Living Unit for the payment of such assessments and other charges which are due and unpaid.

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(F) The purpose, amount, rate, exemption from, and non-payment of, annual, special, and capital assessments, and Charges and the establishment of annual budgets shall be established by the Board as set forth in the Master Association's By-Laws.

(G) No land shall be subject to assessment by the Master Association if it is a Neighborhood Common Area, Club Common Area, or if is owned by a governmental agency and used solely for a public purpose.

(H) A capital contribution assessment, in an amount to be determined annually by the Board, shall be paid by the buyer at the transfer of record title to a Living Unit. Except as provided below, the Capital Contribution Assessment is to be paid at closing and settlement of a sale and purchase of a Living Unit and is payable in a lump sum to the Master Association. The following transactions by Owners shall be exempt from payment of the Capital Contribution:

(i) Conveyance of a Living Unit by an Owner, without exchange of financial consideration, to a trust, partnership, corporation, or other entity so long as such entity is and remains wholly-owned by and/or is for the benefit of the Owner and/or the Owner's spouse and/or children, provided, however, this subsection shall not apply and the Living Unit shall be subject to the Capital Contribution assessment if any portion of the ownership passes to someone other than for the benefit of the Owner and/or the Owner's spouse and/or children, and

(ii) Conveyance of a Living Unit by an Owner or such Owner's estate to the Owner's spouse and/or children, and

(iii) Conveyance of an undivided interest in a Living Unit by the Owner thereof to any existing co-Owners of the Living Unit.

(iv) Each Owner who sells their primary residence and takes record title to a Living Unit as their primary residence within twelve (12) months, as evidenced by the public records of Collier County, Florida, of that sales transaction shall not be required to make any payment towards to the Capital Contribution. The Board of Directors, in its sole discretion, shall make the determination of "primary" residence.

(v) Each Owner who purchases a second Living Unit and takes title to a Living Unit as their primary residence and sells the first Living Unit within twelve (12) months, as evidenced by the public records of Collier County, Florida, of that sales transaction shall be required to make payment towards to the Capital Contribution. However, the Owner will receive a reimbursement of the Capital Contribution upon the Board of Directors' determination of "primary" residence. The Board of Directors, in its sole discretion, shall make the determination of "primary" residence.

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8.2 Lien.

(A) The Master Association is hereby granted a continuing lien on each Living Unit, which lien shall related back to the date on which this Master Declaration was originally recorded and shall secure the payment of all sums coming due and owing to the Master Association, together with interest at the highest lawful rate from the date of delinquency, and all costs of collection, including reasonable attorney's fees, which includes those resulting from appellate proceedings, which may be incurred by the Master Association in enforcing this lien and the costs of performing any other work required to enforce compliance with this Section 8.

(B) The lien herein created shall be perfected from and after the date of recording of a Claim of Lien in the Public Records of Collier County, Florida, which Claim of Lien shall state the description of the property encumbered thereby, the name of the Owner, the amount then due and the date when due and the lien shall continue in effect until all sums secured by said lien, as herein provided, shall have been fully paid, and the lien satisfied or discharged.

(C) The Master Association may bring an action of law against an Owner to pay his personal obligations to the Master Association, or it may foreclose the lien the Owner's Living Unit. An Owner against whom any such proceeding is successfully brought shall pay all costs of collection, including reasonable attorney's fees, which includes those resulting from appellate proceedings.

(D) No Owner may avoid or escape liability for the payments provided for herein by non-use or abandonment of his Living Unit or the Club Common Areas.

8.3 Priority of Lien. The Master Association's lien for unpaid assessments shall be subordinate and inferior to that of any recorded first mortgage, unless the Master Association's Claim of Lien was recorded prior to the first mortgage; the Master Association's lien shall be superior to, and take priority over, all other mortgages and recorded judgments, liens, leases, etc., regardless of when executed or recorded.

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9. COVENANT AND RULE ENFORCEMENT: DISPUTE RESOLUTION. The Master Association has the power to enforce all covenants, conditions, restrictions, and agreements applicable to any of the Properties, and is further empowered to promulgate and enforce administrative rules and regulations governing the Properties. Enforcement actions for damages or for injunctive relief, or both, may be brought by any Owner or the Master Association against:

(A) The Master Association

(B) The owner of any Living Unit.

(C) Any occupant of a Living Unit.

(D) Any Neighborhood Association which fails to make a reasonable effort to enforce any restrictive covenants or affirmative obligations under provisions of the Governing Documents or the Neighborhood Association's own constituent documents, where such failure has an adverse impact on the appearance of the community or the operation of the Master Association.

The enforcement of covenants, conditions, restrictions and agreements applicable to the various subdivisions and developments within the Properties is primarily the function and duty of the respective Neighborhood Association. It is the intent of this provision that the Master Association exercise its covenant enforcement powers with respect to Neighborhood Covenants

only after the Neighborhood Association primarily responsible for enforcement has notice of the violation and has, after a reasonable time, been unable or unwilling to resolve the problem in a satisfactory manner. In the event that an Owner fails to abide by the Governing Documents then he or she may be subject to any action, right of entry, fine, suspension of use rights or other remedy contained in the Governing Documents or applicable Florida law. Payment of fines shall be secured by a continuing lien on the Owner's Living Unit in the same manner as assessments. Each remedy shall be non-exclusive and in addition to all other rights and remedies to which the Master Association may be entitled. Failure by the Master Association to enforce any provision of the Governing Documents or exercise any right or remedy contained therein shall not be deemed a waiver of the right to do so thereafter.

9.1 Damages and Attorney's Fees. Damages shall not be conclusively deemed adequate relief for any breach or violation or any provision hereof. Any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction, as well as any other available relief either at law or in equity. Any party to a proceeding who succeeds in enforcing any provision of this Declaration, or in enjoining violation or breach of any provision hereof, or recovers damages on account of such breach, against an Owner or the Master Association shall be entitled to reimbursement of reasonable attorney's fees and court costs (including those resulting from appellate proceedings) by such Owner or Master Association.

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9.2 Actions. The Board of Directors may bring an action at law and/or in equity (including an action for injunctive relief), or both, in the name of the Master Association to enforce the Governing Documents. In such event, the Master Association additionally shall be entitled to recover prevailing party costs and attorneys' fees.

9.3 Right of Entry. Violation of the Governing Documents shall give the Master Association or its duly authorized agent the right to enter a Living Unit or any portion of a Neighborhood Common Area to summarily abate or remove, at the expense of the Owner, any structure, thing or condition which violates the Governing Documents. All costs to abate or remove a violation shall be levied as a Charge against the violating Owner in accordance with Section 8 hereof. The Master Association shall not be liable in any manner for trespass, abatement or removal, and all costs and fees incurred by the Master Association may be specifically assessed against the violating Owner and shall be treated as a Charge due to the Master Association.

10. NEIGHBORHOOD ASSOCIATIONS.

10.1 Enforcement of Covenants. If any Neighborhood Association fails to enforce any or all provisions of its Neighborhood Covenants, or to perform any of its duties and responsibilities pursuant to its articles of incorporation, by-laws or rules and regulations, the Master Association may, in its sole discretion, enforce such Neighborhood Covenants, and perform such duties and responsibilities, including any and all maintenance provisions, and obtain the payment of the cost of such enforcement and maintenance pursuant to the provisions of Section 8.

10.2 Entry Rights. Each Neighborhood Association and each Owner shall permit the Master Association or any agent or employee of the Master Association to enter upon a Neighborhood Common Area or the Owner's Living Unit at reasonable times, to carry out the provisions of this Section, and the entry shall not constitute a trespass. Such entry shall include, but not be limited to, the right to use of the Neighborhood Association's or Owner's water from an outside spigot in reasonable amounts, without compensation to the Neighborhood Association or the Owner if used for maintenance on the Club Common Areas, Neighborhood Common Areas or on the Owner's Living Unit, as the case may be. This provision shall not be construed as authorizing the entry into any structure located on any Living Unit, except in emergency.

10.3 Maintenance of Neighborhood Common Area. The Master Association may contract with any Neighborhood Association to provide for the operation and maintenance of its Neighborhood Common Area.

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11. INSURANCE: RECONSTRUCTION AFTER CASUALTY.

11.1 Association Insurance. The Master Association acting through its Board or its duly authorized agent, shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Club Common Areas to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a loss. The Master Association shall have the authority to insure any privately or publicly owned property for which the Master Association has maintenance or repair responsibility. Such property shall include, by way of illustration and not limitation, any insurable improvements on or related to parks, rights-of-way, medians, easements and walkways which the Master Association is obligated to maintain. If blanket "all-risk" coverage is not generally available at reasonable cost, then the Master Association shall obtain fire and extended coverage, including coverage for vandalism and malicious mischief. The face amount of the policy shall be sufficient to cover the full

replacement cost of the insured property. The cost of such insurance shall be a Common Expense to be allocated among all Living Units.

The Master Association shall obtain a public liability policy on the Club Common Areas, insuring the Master Association for damage or injury caused by the negligence of the Master Association or any of its members, employees, agents or contractors while acting on its behalf. If generally available at reasonable cost, the public liability policy shall have at least a $1,000,000.00 combined single limit as respects bodily injury and property damage, and at least a $3,000,000.00 limit per occurrence and in the aggregate. Premiums for all insurance on the Club Common Areas shall be a Common Expense.

The policies may contain a reasonable deductible as determined by the Board of Directors, which deductible shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the required coverage. In the event of an insured loss, the deductible shall be treated as a Club Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines that the loss is the result of the negligence or willful conduct of one or more Owners or occupants, then the Board may specifically assess the full amount of such deductible against the Living Unit of such Owner or occupant.

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The Master Association shall also obtain, as a Common Expense, worker's compensation insurance and employer's liability insurance, if and to the extent required by law, directors' and officers' liability coverage (covering directors, officers and committee members), if reasonably available, and flood insurance, if advisable.

The Master Association also shall obtain, as a Common Expense, a fidelity bond, or bonds, if generally available at reasonable cost, covering all persons responsible for handling Master Association funds. The Board shall determine the amount of fidelity coverage in its best business judgment but, if reasonably available, shall secure coverage equal to not less than one-sixth (1/6) of the assessments plus reserves on hand. Bond shall contain a waiver of all defenses, based upon the exclusion of persons serving without compensation, and shall require at least thirty (30) days' prior written notice to the Master Association of any cancellation, substantial modification or non-renewal.

11.2 Repair and Reconstruction. If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors shall, without vote of the Members, levy Special Assessments against the Owners to cover the deficiency to repair/replace the Club Common Areas.

12. DURATION OF COVENANTS; AMENDMENT.

12.1 Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Master Association, and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date the original Declaration is recoded unless ninety percent (90%) of the owners of all Living Units and fifty-one percent (51%) of the mortgagees of the mortgages of record vote for its termination before that time. Upon the expiration of said thirty (30) year period the Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with the Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of the Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, sixty-seven percent (67%) of the Owners of all Living Units and fifty-one percent (51%) of the mortgagees of the mortgages of record vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration will be considered, shall be given at least forty-five (45) days in advance of said meeting. If the Master Association votes to terminate this Declaration, the President and Secretary of the Master Association shall execute a certificate which shall set forth the resolution of termination adopted by the Master Association, the date of the meeting of the Master Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Master Association, the total number of votes required to constitute a quorum at a meeting of the Master Association, the number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of Collier County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

12.2 Amendment of Declaration. Amendments in the nature of the following shall require the affirmative approval of fifty-one percent (51%) of the mortgagees holding a mortgage on any Living Unit.

1) Changes in voting rights;

2) Changes in lien provisions as they affect mortgagees;

3) Changes in reserves provisions and responsibility for maintenance, repairs and replacement of Club Common Areas;

4) Changes in rights to use Club Common Areas; and

5) Contraction of the Club Common Areas.

12.3. Amendments by Members. This Declaration may be amended at any time provided that two-thirds (2/3) of the owners of Living Units present, in person or by proxy, at a duly-called and properly-notice meeting at which a quorum is present vote in favor of the proposed amendment, provided however, that if the affirmative vote required, for approval of action under the specific provision to be amended, is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notice shall be given at least forty-five (45) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above the President and Secretary of the Master Association shall execute a Certificate of Amendment to this Declaration which shall set forth the amendment, the date of the meeting of the Master Association at which such amendment was adopted, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. Such amendment shall be effective when recorded in the Public Records of Collier County, Florida.

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13. RIGHTS OF MORTGAGEES:

13.1 Approvals. No amendment shall be effective to alter the rights of any mortgagee as of the date of the amendment without that mortgagee's consent.

13.2 Notice of Casualty or Condemnation. In the event of condemnation, eminent domain proceedings, or very substantial damage to, or destruction of any part of the Club Common Areas, the record holder of any first mortgage on the Club Common Areas or any Living Unit shall be entitled to notice.

13.3 Mortgage Foreclosure. Except as otherwise provided by law, if the mortgagee of an institutional mortgage of record acquires title to a condominium parcel as a result of foreclosure if the mortgage, or as the result of a deed given in lieu of foreclosure, such mortgagee shall not be liable for the share of Master Association expenses or assessments attributable to the condominium parcel, or chargeable to the former owner of the parcel, which

came due prior to the mortgagee's acquisition of title. Any unpaid share of Master Association expenses which such acquirer is exempt from liability becomes an expense collectible from all unit owners, including such acquirer and his successors and assigns. No owner or acquirer of title to a condominium parcel by foreclosure (or by a deed in lieu of foreclosure) may during the period of his ownership of such parcel, whether or not the parcel is occupied, be excused from the payment of any assessments coming due during the period of such ownership. In the event of a conflict between this paragraph and paragraph 8.1 (D), this paragraph shall supersede.

13.4 **Redemption**. If proceedings are instituted to foreclose any institutional mortgage or lien on any unit, the Master Association, on behalf of one or more Owners and with the permission of the mortgagee, may redeem the mortgage or lien for the amount due thereon and be thereby subrogated to all of the mortgagee's or lienor's rights of action, or the Master Association may purchase the Living Unit at the foreclosure sale. An institutional mortgagee shall have an unrestricted, absolute right to accept title to the Living Unit in settlement and satisfaction of the mortgage or to foreclose its mortgage in accordance with its terms, and to bid upon the Living Unit at the foreclosure sale. If the Master Association or any of its members redeem the mortgage or cure the default, it or they shall have a lien against the Living Unit for all sums expended in connection therewith, and shall have the same rights to collect such sums as in the case of a past due assessment.

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COMPARE

13.5 **Right to Inspect Books**. The Master Association shall make available to institutional mortgagees requesting same current copies of the Governing Documents and the books, records and financial statements of the Master Association. "Available" shall mean ready for inspection, upon written request, during normal business hours, or under other reasonable circumstances. Photocopies shall be at the expense of the mortgagee requesting same.

13.6 **Financial Statement.** Any institutional mortgagee is entitled, upon written request, to a financial statement of the Master Association for the immediately preceding fiscal year.

13.7 **Lender's Notices**. Upon written request to the Master Association, any institutional mortgagee shall be entitled to timely written notice of:

A. Any 60 day or longer delinquency in the payment of assessments or charges owed by the Owner of any Living Unit on which it holds a mortgage.

B. A laps, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Master Association.

C. Any proposed action that requires the consent of a specified percentage of mortgage holders.

14. GENERAL AND PROCEDURAL PROVISIONS.

14.1 Other Documents. The Master Association and any Neighborhood Association provided for herein or in any applicable recorded instrument shall have such rights, powers, duties, and privileges as set forth herein or in the Articles of Incorporation, By-Laws and other constituent documents of such entity; however, no such entity may have rights, duties, powers or privileges that are in conflict with the provisions of this Declaration, and this Declaration shall prevail in all events of conflict.

14.2 Severability. If any covenant, condition, restriction or other provision of this Declaration is held to be invalid in whole or in part by any Court of competent jurisdiction, then such holding shall in no way affect the validity of the remaining provisions of this Declaration, all of which shall remain in full force and effect.

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14.3 Dissolution. In the event of dissolution of the Master Association each Living Unit and Living Unit shall continue to be subject to the annual assessment specified in Section 8 and each Owner shall continue to be personally obligated to the Master Association as the case may be for such assessment to the extent that such assessments are required to enable the Master Association to properly maintain, operate and preserve it.

14.4 Gender. Wherever in this Declaration the context so requires the singular number shall include the plural, and the converse; and the use of any gender shall be deemed to include all genders.

14.5 Notices.

(A) To Master Association. Notice to the Master Association shall be in writing and delivered or mailed to the Master Association at its principal place of business as shown by the records of the Secretary of the State of Florida, or at any other location designated by Master Association.

(B) To Owner. Notice to any Owner of a violation of any of these restrictions, or any other notice as may be required herein shall be in writing and shall be

delivered or mailed to the Owner at his last known address, or at the address shown on the deed recorded in the Public Records of Collier County, Florida.

14.6 Construction. The provisions of this Declaration shall be liberally interpreted and construed to provide maximum flexibility consistent with the General Development Plan and the purposes set forth herein, including the Preamble.

14.7 Captions, Headings and Titles. Captions, headings, and titles inserted throughout this Declaration are for convenience only, and in no way shall such captions, headings or titles define, limit, or in any way affect the subject matter, content or interpretation of the terms and provisions of this Declaration.

14.8 Interpretation. The Board of Directors of the Master Association shall be responsible for interpreting the provisions of this Declaration and of any of the exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel that an interpretation adopted by the Board is not unreasonable shall conclusively establish the validity of such interpretation.

14.9 Applicable Statutes. The validity, application, and construction of this Declaration and its exhibits shall be governed by the Laws of Florida as they exist on the date of the recording of this Declaration.

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LEGAL DESCRIPTION

ROYAL WOOD GOLF AND COUNTRY CLUB

The Southeast Quarter and the South half of the Northeast Quarter, except the Southerly 50 feet thereof for road right of way in Section 17, Township 50 South, Range 26 East, Collier County, Florida; Being more particularly described as follows:

Commence at the Southeast corner of Section 17, Township 50 South, Range 26 East, Collier County, Florida and run North 00 Degrees 03 Minute 02 Seconds East along the East line of said Section 17, for 50.01 feet to the intersection with the North right of way for of Rattlesnake Hammock Road (CR 864) to the POINT OF BEGINNING; thence run North 89 Degrees 17 Minutes 54 Seconds West along said right of way for 2636.46 feet to the intersection of the North-South Quarter line of said Section 17; thence run North 00 Degrees 13 Minutes 36 Seconds West along said Quarter line for 3954.99 feet; thence run South 88 Degrees 58 Minutes 48 Seconds East for 2661.02 feet to the intersection with the East line of said Section 17; thence run South 00 Degrees 16 Minutes 30 Seconds West for 1328.93 feet to the East Quarter corner of said Section 17; thence run South 00 Degrees 03 Minutes 02 Seconds West for 2610.90 feet to the Point of Beginning subject to easements of record containing 239.84 acres more or less.

COLLIER COUNTY FLORIDA
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AMENDED AND RESTATED ARTICLES OF INCORPORATION OF ROYAL WOOD MASTER ASSOCIATION, INC.

These are the Amended and Restated Articles of Incorporation for Royal Wood Master Association, Inc. originally filed with the Florida Department of State on the 19th day of November, 1987, under Charter Number N23555. Matters of only historical interest have been omitted. Amendments included have been added pursuant to Chapter 617, Florida Statutes (2013). All capitalized terms used herein shall have the same meaning as set forth in the Master Declaration, as amended from time to time.

ARTICLE I

NAME: The name of the corporation herein called the "Master Association", is ROYAL WOOD MASTER ASSOCIATION, INC.

COLLIER COUNTY CLERK OF COURT

ARTICLE II

PURPOSE AND POWERS: The purpose for which the Master Association is organized is to provide an entity for the operation of ROYAL WOOD GOLF & COUNTRY CLUB, A PLANNED UNIT DEVELOPMENT, located in Collier County, Florida.

The Master Association is organized and shall exist upon a non-stock basis as a non-profit corporation under the laws of the State of Florida, and no portion of any earnings of the Master Association shall be distributed or inure to the private benefit of any member, Director or officer of the Association. For the accomplishment of its purposes, the Master Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida, except as limited or modified by these Articles, the Master Declaration of Covenants, Conditions and Restrictions for ROYAL WOOD (The "Master Declaration"), or by the By-Laws of this Master Association; and ROYAL WOOD pursuant to the Master Declaration as it may hereafter be amended, including but not limited to the following:

A. To levy and collect assessments against Members of the Master Association to defray the costs, expenses and losses of the Master Association, and to use the proceeds of assessments in the exercise of its powers and duties.

B. To own, lease, maintain, repair, replace or operate the Club Common Areas, including without limitation golf course, entry medians, driveways and parking areas, front entrance and perimeter wall, recreational facilities, street lighting and surface water management systems as permitted by the South Florida Water Management District.

C. To purchase insurance upon the Club Common Areas for the protection of the Master Association and its members.

D. To reconstruct improvements after casualty and to make further improvements of the Properties.

E. To make, amend and enforce reasonable rules and regulations governing the use of the Club Common Areas and the operation of the Master Association.

F. To sue and be sued, and to enforce the provisions of the Declaration, these Articles, and the By-Laws of the Master Association.

G. To contract for the management and maintenance of the Club Common Areas and to delegate any powers and duties of the Master Association in connection therewith except such as are specifically required by the Declaration to be exercised by the Board of Directors or the membership of the Master Association.

H. To employ a CAM-licensed and certified by CMAA (CCM) general manager, accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the Properties.

I. To borrow or raise money for any purposes of the Master Association to draw, make accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness; and to secure the payment of any thereof, and of the interest thereon, by mortgage, pledge, conveyance or assignment in trust, of the whole or any part of the rights or property of the Master Association. In the event of a major catastrophe or emergency (e.g. fire, hurricane, tornado) the Board of Directors may borrow money for a temporary period if necessary at the discretion of the Board of Directors to maintain the integrity of the golf course, the clubhouse, and the common area pending the receipt of insurance payments or assessments. Otherwise, the Board of Directors may borrow money only upon approval of a majority vote of the members who are present and voting, in person or by proxy, at a duly called meeting for such purpose.

The funds and the title to all property acquired by the Master Association shall be held for the benefit of the members in accordance with the provisions of the Declaration, these Articles of Incorporation and the By-Laws.

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ARTICLE III

MEMBERSHIP:

A. The Members of the Master Association shall consist of all record owners of a fee simple interest in one or more Living Units in the Properties, excluding those who hold such interest merely as the security for the performance of an obligation, and as further provided in the By-Laws.

B. Change of membership shall be established by recording in the Public Records of Collier County, Florida, a deed or other instrument transferring title, and by the delivery to the Master Association of a copy of such instrument.

C. The share of a Member in the funds and assets of the Master Association cannot be assigned, or transferred in any manner except as an appurtenance to his fee simple interest in a Living Unit.

D. The Members shall be entitled to the number of votes in Master Association matters set forth in the Declaration and By-Laws. The manner of exercising voting rights shall be as set forth in the Declaration and By-laws.

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ARTICLE IV

TERM: The term of the Master Association shall be perpetual. In the event of dissolution, the portions of the Properties consisting of the surface water management system shall be conveyed to an appropriate agency of government. If not accepted, the system must be deeded to a Florida corporation not for profit which will accept responsibility.

ARTICLE V

BY-LAWS: The By-Laws of the Master Association may be altered, amended, or rescinded in the manner provided therein.

ARTICLE VI

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

A. **Proposal.** Amendment to these Articles may be proposed either by a majority of the whole Board of Directors or by a petition signed by voting members representing at least ten percent (10%) of the voting interests of the Master Association. Once so proposed, the amendments shall be submitted to a vote of the members not later than the next annual meeting for which the proper notice can be given.

B. These Articles of Incorporation may be amended by vote of a majority of the voting interests present and voting at any annual or special meeting, or by approval in writing of

a majority of the voting interests without a meeting, provided that the notice contains the text of the proposed amendment.

C. An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of Collier County, Florida.

ARTICLE VII

DIRECTORS AND OFFICERS:

A. The affairs of the Master Association will be administered by a Board of Directors consisting of the number of Directors determined by the By-Laws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors.

B. Directors of the Master Association shall be elected by the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the board of Directors shall be filled in the manner provided by the By-Laws.

C. The business of the Master Association shall be conducted by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Master Association and shall serve at the pleasure of the Board.

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ARTICLE VIII

REGISTERED AGENT: The registered office address and the name of the registered agent of the corporation shall be as determined by the Board of Directors from time to time.

SECOND AMENDED AND RESTATED BY-LAWS OF ROYAL WOOD MASTER ASSOCIATION, INC.

OF ROYAL WOOD MASTER ASSOCIATION, INC.

1. **GENERAL.** These are the By-laws of ROYAL WOOD ASSOCIATION, INC. (hereinafter the "Master Association") a corporation not for profit organized under the laws of Florida as a residential homeowner's association for the purposes set forth in the Articles of Incorporation.

1.1 **Principal Office.** The principal office of this corporation shall be located at: 4300 Royal Wood Boulevard, Naples, Florida, 34112, or at such other place as may be established by resolution of the Board of Directors.

1.2 **Definitions.** All terms defined in the Declaration of Covenants, Conditions and restrictions for Royal Wood Golf & Country Club (the "Declaration") to which these By-Laws are attached as an exhibit, shall be used with the same meanings as defined therein.

1.3 **Seal.** The seal of the Master Association shall be inscribed with the name of the Master Association, the year of its organization, and the words "Florida" and "not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

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1.4 **Information.** The Master Association shall have current copies of the Master Declaration, Master Association Bylaws, and other rules of the Master Association, as well as the Master Association's own books, records, and financial statements available for inspection by owners of Living Units or by holders, insurers, and guarantors of first mortgages that are secured by the Living Units in the PUD; these documents shall be available for inspection during normal business hours.

2. **MEMBER; MEMBERSHIP RIGHTS.**

2.1 **Membership**

A. The Master Association shall consist of all Owners of record, and as further provided in the By-Laws. Only one (1) vote may be cast for each Living Unit.

B. In the case of a Living Unit subject to an agreement for deed or life estate, the contract vendee or life tenant shall be deemed the owner of the Living Unit for purposes of determining membership and use rights.

2.2 Evidence of Membership.

A. Upon application to the Board, or its designee, after furnishing satisfactory proof of ownership, every Member shall be entitled to a certificate or other evidence of membership, which may be wallet size.

B. Admission to any Club Common Areas, facility, meeting or affair may be predicated upon production of a current Certificate of Membership by the Member.

C. Adequate records shall be maintained by the Master Association showing the names of the Members, their addresses, the number of Living Units owned by each Member, the date of membership and such other information as the Board shall require.

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2.3 Transfer of Membership. Except as provided in 2.6 below, no Member may transfer his Master Association membership. When a Member ceases to be an Owner, his membership shall cease. The termination of membership in the Master Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Master Association during the period of his membership, nor does it impair any rights or remedies which the Master Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

2.4 Rights and Privileges of Members.

A. Every Member in good standing shall have the right to:

1) Vote at the annual meeting or special meeting of the members.

2) Serve on the Board if elected;

3) Serve on committees; and

4) Attend membership meetings.

Each member is encouraged to take an active interest in Master Association affairs.

B. Every Member in good standing shall have the privilege of using and enjoying the Club Common Areas, including the golf course, subject to the right of the Master Association to charge admission and other fees for the use of any facilities. To limit use of the golf course to one family per unit, each Living Unit is entitled to only one (1) golf membership. Use rights in the golf course for each such golf membership shall be limited to one (1) "family". For purposes of this Section, "family" means one person, a married couple, or not more than two persons who need not (but may be) related to each other by blood, marriage or adoption, and who customarily reside and live together and otherwise hold themselves out as a single housekeeping unit. The decision as to whether two persons reside and constitute a qualifying family shall be a matter for the Board of Directors in its reasonable discretion. Further, custodial minor children or in the case of college or graduate students, those who reside as part of the "family" on a full time basis during such times as the student is not enrolled in a college or university shall be entitled to golf privileges subject to the Rules adopted by the Board. If a Living Unit is owned by two or more persons who are not a "family" as described above, or is owned by an entity which is not a natural person, the owner shall be required to select and designate one (1) family as defined above to utilize the golf membership. Changes in such designation when there is no change in ownership of the Living Unit, shall be limited to one change per twelve (12) month period.

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C. A Member is in good standing if he is current in the payment of all assessments and other financial obligations to the Master Association and his membership is not suspended.

2.5 Use of Club Common Areas.

A. Member. When a Member is in residence, and is in good standing, use of the Club Common Areas shall be available to the Member, the Member's family as defined elsewhere herein, and their guests in a reasonable number.

B. Co-Ownership. Co-ownership of Units may be permitted. If the co-owners are other than two individuals residing together as a family, as described elsewhere herein, the Board shall condition its approval upon the designation of one approved natural person as the "primary occupant". The use of the Club Common Areas by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of Section 2. No more than one such change will be approved in any twelve (12) month period.

C. **Ownership by Corporations, Partnerships or Trusts.** A unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the unit may be used as short-term transient accommodations for several individuals or families. The approval of a trustee, or corporation or other entity as a unit owner shall be conditioned upon designation by the owner of one natural person to be the "primary occupant". The use of the Club Common Areas by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 2. No more than one such change will be approved in any twelve (12) month period.

D. **Life Estate.** A unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under Section 2. In that event, the life tenant shall be the only member from such unit, and the use of the Club Common Areas shall be as if the life tenant was the only owner. Upon termination of the life estate the holders of the remainder interest shall have no occupancy right unless separately approved by the Board. The life tenant shall be liable for all assessments and charges against the unit during the life tenancy. Any consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights.

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2.6. Delegation of Rights.

A. In accordance with Section 7.2 of the Master Declaration, a Member may delegate his privilege to use the Club Common Areas to:

1) A reasonable number of guests if accompanied by a Member; or

2) Residential tenants who reside in the Member's Living Unit .

B. In the case of residential tenants of the Member's Living Unit, the delegating Member must give prior written notice to the Master Association of such delegation. The written notification shall state the names, ages, permanent address, intended length of time the delegation will be effective, and such other information about each residential tenant as the Board shall require.

C. A Member who has delegated his use privilege and is not in residence in Royal Wood may not use Club Common Areas during the period of the delegation.

D. Members shall be responsible for keeping the Master Association informed as to the names and ages of any persons who normally reside with the Member and intend to utilize the Club Common Areas.

E. The Board of Directors shall have the authority to limit the number of guests, the frequency or duration of any Member's delegation of use rights, and to impose fees for such delegation or the use of facilities by guests.

2.7 Suspension of Membership. The Board may suspend a Member's membership in the Master Association:

A. For the period of time during which an assessment or other financial obligations against the member remains unpaid more than (30) days after the date it was due and payable; or

B. For a reasonable period during or after any infraction of the Master Association's rules and regulations by a Member and/or by any person(s) to whom he has expressly or impliedly delegated his privileges; or

C. For misuse, abuse, or intentional destruction of the Club Common Areas or personal property of the Master Association.

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Membership shall not be suspended until the Member has been sent reasonable notice of intended suspension and been offered a reasonable opportunity to be heard. Suspension of any Member's membership shall constitute a suspension of his rights and privileges to the use and enjoyment of Club Common Areas and facilities and participation in Master Association affairs, including voting. A suspension shall in no way impair the enforceability of any assessment or lien therefore, or the authority of the Master Association to assess and collect any future assessment and lien, nor shall it impair the Member's right to use his own property in a manner consistent with the Governing Documents.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The members shall meet at least once in each calendar year and such meeting shall be the annual meeting. The annual meeting shall be held in Collier County, Florida, during the month of February or March, but no later than March 15th, at a day,

place, and time designed by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members.

3.2 Special Member's Meetings. Special Members meetings must be held whenever called by the President or by a majority of the Board of Directors, and must be promptly called by the Board upon receipt of a written request from the Members entitled to cast ten percent (10%) of the votes of the entire membership. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the members making the request. Business at any special meeting shall be limited to the items specified in the request or contained in the notice of meeting.

3.3 Quorum.

A. The presence in person or by proxy at any meeting of thirty percent (30%) of the Voting Interests shall constitute a quorum.

B. If a quorum is present, the affirmative vote of a majority of the votes cast at the meeting shall be the act of the Members, unless a higher vote is specifically required by law or by the Governing Documents.

C. After a quorum has been established at a meeting of the members, the subsequent withdrawal of any member or members, so as to reduce the number of voting interests represented below the number required for a quorum, shall not affect the validity of any action taken at the meeting before or after such persons leave.

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3.4 Notice of Meetings. Written notice of meetings shall be mailed or hand delivered to the members. The notice must be mailed or delivered by the Master Association to all members not less than fourteen (14) days prior to the date of the meeting. Hand delivery and electronic notice is acceptable where permissible by law. Officers required to give notice may delegate the actual giving of notice to another person, such as an assistant officer or managing agent. Any Members' meeting or election at which one or more Directors are to be elected must be noticed as provided for in the sections next following. An Officer of the Master Association or other person providing notice shall execute an affidavit of mailing which shall be retained in the official records of the Master Association as proof of such mailing. The notice of the annual meeting shall include an agenda for all known substantive matters to be discussed, or have such an agenda attached to it. A copy of the notice and agenda shall be posted at a conspicuous location, designated by Board resolution, on the Property at least 14 days in advance of the meeting. In lieu of posting, the notice may be repeatedly broadcast on a closed-circuit television system serving the Properties.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Member (or person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the sole and express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.5 **Representation at Meetings.** Each Neighborhood Association shall elect one of its members as its Master Association Board representative, who shall serve on the Master Association Board of Directors and shall:

1) Receive Master Association notices;

2) Represent the members of that particular Neighborhood Association at Master Association meetings;

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3.6 **Voting.** Those Members whose voting rights are suspended pursuant to the terms of the Governing Documents and/or Florida Law shall be excluded from any calculation for purposes of determining whether a quorum is present during the period of suspension. To the extent lawful, Members may join in any action taken at a meeting of the Members through written approval of such action executed after the meeting, and such approval shall be as though the Member duly approved the action of the meeting in question.

3.7 **Indivisible Vote.** Each Living Unit shall have one indivisible vote. If a Living Unit is owned by multiple individuals, such as a husband and wife, any record Owner may vote on behalf of the Living Unit. If a Living Unit is owned by a corporation, any officer may vote on behalf of said corporation. If a Living Unit is owned by a partnership, any general partner may vote on behalf of the partnership. If a Living Unit is owned in trust, any trustee of a trust shall be entitled to vote. If a Living Unit is owned by a limited liability company, any member or manager may vote on behalf of the limited liability company. Any person with apparent authority asserting the right to vote on behalf of a Living Unit owned by an artificial entity shall be conclusively presumed to be entitled to vote on behalf of said Living Unit, unless the Living Unit has filed voting instructions with the Master Association designating some other person entitled to vote. If multiple Owners or non-individual Owners of a Living Unit cannot agree on a vote, the vote shall not be counted as to the issue upon which disagreement exists. Voting certificates are not necessary. No individual may cast a vote assigned to a Living Unit where the voting rights assigned to the Living Unit are suspended pursuant to the terms of the Governing Documents and/or Florida Law.

3.8 Method of Voting. Members may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may also be used for votes taken to amend the Articles of Incorporation or By-Laws or for any matter that requires or permits a vote of the members. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. A proxy is revocable at any time at the pleasure of the member who executes it. No Voting Interest or consent right allocated to a Living Unit owned by the Master Association shall be exercised or considered for any purpose, whether for a quorum, an election or otherwise. Proxies may be transmitted from Members to the Master Association by mail, facsimile, e-mail, or any other form of electronic transmission.

3.9 Adjourned Meetings. Any duly called meeting of the members may be adjourned to a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. When a meeting is adjourned, it shall not be necessary to give notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

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3.10 Order of Business. The order of business at member's meetings shall be substantially as follows:

A. Call of the roll or certification of quorum
B. Proof of notice of meeting or waiver of notice
C. Reading and disposal of any unapproved minutes
D. Reports of Officers
E. Reports of Committees
F. Unfinished Business
G. New Business
H. Adjournment

3.11 Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members at all reasonable times and for a period of seven years after the meeting.

3.12 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Master Association meetings when not in conflict with the law, with the

Declaration, or with these By-Laws. The President may appoint a Parliamentarian whose decision on questions of Parliamentary Procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.13 Actions by Members without Meeting. Any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written consents, setting forth the action to be taken, are signed by the members having not less than the minimum of votes that would be necessary to take such action at a meeting, or sixty percent (60%) of the total votes whichever is greater unless a lesser vote is specified by law. If the requisite number of written consents are received by the secretary within sixty (60) days after mailing notice of proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if a full membership meeting had been held. Nothing in this paragraph shall be construed in derogation of members' rights to call a special meeting of the membership, as elsewhere provided in these By-Laws.

3.14 Participation in Member Meetings. Members may participate in Member meetings as permitted by Florida law and subject to reasonable rules governing the frequency, duration and other manner of Member participation promulgated by the Board from time to time.

4. Board of Directors. The administration of the affairs of the Master Association shall be by a Board of Directors. All powers and duties granted to the Master Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these By-Laws, shall be exercised by the Board, subject to approval or consent of the Members only when such is specifically required.

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4.1 Powers. The Board shall have the authority to:

A. Manage and control the affairs of the Master Association.

B. Appoint and remove at pleasure all officers, agents, and employees of the Master Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient.

C. Establish, levy and assess, and collect any assessment or other financial obligations provided for by these By-Laws and other governing documents.

D. Designate a banking institution or depository for Master Association funds, and the Officer(s) authorized to make withdrawals therefrom.

E. Perform other acts the authority for which has been granted herein, by law, or the Articles of Incorporation including the borrowing of money for Master Association purposes. Borrowing of money other than allowed in the Articles of Incorporation is not permitted unless approved by a majority vote of the members who are present and voting, in person or by proxy, at a duly called meeting for such purpose. A resolution by the Board that the interest of the Master Association require the borrowing for a proper corporate purposes shall be required. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage or encumber any Master Association property as security for such borrowing and may pledge or assign future revenues of the Master Association as security therefor;

F. Adopt such rules and regulations relating to the use of Club Common Areas, sanctions, and any of the properties, including the assessment of reasonable fines, for non-compliance therewith, as it may deem necessary for the best interest of the Master Association and its Members. The Board may also establish and levy fees for the use of Club Common Areas;

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G. Cause the Master Association to employ sufficient personnel to adequately perform the responsibilities of the Master Association;

H. Negotiate and adopt the agreements with any Persons for the purpose of insuring that the Club Common Areas are properly maintained and cared for;

I. Adopt reasonable rules of order for the conduct of the meetings of the Master Association and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the meeting shall be final;

J. Make improvements to the Club Common Areas as authorized herein by Sections 4.1 "N" and "O."

N. Anything contained in these By-Laws, the Declaration or Articles of Incorporation notwithstanding, the Board shall not authorize or approve any capital improvement, purchase of real property or other non-recurring expense item in excess of reserves established therefor, except by way of special assessment in accordance with and subject to the terms, conditions and limitations of Article 8.2 of these By-Laws.

O. For the purpose of these By-laws, the term "Capital Improvement" shall include, but not be limited to, the construction, reconstruction, alteration, renovation,

rehabilitation, betterment, enlargement, addition to or removal or replacement of all or any portion of the clubhouse, golf course or other common areas or any buildings or structures thereon, whether presently owned or hereafter acquired.

P. Establish committees of the Master Association and appoint the members thereof. It may assign to such committees such responsibilities and duties not inconsistent with the provisions of these By-Laws or with law as it may deem appropriate.

Q. In order to facilitate the business of the Master Association and to further the interests of Members, the Board may acquire property, real or personal, and may enter into agreements with any persons, relating to the orderly transfer of property from said person to the Master Association and such other matters as the Board may deem appropriate. However, the existence of such agreements and provisions and terms shall be made known to the Members in such manner as the Board deems reasonable and appropriate, but in no event later than the next annual meeting following execution of such contract or agreement;

R. Perform all other acts not inconsistent with these By-Laws or with law and necessary for the proper functioning of the Master Association.

S. **To Reconstruct After Casualty.** The Directors may reconstruct the Club Common Areas after casualty and to further improve the property, as specified in the Declaration of Covenants, Conditions and Restrictions.

T. **To Sue and Be Sued.** The Directors may bring and defend suits and other proceedings and may exercise its business judgment as to whether the interests of the Master Association are best served with respect to settlement of a matter or whether a suit or other proceeding should be commenced.

U. **To Exercise Emergency Powers.** In the event of any "emergency" as defined below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Section 617.0207, Florida Statutes (2013), and Section 617.0303, Florida Statutes (2013), all as amended from time to time.

(1) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the Executive Officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any Officer of the Master Association.

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(2) The Board may relocate the principal office or designate alternative principal offices or authorize the Officers to do so.

(3) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate (provided that the Board makes reasonable efforts to contact all Directors), and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(4) The Board may change or postpone the annual meeting date to a date and time determined by the Board, even if such change will result in not holding an annual meeting in a particular calendar year, as long as the annual meeting is held no more than eighteen (18) months after the prior annual meeting date.

(5) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Master Association shall bind the Master Association; and shall have the rebuttable presumption of being reasonable and necessary.

(6) The Board may use reserve funds to meet Master Association needs, and may use reserve funds as collateral for Master Association loans. The Board may adopt emergency assessments with such notice deemed practicable by the Board.

(7) The Board may adopt emergency Rules and Regulations governing the use and occupancy of the Living Units, Club Common Areas, and Master Association property, with notice given only to those Directors with whom it is practicable to communicate.

(8) Any Officer, Director, or employee of the Master Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(9) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(10) For purposes of this Section only, an "emergency" exists only during a period of time that the Community, or the immediate geographic area in which the Community is located, is subjected to:

(i) a state of emergency declared by local civil or law enforcement authorities;

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(ii) a hurricane warning;

(iii) a partial or complete evacuation order;

(iv) federal or state "disaster area" status;

(v) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or act of terrorism; or,

(vi) an unanticipated set of circumstances, which, if not acted upon with immediacy, is likely to cause imminent and significant financial harm to the Master Association, the Members, or the Properties.

V. **To Enter Into Contracts and Borrow Money.** The Directors may make contracts and incur liabilities, borrow money at such rates of interest as the Master Association may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage and pledge of all or any of its property, franchises, or income.

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4.2 **Number of Terms of Office.** The number of Directors which shall constitute the whole Board of Directors shall consist of one Director from each Neighborhood Association. In order to provide for continuity, Directors shall be elected for terms of two years, or in the case of vacancy, the unexpired term. The term for each Director's service shall extend until the annual meeting two years later, and thereafter until his successor is duly elected and qualified, or until he resigns or is removed as is elsewhere provided.

4.3 **Nominations and Elections.** Members of each Neighborhood Association shall elect one person to the Board. At all times there shall be one Director from each Neighborhood Association. The Neighborhood Director shall take office at the annual meeting of the Master Association.

4.4 **Vacancies on the Board.** If the Office of any Director or Directors become vacant for any reason, a successor shall be appointed from the same Neighborhood Association by their Board of Directors as the Director whose position became vacant. The successor shall hold office for the remainder of the unexpired term.

4.5 **Removal of Directors.** A Director may be removed with or without cause by a vote of a majority of the voting interests of the applicable Neighborhood Association.

If a petition is filed for the removal of a Director, the question shall be voted by a majority vote of the applicable Neighborhood Association. If a special meeting is called by ten percent (10%) of the voting interest for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. If a Director is removed, his successor shall be appointed by the same Neighborhood Association as the removed Director, and shall serve for the remainder of the unexpired term of the removed Director.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed by the Directors at the annual meeting at which they were elected.

4.7 Regular Meeting. Regular meetings of the Board shall be held at such time and place in Collier County, Florida, as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, telegram, or electronic mail, at least forty-eight (48) hours prior to the day named for such meeting. A schedule of regular meetings shall be posted in a conspicuous place on the Club Common Area. If closed circuit television is available, the Board may use same for posting notices, as permitted by law. Meetings at which a regular monthly or quarterly Assessment or Special Assessment is to be considered shall specifically state that Assessments will be considered and the nature, estimated cost, and description of the purpose for such Assessments. However, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding Living Unit use will be considered, or where the Board will establish the deductible feature of the Master Association's insurance policies, shall be mailed or delivered (including electronic delivery as provided by law) to the Members and posted conspicuously as provided in Section 3.4 of these Bylaws not less than 14 continuous days prior to the meeting. Evidence of compliance with this 14-day notice shall be by an affidavit executed by the person giving notice, where required by law, and shall be filed among the official records of the Master Association. If any member of the Board elected by the Members shall be absent for any reason from two (2) consecutive regular meetings of the Board, the Board may, by action taken at the next meeting, declare the office of said Director to be vacant.

4.8 Special Meetings. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

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4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance at a meeting constitutes waiver of notice by any Director, unless he objects to the lack of notice at the beginning of the meeting.

4.10 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Members of the Board of Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors. Directors may not vote by proxy at Board meetings.

4.12 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest, which abstention because of conflict of interest must be noted in the Minutes of the meeting.

4.13 Adjourned Meetings. The majority of those present at any meeting of the Board of Directors regardless of whether a quorum has been attained may adjourn the meeting from time to time.. At any adjourned meeting provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.14 The Presiding Officer. The President of the Master Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.15 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services unless compensation for the services is approved by a majority of the voting interests. Nothing herein shall preclude the Board of Directors from employing a Director or officer for the management of ROYAL WOOD or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all

actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.16 Owner Participation in Board Meetings. Meetings of the Board of Directors at which a majority of the Board Members are present, shall be open to all Members. Members may not designate third persons, through power of attorney or otherwise, to attend Board meetings, unless agreed to otherwise by the Board. The Member's right to attend Board meetings includes the right to speak with reference to all designated agenda items; provided, however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Member statements. Unless otherwise provided by the Board, each Member is entitled to speak for three minutes with reference to designated agenda items. Board meetings subject to the attorney-client privilege, and Board meetings held for the purpose of discussing personnel matters shall not be subject to Member attendance.

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5. Officers.

5.1 Officers and Elections. The executive officers of the Master Association shall be a President, and one or more Vice-Presidents, who must also be Directors of the Master Association, a Treasurer and a secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Master Association. If the Board so determines, there may be more than one Vice-President.

5.2 President. The President shall be the chief executive officer of the Master Association; He shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Master Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring seal of the Master Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Master Association.

5.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and they shall perform such other duties as the Board of Directors shall prescribe.

5.4 Secretary. The Secretary shall attend meetings of the Board of Directors and meetings of the members and shall record all votes and the minutes of all proceedings in a book to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Master Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall have the custody of the Corporation funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Master Association and shall deposit all monies and other valuable effects in the name and to the credit of the Master Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Master Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Master Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

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6. Architectural Review Committee.

6.1 Members; Qualification. The Architectural Review Committee, hereinafter "A.R.C." shall be composed of three individuals. No member of the A.R.C. shall be a Director. At least two members must be owners or the spouse of an owner. Whenever possible and practical, one of the members should be an architect, general contractor, or other person with professional expertise in building, landscaping, or architectural design.

6.2 Selection; Terms. The members of the A.R.C. shall be appointed by the President of the Master Association to serve terms of one year beginning on January 1 of each year. One member shall be a condominium owner and one shall be the owner of a single family home. If a vacancy occurs for any reason, the President shall appoint a successor to fill the unexpired term. Members of the A.R.C., once appointed, may be removed only by vote of a majority of all voting interests.

6.3 Compensation. Members of the A.R.C. shall not be compensated for their services.

6.4 Meetings. The A.R.C. shall meet at least once during each quarter to carry out its duties and functions under the Declaration. Any owner wishing to appear before the A.R.C. may do so by making such a request in writing stating the subject to be considered. The Chairman will inform the owner of the time and place of the meeting.

6.5 Procedures; Voting. A majority of the members of the A.R.C. present at any duly called meeting shall constitute a quorum. All questions shall be decided by a majority of the committee members present and voting. Where a question involves proposed changes to a Living Unit owned by a committee member, that member shall be disqualified from participation in the proceedings, and his place taken by the President of the Master Association. All requests to the A.R.C. for consideration shall be submitted in writing no less than 14 days prior to the initiation of any desired modification or addition. All votes on proposed changes to individual Living Units shall be taken in closed sessions by secret ballot. Minutes of all meetings of the A.R.C. shall be kept in a businesslike manner, and shall be available at reasonable times for inspection or photocopying by any Owner. Copies of the plans and specifications for all approved changes and construction shall be kept for at least five years.

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7. Fiscal Matters. The provisions for fiscal management of the Master Association set forth in the Declaration shall be supplemented by the following provisions.

7.1 Depository. The Master Association shall maintain its accounts in such financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Master Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

7.2 Budget. The Board of Directors shall, no later than December of each year, adopt an annual budget for the next fiscal year. A copy of the proposed budget shall be made available to the members upon request and a notice stating the time, date and place of the meeting shall be delivered to the members as required by Florida law. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications.

7.3 Reserves. The Board shall establish one or more reserve accounts for contingencies, operating expenses, repairs, and replacement of equipment and personal property, but not for real property. Reserve funds may be spent only on components listed in the reserves. A detailed list of component reserves must be shown in the proposed annual budget, including component description, total cost, and life expectancy and annual reserve additions based on golf

course industry's useful lives. All component reserves shall be reviewed at least every two years to determine if adjustments are necessary, the review to be conducted as determined by the Board of Directors. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. Funds are being accumulated based on the estimates of future needs for major repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures and variations may be material. Therefore, amounts designated for future repairs and replacements may not be adequate to meet all future needs. If additional funds are needed, the Master Association has the right to pass special assessments subject to membership approval or delay major repairs and replacements until funds are available. Changes to these reserve policies cannot be adopted unless the approval is obtained of a majority vote of the members who are present and voting, in person or by proxy, at a duly called meeting for such purpose. Straight-lined or pooled reserve method are permitted.

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7.4. Fidelity Bonds. The Treasurer, and all other officers who are authorized to sign checks, and all Directors and employees of the Master Association handling or responsible for Master Association funds, shall be bonded in such amounts as determined by the Board of Directors. The premiums on such bonds shall be paid by the Master Association.

7.5 Financial Information. Not later than ninety (90) days after the close of each fiscal year, the Board shall prepare a financial statement showing in reasonable detail the financial condition of the Master Association as of the close of its fiscal year and an income and expense statement for the year, detailed by accounts. Copies of these statements shall be available on request to each member.

7.6 Audits. A formal, certified audit of the accounts of the Master Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Board of Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all Members, unless the requirement is waived by the Members as permitted by law.

7.7 Application of Payments and Commingling of Funds. All operating monies collected by the Master Association may be commingled in a single fund or divided into two or more funds, as determined by Board of Directors. All payments on account by an Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, and regular or special assessments, in such manner and amounts as the Board of Directors may determine.

7.8 Fiscal Year. The fiscal year for the Master Association shall begin on the first day of January of each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States.

8. Assessments. Each Owner is obligated to pay to the Master Association assessments, which are the personal obligation of the Owner and are secured by a continuing lien upon the property against which the assessment is made, as provided in the Declaration.

8.1 Annual Assessments.

A. Purpose:

1) To promote the recreation, health, safety, and welfare of the Owners and tenants in the Properties; and

2) For the maintenance, protection and operation of the Club common area, Master Association equipment and facilities and surface water management systems and to establish and maintain adequate repair and replacement reserves; and

3) For such other purposes permitted by the governing documents.

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B. Imposition of Annual Assessments:

1) Commencing with the recording of the Master Declaration, and on the first day of each fiscal year thereafter, there shall be assessed against each Living Unit an annual assessment.

2) By resolution, the Board may establish:

(a) The place for payment;

(b) The method of payment;

(c) A discount for payment of the entire annual assessment in advance;

(d) A late payment fee.

8.2 Payment of Assessments. Annual assessments based on the adopted budget shall be paid annually (on January 1 of each year) or semiannually (on January 1 and July 1), as determined by the Board of Directors. Written notice of each payment shall be sent to all owners of Living Units at least thirty (30) days prior to the due date. Failure to send or receive such notice shall not excuse the obligation to pay.

8.3 Special Assessments. Special assessments may be imposed by the Board of Directors to meet unusual, unexpected, emergency or non-recurring expenses, including but not limited to capital improvements and purchases of real property, or for such other purposes as are authorized by the Declaration or these By-Laws. Provided, however, that special assessments approved solely by the Board shall not exceed, individually or in the aggregate, $100 per Living Unit, per fiscal year. Special assessments that exceed $100 per Living Unit per fiscal year must be approved by a vote of a majority of the voting interests present (in person or by proxy) and voting at a duly noticed members meeting of the Master Association at which a quorum is present, or by written agreement of a majority of the entire voting interests. The notice of Board or membership meetings held to levy any special assessment must contain a statement of the purpose of the assessment, total project cost, member assessment payment schedule, and reserve and borrowing requirements, if necessary (limited to the total project cost). The funds collected must be spent for the stated purposes. If any funds are left over after the stated purposes have been satisfied, the excess funds may be returned to the members or credited towards future contingencies by the discretion of the Board.

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8.4 Payment of Assessments. The Master Association will collect maintenance fees and unpaid Master Association assessments and other charges directly from any Owner personally, and has a continuing lien against such Owner's Living Unit for the payment of such assessments and charges, which are due and unpaid.

8.5 Proof of Payment. Within fifteen (15) days after receipt of request, the Master Association Administrative Office shall furnish a statement certifying that all assessments then due from any Living Unit have been paid, or indicating the amount then due. Anyone who relies upon such statement shall be protected thereby. When a firm contract for sale of a Living Unit has been entered, the Owner shall notify the Master Association Administrative Office in writing. Thereupon, the Administrative Office shall prepare a Certificate of Assessment Payment stating the amount of any and all unpaid assessments. This certification shall be delivered to the place of closing. Outstanding assessments and charges, if any, shall be deducted from the seller's account at the closing and transmitted directly to the Master Association.

8.6 **Suspension.** The Master Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Owner, or to any persons claiming under them, unless and until all assessments and charges to which they are subject have been paid in full.

9. **Amendment of By-Laws.** Amendments to these By-Laws shall be proposed and adopted in the following manner:

9.1 **Proposal.** Amendments to these By-Laws may be proposed either by a majority of the whole Board of Directors or by a petition signed by voting members representing at least twenty-five percent (25%) of the Members of the Master Association. Once so proposed, the amendments shall be submitted to a vote of the members at a meeting not later than the next annual meeting.

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9.2 **Vote Required.** Except as otherwise provided by law, or by specific provision of the Governing Documents, these By-Laws may be amended by concurrence of two-thirds (2/3) of the voting interests present and voting at any annual or special meeting provided that notice of any proposed amendment has been given to all them members in accordance with law.

9.3 **Amendment by Board of Directors.** The Board of Directors may amend these By-Laws to correct typographical errors or conform the By-Laws to any applicable statute or ordinance. Such amendment shall not require consent of the Members.

9.4 **Certificate; Recording.** A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers of the Master Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Master Declaration is recorded.

10. **Miscellaneous.**

10.1 **Gender.** Whenever the masculine or singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

10.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

10.3 Conflicts. The term "Governing Documents," as used in these Bylaws and elsewhere shall include the Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, these Bylaws, the Rules and Regulations of the Master Association, the Plats, Surveys, Plot Plans, and graphic descriptions of improvements of record, and all other exhibits to the original Declaration of Covenants, Conditions and Restrictions. In the event of a conflict between the language in the Declaration of Covenants, Conditions and Restrictions and the graphic descriptions of record, the graphic description of record shall control. In the event of a conflict between language in any of the other Governing Documents, the following priorities shall control:

1. Declaration of Covenants, Conditions and Restrictions;
2. Articles of Incorporation;
3. Bylaws; and,
4. Rules and Regulations.

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11. Indemnification.

11.1 Indemnity. The Master Association shall indemnify any Officer, Director and member of the architectural review or disciplinary committee who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director, Officer or member of the architectural review or disciplinary committee of the Master Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, unless (i) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Master Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (ii) such court also determines specifically that indemnification should be denied. 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, of itself, create a presumption that the person failed to act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Master Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Master Association, by the adoption of this provision, to provide the most comprehensive

indemnification possible to their Officers, Directors and members of the architectural review and disciplinary committees as permitted by Florida law.

11.2 Defense. To the extent that a Director, Officer, or member of the architectural review or disciplinary committees of the Master Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 11.1 above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

11.3 Advances. Reasonable expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Master Association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the affected Director, Officer, or member of the architectural review or disciplinary committees to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Master Association as authorized by this Article 11.

11.4 Miscellaneous. The indemnification provided by this Article 11 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members, or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, or member of the architectural review or disciplinary committees and shall inure to the benefit of the heirs and personal representatives of such person.

11.5 Insurance. The Master Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, member of the architectural review or disciplinary committees, employee, or agent of the Master Association, or 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, or arising out of his status as such, whether or not the Master Association would have the duty to indemnify him against such liability under the provisions of this Article.

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12. Dispute Resolution.

12.1 Mandatory Arbitration. If unresolved, disputes between the Board and Members as defined in Section 720.311(2)(a), Florida Statutes (2013), as amended from time to time, must be arbitrated in mandatory non-binding arbitration proceedings as provided in the Chapter 720, Florida Statutes prior to commencing litigation, so long as Chapter 720, Florida Statutes requires such arbitration.

12.2 Other Remedies. Nothing herein shall preclude the Master Association from pursuing any remedy for the violation of the Governing Documents or disputes with a Member or other party as may be available to the Master Association under the laws of the State of Florida or the Governing Documents.