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AGREEMENT FOR OPERATION AND MAINTENANCE OF SURFACE WATER MANAGEMENT SYSTEM

THIS AGREEMENT, between ROYAL WOOD MASTER ASSOCIATION, INC., a Florida corporation not for profit, whose address is 600 Fifth Avenue South, Suite 210, Naples, Florida 33940, hereinafter referred to as ROYAL WOOD and ELBA DEVELOPMENT CORPORATION, a Florida corporation whose address is 800 Harbour Drive, Naples, Florida 33940 hereinafter referred to as ELBA.

WITNESSETH:

WHEREAS ROYAL WOOD, is the Master Association for ROYAL WOOD GOLF AND COUNTRY CLUB, a planned unit development located in Collier County, Florida and approved by the County Commission of Collier County, Florida by Ordinance Number 87-71 which property shall be platted and such plat will be recorded in the Public Records of Collier County, Florida. The legal description of the property to be included in such plat is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, ELBA is the fee simple owner and developer of the real property as described in Exhibit A; and

WHEREAS, Surface Water Permit Number 11-00425-S was issued by South Water Management District authorizing, subject to certain limiting conditions, the construction of a storm water management system serving the property described in Exhibit A; and

WHEREAS, South Florida Water Management District as precondition to granting Number 11-00425-S requires that a responsible entity be established and agree to operate and maintain the aforesaid water management system, said agreement to be recorded in the Public Records of Collier County, Florida; and

WHEREAS, ROYAL WOOD has agreed to be the aforesaid responsible entity, subject to an obligation of all owners of property using said water management system to contribute a prorata share of the expense of operating and maintaining the system;

NOW, THEREFORE, in consideration of the mutual covenants set forth below and the mutual benefits to be derived hereunder, the parties agree as follows:

1. Operation, Repair and Maintenance. Royal Wood shall operate and maintain the surface water management system constructed pursuant to Surface Water Management Permit Number 11-00425-S, including but not limited to, on-site lakes, swales, catch basins, culverts and natural areas. As and when the need arises for repair or other maintenance of any part of the surface water management system Royal Wood shall cause the work to be performed in accordance with the aforementioned Permit and the requirements of any other governmental agency having jurisdiction.

2. Restoration on Destruction. If any lake, swale, catch basin, culvert, canal or other portion of the water management system is totally or partially destroyed by storm, flood or any other casualty, Royal Wood shall have the right and duty to reconstruct such facilities.

3. Duration of Agreement. This Agreement shall continue in full force and effect so long as the water management system constructed pursuant to the Permit referenced herein is used or is required to be used by the County of Collier, Florida or South Florida Water Management District.

4. Effect of Agreement. This Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns; the obligations of the parties to this Agreement shall run with the land described in Exhibit A and upon developement of the property, described in Exhibit A, Elba shall cause to be recorded in the Public Records of Collier County, Florida, a Declaration of Covenants, Conditions and Restrictions for Royal Wood Golf and Country Club encumbering the land described in Exhibit A and obligating property owners within the PUD to fulfill the rights and duties of Royal Wood created by this Agreement and assessing such property owners for the amounts necessary to carry out the obligations of Royal Wood under this Agreement.

This Instrument Prepared By: John N. Brugger, Esquire
Forsyth, Swalm & Brugger, P.A.
600 5th Ave., S., Suite 210, Naples, Florida 33940

5. Recordation. Following the execution of this Agreement by the parties hereto, this Agreement shall be recorded in the Public Records of Collier County, Florida.

IN WITNESS WHEREOF, the parties have signed, sealed and delivered this Agreement.

Witness

Witness

ROYAL WOOD MASTER ASSOCIATION, INC.,
a Florida corporation

By: _____
Eli Baron, President

Witness

Witness

ELBA DEVELOPMENT CORPORATION,
a Florida corporation

By: _____
Eli Baron, President

STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared, ELI BARON, as President of ROYAL WOOD MASTER ASSOCIATION, INC. and as President of ELBA DEVELOPMENT CORPORATION, to me known to be the person described in and who executed the foregoing instrument and acknowledged before me that he executed the same on behalf of the corporation.

WITNESS my hand and official seal in this County and State last aforesaid this 19th day of November, 1987.

Notary Public (SEAL)
My Commission Expires:

SUSAN R. GILLIS
State of Florida
My Comm. Exp. Jan 1, 1991

Recorded and Verified
in Official Records of
COLLIER COUNTY, FLORIDA
JAMES C. GILES, CLERK

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AGREEMENT FOR OPERATION AND MAINTENANCE OF SURFACE WATER MANAGEMENT SYSTEM

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PAGE 001859
THIS IS AN UNOFFICIAL DOCUMENT

THIS AGREEMENT, between ROYAL WOOD MASTER ASSOCIATION, INC., a Florida corporation not for profit, whose address is 600 Fifth Avenue South, Suite 210, Naples, Florida 33940, hereinafter referred to as ROYAL WOOD and ELBA DEVELOPMENT CORPORATION, a Florida corporation whose address is 800 Harbour Drive, Naples, Florida 33940 hereinafter referred to as ELBA.

WITNESSETH:

WHEREAS ROYAL WOOD, is the Master Association for ROYAL WOOD GOLF AND COUNTRY CLUB, a planned unit development located in Collier County, Florida and approved by the County Commission of Collier County, Florida by Ordinance Number 87-71 which property shall be platted and such plat will be recorded in the Public Records of Collier County, Florida. The legal description of the property to be included in such plat is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, ELBA is the fee simple owner and developer of the real property as described in Exhibit A; and

WHEREAS, Surface Water Permit Number 11-00425-S was issued by South Water Management District authorizing, subject to certain limiting conditions, the construction of a storm water management system serving the property described in Exhibit A; and

WHEREAS, South Florida Water Management District as precondition to granting Number 11-00425-S requires that a responsible entity be established and agree to operate and maintain the aforesaid water management system, said agreement to be recorded in the Public Records of Collier County, Florida; and

WHEREAS, ROYAL WOOD has agreed to be the aforesaid responsible entity, subject to an obligation of all owners of property using said water management system to contribute a prorata share of the expense of operating and maintaining the system;

NOW, THEREFORE, in consideration of the mutual covenants set forth below and the mutual benefits to be derived hereunder, the parties agree as follows:

1. Operation, Repair and Maintenance. Royal Wood shall operate and maintain the surface water management system constructed pursuant to Surface Water Management Permit Number 11-00425-S, including but not limited to, on-site lakes, swales, catch basins, culverts and natural areas. As and when the need arises for repair or other maintenance of any part of the surface water management system Royal Wood shall cause the work to be performed in accordance with the aforementioned Permit and the requirements of any other governmental agency having jurisdiction.

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4. Effect of Agreement. This Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns; the obligations of the parties to this Agreement shall run with the land described in Exhibit A and upon development of the property described in Exhibit A, Elba shall cause to be recorded in the Public Records of Collier County, Florida, a Declaration of Covenants, Conditions and Restrictions for Royal Wood Golf and Country Club encumbering the land described in Exhibit A and obligating property owners within the PUD to fulfill the rights and duties of Royal Wood created by this Agreement and assessing such property owners for the amounts necessary to carry out the obligations of Royal Wood under this Agreement.

This Instrument Prepared By: John N. Brugger, Esquire
Forsyth, Swalm & Brugger, P.A.
600 5th Ave., S., Suite 210, Naples, Florida 33940

5. Recordation. Following the execution of this Agreement by the parties hereto, this Agreement shall be recorded in the Public Records of Collier County, Florida.

IN WITNESS WHEREOF, the parties have signed, sealed and delivered this Agreement.

Witness

Witness

ROYAL WOOD MASTER ASSOCIATION, INC.,
a Florida corporation

By: _____
Eli Baron, President

Witness

Witness

ELBA DEVELOPMENT CORPORATION,
a Florida corporation

By: _____
Eli Baron, President

STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared, ELI BARON, as President of ROYAL WOOD MASTER ASSOCIATION, INC. and as President of ELBA DEVELOPMENT CORPORATION, to me known to be the person described in and who executed the foregoing instrument and acknowledged before me that he executed the same on behalf of the corporation.

WITNESS my hand and official seal in this County and State last aforesaid this 19th day of November, 1987.

Notary Public (SEAL)
My Commission Expires:

SUSAN R. GILLIS
State of Florida
My Comm. Exp. Jan 1 1991

Recorded and Verified
in Official Records of
COLLIER COUNTY, FLORIDA
JAMES C. GILES, CLERK

EXHIBIT A

The South 1/2 of the Northeast 1/4 and the Southeast 1/4, Section 17, Township 50 South, Range 26 East, Collier County, Florida, less and excepting: the South 50 feet of the Southeast 1/4 of Section 17, Township 50 South, Range 26 East, Collier County, Florida.

Recorded in Official Records
COLLIER COUNTY, FLORIDA
JAMES C. GILES, CLERK

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CERTIFICATE OF AMENDMENT

BY-LAWS

ROYAL WOOD MASTER ASSOCIATION, INC.

WE HEREBY CERTIFY that the following amendment to the By-Laws of Royal Wood Master Association, Inc., whose Declaration of Covenants is recorded at O.R. Book 1171, Page 54 et. seq., of the Public Records of Collier County, Florida, were duly adopted by the Association membership at the duly noticed annual member's meeting of the Association on the 8th day of March, 1994. Said amendments were passed by a proper percentage of votes of the voting interests of the Association.

BY-LAWS

SEE ATTACHED AMENDED AND RESTATED BY-LAWS CONSISTING OF 19 PAGES WHICH REPRESENT A SUBSTANTIAL RE-WORDING OF THE PREVIOUS BY-LAWS.

IN WITNESS WHEREOF, we have affixed our hands this 21st day of March, 1994, at Collier County, Florida.

WITNESSES:
(TWO AS TO EACH SIGNATURE)

Printed Name: FRANCIS A. LEWIS

Printed Name: RUTH G. JOHNSON

ROYAL WOOD MASTER ASSOCIATION, INC.

BY: GEORGE EMMOTT, PRESIDENT

(CORPORATE SEAL)

STATE OF FLORIDA)
) SS:
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me this 21st day of March, 1994 by George Emmott as President of Royal Wood Master Association, Inc., a Florida Corporation, on behalf of the corporation. (He)She is personally known to me or has produced (type of identification) _____ as identification and did take an oath.

Notary Public
Printed Name: TERRI D. SUMMELL

My commission expires:
NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: May 25, 1995.
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Becker & Poliakoff, P.A.
Collier Place I
3003 Tamiami Trail North
Suite 100
Naples, FL 33940

PROPOSED

AMENDED AND RESTATED BY-LAWS

OF ROYAL WOOD MASTER ASSOCIATION, INC.

SUBSTANTIAL REWORDING OF BY-LAWS

REFER TO BY-LAWS FOR CURRENT TEXT

BY-LAWS

OF

ROYAL WOOD MASTER ASSOCIATION, INC.

OR BOOK 001928 PAGE 000564

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, 33962, 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 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.

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 Lots of Living Units or by holders, insurers, and guarantors of first mortgages that are secured by the Lots or Living Units in the PUD; those 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 Lot or Living Unit.

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

OR BOOK 001928

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 Lots or 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.

OR BOOK 001928

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.

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.

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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 spouse, their children under twenty-three years of age, and their guests in a reasonable number.

B. Co-Ownership. Co-ownership of Units may be permitted. If the co-owners are other than husband an wife, the Board shall condition it's approval upon the designation of one approved natural person as "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 that 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.

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 or on the Member's Living Unit or Lot.

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.

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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.

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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 Master Association Property. either real or personal, or facilities.

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 therefor, 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 a majority of the Members 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.

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 forty (40) days prior to the date of the meeting.

3.5 Representation at Meetings. Each neighborhood association shall elect one of it's members as its Master Association Board member, 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;

3) Keep the secretary of the Master Association informed of changes in the ownership of Living Units as they occur.

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3.6 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.

3.7 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.

3.8 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

3.9 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.

3.10 Parliamentary Rules. Roberts' Rules of Order' (latest edition) shall govern the conduct of the 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 a the meeting to which it relates shall be deemed waived.

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3.11 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.

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.

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 or by law, including the borrowing of money for Master Association purposes. A resolution by the Board that the interests of the Master Association require the borrowing for a proper corporate purpose 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;

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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 it's Members. The Board may also establish and levy fees for the use of Club Common Areas;

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

H. Negotiate and adopt agreements with any Persons for the purpose of insuring that 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.

K. 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;

L. 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;

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

OR BOOK 001920 PAGE 000572

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 least quarterly 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 or telegram, at least thirty (30) days 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 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.

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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.

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 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.

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4.15 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services unless compensation for their 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.

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.

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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 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.

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. If approved by the Board of Directors, any or all of the members of the A.R.C. may be compensated for their services in an amount to be determined by the Board of Directors.

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6.4 Meetings. The A.R.C. shall meet at least once during each quarter to carry out it's 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 Lot or 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.

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 at a November meeting each year, adopt an annual budget for the next fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting shall be mailed to or served on each Member not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications as compared to the previous two (2) years experience.

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7.3 Reserves. The Board shall establish one or more reserve accounts for contingencies, operating expenses, repairs, planned capital expenditures or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year.

7.4 Fidelity Bonds. Th Treasurer, and all other officers who are authorized to sign checks, and all Directors and employees of the Master Association handling or responsible for 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 stutement 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 interests, 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.

7.7 Application of Payments and Commingling of Funds. All monies collected by the Master Association may be commingled in a single fund or divided into two or more funds, as determined by the Board or 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.

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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 improvement, 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.

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 Lot or 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 or Lots at least thirty (30) days prior to the due date. Failure to send or receive such notice shall not excuse the obligation to pay.

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8.3 Special Assessments. Special assessments may be imposed by the Board of Directors to meet unusual, unexpected, emergency or non-recurring expenses or for such other purposes as are authorized by the Declaration or these By-Laws. Provided, however, that special assessments in excess of $150. per Living Unit or Lot in any three year period must be approved by vote of a majority of the members who are present (in person or by proxy) at a duly noticed members' meeting or by written agreement of a majority of the membership. Special assessments are due on the day specified in the statement approving such assessment. The notice of Board and membership meetings held to levy any special assessment must contain a statement of the purpose of the assessment and 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 assessments, in the discretion of the Board.

8.4 Payment of Assessments. The Master Association will collect due and unpaid assessments and other charges directly from any Owner personally, and may impose a lien against such Owner's Lot for the payment of such assessments and charges, which are due and unpaid. The Neighborhood Association's lien for unpaid assessments shall be superior to and take priority over the Master Association's lien, regardless of when a Claim of Lien is recorded.

8.5 Exempt Properties. All properties designated to be, or dedicated to, and accepted by Collier County or any local public authority shall be exempt from the assessments created herein, and all Neighborhood Common Areas shall be exempt from assessment, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

8.6 Proof of Payment. Within fifteen (15) days after receipt of request, the Master Association Treasurer shall furnish a statement certifying that all assessments then due from any Lot 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 Lot has been entered, the Owner shall notify the Master Association Treasurer in writing. Thereupon, the Treasurer 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.

8.7 Suspension. The Master Association shall not be required to transfer memberships on it's 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.

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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.

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 the 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.

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The foregoing constitute the By-laws of ROYAL WOOD MASTER ASSOCIATION, INC., and duly adopted at a meeting of the membership held on March 8, 1994.

Date: _____, 19____.

OR BOOK 001323

_____
Secretary (Seal)

PAGE 000582

Attest:

George Schmitt
President

Royal Wood Master - By-Laws (19) Exhibit "C"

Recorded and Verified
in Official Records of
COLLIER COUNTY, FLORIDA
DWIGHT E. BROCK, CLERK

CERTIFICATE OF AMENDMENT

ARTICLES OF INCORPORATION
BY-LAWS
ROYAL WOOD MASTER ASSOCIATION, INC.

I HEREBY CERTIFY that the following amendments to the Articles of Incorporation and By-Laws of Royal Wood Master Association, Inc. were duly adopted by the Association membership at the duly noticed members' meeting of the Association on the 13th day of March, 2000. Said amendments were approved by a proper percentage of voting interests of the Association. The Articles of Incorporation and By-Laws are recorded as an Exhibit to the Declaration of Covenants, Conditions, and Restrictions, which is recorded at O.R. Book 1371, Page 54, of the Public Records of Collier County, Florida, and as subsequently amended.

Additions indicated by underlining.
Deletions indicated by ~~striking through.~~

Amendment No. 1: Article 2, By-Laws

2. (By-Laws) MEMBER; MEMBERSHIP RIGHTS.

(Sections 2.1 through 2.3 Unchanged)

2.4 (By-Laws) Rights and Privileges of Members.

(Subsection A Unchanged)

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 Lot or 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 Lot or 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 Lot or Living Unit, shall be limited to one change per twelve (12) month period.

2621323 OR: 2664 PG: 0359
RECORDED in the OFFICIAL RECORDS of COLLIER COUNTY, FL
06/14/2000 at 01:23PM DWIGHT E. BROCK, CLERK
REC FEE 20.50
Note:
BECKER & POLIAKOFF
13515 BELL TOWER DR #101
FT MYERS FL 33907

(Remainder of Article Unchanged)

2.5 (By-Laws) Use of 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 ~~spouse, their children under twenty-three years of age,~~ 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 ~~husband and wife~~ two individuals residing together as a family, as described elsewhere herein, the Board shall condition it's approval upon the designation of one approved natural person as "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.

(Remainder of Article Unchanged)

****

Amendment No. 2: Article 7, Section 7.2 By-Laws

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

(Section 7.1 Unchanged)

7.2. Budget. The Board of Directors shall, at the ~~November~~ December meeting each year, adopt an annual budget for the next fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting shall be mailed to or served on each member not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications as compared to the previous two (2) years experience.

****

Amendment No. 3: Article II, Articles of Incorporation
Articles 4, 7 and 8, By-Laws

ARTICLE II (Articles of Incorporation)

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 Association; and ROYAL WOOD pursuant to the Master Declaration as it may hereafter be amended, including but not limited to the following:

(Sections A through H Unchanged)

I. To borrow or raise money for any purposes of the Master Association, ~~without limit as to amount;~~ 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 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 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.

(Remainder of Article II Unchanged)

Article 4, Section 4.1, Subsections E, J, N (New) and O (New), By-Laws

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 of consent of the Members only when such is specifically required.

4.1 **Powers:** The Board Shall have the authority to:

(Subsections A through D Unchanged)

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;

(Subsection F through I Unchanged)

J. Make improvements to the ~~Club~~ common areas as authorized herein by Sections 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 8.3 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.

(Remainder of Article 4 Unchanged)

Article 7, Section 7.3, By-Laws

7.3 **Reserves.** The Board shall establish one or more reserve accounts for contingencies, operating expenses, repairs, ~~**planned capital expenditures or deferred maintenance.**~~ 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 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. ~~**The amounts proposed to be so reserved shall be shown in the proposed annual budget each year.**~~

Article 8, Section 8.1(A), By-Laws

8.1 Annual Assessments.

A. Purposes.

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

2) For the ~~improvement~~ 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.

Article 8, Section 8.3, By-Laws

8.3. Special Assessments. Special assessments may be imposed by the Board of Directors to meeting unusual, unexpected, emergency or non-recurring expenses, including but not limited to capital improvements and purchases or real property, or for such other purposes as are authorized by the Declaration or these By-Laws. Provided, however, that special assessments in excess of $150 per Living Unit or Lot in any three year period must be approved by vote of a majority of the members who are present (in person or by proxy) at a duly noticed members' meeting or by written agreement of a majority of the membership. ~~Special assessments are due on the day specified in the statement approving such assessment.~~ The notice of Board and membership meetings held to levy any special assessment must contain a statement of the purpose of the assessment ~~and~~, 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 ~~assessments in~~ by the discretion of the Board.

(Remainder of Article 8 Unchanged)

WITNESSES:
(TWO)

Signature

BETSY SELIGMAN
Printed Name

Signature

S.G. FOSTER
Printed Name

ROYAL WOOD MASTER ASSOCIATION, INC.

BY: _____
Matthew M. Melillo, President

Date: 4/4/00

(CORPORATE SEAL)

ATTEST

BY: _____
John M. Gallagher, Secretary

Date: 04/04/00

STATE OF FLORIDA)
) SS:
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me this 4th day of April, 2000 by Matthew M. Melillo as President of Royal Wood Master Association, Inc., a Florida Corporation, on behalf of the corporation. He is personally known to me or has produced (type of identification) _____ as identification and did take an oath.

BETSY F. SELIGMAN
COMMISSION # CC 736111
EXPIRES: JUNE 15, 2003
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Notary Public

BETSY F. SELIGMAN
Printed Name

My commission expires: _____

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