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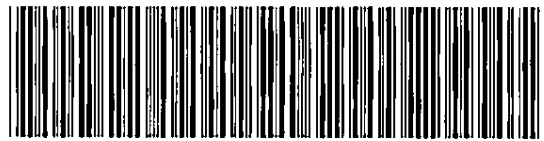
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ACCOUNT NO. : I20000000195

REFERENCE : 561075 8097603

AUTHORIZATION :



COST LIMIT : \$ 70.00

ORDER DATE : December 27, 2018

ORDER TIME : 9:06 AM

ORDER NO. : 561075-005

CUSTOMER NO: 8097603

ARTICLES OF MERGER

ADDISON RESERVE COUNTRY CLUB,
INC.

INTO

ADDISON RESERVE MASTER
PROPERTY OWNERS ASSOCIATION,
INC.

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

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ARTICLES OF MERGER

(Pursuant to Section 617.1105, Fla. Stat.) 2018 DEC 28 PM 2:48

1. The undersigned corporation, **ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, together with **ADDISON RESERVE COUNTRY CLUB, INC.**, a not-for-profit corporation duly organized, valid and in good standing under the laws of the State of Florida (hereinafter collectively referred to as the "Constituent Corporations") have adopted a Plan of Merger.
2. Pursuant to Section 617.1101, Fla. Stat., attached hereto as **Exhibit "A"** and made a part hereof is the Plan of Merger.
3. The Surviving Corporation under the Plan of Merger is **ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, a not-for-profit corporation.
4. The Plan of Merger (and the Exhibits thereto) was adopted by the Board of Directors of **ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, at a meeting held on July 19, 2018, pursuant to Section 617.1103, and Chapter 720., Fla. Stat., and were adopted by the Voting Members of **ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, at a meeting held on November 5, 2018, by a sufficient number of votes cast for approval pursuant to the governing documents of said corporation.
5. The Plan of Merger (and the Exhibits thereto) was adopted by the Board of Directors of **ADDISON RESERVE COUNTRY CLUB, INC.**, at a meeting held on August 2, 2018, pursuant to Section 617.1103, Fla. Stat, and was adopted by the Members of **ADDISON RESERVE COUNTRY CLUB, INC.**, at a meeting held on November 5, 2018, by a sufficient number of votes cast for approval pursuant to the governing documents of said corporation.
6. The Effective Date of the merger of the Constituent Corporations shall be December 31, 2018 at 11:59 p.m.

ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.

By: Bert Blicher
Name: Bert Blicher
Its: President

ACKNOWLEDGED AND AGREED THIS 18th
DAY OF DECEMBER, 2018 BY:

ADDISON RESERVE COUNTRY CLUB, INC., a
Florida not-for-profit corporation

By: Barry Gordon
Name: Barry Gordon
Its: President

EXHIBIT "A"

PLAN OF MERGER

THIS PLAN OF MERGER, dated December 18, 2018 ("Plan of Merger"), is made between ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "Association") and ADDISON RESERVE COUNTRY CLUB, INC., a Florida not-for-profit corporation (the "Club" - the Association and the Club are sometimes hereinafter collectively referred to as the "Constituent Corporations").

WHEREAS, the Association is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, having been incorporated on June 26, 1995, as a not-for-profit corporation pursuant to Chapter 617, Fla. Stat., the Voting Members of which are entitled to vote on this Plan of Merger; and

WHEREAS, the Club is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, having been incorporated on March 15, 1995 as a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, the members of which are entitled to vote on this Plan of Merger; and

WHEREAS, the Board of Directors of the Association and the Board of Directors of the Club deem it advisable and in the best interests of said corporations that the Club be merged with and into the Association as authorized by Section 617.1101 (1), Fla. Stat. pursuant to the terms hereinafter set forth; and

WHEREAS, on July 19, 2018, greater than a majority of the Board of Directors of the Association adopted a Resolution approving this Plan of Merger; and

WHEREAS, on August 2, 2018, greater than two-thirds of the Board of Directors of the Club adopted a Resolution approving this Plan of Merger;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and for the purpose of setting forth the terms and conditions of this Plan of Merger and the mode of carrying this merger into effect, and such other details and provisions as are deemed necessary or desirable, the parties hereto have agreed, subject to the requisite approvals of the members of each of the Constituent Corporations and other conditions as hereinafter set forth, as follows:

1. The above recitations are true and correct and are incorporated herein as if fully set forth below.
2. The Effective Date of the merger of the Constituent Corporations shall be at 11:59 p.m. on December 31, 2018 ("Effective Date") as provided in the Articles of Merger attached hereto as Exhibit "A" and made a part hereof ("Articles of Merger").
3. On the Effective Date:
 - (a) The Club shall be merged with and into the Association. The Association shall be and is hereby designated as the "Surviving Corporation".

(b) The Initial Registered Agent of the Surviving Corporation shall be Richard G. Cherry, Esq., Cherry, Edgar & Smith, P.A., 8409 North Military Trail, Suite 123, Palm Beach Gardens, FL 33410.

(c) The Surviving Corporation shall continue to be a Florida not-for-profit corporation pursuant to Section 617.0302 (16), Fla. Stat.

(d) The Surviving Corporation shall continue to be defined as a "Homeowners' Association" pursuant to Section 720.301 (7), Fla. Stat.

(e) The legal existence of the entity formerly known as the **ADDISON RESERVE COUNTRY CLUB, INC.** as a separate, ~~distinct corporation~~ shall be extinguished.

(f) The By-Laws of the Surviving Corporation, shall be the By-Laws of the Association, as amended and restated in accordance with those certain Amended and Restated By-Laws attached hereto as **Exhibit "B"** and made a part hereof (the "**Amended and Restated By-Laws**").

(g) The Master Declaration of Covenants, Restrictions and Easements for the Surviving Corporation shall be amended and restated in accordance with the Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Easements for Addison Reserve attached hereto as **Exhibit "C"** and made a part hereof (the "**Amended and Restated Declaration**").

(h) At the Effective Date, all Equity Members of the Club shall remain members of the Surviving Corporation, with rights, privileges and responsibilities consistent with the status of each member as further described in the Amended and Restated Declaration, and the Amended and Restated By-Laws.

(i) The Surviving Corporation shall, post-merger: (i) possess all of the rights, privileges, powers and franchises; (ii) be subject to all the restrictions, liabilities and duties; (iii) own and control all property, real, personal and mixed; (iv) be responsible for any and all debts due on whatever account; and (v) retain rights in any and all claims or actions, arising from, related to, assumed, assigned, owned or controlled by each Constituent Corporation as provided in Section 617.1106, Fla. Stat.

(j) All corporate acts, plans, policies, contracts, approvals and authorizations of the Club authorized or approved by its members, Board of Directors and officers or authorized committees elected or appointed by said Board of Directors, that are valid and effective prior to the Effective Date, shall be taken for all purposes as the acts, ~~plans~~, policies, contracts, approvals and authorizations of the Surviving Corporation and ~~shall be as effective and binding thereon as the same were with respect to the Club.~~

(k) After the Effective Date, the ~~cost of owning and operating~~: (i) the Common Areas other than the Recreational Facilities will be ~~shared~~ equally by all members; and (ii) the Recreational Facilities will be shared among the various categories of members substantially similar to the manner in which such expenses are shared by the Equity Members of the Club under the existing Club By-Laws (the "**Existing Club Documents**"). Persons

purchasing a Unit will be required to make a recreational facilities membership contribution (the **"Recreational Facilities Membership Contributions"**) in order to obtain a Recreational Facilities Certificate, the amount of which will vary depending on the category of membership acquired. After the Effective Date: (i) the Association will identify the expenses related to the Recreational Facilities; and (ii) payments required to be paid to the Surviving Corporation for the costs of owning and operating the Recreational Facilities (sometimes referred to as **"Recreational Facilities Dues Assessments"**) will be shared in the same manner as dues are shared under the Existing Club Documents such that Sports Members and the Social Member, if any, will be charged seventy percent (70%) and fifty-five percent (55%), respectively, of the Recreational Facilities Dues Assessments charged to Golf Members.

(l) Pursuant to the Amended and Restated By-Laws, the Association will collect Recreational Facilities Capital Assessments and deposit ~~same into the~~ applicable Recreational Facilities Capital Reserve Fund. All Recreational Facilities Capital Assessments and Recreational Facilities Capital Reserve Funds will: (i) be placed in a segregated account; (ii) be used solely for capital repairs, maintenance, improvements, replacements and additions to the Recreational Facilities (or debt service or like items related to the financing of such items); and (iii) not be included in operating revenue or be used to pay for operating expenses of the Association.

(m) After the Effective Date, all members of the Association will have equal voting rights for "general Association matters", including voting on the election of the Association's Board of Directors. However, pursuant to the Amended and Restated By-Laws, members will continue to be granted "weighted voting" on certain **"Golf Matters"** (i.e., certain matters relating to Golf Membership privileges and obligations, golf, the golf course or other golf facilities presented for a vote of the Members) based on the same methodology as Equity Memberships are currently weighted for such matters under the Existing Club Documents.

(n) A member's obligation to pay Recreational Facilities Dues Assessments, Recreational Facilities Capital Assessments and Recreational Facilities Membership Contributions will be secured by the Surviving Corporation's right to place a lien on such member's Lot in the Community.

(o) The assets, liabilities, reserves and accounts of each Constituent Corporation shall be recorded on the books of the Surviving Corporation in conformity with the pre-merger rights and obligations of the members of the Constituent Corporations. By way of example:

- (i) The obligation to return equity to a ~~member when the member's~~ Lot is sold to a new member shall be paid only from Recreational Facilities Membership Contributions received on the reissuance of the applicable membership to a new member, as provided in the Amended and Restated By-Laws.
- (ii) Pre-merger Equity Members of the Club shall exchange their existing membership certificates in the Club for Recreational Facilities Certificates to be issued by the Association.

- (iii) Reserve funds of the Association in existence on the Effective Date of the merger shall not be used for the ownership and operation of Recreational Facilities, but may only be used for the purposes for which they were originally created. Similarly, reserve funds of the Club, in existence as of the Effective Date or collected from members for the Recreational Facilities after the Effective Date, shall only be used for the Recreational Facilities.

(p) Immediately prior to the Effective Date, the Board of Directors of the Association consists of nine (9) Directors (collectively, the "**Former ARMPOA Board**") and the Board of Governors of the Club consists of nine (9) Governors (collectively, the "**Former Club Board**"). Pursuant to the approval vote conducted in accordance with paragraph 4 of this Plan of Merger:

- (i) the members of the Former ARMPOA Board ~~immediately~~ prior to the Effective Date shall be deemed to have resigned from the Board as of the Effective Date;
- (ii) the nine (9) members the Former Club Board immediately prior to the Effective Date shall serve as the Board of Directors for the Surviving Corporation (the "**Surviving Corporation Board**") beginning on the Effective Date;
- (iii) at the second Annual Meeting following the Effective Date, three (3) Former Club Board members will vacate their positions on the Surviving Corporation Board (such three persons to be those members of the Former Club Board whose terms would, among the Former Club Board members, have expired first), and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Surviving Corporation Board for a three-year term;
- (iv) at the third Annual Meeting following the Effective Date, three (3) Former Club Board members will vacate their positions on the Surviving Corporation Board (such three persons to be those members of the Former Club Board whose terms would, among the Former Club Board members, have expired second), and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Surviving Corporation Board for a three-year term; and
- (v) at the fourth Annual Meeting following the Effective Date, the three (3) Former Club Board members remaining on the Surviving Corporation Board will vacate their positions, and three (3) Members or Entity Member Designated Users will

be elected by the Members to serve on the Surviving Corporation Board for a three-year term.

- (vi) the Former ARMPOA Board, the Former Club Board and the Surviving Corporation Board shall take whatever action is reasonably required to effectuate the foregoing.

(q) The Officers of the Surviving Corporation shall be determined by the Surviving Corporation Board at the first meeting of the Board of Directors after the Effective Date.

4. The effectiveness of this Plan of Merger shall be conditioned upon the occurrence of each and every of the following:

(a) For the Association, approval by a majority of the members of the Association Board and approval by Voting Members representing sixty-seven percent (67%) of the total voting interests in the Association, at a meeting at which a quorum consisting of Members representing thirty percent (30%) of the voting interests has been established of: (i) this Plan of Merger and all actions and documents contemplated hereby; (ii) the Articles of Merger; (iii) the Amended and Restated By-Laws; and (iv) the Amended and Restated Declaration; and

(b) For the Club, approval of this Plan of Merger and all actions and documents contemplated hereby by: (i) two-thirds (2/3) of the members of the Club Board; and (ii) approval by a majority of the votes cast by the Equity Memberships of the Club entitled to vote at a meeting where a quorum consisting of Equity Members representing fifty percent (50%) of the Equity Memberships is present in person and/or by proxy.

5. Upon approval as provided in paragraphs 4 (a) and (b) above, the Articles of Merger shall forthwith be filed with the Secretary of State of the State of Florida.

6. Upon approval as provided in paragraphs 4 (a) and (b), the Plan of Merger, Articles of Merger, the Amended and Restated Declaration, and the Amended and Restated By-Laws shall forthwith be filed in the Public Records of Palm Beach County, Florida.

7. Upon their respective Board approvals as described in paragraphs 4 (a) and (b) above, neither the Association nor the Club may abandon the merger prior to or after Member approval as provided in paragraphs 4 (a) and (b) above, unless (i) the requisite member approval fails to occur on or before December 30, 2018, or (ii) a Technical Assistance Advisement has not been issued by the Florida Department of Revenue to the Club on or before December 30, 2018, confirming that the sales tax exemption applicable to mandatory assessments to a homeowners association applies to the level of Recreational Facilities Dues Assessments required to be paid by Sports Members.

8. Each Constituent Corporation has disclosed or made available to the other Constituent Corporation its financial statements, balance sheets, tax returns, and schedules of assets, all of the foregoing for the preceding two (2) years and prepared according to generally accepted accounting principles. Each Constituent Corporation has disclosed or made available to

the other Constituent Corporation its membership roster, and schedules of all contracts and other obligations and benefits to which it is a party.

9. This Plan of Merger and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Florida. Venue for all proceedings hereunder shall be Palm Beach County, Florida.

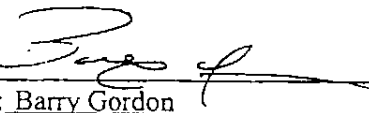
10. This Plan of Merger cannot be altered or amended except pursuant to an instrument in writing signed on behalf of both Constituent Corporations, and approved by the Board of Directors and the members of the Constituent Corporations as provided in paragraphs 4 (a) and (b) above.

11. In order to facilitate the filing and recording of the documents described in this Plan of Merger, any number of counterparts hereof may be executed, and facsimile and electronic pdf transmissions shall be deemed to be an original.

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IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date and year first above written.

ADDISON RESERVE COUNTRY CLUB, INC.,
a Florida not-for-profit corporation

By: 
Name: Barry Gordon
Its: President

ADDISON RESERVE MASTER PROPERTY
OWNERS ASSOCIATION, INC., a Florida not-
for-profit corporation

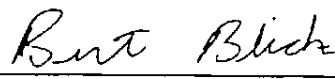
By: 
Name: Bert Blicher
Its: President

EXHIBIT "A"

ARTICLES OF MERGER (Pursuant to Section 617.1105, Fla. Stat.)

1. The undersigned corporation, **ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, together with **ADDISON RESERVE COUNTRY CLUB, INC.**, a not-for-profit corporation duly organized, valid and in good standing under the laws of the State of Florida (hereinafter collectively referred to as the "Constituent Corporations") have adopted a Plan of Merger.
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6. The Effective Date of the merger of the Constituent Corporations shall be December 31, 2018 at 11:59 p.m.

ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.

By: Bert Blicher
Name: Bert Blicher
Its: President

ACKNOWLEDGED AND AGREED THIS 18th
DAY OF DECEMBER, 2018 BY:

ADDISON RESERVE COUNTRY CLUB, INC., a Florida not-for-profit corporation

By: Barry Gordon
Name: Barry Gordon
Its: President

EXHIBIT "B"

ADDISON RESERVE MASTER
PROPERTY OWNERS
ASSOCIATION, INC.

BY-LAWS

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ARTICLE I PURPOSES

ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC. was established to control and regulate the use of the Property in accordance with the Amended and Restated Master Declaration of Covenants, Restrictions and Easements for Addison Reserve, as ~~amended from~~ time to time. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning ascribed to such terms in the Declaration.

The purposes of the Master Association include:

- a. promoting, assisting and providing adequate and proper maintenance of the Property for the benefit of all Members of the Master Association;
- b. providing recreational activity within the Property through the ownership and management of the Recreational Facilities formerly owned by Addison Reserve Country Club, Inc., a Florida not-for-profit corporation that merged with and into the Master Association for the pleasure and benefit of Members;
- c. enhancing the quality of life and property values within the residential community commonly known as Addison Reserve through means and methods as the Master Association may deem in the best interest of its Members and maintaining the private nature of the Recreational Facilities and the Community;
- d. exercising all powers and discharging all responsibilities granted to the Master Association as a corporation and as a homeowners' association under the laws of the State of Florida, the Articles of Incorporation of the Master Association, these Amended and Restated By-Laws and the Declaration;
- e. acquiring, holding and conveying and otherwise dealing with real and/or personal property in the Master Association's capacity as a homeowners' association; and
- f. to otherwise engage in such additional lawful activities for the benefit, use, convenience and enjoyment of its Members as it may deem proper and as contemplated by the Declaration.

The powers of the Master Association shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these By-Laws, or by law. ~~These~~ By-Laws are the By-Laws referred to in the Declaration.

ARTICLE II DEFINITIONS

Capitalized terms used herein without definition shall have the meanings ascribed to them in the Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Easements for Addison Reserve. The following terms when used in these By-Laws (unless the context provides otherwise) shall have the following meanings:

"Annual Meeting" shall mean the meeting of the Members, to be held annually, pursuant to Section 3.1 of these By-Laws.

"Application for Membership" or "Application" shall mean a written application, in a form approved by the Board of Directors, to be submitted by a person or persons, or entity, desiring to be considered for Membership or for Designated User status.

"Budget" shall mean the annual budget of the Master Association approved by the Board.

"Changing Member" shall have the meaning set forth in Section 9.4 hereof.

"Committee" or "Committees" shall refer to the Standing Committees, the Executive Advisory Committee, and such other committees, subcommittees and task forces as may be created pursuant to Section 8.13 hereof.

"Committee Members" shall mean natural Persons serving on Committees.

"Common Area Reserve" shall have the meaning set forth in Section 12.2.a hereof.

"Designated User" shall mean one individual who has been so designated by an unmarried individual Member in good standing, or each of one or two individuals who have been designated by an Entity Member in good standing (referred to herein as an "Entity Member Designated User") or by a Member in good standing who is seeking Board approval to allow such Member's tenants to use Recreational Facilities pursuant to Article XI, and in each case who has been approved for such status by the Board of Directors. In considering a Member's request for Designated User approval, the Board may request such information as it deems necessary or appropriate, including information about the Designated User's plans for Community residency, and including (in the case of a Lot leasing situation) a copy of any lease agreement, and may require the designating Member to update or supplement such information from time to time thereafter (including, in the case of any Lot leasing situation, requiring the filing of any amendments to the lease agreement). The Board may require payment of an application fee in connection with an application for Designated User status. The Board's approval of a Designated User may be for a limited time (e.g., for the term of a lease) or indefinite, may be conditioned as the Board deems appropriate (e.g., by imposing credit limit or deposit requirements), may be revoked at any time, and shall be deemed revoked in the event of the marriage of a Member whose Designated User was approved by virtue of the Member's unmarried status. A Member may change or add a Designated User not more than once in any Fiscal Year, except (i) when an Entity Member, having added one Designated User, wishes to

add a second Designated User later in the same Fiscal Year; and (ii) in a situation where a Designated User dies during a Fiscal Year.

"Director(s)" shall mean a member or members of the Board of Directors.

"Effective Date" shall mean December 31, 2018.

"Entity Member" shall mean a Member that is a corporation, partnership, limited liability company, trust or other form of ownership, provided that the entity owns the Lot. The Membership will be issued in the name of the entity. The entity must provide a breakdown of its ownership, and promptly notify the Master Association of any change in the equity ownership of the entity. Any change in ownership of the entity exceeding 50% on a cumulative basis, or any substantial change affecting the beneficiaries of a trust, since such Membership interest was issued shall be deemed a sale of the Member's Lot and subject to the provisions of these By-Laws with regard to Memberships in connection with the sale of Lots, unless the Member can demonstrate that the change has a bona fide purpose (for example, a bona fide family or estate planning purpose) (as determined by the Board) other than one relating to transfer of the Membership or one relating to purchase of the Lot for consideration.

"Expansion Assessments" shall have the meaning set forth in Section 13.7.a hereof.

"Expansion Expenditures" shall have the meaning set forth in Section 13.8 hereof.

"Fiscal Year" shall mean an accounting period of twelve months, commencing October 1st and ending September 30th, unless otherwise determined by the Board.

"Former ARMPOA Board" shall mean the nine (9) members of the board of directors of the Master Association immediately prior to the Effective Date.

"Former Club Board" shall mean the nine (9) members of the board of governors of the Former Club immediately prior to the Effective Date.

"GCAC" shall mean the General Common Areas Committee as described in Section 8.6 hereof.

"GCAC Initial Term" shall mean the period of time from the Effective Date until the Annual Meeting held in the year 2022.

"General Manager/Chief Executive Officer" shall mean the person designated by the Board and employed by the Master Association to whom the executive operation and management of the Master Association is entrusted.

"Golf Member" shall mean the owner of a Golf Membership.

"Immediate Family" shall mean a Member's spouse (i.e., if not a Member) and unmarried children of either spouse under the age of twenty-three (23), or a Designated User and unmarried children of such Designated User under the age of twenty-three (23), provided said children primarily reside within the Community.

"Master Association Documents" shall mean and refer to these By-Laws, the Declaration, the Articles and the Rules and Regulations, each as may be amended from time to time.

"Membership Unit" shall mean a Member or, in the circumstances specified in Section 9.2, two (2) Members who shall be treated collectively as a single unit of Membership.

"Off-Season" shall mean May 1st through October 31st of each year.

"Officer(s)" shall mean the President, First Vice-President, Second Vice-President, Secretary, and Treasurer of the Master Association, and all other persons designated pursuant to Article VII of these By-Laws.

"Plan of Merger" shall mean that certain Plan of Merger by and between the Former Club and the Master Association providing the terms and conditions for the Merger.

"Recreational Facilities Capital Assessments" shall have the meaning set forth in Section 13.5.a hereof.

"Recreational Facilities Capital Reserve Fund" shall have the meaning set forth in Section 13.5.b hereof.

"Recreational Facilities Certificates" shall mean certificates evidencing Members' ownership interest in the Master Association and referencing the Members' category of Membership which certificates shall be prepared in form and content consistent with the provisions of the Declaration, the Articles and these By-Laws.

"Recreational Facilities Dues Assessments" shall have the meaning set forth in Section 13.4 hereof.

"Recreational Facilities Member Capital Assessment Fund" shall have the meaning set forth in Section 13.7.a hereof.

"Recreational Facilities Member Capital Assessments" shall have the meaning set forth in Section 13.7.a hereof.

"Recreational Facilities Minimum Capital Reserve Assessments" shall have the meaning set forth in Section 13.6.a hereof.

"Recreational Facilities Minimum Capital Reserve Fund" shall have the meaning set forth in Section 13.6.a hereof.

"Recreational Facilities Special Reserve Fund" shall have the meaning set forth in Section 13.8 hereof.

"Regular Meeting" shall mean the meetings of the Board of Directors to be held as determined by the Board pursuant to Section 5.3 of these By-Laws.

"Replacement Assessments" shall have the meaning set forth in Section 13.7.a hereof.

"Resale Income" shall mean that portion of a Recreational Facilities Membership Contribution retained by the Master Association after payment of a portion of the Recreational Facilities Membership Contribution required to be repaid to a selling Member, less sums deducted as provided in Section 9.4.d.vii hereof.

"Respondent" shall have the meaning set forth in Section 8.7 hereof.

"Social Member" shall mean the owner of a Social Membership, if any.

"Special Meeting" shall mean a meeting of the Members called in accordance with Section 3.3 of these By-Laws, or of the Board of Directors called in accordance with Section 5.4 of these By-Laws.

"Sports Member" shall mean the owner of a Sports Membership.

"Standing Committees" shall refer to those Committees set forth in Section 8.1 hereof.

ARTICLE III MEETINGS OF MEMBERSHIP

Section 3.1 ANNUAL MEETING

The Annual Meeting shall be held for the purpose of electing Director(s); receiving reports of Officers, Master Association management and others; and for such other business as may be properly presented at the meeting by the Board or any Member in good standing.

Section 3.2 DATE AND PLACE OF ANNUAL MEETING

The Annual Meeting shall be held at the clubhouse or other Recreational Facilities, at a date and time designated by the Board, on or after March 1st but in no event later than April 15th of each Fiscal Year.

Section 3.3 SPECIAL MEETINGS

Special Meetings of the Membership may be called by the President, a majority of the entire Board of Directors, or at the written petition of Members representing at least ten (10%) percent of all of the Membership Units. Any such request for a Special Meeting shall include a detailed description of the business to be considered, and shall be submitted to the President who shall cause notice of such Special Meeting to be mailed, or electronically transmitted to the Members to the extent permitted by applicable law, ~~within~~ thirty (30) days of the date of receipt of the request. Notices of any Special Meeting must contain a statement of the purpose or purposes for which the Special Meeting is called, and include proxy materials for any votes to be taken; no other business may be transacted at such ~~meeting~~.

Section 3.4 NOTICES

The Secretary shall arrange to give each Membership Unit at least twenty-one (21) days but not more than forty-five (45) days prior notice, by mail, or electronic mail to the extent

permitted by applicable law, stating the place, day and time of the Annual Meeting or Special Meeting. Any Member may request notice by US mail only. Such notice shall be deemed to be delivered, if sent electronically, when sent (unless the sender receives an indication that the message was not received), or if sent by mail, when deposited in the United States mail in a sealed envelope addressed to such Membership Unit at the address of record, with sufficient prepaid postage. In addition to the sending of notices, notice of any meeting will be posted or placed in any medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the Community. In the case of the Annual Meeting, the notice shall list the names of candidates seeking election to the Board, reports to be received, each item of business to be brought before the meeting, and include proxy materials for any votes to be taken with respect to such business. Business that requires a vote of the Members shall be restricted to only those matters contained in the notice.

In the case of business sought to be presented at the Annual Meeting by a Member in good standing, a detailed written description of such business must be provided to the President no fewer than five (5) business days prior to the date of the sending of notice of the Annual Meeting, which date shall be provided to any Member upon request. In the alternative, such Member may provide the President with such detailed written description no fewer than twenty (20) days prior to the date of the Annual Meeting; provided, however, that in such event the Member will be responsible for any additional postage and other costs incurred by the Master Association.

Section 3.5 QUORUM

The presence, either in person or by casting a Vote, of at least thirty (30%) percent of all of the Membership Units shall constitute a quorum at any meeting of the Membership. In addition, any properly noticed meeting at which a quorum is not present may be adjourned at the discretion of the President for one or more periods that together shall total no longer than ninety (90) days. Notice of an adjourned meeting shall be posted or placed in any medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the Community. If no business requiring a Vote of the Members will be brought before the meeting, then no quorum is required.

Section 3.6 VOTING

Each Membership Unit is entitled to cast a single Vote on any matter that properly comes before the Members. Attempts to Vote more than once will not be permitted. In the event more than one Vote is submitted on behalf of a Membership Unit, and such Votes are in conflict, each such Vote shall be invalid unless and until amended by a single Vote executed by the parties in conflict. All voting in a specific matter must occur at or prior to the meeting of the Members at which such matter will be determined. An Entity Member, to be eligible to Vote, must submit to the Secretary a written notice designating a natural person having the authority to Vote on behalf of such Entity Member. If any Member has had his, her or its rights to Vote suspended as of the record date for a particular matter, or as of the final date for casting a Vote, such Member is ineligible to Vote. Proxy voting is permitted only under the form and procedure as determined by

the Board of Directors. In order to be valid, a proxy must include the date, time and place for the meeting for which it was given and must be signed and dated by the Member. Any proxy must be limited to a specific matter or matters, and shall be revocable until the close of voting in connection with such matter.

Once a quorum is established, a majority of the Votes cast is necessary for passage of any motion, except as otherwise expressly provided in the Declaration, the Articles, these By-Laws or applicable law.

On all Golf Matters to be determined by a Vote of the Members, Golf Members shall have each of their Votes weighted by a factor of four (4), and Sports Members shall have each of their Votes weighted by a factor of one (1). On all other matters to be ~~determined by~~ a Vote of the Members, including the election of Directors, all Membership Units ~~shall have each of their~~ Votes equally weighted.

Section 3.7 NO ACTION WITHOUT MEETINGS

No action may be taken by the Members except at a properly called and noticed meeting of the Membership; and no action may be taken by the written consent of the Membership in lieu of such meeting.

Section 3.8 MEMBERSHIP UNITS OF RECORD

For the purpose of determining the Membership Units of record entitled to notice of any meeting of the Members, or eligible to Vote prior to or at any such meeting, or in order to make a determination of the Membership Units of record for any other proper purpose, the Master Association's roster and the designations of those entitled to Vote on record with the Secretary as of three (3) days prior to the mailing of the notice shall be used. Such determination shall apply to any adjournment or continuance of such meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 NUMBER AND QUALIFICATIONS

The governance and administration of the affairs and property of the Master Association shall be vested in the Board of Directors. Except as provided in Section 4.4 and Section 4.5 of these By-Laws, Directors shall be elected by the Members. Only persons who are Members or Entity Member Designated Users may serve on the Board. If the sale or transfer of an ownership interest in a Lot results in a Board member no longer being eligible to serve on the Board, such Board member shall be deemed to have resigned from the Board as of the date of such sale or transfer. A Member who is delinquent in the payment of any fee, fine or other monetary obligation to the Master Association for more than ninety (90) days may not serve on the Board of Directors. A person who has been convicted of a felony in Florida or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction which would be considered a felony if committed in Florida, is not eligible to serve on the Board of

Directors unless such person's civil rights have been restored for at least five (5) years as of the date on which such person seeks election to the Board.

In accordance with the Plan of Merger:

- a. the members of the Former ARMPOA Board immediately prior to the Effective Date shall be deemed to have resigned from the Board as of the Effective Date;
- b. the nine (9) members the Former Club Board immediately prior to the Effective Date shall serve on the Board of Directors for the Master Association beginning on the Effective Date;
- c. at the second Annual Meeting following the Effective Date, three (3) Former Club Board members will vacate their positions on the Board of Directors (such three persons to be those members of the Former Club Board whose terms would, among the Former Club Board members, have expired first), and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Board of Directors for a three-year term;
- d. at the third Annual Meeting following the Effective Date, three (3) Former Club Board members will vacate their positions on the Board of Directors (such three persons to be those members of the Former Club Board whose terms would, among the Former Club Board members, have expired second), and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Board of Directors for a three-year term; and
- e. at the fourth Annual Meeting following the Effective Date, the three (3) Former Club Board members remaining on the Board of Directors will vacate their positions, and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Board of Directors for a three-year term.

Section 4.2 ELECTIONS

- a. Voting for the Board of Directors shall be in accordance with the procedures and time frames as detailed in the leadership development process under Section 8.9 of these By-Laws. The Board of Directors may authorize electronic balloting as an alternative to written balloting in any election, under such procedures as the Board of Directors shall specify, subject to allowing a written ballot to be used by any Member who requests a written ballot and in accordance with Florida Statutes.
- b. There shall be no cumulative voting; i.e., no Vote shall contain more than one (1) vote for a particular candidate.

- c. Those candidates receiving the highest number of Votes from the balloting of the Membership Units shall be declared elected to the vacancies having the longest term of office, until all vacancies on the Board have been filled.

Section 4.3 TERM

- a. At each Annual Meeting after the Effective Date, three (3) Directors shall be elected to the Board who shall serve for a term of three (3) years (except that no such election shall occur at the first Annual Meeting after the Effective Date), as well as any additional Directors necessary to fill any vacancies on the Board as of the date of such Annual Meeting and to fill any positions on the Board that were filled on an interim basis pursuant to Section 4.4 of these By-Laws. In the event a Director's term expires prior to an election, the Director shall continue to serve until the next election is completed.
- b. No Director shall serve more than two (2) consecutive three-year terms, including terms served on the Former Club Board or the Former ARMPOA Board. Once a Director has served the maximum terms specified in the preceding sentence (or such longer period specified in subsection c below), such Director shall not be eligible to hold the office of Director until two (2) years have passed from the end of the second term. A Member or Entity Member Designated User appointed or elected to fill a vacancy in accordance with Section 4.4 of these By-Laws shall be eligible for subsequent election to two (2) consecutive three-year terms.
- c. The first sentence of subsection b of this Section 4.3 does not apply to any Former Club Board member to the extent (and only to the extent) that such member may serve one additional year on the Board beyond the date on which such member's term on the Former Club Board would have expired.

Section 4.4 VACANCIES

If a vacancy occurs on the Board of Directors subsequent to the election or as a result of an insufficient number of candidates at the Annual Meeting to fill all vacancies created by expired terms, the Board shall appoint a Member or Entity Member Designated User to fill the vacancy on an interim basis. The Director so appointed will serve until the next election, at which time a candidate shall be elected to fill the remaining years, if any, of the former Director's term.

Section 4.5 REMOVAL OF DIRECTORS

The removal of Directors and the replacement of any Directors removed from the Board shall be in accordance with Chapter 720, Florida Statutes, as the same may be amended from time to time.

Section 4.6 INDEMNIFICATION

Neither the Directors nor the Officers nor the Committee Members shall be liable to the Master Association or any of its Members for decisions made regarding the Master Association, its facilities or its operations, and the Master Association, subject to applicable law, shall indemnify and hold harmless each Director, Officer and Committee Member from and against any and all actions, claims, damages and costs arising out of or resulting from any actions taken or decisions made by such Director, Officer or Committee Member; provided that the Director, Officer or Committee Member acted in good faith and in a manner such person believed to be in the best interests of the Master Association and its Members and in accordance with law. The Master Association shall obtain, at its expense, liability insurance for such Directors, Offices and Committee Members with such limits and upon such terms and conditions as the Board of Directors shall determine from time to time, but in no event less than Five Million Dollars (\$5,000,000) per occurrence.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

Section 5.1 ANNUAL MEETING

Each year the Board of Directors shall hold its annual meeting to elect Officers and to consider any other matters that may be properly brought before the meeting. The annual meeting of the Board shall be held as soon as practicable after the election of Directors.

Section 5.2 QUORUM

A majority of the Board of Directors shall constitute a quorum at any meeting for the transaction of business. Telephonic or other electronic (such as by video over an Internet link) appearances are permitted; provided that all participants are able to hear each other at the same time. The presence of a quorum shall be determined as of the time at a meeting of the Board when any vote is taken.

Section 5.3 REGULAR MEETINGS

The Board of Directors shall meet on a regular basis as determined by the Board. All meetings of the Board shall be open to all Members. The President may limit the time any Member may speak at a Board meeting. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session if permitted by applicable law. Once a quorum is established, a majority of the Directors present is necessary for passage of any motion, except as otherwise expressly provided by these By-Laws or the Declaration.

Minutes of all Board Meetings shall be made available to the Members on the Master Association's website and shall reflect how each individual Board member voted on all matters brought to a vote (including matters brought to a vote pursuant to these By-Laws, but excluding elections of Officers). Notwithstanding the foregoing, any minutes prepared with respect to matters brought to a vote during an executive session as hereinabove set forth may be limited to

a summary of the action taken or decision made (with names redacted to preserve confidentiality when the Board deems such redaction necessary or desirable).

Section 5.4 SPECIAL MEETINGS

Special Meetings of the Board of Directors may be called by the President or any three (3) Directors.

Section 5.5 NOTICES

- a. Except as provided in subsection b hereof, notice of any meeting of the Board of Directors, regular or special, must be given to all Members by (i) posting or placing such notice in any medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the Community at least forty-eight (48) hours prior to the meeting, except in an emergency, or (ii) mailing or delivering to each Member notice of the meeting at least seven (7) days prior to the meeting, except in an emergency. Alternatively, the Board of Directors may elect to provide notice to each Member by publication to the Members, provision of a schedule of Board meetings to Members or such other reasonable means of notice permissible by law, including electronic notice, provided that Members have consented in writing to receiving notice by electronic transmission.
- b. An Assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessments. Written notice of any meeting at which Special Assessments will be considered or at which amendments to the Declaration (except to the extent amendment of the Declaration is permitted, pursuant to the terms thereof, without a vote of the Membership), the By-Laws (except to the extent amendment of the By-Laws is permitted, pursuant to the terms hereof, without a vote of the Membership), or any rules regarding use of any Lot will be considered must be, not less than fourteen (14) days prior to the meeting, mailed, delivered, or electronically transmitted to Members, and placed in medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the community.

Section 5.6 VOTING

Directors may not vote by proxy or secret ballot at Board meetings, except for the election of officers, where secret ballots may be used.

**ARTICLE VI
POWERS OF THE BOARD OF DIRECTORS**

Section 6.1 MANAGEMENT OF THE MASTER ASSOCIATION

The Board of Directors, except as otherwise specifically provided by the Declaration, these By-Laws or the Articles of Incorporation, shall exercise all powers of the Master Association, and is authorized to take any actions necessary or appropriate to carry out the purposes of the Master Association as set forth in Article I of these By-Laws, and in the Declaration and the Articles of Incorporation.

Section 6.2 DUTIES AND POWERS

The Board of Directors shall:

- a. elect the Officers, who shall be from among the Directors;
- b. appoint committees and assign committee duties;
- c. appoint a Member or Entity Member Designated User to fill any vacancy on the Board, pursuant to Section 4.4 or as provided in Section 4.5 hereof;
- d. employ a General Manager/Chief Executive Officer and other employees, and delegate such authority to the General Manager/Chief Executive Officer as is considered necessary or appropriate for the proper operation and management of the Master Association; provided that, until the end of the GCAC Initial Term, the Common Areas manager, assistant manager, staff and vendors will report directly to the GCAC, and the GCAC shall have full authority concerning all such personnel, provided however, that the GCAC shall not have the authority to expend Master Association funds except in accordance with (i) the Common Area Budget, and (ii) the procedures for notice, open meetings and voting set forth in Chapter 720, Florida Statutes (as the same may be amended from time to time);
- e. adopt, alter, amend or repeal the Rules and Regulations of the Master Association, including (but not limited to) rules and regulations governing the use of the Common Areas and the Recreational Facilities by Members and their guests;
- f. approve the Budget and establish all Assessments, Club Charges and other fees and the terms of payment thereof, subject to the provisions of Article XII and Article XIII hereof;
- g. establish a code of conduct and a code of ethics to which each Director shall adhere during such Director's service on the Board;
- h. have the power to authorize the expenditure of funds to the extent of the amount in the Master Association's treasury or owing to the Master

Association and to enter into contracts; have the power to borrow money and incur indebtedness on behalf of the Master Association and to cause promissory notes or other evidences of indebtedness to be executed and issued; each subject to the limits set forth in Article XIII of these By-Laws; and

- i. perform all such acts as are permitted by the laws of the State of Florida with respect to not-for-profit corporations and homeowners' associations, as those laws now exist or may hereafter provide.

Section 6.3 ISSUANCE OF RECREATIONAL FACILITIES CERTIFICATES

The Board of Directors shall have the sole authority to issue, cancel and transfer Recreational Facilities Certificates.

Section 6.4 COMPENSATION

No Director shall receive a salary or any other compensation from the Master Association whatsoever. A Director shall be entitled to reimbursement for all expenses reasonably incurred in performing any duties pursuant to these By-Laws, provided that the Board approved in advance reimbursement of the Director for the expenses incurred.

Section 6.5 INTERPRETATION OF BY-LAWS

The Board of Directors will have the corporate power generally to do everything permitted for non-profit corporations by law, statute, the Declaration, the Articles and these By-Laws, and to determine the interpretation or construction of the Articles, these By-Laws and Rules and Regulations, or any parts hereof, and its decision shall be final and conclusive, so long as consistent with applicable law. When approval of the Master Association is required by the Declaration, these By-Laws, the Rules and Regulations, or any other Master Association documents, the same shall mean approval by a majority of the Board voting at a duly called and held meeting, unless otherwise specified herein, in the Declaration, or required by law.

Section 6.6 NO ACTION WITHOUT MEETINGS

No action may be taken by the Board of Directors except at a properly called and noticed meeting of the Board, provided, however, that the Board may adopt a resolution relating to an administrative or ministerial matter upon securing (in writing or electronically) the unanimous written consent of all Directors.

ARTICLE VII OFFICERS

Section 7.1 ELECTION OF OFFICERS

The Board of Directors at its annual meeting shall elect a President, First Vice- President, Second Vice-President, Treasurer, and Secretary, and such other Officers as the Board may from time to time determine appropriate, to serve for a term of one (1) year, and until their successors

shall be elected. An Officer may be removed from office by a majority vote of the entire Board of Directors. The removal of a Director who is also an Officer shall automatically act as a removal of such Director's position as an Officer. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 7.2 PRESIDENT

The President shall preside at all Meetings of the Membership and meetings of the Board of Directors, and shall enforce observance of the provisions of the Declaration, these By-Laws and all Master Association Rules and Regulations. The President may call Special Meetings of the Board, and shall be an ex-officio member of the Finance and Membership Committees. The President is empowered to execute all documents, and to delegate another member of the Board to execute any and all documents, requiring execution in the name of the Master Association, subject to the Board's exercise of its powers pursuant to Article VI above. Except as otherwise provided herein, the President shall appoint committee chairs (except as otherwise specified herein), and have the power to set the agenda at Board meetings and at the Annual Meeting.

Section 7.3 VICE-PRESIDENTS

The Vice-Presidents shall assist the President in the President's duties; and in the absence or disability of the President, the First Vice-President shall perform and carry out all duties and responsibilities of the President. The Vice-Presidents shall exercise other duties as prescribed by the Board of Directors.

Section 7.4 SECRETARY

The Secretary shall keep, or cause to be kept, records and minutes of all meetings of the Board and meetings of the Membership, and shall be responsible for giving all required notices of meetings. The Secretary shall have custody of the seal of the Master Association, and all Membership records shall be kept under the Secretary's supervision.

Section 7.5 TREASURER

The Treasurer shall chair the Finance Committee. The Treasurer shall cause to be collected, held and disbursed, under the direction of the Board, all monies of the Master Association; and it shall be the Treasurer's duty to cause collection of all monies due to the Master Association. The Treasurer shall keep or cause to be kept, at the Master Association, regular books of account and all financial records of the Master Association, and shall prepare or cause to be prepared budgets and financial statements, when and in the form requested by the Board. The Treasurer and/or the Treasurer's designee shall deposit or cause to be deposited all monies of the Master Association in an account or accounts in the Master Association's name, in the bank or banks designated by the Board. In the absence or disability of the Secretary, the Treasurer shall serve as Secretary, and shall perform and carry out all duties and responsibilities of the Secretary.

Section 7.6 OTHER OFFICERS

The Board of Directors may appoint additional officers and assign their duties.

Section 7.7 DUTIES OF OFFICERS

The Officers of the Master Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

Section 7.8 RESIGNATION.

Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified in the notice, and the acceptance of the resignation shall not be necessary to make it effective.

ARTICLE VIII COMMITTEES

Section 8.1 STANDING COMMITTEES

The Board of Directors will establish and (except as specified in Section 8.6 below with respect to the GCAC Initial Term) appoint the members of the following Standing Committees:

- a. Architectural Review;
- b. Audit;
- c. Finance;
- d. General Common Areas;
- e. Grievance;
- f. Hearing;
- g. Leadership Development;
- h. Legal; and
- i. Membership.

All Committees will act in an advisory capacity to the Board of Directors and will have no independent authority, except as specifically provided in the Declaration and these By-Laws.

Section 8.2 APPOINTMENT OF CHAIR AND COMMITTEE MEMBERS

No more than thirty (30) days after the annual meeting of the Board of Directors, the President shall, subject to the provisions of these By-Laws, designate a chair of each of the following Standing Committees: Audit; Grievance; Hearing; Legal; and Membership. The chairs of these committees shall designate the members of their committees, subject to the advice and consent of the Board. The chairs of all other Standing Committees shall be determined by election among the members of the committee, who shall be appointed by the Board, unless otherwise specified in these By-Laws. All Committee Members shall be Members or Entity Member Designated Users.

Section 8.3 ARCHITECTURAL REVIEW COMMITTEE.

The Architectural Review Committee shall be established and have such powers and responsibilities as provided in the Declaration.

Section 8.4 AUDIT COMMITTEE

The Audit Committee shall consist of three (3) non-Board members, including the chair, plus one (1) member selected annually from the Board. Except for the Board member, each Audit Committee Member shall be appointed to serve for a term of three (3) years. The duties of the Audit Committee shall be to:

- a. recommend to the Board the particular persons or firm to be employed by the Master Association as its independent auditors;
- b. consult with the persons or firm so chosen to be the independent auditors with regard to the plan of audit, which audit shall be performed annually;
- c. review, in consultation with the independent auditors, their report of audit, or proposed report of audit, and the accompanying Management letter, if any; and
- d. consult with the independent auditors (periodically, as appropriate, out of the presence of management) with regard to the adequacy of internal controls.

Section 8.5 FINANCE COMMITTEE

The Finance Committee shall be chaired by the Treasurer pursuant to Section 7.5 of these By-Laws. The Finance Committee shall review all matters pertaining to the Master Association's finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the Budget, the preparation of the current reports for the Board on the Master Association's financial condition, and the issuance to Members of such financial statements as required by Florida Statutes. The Finance Committee shall report to the Board from time to time with respect to the Master Association's finances. The account books and vouchers shall at all times be open to the inspection of any member of the Board.

Section 8.6 GENERAL COMMON AREAS COMMITTEE

The GCAC shall initially, and until the end of the GCAC Initial Term, consist of the nine (9) Former ARMPOA Board members. After the GCAC Initial Term, all members of the GCAC will be appointed by the Board of Directors. One member of the GCAC shall be elected by the members of the GCAC to serve as the chair for one (1) year or until such chair's successor is elected. The GCAC shall (i) oversee the maintenance of the Common Areas, exclusive of the Recreational Facilities; (ii) oversee all matters of traffic and Community safety, including security, gate operations and roadway safety; (iii) provide recommendations to the Board of Directors on matters impacting the Common Areas, exclusive of the Recreational Facilities; (iv) oversee the Common Area manager, assistant manager, staff and vendors until the end of the GCAC Initial Term, (v) oversee the projects directly related to the Common Areas, other than the Recreational Facilities, included in the Common Areas Budget, and (vi) perform such additional duties as may be delegated by the Board of Directors from time to time. If any ~~Former ARMPOA Board~~ member resigns from, or is unable to continue to serve on the GCAC, the remaining members of the GCAC shall replace such member until the end of the GCAC Initial Term. Actions of the GCAC shall be ratified by the Board of Directors unless such recommendations are contrary to these By-Laws, the Declaration or applicable law or are not consistent with the then-current Common Area Budget. Notwithstanding anything to the contrary herein, this Section 8.6 may not be amended prior to the end of the GCAC Initial Term unless consented to in writing by a majority of the members of the GCAC and approved by the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units.

Section 8.7 GRIEVANCE COMMITTEE

The Grievance Committee shall, upon receipt of a written complaint submitted by a Member or Entity Member Designated User, the board of a Village Association, the General Manager/Chief Executive Officer, or when so instructed by the Board, investigate any allegation of improper conduct or conduct likely to endanger the welfare, safety, harmony or good reputation of the Master Association or its Members, or any alleged violation of the Master Association Documents, the Village Association Documents or any other agreement, document, or instrument affecting the Property, by a Member, Immediate Family, Designated User, ~~guest or invitee~~ of a Member. The Grievance Committee shall have the authority to recommend to the Board discipline of such Member, Immediate Family, Designated User, guest or invitee (any of such persons, the "Respondent") by censure, fine, suspension of some or all Membership privileges, and/or such other remedial action as may be appropriate for any such ~~misconduct~~ or violation. Such investigation shall be conducted by the Grievance Committee promptly after the grievance is submitted, and in accordance with rules of procedure ~~approved~~ by the Board for the conduct of such investigations. The Grievance Committee shall consist of at least five (5) Members or Entity Member Designated Users, including the chair, who preferably shall be an experienced attorney. Board members and their Immediate Families ~~shall~~ not be eligible to serve on the Grievance Committee.

Section 8.8 HEARING COMMITTEE

The Hearing Committee shall consist of at least three (3) Members or Entity Member Designated Users, including the chair, who are appointed by the Board and who are not members

of the Grievance Committee, Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director or employee. The Hearing Committee shall provide a Respondent to a grievance who requests a hearing with an opportunity for a hearing with respect to a fine or suspension proposed to be levied against that Respondent by the Board. The number of Committee Members, their qualifications, and the role of the Hearing Committee are and will be subject to Florida Statutes, Section 720.305, as the same may be amended from time to time. The role of the Hearing Committee is limited to determining whether to confirm or reject the fine or suspension proposed to be levied by the Board.

Section 8.9 LEADERSHIP DEVELOPMENT COMMITTEE

The Leadership Development Committee shall consist of seven (7) Members or Entity Member Designated Users, of whom none may be from the Board. A member of the Leadership Development Committee, or any Immediate Family of such member, may not be nominated as a candidate for election to the Board of Directors.

- a. The Leadership Development Committee shall seek, throughout the Fiscal Year, to encourage Members and Entity Member Designated Users to become involved in governance and leadership matters within the Master Association, and shall seek to identify potential candidates for positions on committees and on the Board.
- b. The Leadership Development Committee shall use its best efforts to nominate sufficient candidates to have at least two (2), but no more than three (3), times the number of Directors to be elected to the Board at the next Annual Meeting.
- c. The Leadership Development Committee shall provide the list of nominees to the Secretary at least fifty (50) days prior to the Annual Meeting; all prospective candidates will be informed at that time as to whether or not they were nominated by the Committee.
- d. Any Member or Entity Member Designated User who (i) declares his or her desire to serve on the Board of Directors, (ii) submits a resume or other information form as may be requested by the Master Association for inclusion in candidate information materials, and (iii) agrees to a background check to determine eligibility for serving on the Board of Directors, will be included as a candidate provided the person meets the eligibility criteria for serving on the Board of Directors as outlined in Section 4.1 hereof. All applicable materials for self-nomination must be submitted to the Master Association no later than ten (10) days after the Leadership Development Committee has made its nominations. Persons who are or were members of the then-current Leadership Development Committee or spouses of such members shall not be eligible to self-nominate. The nominees nominated by the Leadership Development Committee, as well as any qualified persons timely self-nominated, will be included on any ballot mailed to the Members of the Master Association

and posted on the official bulletin boards of the Master Association. All communications to the Members with respect to nominees will be standardized. All communications to inform Members of the qualifications of nominees, whether nominated by the Leadership Development Committee or self-nominated, will be mailed at the same time and shall not contain information as to whether such nominee was nominated by the Leadership Development Committee or self-nominated. All candidates, whether ~~nominated~~ by the Leadership Development Committee or self-nominated, will be entitled to participate in any "Meet the Candidates" meetings or similar activities.

- e. The Leadership Development Committee is charged with the responsibility of ~~conducting~~ the election proceedings.

Section 8.10 LEGAL COMMITTEE

The Legal Committee shall advise the Board with regard to the publication, modification, and interpretation of the By-Laws, the Declaration, Master Association rules and regulations, and all other matters of a legal nature pertaining to the Master Association. The Legal Committee shall be chaired by an experienced attorney. Board members shall not be eligible to serve on the Legal Committee.

Section 8.11 MEMBERSHIP COMMITTEE

The Membership Committee shall review (i) Applications for Membership to determine whether the requirements to become a Member or Designated User have been met, and (ii) applications of Members desiring to lease their Lots, and shall provide recommendations to the Board of Directors regarding approval of same. The Membership Committee shall also examine all Membership-related issues as requested by the Board, and shall submit reports and recommendations thereon.

Section 8.12 EXECUTIVE ADVISORY COMMITTEE

The President may appoint an Executive Advisory Committee, which shall consist of no more than four (4) Directors, one of whom shall be the President. The General Manager/Chief Executive Officer shall be invited to all ~~meetings~~ of the Executive Advisory Committee, except for those portions of such meetings where the President deems it necessary or appropriate to meet without the General Manager/Chief Executive Officer. The function of the Executive Advisory Committee shall be to assist the President in setting the agenda for Board meetings by reviewing and vetting issues of importance to the Master Association. The Executive Advisory Committee is not authorized to ~~exercise~~ any powers on behalf of the Master Association, or to take any action to carry out the purposes of the Master Association as set forth in these By-Laws. Meetings of the Executive Advisory Committee shall not be subject to the provisions of Section 5.3 of these By-Laws.

Section 8.13 AD HOC COMMITTEES

The Board may, from time to time, appoint ad hoc Committees and/or task forces and determine the powers and composition thereof. Any Standing Committee may appoint subcommittees and/or ad hoc task forces and determine the powers and composition thereof.

Section 8.14 TERMS OF COMMITTEE CHAIRS AND MEMBERS

Each Committee chair, and each member of a Committee, shall serve at the pleasure of the Board, which may remove a Committee chair or Committee Member at any time and for any reason, except where: (i) a Committee Member's term is specified in these By-Laws, (ii) the members or chair of a Committee are specified in these By-Laws, or (iii) the chair of the Committee is to be elected by the members of the Committee, in any of which cases ((i), (ii), or (iii)) a Committee Member or chair may only be removed by the Board for cause. Upon the Board's announcement to the Members of ~~the members of any~~ new Committee, those Committee Members intentionally not named in such announcement and not having terms specified in these By-Laws will be deemed to have been removed from their Committee memberships by the Board.

ARTICLE IX MEMBERSHIPS

Section 9.1 CATEGORIES OF MEMBERSHIP

The Master Association currently offers two (2) categories of Membership: Golf Membership and Sports Membership. In addition, the Master Association previously offered Social Membership. Membership permits the owner of a Lot to use the Recreational Facilities in accordance with the category of Membership acquired and to Vote on matters affecting the Master Association, all as provided in the Declaration, the Articles and these By-Laws. Only one Membership shall be issued for each Lot. The maximum number of Memberships to be issued in the Master Association, in each current category of Membership, is set forth below:

<u>Category</u>	<u>Number of Memberships</u>
Golf Memberships	565
Sports Memberships	151
Social Membership	1

Social Memberships are no longer offered in the Master Association. Only one (1) Social Membership remains and such Membership will be retired, and not reissued, upon resignation. At such time, the maximum number of Sports Memberships shall be increased by one (1).

Section 9.2 ELIGIBILITY FOR MEMBERSHIP

- a. In accordance with the requirements of the zoning approval from Palm Beach County, each Owner within the Community is required to own and maintain a Membership for each Lot owned. Each Member must own a Lot. Memberships shall be issued only to Owners. There may be no more than one Member per Membership Unit, except that two natural persons may each be a Member in the same Membership Unit if they customarily reside together and either (i) each owns an equity interest in the Lot, or (ii) one is the sole equity Owner and the other is married to such Owner. Immediate Family and Designated Users are entitled to use the Recreational Facilities on the same basis as the Members, provided that such use shall not circumvent the Master Association's policies, and provided further that the Board of Directors may establish policies (either generally or on an event-by-event basis) with respect to Designated User and Immediate Family participation in Master Association events.
- b. A purchaser of a Lot must arrange to acquire the selling Member's Membership, unless the purchaser desires another available category of Membership and there is a Member on the waiting list who will acquire the seller's Membership. In such case the purchaser may acquire a different category of Membership that is available. A purchaser must maintain Membership for so long as such Member owns the Lot. Membership must be applied for prior to closing on the purchase of the Lot and be acquired upon closing on the purchase of the Lot. All Membership transfers must take place through the Master Association.

Section 9.3 APPLICATION FOR MEMBERSHIP

Each applicant must mail or deliver to the Master Association an Application for Membership promptly upon execution of a contract to purchase a Lot. The Application for Membership must be completed in full and must be accompanied by a check in the amount of the designated fees required to accompany such Application, ~~as determined~~ from time to time by the Board. After receiving the Application, other relevant materials and the designated fees, the Board will determine whether the applicant has satisfied the requirements for Membership. If the applicant has satisfied those requirements, the applicant will be notified in writing that the Application has been acted upon favorably, and advised as to the amount of any additional fees required to be paid at the time of settlement on the purchase of a Lot. Upon approval for Membership, the applicant shall be deemed to have agreed to be bound by the terms and conditions of the Declaration, these By-Laws, the Rules and Regulations, other Master Association documents, and the rules, regulations, by-laws, and declaration of the Village where the applicant's Lot is located, as the same may be amended from time to time.

Section 9.4 **TRANSFERS, CHANGES AND RESIGNATIONS OF MEMBERSHIPS**

- a. Transfer of Memberships – General. A Membership may only be transferred through the Master Association. A Member who transfers his, her, or its Membership will be responsible for payment of all Assessments, Club Charges, and other fees and charges of the Master Association and the Village in which the Member's Lot is located ~~until such time~~ as the transfer of said Membership is completed by the Master Association. Repayment of the Recreational Facilities Membership Contribution and any refund(s) are governed by Section 9.4.d hereof.

- b. Change of Membership Category. Members may ~~change to~~ a different category of Membership if available. The Master Association shall maintain a waiting list of Members who desire ~~to acquire each~~ category of Membership.

Available changes of Memberships will be offered on a first-come, first-served basis. Members desiring to change their Membership category (each a "Changing Member") must give the Master Association written notice of their desire to be on a waiting list for a specific category of Membership, and follow the deposit payment policies established by the Master Association from time to time. A Changing Member must notify the Master Association of such Changing Member's acceptance of an available change and make any payment due within thirty (30) days of receipt of notice of availability from the Master Association, or forfeit the right to such change and be removed from the waiting list. A change of Membership category may not occur unless and until there is a Changing Member in the other Membership category to complete the change.

If the change is to a Membership with a higher current Recreational Facilities Membership Contribution, the Changing Member must pay to the Master Association the difference ~~between the then-current~~ Recreational Facilities Membership Contributions of the two categories of Membership. If the change is to a Membership with a lower current Recreational Facilities Membership Contribution, ~~the~~ Changing Member will receive from the Master Association such ~~amount~~ as may be specified by Board policy.

The Master Association reserves the right to disapprove any attempt to evade the provisions of these By-Laws relating ~~to waiting lists~~.

- c. Transfer Upon Resale. A Member shall arrange for ~~the Master~~ Association to reissue such Member's Membership to the subsequent purchaser of such Member's Lot upon payment of the ~~then-current~~ Recreational Facilities Membership Contribution and all other Assessments, Club Charges, and other fees, including (but not limited to) any fees or charges

levied by the Village where the Lot is located. The transfer of a Membership which is associated with the transfer of a Lot to a purchaser by the Master Association is not subject to any waiting list. This type of transfer must occur simultaneously with the closing of the resale of a Lot. The purchaser of a selling Member's Lot is required to acquire and maintain a Membership. Title to Membership must be held in the same name as title to the Lot for which the Membership is being acquired, and the Recreational Facilities Certificate will be issued consistent with same.

The procedure for a transfer of Membership to the purchaser of the Member's Lot shall be as follows:

- (i) The selling Member must submit a resignation in ~~writing stating:~~ (a) that such Member is selling such Member's Lot, and (b) that the resignation shall become effective upon (1) the closing of title, (2) the receipt of the purchaser's Application for Membership, and (3) receipt of all amounts due to the Master Association and the Village in which the Lot is located from the selling Member, including amounts due as a result of the transfer. In addition, the selling Member must provide to the Master Association a copy of the executed contract for the sale of the Lot;
- (ii) The purchaser must submit an Application for Membership and payment in full in good funds on or before the closing;
- (iii) Upon the resignation becoming effective, as hereinabove provided, the selling Member shall deliver to the Secretary of the Master Association such Member's Recreational Facilities Certificate; and
- (iv) The Membership Contributions to be paid to the Master Association by such purchaser shall be the amounts of the Recreational Facilities Membership Contribution and the Common Area Membership Contribution as of the date of ~~closing on the~~ purchase of the Lot. After the purchaser has become a Member, and upon the Master Association's receipt of the purchaser's Membership Contributions and all other fees required to ~~acquire~~ the Membership, including (but not limited to) all amounts payable to the Village where the Lot is located, the Master Association shall promptly remit to the selling Member the amount due as provided in Section 9.4.d hereof. As soon as practicable thereafter, the Secretary of the Master Association shall ~~cancel the~~ Recreational Facilities Certificate of the selling Member and issue a new Recreational Facilities Certificate to the purchaser. ~~Purchase~~ of a resigned Membership is contingent upon closing of the ~~resale~~ of a Lot.

- (v) Notwithstanding the foregoing, the purchaser of the Lot owned by the sole remaining Social Membership shall acquire a Sports Membership, unless the purchaser requests a Golf Membership and the Board determines that a Golf Membership is available. The Membership shall be issued pursuant to Section 9.1 hereof.
- d. Repayment to Selling Member. The amount of the Recreational Facilities Membership Contribution to be repaid to a selling Member for the Membership shall depend upon the acquisition date of such Membership as determined by these By-Laws as follows.
- (i) With respect to Members who acquired or applied for equity memberships in the Former Club prior to April 1, 2006, the repayment shall be eighty (80%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (ii) With respect to Members who acquired or applied for equity memberships in the Former Club on or after April 1, 2006, but prior to May 1, 2010, the repayment shall be seventy (70%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (iii) With respect to Members who acquired equity memberships in the Former Club on or after May 1, 2010 (and not applied for prior to such date), the repayment shall be fifty (50%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (iv) With respect to Members who acquired Memberships on or after the Effective Date, the repayment shall be fifty (50%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (v) The foregoing notwithstanding, in no event shall the repayment hereunder, when combined with any amount received by the Member in connection with a change to a different category of Membership pursuant to Section 9.4.b or Section 9.4.c of these By-Laws, exceed the amount that the Member would have received under this Section 9.4.d if the Member had not changed categories of Membership.

- (vi) The portion of the Recreational Facilities Membership Contribution retained by the Master Association as Resale Income shall be deposited into the Recreational Facilities Special Reserve Fund, as set forth in Article XIII of these By-Laws. In addition, a Member who resigns a Membership upon sale of a Lot will be entitled to a refund on a pro rata basis of any dues paid in advance for the Fiscal Year in which the sale occurs. The Master Association will deduct from the amount of the dues refund to be paid to such selling Member any amount(s) which such Member then owes to the Master Association or to the Village in which the Lot is located, and which has not been paid under any other provision hereof.
 - (vii) In any event, the repayment to a selling Member under this subsection shall be reduced by any amount then owed to the Master Association or to the Village in which the Lot is located, including (but not limited to) sums due under Section 14.1 hereof and not paid under any other provision hereof. The amount of any such reduction shall be allocated to the same accounts as the charges giving rise to the reduction.
- c. Transfer of Membership to New Lot. Notwithstanding the provisions of Section 9.4 of these By-Laws:
 - (i) In the event a Member purchases a Lot while owning another Lot, said Member must acquire the Membership associated with the newly purchased Lot, resulting in the Member's holding two Memberships. If one of the Lots is associated with a Golf Membership and one of the Lots is associated with a Sports Membership, the Member, by written notice to the Association, may change the Membership associated with each Lot. Upon the subsequent sale of one of the two (2) Lots, within a period not longer than twenty-four (24) months after purchase of the second Lot, and the resignation of one of the two (2) Memberships at the time of such sale, said Member shall: (x) if the two (2) Memberships are of the same category, be entitled to receive repayment from the Master Association at one hundred percent (100%) of the then-current amount of the Membership Contributions (exclusive of any initiation fee) for that category of Membership; or (y) if the two (2) Memberships are not of the same category, either pay to the Master Association or be entitled to receive an amount from the Master Association, as if the Member had changed categories of Membership, in accordance with Section 9.4.b of these By-Laws. During the period of ownership of two (2) Memberships, the Member shall be obligated to meet all of the obligations of both Memberships including, but not limited to, all Assessments.

- (ii) In the event a Member plans to sell a Lot and, on or before the closing date of such sale gives written notice to the Master Association of the Member's intention to purchase another Lot, the Master Association will not repay the applicable portion of the Recreational Facilities Membership Contribution at the time the Member sells the Lot, but instead shall hold the entire Recreational Facilities Membership Contribution for a period, not longer than twenty-four (24) months from the date of closing of the initial sale transaction (except that the Board may, on a case-by-case basis, extend such period for up to an additional six (6) months), until the former Member purchases another Lot. Upon the former Member's purchase of another Lot, and upon the former Member's readmission to the Master Association pursuant to the Master Association's ordinary procedures, the Member shall: (x) if the new and former Memberships are of the same category, be entitled to admission to the Master Association without payment of any additional Membership Contributions; or (y) if the two Memberships are not of the same category, either pay to the Master Association or be entitled to receive an amount from the Master Association, as if the Member had changed categories of Membership, in accordance with Section 9.4.b of these By-Laws. The returning Member shall not be required to pay any Membership Contributions on readmission, except to the extent an additional Recreational Facilities Membership Contribution is required by (y) above for a change of Membership category, and shall succeed to the rights of the former Membership with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws. During the period until readmission to the Master Association, said former Member will not be considered a Member and will not be entitled to any access to or use of the Recreational Facilities, except as a guest of a Member or as a tenant subject to the Master Association's Rules and Regulations. If the former Member does not purchase another Lot within the 24-month period (or the extended period specified herein), or if the former Member gives written notice to the Master Association prior to the conclusion of the 24-month period (or the extended period specified herein) that the Member's intention has changed and the Member is revoking the above-referenced notice, the Master Association shall promptly thereafter repay to the former Member the applicable portion of the Recreational Facilities Membership Contribution as stated in this Section 9.4.

- f. Other Transfers. A Membership may be transferred from a Member or Members who are natural persons, or from an Entity Member, to an entity

or to a natural person or persons, provided that, in any of such cases, the transferee Person(s) or entity owns the Lot, and the transfer has a bona fide purpose as determined by the Board (for example, a bona fide family or estate planning purpose), other than a purpose relating to transfer of the Membership or one relating to purchase of the Lot for consideration. A Member whose Membership is obtained by transfer pursuant to this Section 9.4.f shall not be required to pay any Membership Contributions, and shall succeed to the rights of the transferor Member with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws.

Section 9.5 TRANSFER OF MEMBERSHIP UPON DEATH

Upon the death of a Member, the person or persons entitled to ownership of the Member's Lot (through operation of law, implementation of a will or trust, or otherwise) shall apply for Membership, unless such person (such as a surviving spouse) is already a Member. In order for such person or persons to be admitted to Membership, they shall be required to pay all Assessments, Club Charges, and other fees and charges owed to the Master Association and assessments, fees and other charges owed to the Village in which the Lot is located, including those (to the extent previously unpaid) for the intervening period between the deceased Member's, or the estate of such Member's, last payment and the admission date of the new Member(s). A Member whose Membership is obtained pursuant to this Section 9.5 shall not be required to pay any Membership Contributions, and shall succeed to the rights of the deceased Member with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws.

Section 9.6 TRANSFER OF MEMBERSHIP UPON DIVORCE

In the event married Members become legally separated or divorced, the Membership, including all rights and benefits given to the holder thereof, shall vest in the spouse awarded the Lot, either by the separation agreement or the divorce decree. Each of the divorced or legally separated persons shall give written notice to the Master Association immediately after such divorce or legal separation, designating the person who is entitled to the rights and privileges of the Membership, based upon their agreement or the applicable court decree. Until such written notice has been provided to the Master Association, both such persons (if Members) shall remain responsible for the payment of all Assessments, Club Charges and other fees associated with such Membership. The person designated as the Member shall be responsible for all Assessments, Club Charges and other fees and charges owed to the Master Association and assessments, fees and other charges owed to the Village in which the Lot is located incurred subsequent to providing such written notice to the Master Association. If such person was not previously a Member, such person shall submit an Application for Membership to the Master Association. A Member whose Membership is obtained pursuant to this Section 9.6 shall not be required to pay any Membership Contributions, and shall succeed to the rights of the Member to whom such Member was previously married with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws.

Section 9.7 RECREATIONAL FACILITIES CERTIFICATES

Every Member who paid the required Recreational Facilities Membership Contribution will be entitled to receive a Recreational Facilities Certificate. Each Recreational Facilities Certificate shall be in a form approved by the Board of Directors and will state that the Membership is issued subject to these By-Laws as they now are or may be amended and shall be subscribed by the President and Secretary and under the seal of the Master Association. Recreational Facilities Certificates are not redeemable or transferable except as specifically provided by these By-Laws and then only through the Treasurer of the Master Association. Upon the resignation of a Member, the Member will surrender the associated Recreational Facilities Certificate; provided, however, in the event a Member has lost the Recreational Facilities Certificate or the Recreational Facilities Certificate has been destroyed, such Member may deliver an affidavit and indemnity agreement in such form as the Master Association shall require in lieu of providing such Recreational Facilities Certificate. Whenever any Member shall cease to be a Member for any reason, such cessation will operate to authorize the Treasurer of the Master Association to effectuate the redemption, cancellation, purchase or sale of the Recreational Facilities Certificate of such Member in accordance with and in the manner prescribed by these By-Laws.

ARTICLE X RECREATIONAL FACILITIES USE PRIVILEGES

Section 10.1 GOLF MEMBERSHIP

A Golf Membership entitles the Golf Member to use all of Recreational Facilities. Golf Members will not be charged greens fees or court fees for use of the golf or tennis facilities, but are required to pay golf cart fees or annual trail fees.

Section 10.2 SPORTS MEMBERSHIP

A Sports Membership entitles the Sports Member to use all of the Recreational Facilities, with limitations relating to golf as set forth herein. Sports Members will not be charged court fees for use of the tennis facilities. Each Sports Member shall be entitled to use the golf facilities up to six (6) times from November 1st through April 30th, subject to payment of applicable greens fees and golf cart fees. Sports Members are entitled to unlimited use of golf facilities from May 1st through October 31st, subject to payment of applicable golf cart fees.

Section 10.3 SOCIAL MEMBERSHIP

To the extent any Social Membership remains issued, the remaining Social Membership entitles the Member to use of the swimming, social and locker facilities of the Master Association. The Social Member may only use the golf course, golf practice facilities, tennis facilities, or fitness facilities of the Master Association (i) one day per month during the Off-Season upon the payment of the guest fee charged to guests of Members, and (ii) as a day guest of a Member with privileges to use those facilities and subject to all applicable guest limitations and fees. Upon the sale of the Social Member's Lot, the Social Membership will be retired and

the purchaser will be required to purchase a Golf Membership or a Sports Membership, subject to availability.

Section 10.4 IMMEDIATE FAMILY

A Membership entitles the Member and the Immediate Family to use the Recreational Facilities in accordance with the Member's category of Membership, these By-Laws and the Rules and Regulations.

Section 10.5 GUESTS

Members may invite guests to use the Recreational Facilities upon payment of the applicable guest charges and in accordance with the Members' category of Membership. Guest use shall be in compliance with the Rules and Regulations and these By-Laws, which may include restrictions on the number of guests a Member may sponsor and the number of times a guest may use all or certain of the Recreational Facilities. The Master Association reserves the right to limit the number of guests that accompany a Member on any given day. Guest privileges relating to all Members may be denied, withdrawn, modified or revoked at any time for reasons considered sufficient by the Board in its sole and absolute discretion. Guest privileges relating to any particular Member may be denied, withdrawn, modified or revoked at any time for reasons considered sufficient by the Board, provided that, prior to taking any such action, the Board provides notice of its intent to the affected Member and the reason for such action via registered or certified mail or via hand delivery, and gives such Member thirty (30) days from the date of receipt of such notice within which to request a hearing before the Hearing Committee regarding the proposed disciplinary action.

Section 10.6 RULES AND POLICIES

The Master Association reserves the right, from time to time, to modify the privileges of Membership, including but not limited to, establishing or modifying reservation privileges or systems, modifying or adopting rules and policies governing access, priority, sign-up privileges and starting time access, and availability of unreserved tee times on the day of play with respect to the golf course and/or golf practice facilities, the tennis courts, the fitness center and any other Recreational Facilities or activities of the Master Association that exist from time to time.

ARTICLE XI LEASING OF LOT

A Member may designate one or more tenants to lease such Member's Lot in accordance with the procedures specified in the Declaration. A Member who has complied with such procedures may seek Designated User status from the Board for the Member's tenant(s). A tenant who is designated as the Designated User of the Member's Membership is entitled, upon payment of all required charges and fees, to the Member's privileges to use the Recreational Facilities, subject to any maximum leasing term limitations as may be provided in the Rules and Regulations or in Section 12.19 of the Declaration. The Member shall not be permitted to use the Recreational Facilities during the period of time that the Member's tenant is a Designated User, except as a guest and then subject to all Rules and Regulations applicable to guests.

Members are responsible for all charges incurred by their tenants which remain unpaid after the customary billing and collection procedure of the Master Association, and for the deportment of each tenant.

A tenant who has previously been granted Designated User privileges as a tenant within any two (2) consecutive Fiscal Years will not be granted any further Designated User privileges; provided, however, that the Board shall have discretion, on a case-by-case basis, not to apply this limitation to a tenant who is a spouse, a former spouse, a parent, a child, a child-in-law, a sibling, or a sibling-in-law of a Member (or, in the case of an Entity Member, of the majority beneficial owner(s) of the Entity Member), or in extraordinary circumstances upon good cause shown.

ARTICLE XII BUDGETS AND RESERVES

Section 12.1 BUDGETS

- a. Pursuant to Section 10.3 of the Declaration, it shall be the duty of the Board of Directors annually to prepare or cause to be prepared the Budget covering the estimated Common Expenses of the Master Association during the coming year, exclusive of the revenue and expenses set forth in the Recreational Facilities Budget ("Common Area Budget"). The Common Area Budget shall be used to determine the amount of the Common Assessments for the coming year. The Common Assessments shall (i) exclude any Recreational Facilities Assessments, which shall be determined based on the Recreational Facilities Budget; and (ii) be allocated equally among all Members on a per Lot basis.
- b. In addition to the Common Area Budget, pursuant to Section 10.4 of the Declaration, it shall be the duty of the Board annually to prepare a separate budget covering the estimated revenue to be generated by, and the expenses relating to, the ownership, operation, maintenance, improvement and management of the Recreational Facilities for the coming year (the "Recreational Facilities Budget"). The Recreational Facilities Budget shall be used by the Board to establish the amount of the Recreational Facilities Assessments for the coming year. The Recreational Facilities Assessments shall be allocated to the Members in the manner provided in these By-Laws.
- c. Pursuant to the Declaration, at least thirty (30) days prior to the beginning of each Fiscal Year the Common Area Budget and the Recreational Facilities Budget shall be completed and delivered to the Members by the Board of Directors.
- d. Pursuant to the Declaration, in addition to the Common Assessments and the Recreational Facilities Assessments, the Master Association may also assess and collect Special Assessments (as specifically authorized in the

Declaration and these By-Laws) and Compliance Assessments (as specifically authorized in the Declaration and these By-Laws).

- c. In determining the Common Area Budget and the Recreational Facilities Budget, the Board of Directors shall allocate expenses between the two (2) budgets consistent with the practices of the Master Association and the Former Club prior to the Effective Date so that neither the Common Area Budget nor the Recreational Facilities Budget includes expenses not reasonably related to same. For clarity, expenses for the Recreational Facilities, including, without limitation, insurance, taxes and maintenance relating to the Recreational Facilities, will be included in the Recreational Facilities Budget.

Section 12.2 RESERVES

- a. The Common Area Budget shall include an allocation of Common Assessments for a reserve for Common Areas, exclusive of the Recreational Facilities (the "Common Area Reserve"). In addition, a separate reserve for the Recreational Facilities shall be included in the Recreational Facilities Budget and such reserve shall be funded from Recreational Facilities Assessments, as provided herein.
- b. Reserve funds of the Master Association in existence on the Effective Date shall not be used for the Recreational Facilities, but may only be used for purposes for which they were originally created. Similarly, reserve funds (including capital assessments, the Recreational Facilities Minimum Capital Reserve Fund and the Recreational Facilities Special Reserve Fund) established by the Former Club prior to the Effective Date shall only be used for the Recreational Facilities and shall be deposited in the applicable Recreational Facilities Capital Reserve Fund.

ARTICLE XIII

ASSESSMENTS, CHARGES, CAPITAL EXPENDITURES AND BORROWING

Section 13.1 COMMON AREA ASSESSMENTS AND CAPITAL EXPENDITURES

- a. Based on the Common Area Budget, the Board will determine the Common Assessments for the upcoming year. The Common Assessments shall (i) exclude any Recreational Facilities Assessments, and (ii) be assessed and collected in the manner set forth in the Declaration.
- b. Amounts required for capital expenditures for the material addition, alteration or improvement (as contrasted with the expenses for maintenance, repairs and replacement) of the Common Areas (exclusive of the Recreational Facilities) shall be subject to the following limitations:

- (i) Absent the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units, no more than five percent (5%) of the Common Area Budget, including operating expenses and reserves, for the applicable Fiscal Year may be expended for one capital project.
 - (ii) Absent the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units, no more than ten percent (10%) of the Common Area Budget, including operating expenses and reserves, for the applicable Fiscal Year may be expended for capital projects in any Fiscal Year.
 - (iii) Additions, alterations and improvements to the Common Areas (exclusive of the Recreational Facilities) costing less than the five percent (5%) or ten percent (10%) thresholds above may be approved by the Board without Member approval.
- c. Capital expenditures (i) for the maintenance, repair and replacement of the Common Areas (exclusive of the Recreational Facilities); (ii) for additions, alterations or improvements of the Common Areas which are not material, or (iii) for infrastructure required by a governmental agency, including the South Florida Water Management District, do not require a vote of the Members and are not subject to the limitations described in Section 13.1.b. above. In no event shall repairs or reconstruction as provided in Section 6.5 of the Declaration require a Vote of the Members.
- d. Capital expenditures for the Common Areas (exclusive of the Recreational Facilities) may be funded from Common Assessments, Special Assessments or the Common Area Reserve in the discretion of the Board of Directors and information on the source of such funding shall be provided to Members in connection with any Vote required for capital expenditures described in Section 13.1.b. above.

Section 13.2 RECREATIONAL FACILITIES ASSESSMENTS

Based on the Recreational Facilities Budget, among other things, the Board shall determine the amount of the Recreational Facilities Assessments for each year. The Recreational Facilities Assessments shall be determined and collected in the manner described in these By-Laws.

Section 13.3 RECREATIONAL FACILITIES MEMBERSHIP CONTRIBUTIONS

The Board shall determine the amount of the Recreational Facilities Membership ~~Contribution~~ required to be paid by a Member in order to acquire the applicable category of Membership obtained by a Member on the acquisition of a Lot. The Recreational Facilities Membership Contributions shall be the sole source of funds for repayments required to be made to Members on the sale of Lots and reissuance of their Memberships by the Master Association,

as provided herein. The portion of the Recreational Facilities Membership Contributions retained by the Master Association as Resale Income will be deposited in the Recreational Facilities Special Reserve Fund.

Section 13.4 RECREATIONAL FACILITIES DUES ASSESSMENTS

Based on the Recreational Facilities Budget, the Board shall determine the amount to be charged to enable the Master Association to cover the costs of owning, operating, maintaining and repairing the Recreational Facilities (the "Recreational Facilities Dues Assessments"). Each Sports Member's Recreational Facilities Dues Assessments shall be equal to seventy percent (70%) of the Recreational Facilities Dues Assessments required to be paid by each Golf Member; ~~and the Social Member's Recreational Facilities Dues Assessments, if any, shall be equal to fifty-five percent (55%) of the Recreational Facilities Dues Assessments required to be paid by each Golf Member.~~ The Recreational Facilities Dues Assessments shall be due on or before ~~October 1st of each year~~ for the following Fiscal Year or at such other times as may be determined by the Board. In addition, if and to the extent that the Master Association incurs operating deficits related to the Recreational Facilities, the Master Association may impose additional Recreational Facilities Dues Assessments to cover such deficits, as determined by the Board from time to time. In the event that the Board determines that an operating surplus related to the Recreational Facilities exists (or is likely to exist) for a Fiscal Year, the Board will determine if such operating surplus will be credited towards the then-current or next Fiscal Year's Recreational Facilities Dues Assessments or to be placed in the Recreational Facilities Special Reserve Fund.

Section 13.5 RECREATIONAL FACILITIES CAPITAL ASSESSMENTS AND RECREATIONAL FACILITIES CAPITAL RESERVE FUND

- a. For each Fiscal Year, the Master Association shall collect the following capital assessments for the Recreational Facilities (collectively, the "Recreational Facilities Capital Assessments"): (i) the Recreational Facilities Minimum Capital Reserve Assessments, which shall be deposited into the Recreational Facilities Minimum Capital Reserve Fund; ~~and~~ (ii) the Recreational Facilities Member Capital Assessments, which shall be placed into the Recreational Facilities Member Capital Assessment Fund. Unless otherwise determined by the Board, the Recreational Facilities Capital Assessments shall (singularly or collectively, as determined by the Board) be separately stated on the invoices for the Recreational Facilities Assessments and placed into the applicable Recreational Facilities Capital Reserve Fund.
- b. The Recreational Facilities Minimum Capital Reserve Fund, the Recreational Facilities Member Capital Assessments Fund, and the Recreational Facilities Special Reserve Fund (sometimes singularly and collectively referred to as the "Recreational Facilities Capital Reserve Fund") shall each be funded as provided herein and will: (i) be placed into a segregated account (which account may include all Recreational Facilities Capital Assessments); (ii) be used solely for capital repairs,

! maintenance, replacements, additions, expansions and improvements to the Recreational Facilities (or to pay for the debt service or like items relating to the financing of such capital items); and (iii) not be included in the operating revenue or be used to pay for operating expenses of the Master Association.

Section 13.6 RECREATIONAL FACILITIES MINIMUM CAPITAL RESERVE ASSESSMENTS AND FUND

- a. In the Recreational Facilities Budget for each Fiscal Year, the Board shall allocate an amount no less than five percent (5%) of the budgeted gross ~~operating revenues~~ related to the Recreational Facilities for such Fiscal Year as the "Recreational Facilities Minimum Capital Reserve Assessment" for such Fiscal Year. The Recreational Facilities Minimum Capital Reserve Assessment shall be placed into a reserve fund (the "Recreational Facilities Minimum Capital Reserve Fund"). The Recreational Facilities Minimum Capital Reserve Assessments shall be collected at the same time and in the same proportion as the Recreational Facilities Dues Assessments.
- b. The Recreational Facilities Minimum Capital Reserve Fund may be used during the Fiscal Year for capital repairs, replacements, maintenance, additions, expansions and/or improvements to the Recreational Facilities. Any funds remaining in the Recreational Facilities Minimum Capital Reserve Fund that are not expended, accrued, committed or otherwise reflected in the Master Association's financial statements or notes thereto as capital expenditures in the Fiscal Year for which they were budgeted shall be transferred into the Recreational Facilities Special Reserve Fund.

Section 13.7 RECREATIONAL FACILITIES MEMBER CAPITAL ASSESSMENTS

- a. In ~~addition to the~~ Recreational Facilities Minimum Capital Reserve Assessments, Members are subject to capital assessments required to pay for emergency capital repairs, maintenance and replacements to the Recreational Facilities when funds are not available from the applicable Recreational Facilities Capital Reserve Fund or funded indebtedness and such assessments do not require approval by the Members (the "Replacement Assessments"). In addition, Members are subject to capital assessments for capital additions, expansions and improvements to the Recreational Facilities provided that such Assessments are approved of by the Members (the "Expansion Assessments"), as provided in this Section 13.7 (the Assessments made pursuant to this Section 13.7 are sometimes singularly and collectively referred to herein as the "Recreational Facilities Member Capital Assessments"). Recreational Facilities Member Capital Assessments shall be placed into a fund (the "Recreational Facilities Member Capital Assessment Fund"). Any funds remaining in the

Recreational Facilities Member Capital Assessment Fund that are not expended, accrued, committed or otherwise reflected in the Master Association's financial statements or notes thereto as being required for the capital expenditures for which such assessments were collected shall be transferred into the Recreational Facilities Special Reserve Fund.

- b. There will be no Expansion Assessments for capital additions, expansions or improvements ~~unless approved~~ by the affirmative Vote of a majority of all of the Membership Units held by Golf Members and Sports Members. Any proposed Expansion Assessment relating to the golf facilities is a Golf Matter, with voting to be weighted as set forth in Section 3.6 of these By-Laws. Only the Golf Members and the Sports Members shall vote on a proposed ~~Expansion Assessment~~ relating to the golf facilities. A Sports Member shall pay fifty percent (50%) of the amount of the Expansion Assessments ~~relating to the golf facilities~~ paid by a Golf Member. Any proposed Expansion Assessment relating to the Recreational Facilities other than golf facilities shall be voted on by Golf Members and Sports Members as a non-Golf Matter. A Golf Member and a Sports Member shall each pay the same amount for the Expansion Assessments relating to the Recreational Facilities other than golf facilities.

Section 13.8 RECREATIONAL FACILITIES SPECIAL RESERVE FUND

The "Recreational Facilities Special Reserve Fund" shall consist of: (i) the unexpended portion of Recreational Facilities Minimum Capital Reserve Fund that may be deposited into the Recreational Facilities Special Reserve Fund, as provided in Section 13.6 hereof; (ii) the unexpended portion of the Recreational Facilities Member Capital Assessment Fund that may be transferred into the Recreational Facilities Special Reserve Fund, as provided in Section 13.7 hereof; (iii) the portion of the Recreational Facilities Membership Contributions retained by the Master Association as Resale Income, as provided in Section 13.3 hereof; (iv) operating surplus related to the Recreational Facilities that the Board determines should be placed in the Recreational Facilities Special Reserve Fund, and (v) any excess insurance proceeds received upon damage or destruction of the ~~Recreational~~ Facilities as provided in Section 6.5 of the Declaration. The Recreational Facilities Special Reserve Fund shall be used solely for capital expenditures for capital repairs, maintenance, replacements, additions, expansions and/or improvements to the Recreational Facilities. If a capital expenditure to be paid out of the Recreational Facilities Special Reserve Fund is for an addition, expansion or improvement to the Recreational Facilities ("Expansion Expenditures"), then such expenditure will require a Vote of the Members on the same basis as if such capital expenditure required an Expansion Assessment as provided in Section 13.7.b above. Notwithstanding the foregoing, the Board, without a vote of the Members but with written or electronic notice to the Members in each instance, may authorize the expenditure of funds out of the ~~Recreational~~ Facilities Special Reserve Fund for the following items:

- a. the borrowing of funds from the Recreational Facilities Special Reserve Fund, without the payment of interest, to meet short term operating expenses, provided such funds are repaid to the Recreational Facilities

Special Reserve Fund by the end of the Fiscal Year in which they are borrowed, provided, however, that such funds need not be repaid to the Recreational Facilities Special Reserve Fund by the end of such Fiscal Year if, in order to fund such repayment, the Master Association would have to borrow money from a third party, in which case interest at a commercially reasonable rate (owed from Master Association operating funds to the Recreational Facilities Special Reserve Fund, along with the amount borrowed) shall ~~accrue on the amount~~ borrowed from the end of such Fiscal Year until the date of repayment, and provided that such date of repayment shall be not more than two (2) years after the end of such Fiscal Year;

- b. the expenditure of funds ~~from the Recreational Facilities Special Reserve Fund~~ to pay interest and principal (including prepayment of interest and/or principal, and payment of ~~any associated prepayment fees or penalties~~) on amounts owed by the Master Association as a result of, and any fees or charges imposed in connection with the refinancing (either contemporaneously with a prepayment or at a later point) of, funded indebtedness associated with capital expenditures approved by the Membership pursuant to Section 13.7.b hereof, or by the Board pursuant to Section 13.10 hereof;
- c. expenditures for capital repairs, replacement, maintenance, additions, expansions and/or improvements of no more than five percent (5%) of gross operating revenues generated by the Recreational Facilities in any Fiscal Year;
- d. for Expansion Expenditures approved by the Members that are not paid out of the Recreational Facilities Member Capital Assessment Fund or to pay debt service incurred on funded indebtedness for Expansion Expenditures authorized by the Members pursuant to Section 13.10 hereof that is borrowed to pay for such unfunded Expansion Expenditures;
- e. the lending of funds to the Master Association to be used for capital expenditures relating to the Common Areas (excluding the Recreational Facilities), provided that the Master Association's indebtedness to the Recreational Facilities Special Reserve Fund is documented with an executed note having a term of not more than three (3) years and bearing interest at a commercially reasonable rate; and
- f. upon the approval of two-thirds (2/3rds) of the Board, to pay for capital expenditures required to address emergency conditions or to pay debt service on funded indebtedness incurred to pay for such emergency capital expenditures.

Section 13.9 EMERGENCY CAPITAL EXPENDITURES

In the event the Board of Directors, by a two-thirds vote of the entire Board, shall determine that emergency conditions require immediate capital expenditures not otherwise provided for, the Board shall have the authority to make the expenditures necessary to meet such emergency requirements; and to fund such expenditures from the Recreational Facilities Special Reserve Fund, funded indebtedness, and/or Special Assessments.

Section 13.10 RESTRICTIONS ON BORROWING

Absent the approval of a majority of all of the Membership Units owned by Golf Members and Sports Members, the Board may not borrow funds that are (i) secured by an encumbrance on the real property owned by the Master Association or (ii) to be used for Expansion Expenditures.

ARTICLE XIV DELINQUENCIES AND COLLECTION

Section 14.1 DELINQUENCIES; COLLECTION

An itemized statement of Assessments and Club Charges shall be sent monthly to each Member by electronic mail or U.S. mail or made available to each Member on the Master Association's website. The Master Association shall provide a paper statement by U.S. mail to any Member who requests same. Amounts owed to the Master Association not paid within ten (10) days from the date when due shall be considered delinquent for the purposes of this Section 14.1. If a Membership is issued in more than one name, each person named on the Membership will be jointly and severally liable for all Assessments and Club Charges relating to such Membership. Entity Member Designated Users shall be jointly and severally liable with their associated Entity Member for all Assessments and Club Charges relating to such Entity Membership. If the amounts owed to the Master Association are delinquent, the Master Association may impose a late fee and interest on the delinquent amount from the due date at the highest rate allowed by law, and may suspend the Member's privileges and voting privileges as provided in Section 14.2 hereof until all amounts are paid in full. ~~The Master Association~~ may bring an action at law against the delinquent Member, may levy against the Membership, may record a Claim of Lien against the Lot, or pursue one or more of such remedies at the same time or successively, and there shall be added to the amount due the Master Association, attorneys' fees and costs of collecting or attempting to collect the amount due the Master Association through all appeals. All such amounts owed to the Master Association or incurred by the Master Association shall be deducted from any proceeds payable to a Member upon the reissuance of such Member's Recreational Facilities Certificate.

All partial payments upon accounts shall be applied in the manner prescribed in Chapter 720, Florida Statutes, as the same may be amended from time to time. ~~The Master Association~~ may impose charging limitations or require a Member to place a deposit with the Master Association for Club Charges in the event the Member fails to timely pay amounts owed to the Master Association on a repeated basis.

In the case of a Golf Member, in the event the amount of such indebtedness exceeds fifty (50%) percent of the amount to be repaid to such Member for the Membership pursuant to Section 9.4.d hereof, the Board may reissue such Golf Membership to the next Member on the waiting list, and issue a Sports Membership to the delinquent Member. The amount specified by the Board policy adopted for purposes of Section 9.4.b hereof will be credited to the account of the Member whose Golf Membership was reissued and who was issued a Sports Membership. In such event, the acquisition date of the issued Sports Membership to the delinquent Member for purposes of determining the amount to be repaid pursuant to Section 9.4.d hereof shall be deemed to be the acquisition date of the Member's prior Golf Membership. Prior to taking any such action the Board will provide notice of its intent to the delinquent Member via registered or certified mail or via hand delivery, and the Member will have thirty (30) days from the date of receipt of such notice within which to request a hearing before the Hearing Committee to explain the circumstances of the delinquency.

Section 14.2 SUSPENSION FOR FAILURE TO TIMELY PAY

Without the requirement of a hearing as described in Section 15.4 hereof, the Master Association shall have the authority to suspend, for failure timely to pay amounts due to the Master Association, (i) the use rights of any Member, and of such Member's Designated Users, guests, tenants, and invitees, in accordance with the provisions of Florida Statutes, and (ii) the voting rights of the Member. Any such suspension pursuant to this Section shall be governed by the pertinent procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time, and the due date for the unpaid amount shall be the date used for calculating the length of delinquency for purposes of Section 720.305, Florida Statutes. Any such suspension shall end upon full payment of all obligations currently due or overdue to the Master Association.

Section 14.3 NO OTHER LIENS

No Member shall be permitted to create, incur, assume or suffer to exist upon such Member's Membership any liens and security interests whatsoever except to the extent such lien and security interest represents a security interest to the Master Association.

ARTICLE XV DISCIPLINARY PROCEEDINGS

Section 15.1 GENERAL

The Board of Directors shall have the power (i) to impose reasonable ~~fin~~es, as further provided in Section 15.2 hereof, in amounts to be determined by the Board of Directors from time to time and set forth in the Rules and Regulations, which, shall be enforced through an action for money damages and/or through the recording and foreclosure of a Claim of Lien as provided for by Florida Statutes, (ii) to suspend the rights of a Member or a ~~Member's tenant(s)~~, guest(s), occupant(s), or Designated User(s) to use the Common Areas, including the Recreational Facilities, (iii) to suspend the right to Vote, and (iv) to preclude ~~contractors~~, subcontractors, agents and other invitees of a Member or occupant from the Property for violation of any duty imposed under the Declaration, these By-Laws or the Rules and

Regulations. Notwithstanding the foregoing, nothing herein shall authorize the Master Association or the Board of Directors to eliminate a Member's or occupant's ingress and egress to or from such Member's Lot, provided any access control device or label provided for a Member's convenience may be withdrawn from the Member or deactivated as a sanction hereunder. Violations of these By-Laws shall include, but not be limited to:

- a. submitting false information on the Application for Membership or for any application for guest privileges or tenant privileges;
- b. permitting a Membership card or Master Association account to be used by anyone other than the designated holder;
- c. failing to pay any amount owed to the Master Association in a ~~proper and~~ timely manner;
- d. failing to abide by the Declaration, these By-Laws, the Rules and Regulations or other rules and regulations governing conduct or use of the Property, as they may be amended from time to time;
- e. treating the personnel or employees of the Master Association in an unreasonable or abusive manner;
- f. destroying, damaging, or stealing Master Association property;
- g. abusing any Director, Officer or employee of the Master Association verbally or in writing; or
- h. exhibiting behavior, deportment or appearance deemed materially unsatisfactory by the Board of Directors or acting in a manner determined by the Board of Directors to be substantially improper or reasonably likely to endanger the welfare, safety, harmony or good reputation of the Master Association or its Members.

Any such fine or suspension pursuant to this Section shall be governed by the pertinent procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time.

In the event that any occupant, contract vendor, guest, tenant or Designated User of an Owner or a Lot violates the Declaration or these By-Laws, and a fine is imposed, the ~~fine may~~ first be assessed against such occupant, contract vendor, guest, tenant or Designated User directly or assessed against the Owner of the Lot; provided, however, if the fine is not paid by the occupant, contract vendor, guest, tenant or Designated User within the time period set by the Board of Directors, the Master Association shall have the authority, though not the obligation, to seek payment directly from the Owner of the Lot. The failure of the Board of Directors to enforce any provision of the Declaration or By-Laws shall not be deemed a waiver of the ~~right~~ of the Board of Directors to do so thereafter. Assessments, fees and charges shall accrue during any suspension and must be paid in full when due. In the event the Master Association imposes a fine

or suspension, the Master Association must provide written notice of such fine or suspension in accordance with the provisions of Florida Statute governing suspensions and fines.

Section 15.2 FINES

In the event a Member or anyone for whom a Member is responsible fails to comply with a provision of the Master Association Documents in the manner required, the Master Association shall have the right to impose a fine against the Owner of the Lot in the manner provided in Chapter 720, Florida Statutes, as the same may be amended from time to time. The amount of any fine shall be determined by the Board of Directors, but in any event shall not exceed any maximum amount specified in Chapter 720, Florida Statutes, as the same may be amended from time to time, except that the maximum amount that may accrue where a fine is levied for each day of a continuing or recurrent violation is limited to Five Thousand Dollars (\$5,000.00) for each violation, and the maximum amount that may be levied as a fine for a single violation which is not continuing is limited to One Thousand Dollars (\$1,000.00) for each violation. The Master Association is hereby empowered to impose a lien for unpaid fines, subject to the limitations set forth in Chapter 720, Florida Statutes, as the same may be amended from time to time, and as set forth hereinabove as to the limitation of the amount of the fine.

Section 15.3 NOTICE

Prior to imposition of any fine or sanction hereunder, the Board of Directors or its delegates shall serve the accused with written notice governed by the procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time.

Section 15.4 HEARING

Except as provided in Section 14.2 hereof, prior to the effectiveness of any sanction hereunder, the person sought to be fined or suspended shall have an opportunity to be heard before the Hearing Committee with at least fourteen (14) days' notice and in accordance with the requirements of Section 720.305, Florida Statutes, as same may be amended from time to time. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any person.

Notwithstanding the foregoing and to the extent permitted by applicable law, any Member, Immediate Family, Designated User, or their guest or invitee whose conduct shall be deemed by the President with the concurrence of two (2) other Directors, or in the absence of the President by three (3) Directors, to constitute a threat of imminent danger to (i) Members or staff, or (ii) to the welfare, safety, harmony or good reputation of the Master Association or its Members, may be subject to immediate suspension of some or all privileges at the Recreational Facilities for a period not longer than fourteen (14) days. During such period, the Grievance Committee shall convene a panel of not less than three (3) members and hold a hearing to determine whether to recommend to the Board that such Member, Immediate Family, Designated User, guest or invitee should be further disciplined pursuant to these By-Laws.

Section 15.5 ADDITIONAL ENFORCEMENT RIGHTS

Notwithstanding anything to the contrary herein contained, the Master Association may elect to enforce any provisions of the Declaration or these By-Laws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity, to enjoin any violation, or to recover monetary damages, or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Member or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred, including where such fees and costs are incurred prior to a lawsuit being filed and through all appeals.

ARTICLE XVI FISCAL MANAGEMENT

Section 16.1 DEPOSITORIES

The funds of the Master Association shall be deposited in such accounts as may be selected by the Board of Directors or the Board's authorized designee, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds shall be used only for lawful purposes of the Master Association and in accordance with the terms and conditions of these By-Laws.

Section 16.2 EXPENSES

The receipts and expenditures of the Master Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices as set forth in Section 16.4 hereof and the Declaration.

Section 16.3 FIDELITY BONDS

The Master Association shall, in the discretion of the Board of Directors and if available at a reasonable cost, purchase blanket fidelity bonds for all directors, officers and employees of the Master Association and for any management agent or company who controls or disburses funds of the Master Association and any contractor handling or responsible for Master Association funds. If the Master Association elects to purchase bonds, the following provisions shall govern the Master Association's purchase of the bonds:

- a. Each fidelity bond purchased by the Master Association shall name the Master Association as an obligee of the bond;
- b. The premiums for bonds shall be paid by the Master Association;
- c. The fidelity bonds shall be in the amount determined from time-to-time by the Board of Directors; and

- d. Each bond shall include a provision requiring ten (10) days' written notice to the Master Association before the bond can be canceled or substantially modified for any reason.

Section 16.4 ACCOUNTS AND REPORTS

The Master Association shall provide financial reporting in the manner required by Chapter 720, Florida Statutes, as the same may be amended from time to time. To extent consistent with Florida Statutes, the following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- a. Accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, shall be employed;
- b. Accounting and controls should conform to generally accepted accounting principles;
- c. Cash accounts of the Master Association shall not be comingled with any other accounts;
- d. No remuneration shall be accepted by a Director, manager or employees from vendors, independent contractors, or others providing goods or services to the Master Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Master Association;
- e. Any financial or other interest which a Director may have in any firm providing goods or services to the Master Association shall be disclosed promptly to the Board of Directors;
- f. Financial reports shall be prepared for the Master Association at least annually containing:
 - (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
 - (ii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
 - (iii) a balance sheet as of the last day of the preceding period; and
 - (iv) a delinquency report listing all Members who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (for the purposes of this subsection an Assessment shall be considered delinquent fifteen (15) days after the date due unless otherwise determined by the Board of Directors);

- g. An annual financial report as required by Section 720.303, Florida Statutes, as same may be amended from time to time.

Section 16.5 AGREEMENTS, CONTRACTS, DEEDS, LEASES, CHECKS, ETC.

All agreements, contracts, deeds, leases, checks, and other instruments of the Master Association shall be executed by the President and Secretary or by such other members of the Board, officers of the Master Association or employees as may be designated by resolution of the Board of Directors.

Section 16.6 BOOKS AND RECORDS

- a. The Master Association shall maintain official records as defined in Section 720.303, Florida Statutes, as same may be amended from time to time, and such official records shall be subject to inspection as provided in Section 720.303, Florida Statutes, as same may be amended from time to time.
- b. Rules for Inspection. The Board shall establish reasonable rules with respect to:
 - (i) notice to be given to the custodian of the records;
 - (ii) hours and days of the week when an inspection may be made; and
 - (iii) payment of the cost of reproducing copies of documents requested.
- c. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Master Association and the physical properties owned or controlled by the Master Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Master Association. The rights of Directors hereunder may be limited by the Board of Directors by resolution approved by a majority of the Board with regard to information which is required to be kept confidential and is not subject to Member inspections under Chapter 720, Florida Statutes, as the same may be amended from time to time, or to the extent any individual Director abuses the privilege provided for herein in the judgment of the President or a majority of the Board of Directors.

Section 16.7 INSURANCE

The Master Association shall procure, maintain and keep in full force and effect insurance as may be required by the Declaration to protect the interests of the Master Association. The Master Association shall maintain insurance on the Recreational Facilities equal to all or substantially all of the replacement cost thereof, with a reasonable deductible amount, and the cost of such insurance shall be included in the Recreational Facilities Budget.

ARTICLE XVII MISCELLANEOUS

Section 17.1 LITIGATION OF DISPUTES

Litigation of any dispute relating in any way to Membership or operation of the Master Association shall be submitted to a non-jury trial. The Master Association and Members hereby knowingly, voluntarily, and intentionally waive the right to a trial by jury with respect to any litigation between the parties. These By-Laws shall be governed by the laws of the State of Florida. Jurisdiction and venue for all parties for all actions and proceedings and arbitration shall be in Palm Beach County, Florida. In any such proceeding, the prevailing party shall be entitled to recover reasonable attorneys' fees, witness fees, costs and expenses (including all such fees, costs and expenses incurred prior to commencement of litigation and incident to appeals) (collectively, the "Prevailing Party Fees"). In addition, the prevailing party shall be entitled to recover reasonable attorneys' fees, witness fees, costs and expenses incurred in proving both entitlement to the Prevailing Party Fees and the amount of the Prevailing Party Fees.

Section 17.2 CONFLICT OF TERMS

In the event of a conflict between the terms of these By-Laws and any other document listed below, the order of priority where there are conflicting terms shall be in the following order, and the terms of the preceding document referenced shall prevail:

- a. the Declaration,
- b. the Articles,
- c. these By-Laws, and
- d. the Rules and Regulations of the Master Association.

Section 17.3 DISSOLUTION OR LIQUIDATION

In the event of dissolution or final liquidation of the Master Association, all of the property and assets of the Master Association, after payment of its debts, shall be distributed, as permitted by Florida law or a court having jurisdiction: (i) first to the Members in proportion to the value of the Recreational Facilities Certificates owned by such Members, with the value of such Recreational Certificates as last established by the Master Association, until distributions equal to such values have been distributed; and (ii) thereafter to the Members in equal proportions.

Section 17.4 VALIDITY

If any By-Law or Rule or Regulation is adjudicated to be invalid, such fact shall not affect the validity of any other By-Law or Rule or Regulation.

Section 17.5 NOTICES

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered (i) personally, (ii) by electronic transmission to an email address to which the receiving party has consented to receive notices, to the extent permitted by Chapter 720, Florida Statutes, as amended from time to time, or (iii) if sent by United States Mail, first class postage prepaid:

- a. If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Member; or
- b. If to the Master Association, the Board of Directors, or the manager, at the principal office of the Master Association or the manager, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 17.6 CORPORATE SEAL AND MASTER ASSOCIATION EMBLEM

The corporate seal of the Master Association shall be circular in form and shall have inscribed thereon the name of the corporation and the words "seal", "Florida", "Not-For-Profit Corporation", and the year of incorporation. The corporate seal shall be in the possession of the Secretary of the Master Association and be affixed by the Secretary to all documents relating to the official acts of the Master Association, as authorized by the Board. Unauthorized use of the Addison Reserve trademark and/or tradename is prohibited. The emblem of the Master Association shall be of a style and design as approved by the Board of Directors.

ARTICLE XVIII AMENDMENTS

Section 18.1 VOTING REQUIREMENTS

Except as hereinafter provided, these By-Laws may be altered, amended, supplemented, or repealed only by the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units. Any proposed amendment to the Declaration, the Articles or these By-Laws, excluding provisions in Section 18.2, must be set forth in the notice of the Annual or Special Meeting provided to the Members. In addition, any amendment to be effective must be recorded in the Public Records of Palm Beach County, Florida.

If proposed by the Board of Directors, such action or actions shall first require the approval of a two-thirds (2/3rds) majority of the entire Board and, if so approved, shall then be submitted by the Board at the Annual Meeting or a Special Meeting of the Membership for consideration and vote. In the alternative, such action or actions may be submitted for consideration and vote at the Annual Meeting or at a Special Meeting of the Membership, pursuant to the provisions of Article III of these By-Laws.

In either event, the notice of such meeting shall include a description of the proposed action or actions.

Section 18.2 CLARIFICATIONS AND CORRECTIONS

The Board of Directors may make non-substantive clarifying modifications or corrections to these By-Laws without the approval of the Members. The Board shall advise the Members of all such modifications and corrections on a timely basis and in such manner as it deems appropriate.

In addition, the Board of Directors may unilaterally amend the Declaration or these By-Laws at any time and from time to time if such amendment is:

- a. necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule, requirement or regulation, or judicial determination;
- b. necessary to enable any reputable title insurance company to issue title insurance coverage on Lots;
- c. required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Master Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on Lots;
- d. necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots;
- e. necessary or desirable in connection with retirement of the remaining Social Membership; or
- f. necessary to correct any stenographic, scrivener's or surveyor's error or any error of a like nature; provided, however, any such amendment shall not adversely affect the title to any Lot unless the owner thereof shall consent thereto in writing.

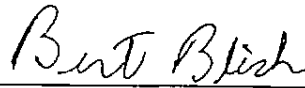
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of Addison Reserve Master Property Owners Association, Inc., a Florida not-for-profit corporation;

That the foregoing Amended and Restated By-Laws of said Master Association were duly adopted at a meeting of the Board of Directors thereof held on the 19th day of July, 2018, to be effective on the Effective Date of the merger of Addison Reserve Country Club, Inc. into Addison Reserve Master Property Owners Association, Inc.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal this 18 day of December, 2018.



Bert Blicher, President

EXHIBIT " C "

**AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
ADDISON RESERVE**

This Instrument Prepared By:

Richard G. Cherry, Esq.
Cherry, Edgar & Smith, P.A.
8409 North Military Trail
Suite 123
Palm Beach Gardens, Florida 33410

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List of Exhibits

- Exhibit "A" Legal Description – Property
- Exhibit "B" Amended and Restated By-Laws of Addison Reserve Master Property Owners Association, Inc.
- Exhibit "C" Articles of Incorporation of Addison Reserve Master Property Owners Association, Inc.

**AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
ADDISON RESERVE**

THIS AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR ADDISON RESERVE, is made and declared by **ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, a Florida corporation not-for-profit.

STATEMENT OF BACKGROUND INFORMATION

The capitalized terms used in this Statement of Background Information and elsewhere in this Declaration are defined in Article 2 hereof, and if not defined therein, are defined in the Bylaws, except as otherwise provided herein.

A. The Property subject hereto (other than the Recreational Facilities) was originally made subject to that certain Declaration of Covenants, Conditions and Restrictions for Addison Reserve recorded in Official Records Book 8819, Page 1767, of the Public Records of Palm Beach County, Florida, as amended and supplemented from time to time (the "**Original Declaration**").

B. The Former Club has merged with and into the Master Association, with the Master Association being the surviving entity.

C. In connection with and as a result of the Merger, among other things, the Recreational Facilities have become Common Areas owned and operated by the Master Association.

D. Also in connection with and as a part of the Merger, the Master Association has amended and restated its By-Laws to (i) reflect the addition of the Recreational Facilities and the Common Areas subject hereto, (ii) retain certain voting and ~~assessment~~ procedures of the Former Club with respect to the Recreational Facilities, and (iii) continue to provide all Members with equal voting and assessment allocations for all other Master Association matters.

E. As part of the Merger, the Class C Membership in the Master Association previously held by the Former Club has been terminated. In addition, because the Turnover Date (as defined in the Original Declaration) has occurred (such that control of the Master Association has been turned over to its Members), the Class B Membership in the Master Association previously held by the Declarant has also been terminated. The elimination of the Class B Membership and Class C Membership categories has also eliminated the need to reference a Class A Membership and the elimination of such category as reflected in this Declaration.

F. By virtue of all of the foregoing, it has become necessary to amend the Original Declaration to reflect and implement same, such amendments being sufficiently extensive so that, for the sake of convenience and clarity, it is appropriate to amend and restate the Original Declaration in its entirety as hereinafter provided.

G. The Master Association has obtained all requisite approvals to amend and restate the Original Declaration as hereinafter set forth, including, without limitation, the approval by the requisite votes of the voting Members.

STATEMENT OF DECLARATION

It is hereby declared that the Property shall be held, sold, conveyed, encumbered, leased, occupied and improved subject to the following covenants, conditions, ~~restrictions~~, ~~easements~~, reservations, assessments, liens, charges, and other provisions set forth in this Declaration, which shall run with such Property, be binding on all parties having any right, title or interest in any part of such Property, and on their heirs, successors in title, and permitted assigns.

ARTICLE 1 INTENT OF DECLARATION

The Master Association desires to provide for the preservation and enhancement of the value, desirability and attractiveness of the Properties, and therefore the Master Association intends by this Declaration to impose upon the Properties mutually beneficial ~~restrictions~~ under a general plan of improvement and maintenance for the Properties. The Master Association further desires to provide a flexible and reasonable procedure for the overall operation and management of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of the Properties, and ownership, operation and maintenance of the Common Areas, including, but not limited to, the Recreational Facilities.

ARTICLE 2 DEFINITIONS

Capitalized terms used herein without definition shall have the meanings ascribed to them in the By-Laws for Addison Reserve. The following terms when used in this Declaration (unless the context provides otherwise) shall have the following meanings:

Section 2.1 **"Addison Reserve"** shall mean and refer to the master planned community developed on the Property and subjected to this Declaration. ~~"Addison Reserve"~~ is also a registered trademark of the Master Association.

Section 2.2 **"Architectural Review Committee"** or **"ARC"** shall ~~mean~~ and refer to the Architectural Review Committee which is established pursuant to this Declaration.

Section 2.3 **"Articles of Incorporation"** or **"Articles"** shall ~~mean~~ and refer to the Articles of Incorporation of Addison Reserve Master Property Owners Association, Inc., as filed with the Secretary of State of Florida, a copy of which is attached hereto as **Exhibit "C"**, as may be amended from time to time.

Section 2.4 **"Assessment"** or **"Assessments"** shall mean and refer to those charges, fees and/or obligations set forth in Article 10 hereof, including, without ~~limitation~~, the Common Assessments and the Recreational Facilities Assessments.

Section 2.5 **"Board of Directors" or "Board"** shall be the elected body of the Master Association, having its normal meaning under Florida corporate law.

Section 2.6 **"By-Laws"** shall mean the Amended and Restated By-Laws of Addison Reserve Master Property Owners Association, Inc., a copy of which is attached hereto as **Exhibit "B"**, as may be amended from time to time. Amendments to the By-Laws shall be recorded in the Public Records.

Section 2.7 **"Club Charges"** shall mean all charges incurred for food, beverage, activities, lessons, merchandise, golf cart fees and other goods and services purchased by a Member from the Master Association, as well as any mandatory service charges charged to Members.

Section 2.8 **"Common Area", "Common Areas" or "Common Property"** shall be an inclusive term referring to (i) all real property dedicated to, owned by, or held by the Master Association (specifically including the Recreational Facilities), to be devoted to the common use or enjoyment of the Owners or for preservation within the Properties, in accordance with this Declaration, and (ii) those areas, if any, which by the terms of this Declaration, by resolution of the Board, or by contract or agreement with any Village Association or a governmental or regulatory agency or authority become the responsibility of the Master Association. The term **"Common Property"** shall also include any personal property acquired by the Master Association if said property is designated as **"Common Property"** by the Master Association. Any land or personal property leased by the Master Association for its use shall lose its character as Common Property upon the expiration of such lease. The Common Property may include, without limitation, streets, entry features, landscaping, hardscape, signage, rights-of-way and swale areas adjacent to the Properties, roadways, walkways, street and landscape lighting, lakes, and parks. Common Property may be established by Plat dedication, deed or Supplement, or by written notice to the Master Association, which shall be filed in the corporate minute book.

Section 2.9 **"Common Area Budget"** shall mean the Common Area Budget prepared by the Board of Directors, covering the estimated Common Expenses for the Fiscal Year for which the budget is prepared, which budget shall exclude revenue and expenses included in the Recreational Facilities Budget.

Section 2.10 **"Common Area Membership Contribution"** shall mean the capital contribution associated with the Common Area (excluding the Recreational Facilities), as established by the Board, and as may be increased or decreased by the Board from time to time. The contribution to Working Capital set by the Master Association before the Merger shall be considered the Common Area Membership Contribution until such time as it is modified by the Board.

Section 2.11 **"Common Assessment"** shall mean and refer to Assessments levied against all Members to fund Common Expenses, which Assessments shall (i) be based on the Common Area Budget, and (ii) not include Recreational Facilities Assessments, which shall be determined based on the Recreational Facilities Budget.

Section 2.12 **"Common Expenses"** or **"Common Expense"** shall mean and include the actual and estimated expenses incurred by the Master Association for maintenance, operation and other services required or authorized to be performed by the Master Association which are attributable to the Common Areas (excluding the Recreational Facilities), including any reasonable reserves, all as may be found to be necessary or appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation.

Section 2.13 **"Community"** shall mean and include the residential community commonly known as Addison Reserve, and which is comprised of the Properties.

Section 2.14 **"Community-Wide Standards"** shall mean the standards of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standards may be more specifically determined by the Board of Directors. Community-Wide Standards may be part of the Rules and Regulations.

Section 2.15 **"Compliance Assessments"** shall mean and refer to Assessments levied in accordance with Section 10.6 of this Declaration.

Section 2.16 **"Declarant"** shall mean and refer to Taylor Woodrow/Kenco, Ltd. or its successors, or a successor-in-title to any portion of the Properties pursuant to an instrument which is duly recorded in the Public Records of Palm Beach County, Florida.

Section 2.17 **"Declaration"** shall mean and refer to this Amended and Restated Master Declaration of Covenants, Conditions, Restrictions, and Easements for Addison Reserve, as may be amended or supplemented from time to time.

Section 2.18 **"Exclusive Common Area"** shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of some, but less than all, of the Members. An example of an Exclusive Common Area shall be the portions of the Common Area which are for the exclusive use and benefit only of the Owners in a particular Village. Exclusive Common Area shall be maintained by each respective Village Association, except as otherwise provided herein.

Section 2.19 **"Former Club"** shall mean and refer to Addison Reserve Country Club, Inc., a Florida corporation not-for-profit, as same existed prior to the Merger.

Section 2.20 **"Golf Matters"** shall mean and refer to matters related strictly to Golf Membership privileges and obligations, golf, the golf course and other golf facilities within the Properties.

Section 2.21 **"Institutional Lender"** means any of the following institutions or entities: (i) a federal or state savings and loan association or bank doing business in the State of Florida, a life insurance company doing business in Florida which is approved by the Commissioner of Insurance of the State of Florida, a bank or real estate investment trust, a mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof licensed or qualified to make mortgage loans in the State of Florida, or a national banking association chartered under the laws of the United States of America; (ii) such other

lenders as the Board shall hereafter designate as such in writing and which have acquired a mortgage upon a Lot; or (iii) any secondary mortgage market institution, including Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, and such other secondary mortgage market institution as the Board shall hereafter designate as such in writing.

Section 2.22 **“Institutional Mortgagee”** shall mean and refer to any Institutional Lender who holds a first mortgage on a Lot.

Section 2.23 **“Lot”** shall mean and refer to a portion of the Properties, developed with a detached single-family residence. The term shall include land owned as well as any improvements thereon. Excluding a guesthouse or detached garage ancillary to a single-family residence existing together on one platted Lot, each residence shall be deemed to be a separate Lot. Any two (2) or more platted Lots which are under common ownership and on which one single-family residence has been constructed shall nevertheless be considered to be two (2) or more separate Lots for purposes of voting, dues, assessment and all other matters hereunder.

Section 2.24 **“Master Association”** shall mean and refer to Addison Reserve Master Property Owners Association, Inc., a Florida not-for-profit corporation, and its successors or assigns. The Master Association is the master property owners’ association for all of Addison Reserve. Separate sub-associations exist for particular Villages.

Section 2.25 **“Member”** shall mean and refer to a Person entitled to membership in the Master Association, as provided herein and in the By-Laws. All Owners shall be Members. In the case of two natural Persons who customarily reside together and (i) each owns an equity interest in the Lot, or (ii) one is the sole owner of the Lot and the other is married to such Owner, then each such natural person shall be a Member.

Section 2.26 **“Membership”** shall mean and refer to the rights and obligations provided to Members in this Declaration, the By-Laws, the Articles and the Rules and Regulations.

Section 2.27 **“Membership Contributions”** shall mean the Common Area Membership Contribution and the Recreational Facilities Membership Contribution, plus any initiation or similar fees imposed by the Board. Any initiation fee imposed by the Former Club shall be considered to be the initiation fee of the Master Association, until such time as such fee is increased or decreased by the Board.

Section 2.28 **“Merger”** shall mean the merger of the Former Club with and into the Master Association, with the Master Association being the surviving entity.

Section 2.29 **“Original Declaration”** shall mean and refer to the original declaration described and defined in Section A of the Statement of Background Information.

Section 2.30 **“Owner”** or **“Owners”** shall mean and refer to the record title holder, whether one (1) or more Persons, of the fee simple title to any Lot. An Owner shall not include any mortgagee, unless and until such mortgagee has acquired title to a Lot pursuant to an action for foreclosure or any proceeding in lieu of foreclosure.

Section 2.31 **"Person"** means a natural person, a corporation, a partnership, a limited liability company, a trust, or any other legal entity.

Section 2.32 **"Plat"** or **"Plats"** shall mean any plat or plats recorded in the Public Records of Palm Beach County, Florida, affecting any or all of the Properties.

Section 2.33 **"Property"** or **"Properties"** shall mean and refer to the property described in Exhibit "A" attached hereto (which, as a result of the Merger, includes the real property component of the Recreational Facilities) together with such additional property as may be hereafter subjected to this Declaration by Supplemental Declaration(s).

Section 2.34 **"Public Records"** shall mean the Official Records of Palm Beach County, Florida.

Section 2.35 **"Recreational Facilities"** shall mean the facilities previously owned by the Former Club, including the portions of the Properties relating to recreational activities, including (but not limited to) dining, golf, tennis, pickleball, basketball, swimming, and fitness, structures appurtenant or related to these activities, the clubhouse, the Sales Center, the Esplanade, and related land, facilities and tangible and intangible personal property owned and operated by the Master Association, as such facilities and activities may be added to or replaced from time to time.

Section 2.36 **"Recreational Facilities Assessments"** shall mean and refer to Assessments related to the Recreational Facilities that Members are required to pay pursuant to this Declaration and the By-Laws and which shall specifically include the Recreational Facilities Minimum Capital Reserve Assessments, the Recreational Facilities Member Capital Assessments, the Recreational Facilities Dues Assessments and the Recreational Facilities Membership Contributions.

Section 2.37 **"Recreational Facilities Budget"** shall have the meaning set forth in Section 10.4 hereof.

Section 2.38 **"Recreational Facilities Membership Contribution"** shall mean the capital contribution (including any initiation fee) associated with the Recreational Facilities, as established by the Board, and as may be increased or decreased by the Board from time to time. The membership contribution established by the Former Club shall be considered to be the Recreational Facilities Membership Contribution until such time as it is increased or decreased by the Board.

Section 2.39 **"Rules and Regulations"** shall mean the rules, regulations, procedures and/or Community-Wide Standards adopted by the Board for all or any portion of the Properties, as same may be amended from time to time.

Section 2.40 **"Sales Center"** shall mean and refer to the real property legally described as Tract B of Addison Reserve Plat One, according to the plat thereof recorded in Plat Book 75, Page 143 of the Public Records and the improvements thereon.

Section 2.41 **“SFWMD”** shall mean and refer to the South Florida Water Management District, a regional water management district established in accordance with Florida law, and any successor governmental agency, body or special district charged with the rights and responsibilities of SFWMD.

Section 2.42 **“Special Assessments”** shall mean and refer to Assessments levied in accordance with Section 10.5 of this Declaration.

Section 2.43 **“Supplemental Declaration”** or **“Supplement”** shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes additional restrictions and obligations or removes restrictions and obligations on the land described therein. The term shall also refer to any instrument recorded to subject additional property to this Declaration.

Section 2.44 **“Vacant Lot”** shall mean a Lot upon which a dwelling has been demolished, whether by casualty or otherwise.

Section 2.45 **“Village”** shall mean and refer to each portion of the Properties which has been developed and designated as a separate village or neighborhood, whether or not such property or Lots are located in close proximity to each other. A Village may be comprised of one (1) or more housing types subjected to this Declaration, and shall be governed by this Declaration, and a Village Declaration, in which Owners may have common interests in addition to those common to all Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Members. Where the context permits or requires, the term Village shall also refer to the Village Association having jurisdiction over the property within the Village. Villages may be divided or combined in accordance with Article 13 of this Declaration. Every Lot shall be located in a Village.

Section 2.46 **“Village Assessment”** shall mean an assessment imposed on the Owners of Lots within a Village by that Village’s Village Association.

Section 2.47 **“Village Association”** shall mean or refer to each homeowners’ association which has been formed for a particular Village to govern the business affairs and any property within that Village. The formation of a Village Association is required for each Village unless otherwise set forth in a Supplemental Declaration for a Village or this Declaration. Every Owner of a Lot in a Village shall be a member of that Village’s Village Association.

Section 2.48 **“Village Association Documents”** shall mean the declaration of covenants, conditions, restrictions and easements for a Village, the articles of incorporation and by-laws of a Village Association, and any other documents governing a Village including any rules and regulations of a Village, each as may be amended from time to time, and any and all budgets of such Village Associations as adopted from time to time.

Section 2.49 **“Village Expenses”** shall mean costs or expenses to maintain Exclusive Common Areas within a Village and to provide services to the Lots within a Village.

Section 2.50 "Vote" shall mean, in the context of any matter to be voted upon by all or a portion of the Members, the act of casting a ballot in connection with such matter, whether in person, by proxy, by submittal of the ballot by mail or other means of delivery, or by electronic transmission or online voting, pursuant to such rules and guidelines as the Board of Directors may designate and to the extent permitted by applicable law.

ARTICLE 3 PROPERTY RIGHTS AND PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 3.1 Property.

The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is the Property described in Exhibit "A", which, as a result of the Merger, specifically includes the Recreational Facilities.

Section 3.2 Additions and Deletions to Property.

The Master Association shall have the right to bring within or delete from the scheme of this Declaration one or more parcels of property, from time to time and in its discretion and without the consent of any other Person except the owner of such property. Any such additions or deletions of property must be approved by at least two-thirds (2/3rds) of the Board, and by the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units. Any such additions or deletions as are authorized hereby shall be made by a Supplemental Declaration executed by the Master Association and the owner of the additional or deleted property.

Section 3.3 Enjoyment of Common Areas.

Every Owner shall have a right and easement of enjoyment in and to the Common Area for its intended purpose, subject to this Declaration and the By-Laws, as they may be amended from time to time, the Rules and Regulations, payment of Assessments (including, without limitation, Recreational Facilities Assessments) and subject to any restrictions or limitations contained in any deed conveying such property to the Master Association. Any Owner may delegate his or her right of enjoyment to Immediate Family, Designated Users, and social invitees, as applicable, subject to this Declaration, reasonable regulation by the Board and in accordance with the By-Laws and/or the Rules and Regulations adopted from time to time.

ARTICLE 4 MEMBERSHIP AND VOTING RIGHTS

Section 4.1 Membership.

Every Owner shall be deemed to have a Membership. The Master Association currently offers two (2) categories of Membership (Golf Membership and Sports Membership). In addition, the Master Association previously offered Social Membership. All such Memberships have the rights and obligations set forth herein and in the By-Laws and the Rules and Regulations.

No Owner, whether one (1) or more Persons, shall have more than one (1) Membership per Lot. In the event the Owner is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein and in the By-Laws.

Membership shall be appurtenant to and may not be separated from ownership of a Lot, except as otherwise specifically provided herein. A purchaser of a Lot must arrange to acquire the selling Member's Membership and apply for such Membership prior to the acquisition of the Lot in accordance with the application procedure provided in the By-Laws, and shall pay the Membership Contributions prior to or at the time of acquisition of the Lot. Change of Membership shall be established by recording in the Public Records, a deed or other instrument conveying record fee title to a Lot, and by the delivery to the Master Association of a copy of such recorded instrument, or by a change in ownership of an Entity Member, as specified in the By-Laws. The new Owner designated by such instrument shall, by said new Owner's acceptance of such instrument, become a Member, and the Membership of the prior Owner shall be terminated on such acceptance. In the event a copy of said instrument is not delivered to the Master Association, said new Owner shall become a Member, but shall not be entitled to the privileges enjoyed by the new Owner's predecessor in interest, including but not limited to voting and use of the Recreational Facilities, until such delivery is accomplished, but such Owner shall nevertheless be responsible for all obligations required of an Owner hereunder. The foregoing shall not limit the Master Association's powers or privileges to enforce covenants and Assessments and to abate violations.

Each Membership shall be entitled to one (1) Vote for each Lot owned. Notwithstanding the foregoing, the Votes to be cast on Golf Matters shall be allocated and cast as provided in the By-Laws.

Section 4. 2 Joint Ownership.

In any situation in which a Membership has the right to vote, voting rights may be exercised as specified in the By-Laws.

ARTICLE 5 MAINTENANCE

Section 5. 1 Maintenance by Master Association.

The Master Association shall operate, maintain and keep in good repair the Common Areas, or cause same to be done, all to be funded as hereinafter provided. The maintenance to be performed shall include, but need not be limited to, maintenance, repair, and replacement of all landscaping and other flora, structures, and improvements, including but not limited to all streets, controlled access gatehouses and gates, sidewalks, pedestrian and cart paths, buildings, signage, fencing, walls, hardscape, bulkheads, bike paths, landscape lighting, street lighting fixtures and appurtenances, monuments, lakes, parks, and other improvements owned by or dedicated to the Master Association, and those areas, if any, which by the terms of this Declaration, by resolution of the Board, or by contract or agreement with any Village Association or a governmental or regulatory agency or authority become the responsibility of the Master Association.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated equally among all Lots as part of the Common Assessment. Notwithstanding the foregoing, all costs associated with the Recreational Facilities shall be allocated among the Golf, Sports and Social Members as part of the Recreational Facilities Assessments, as further provided in the By-Laws.

The Master Association may maintain other property which it does not own, including, without limitation, roadways and rights-of-way located adjacent to the Properties or other property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable. The costs of such maintenance shall be allocated among the Lots benefitted thereby as part of the Common Assessments or Special Assessments, as the Board of Directors determines reasonable and appropriate.

Any walls and fences surrounding portions of the Properties shall be maintained by the Master Association if such property is within the Common Areas. The Master Association shall be entitled to maintain any retention walls abutting Lots. An easement shall be deemed created in favor of the Master Association to the extent such walls and fences are constructed on any portion of the Lot(s). A perpetual easement of ingress and egress over the walls and fences, and Lots is hereby granted to the Master Association for purposes of construction and maintenance activities related to any such walls, fences, hardscaping and landscaping.

Section 5.2 Owner's Responsibility.

Each Owner shall maintain such Owner's Lot and all structures, parking areas and other improvements thereon. In addition, Owners of Lots which are adjacent to the golf course shall maintain and irrigate that portion of the golf course property between the Lot boundary and the irrigated portion of the golf course or lake water's edge. Owners of Lots abutting lakes or ponds shall maintain and irrigate the entire land area up to the mean high water line of the lake or pond, regardless of whether a portion of the land area lies outside the boundaries of the Lot. Owners of Lots which are adjacent to any portion of the Property on which walls or fences have been constructed shall maintain and irrigate that portion of the area which lies between the wall or fence and the Lot boundary. Owners of Lots fronting on any roadway within the Properties shall maintain driveways serving their respective Lot and shall maintain and irrigate landscaping on that portion of the area, if any, or right-of-way between the Lot boundary and the nearest pavement edge. Owners shall have no right to remove trees, shrubs or similar vegetation from these areas without prior approval pursuant to Article 11 hereof.

All maintenance required by this Section 5.2 shall be performed in a manner consistent with the Community-Wide Standards and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to a Village Association pursuant to any Supplemental Declaration or Village Association Documents applicable to such Lot. If any Owner fails properly to perform the Owner's maintenance responsibility, the Village Association shall have the right to enter onto a Lot to perform such maintenance, and assess the cost thereof to the Owner, together with an administrative charge of ten percent (10%) of such amount. If the Village Association fails to do so, then the Master Association shall have the right, but not the obligation, to enter onto a Lot to maintain such property and assess all costs incurred by the

Master Association against the Lot and the Owner thereof as a Compliance Assessment, together with an administrative charge of ten percent (10%) of such amount. Except when entry is required due to an emergency situation, the Village Association or the Master Association (as the case may be) shall afford the Owner a minimum of seven (7) days' notice and an opportunity to cure the problem prior to entry onto a Lot to perform maintenance as specified herein.

Section 5.3 Vacant Lots

Any Vacant Lot must be fully landscaped, sodded and maintained in accordance with the requirements of the ARC and the applicable Village Association, and improved with a completed single-family residence, no later than two (2) years after the date of the casualty or the date the previously existing residence was demolished for reasons other than casualty.

Section 5.4 Village Association's Responsibility.

Each Village Association having responsibility for maintenance of all or a portion of the property within a particular Village (including, without limitation, Exclusive Common Areas located with the Village) shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standards. In the event that a Village Association fails to adequately maintain property for which it is responsible, the Master Association shall have the right, but not the obligation, to maintain such property and to assess the costs (including an appropriate charge for administrative overhead) against the Lots located within the maintenance responsibility of the Village benefited by the maintenance performed by the Master Association. Each such Lot shall pay its pro-rata share of such expenses incurred by the Master Association, together with an administrative charge of ten percent (10%) of such amount. Such Assessments may be collected as Compliance Assessments hereunder and shall be subject to all lien rights provided herein.

**ARTICLE 6
INSURANCE AND CASUALTY LOSSES**

Section 6.1 Insurance.

The Board of Directors or its duly authorized agent shall have the authority to obtain, and shall obtain, the following insurance:

(a) Blanket all-risk coverage insurance for all insurable improvements to the Common Areas included in the Property (or the most similar type of coverage reasonably available if all-risk coverage is not reasonably available) for all or substantially all of the replacement cost, with a reasonable deductible amount;

(b) Public liability insurance covering the Common Area included in the Property, the Master Association and its Members;

(c) Officers' and directors' insurance for the Officers, Directors, and Committee Members of the Master Association; and

(d) Such other insurance as may be determined appropriate by the Board.

Insurance obtained on the properties within any Village obtained by a Village Association shall at a minimum comply with the applicable provisions of this Section 6.1 of this Declaration, including (but not limited to) the obtaining of officers' and directors' insurance for the officers, directors, and committee members of the Village Association. All such insurance shall be for all or substantially all of the replacement cost (less a reasonable deductible). All such policies shall provide for a certificate of insurance to be furnished to the Master Association. Neither the Master Association nor any Village Association shall have any insurance responsibility for any Lot. The Master Association shall not have any insurance responsibility for the Exclusive Common Area or common area of any Village Association.

Liability and casualty insurance policies acquired by a Village Association shall name the Master Association as an additional insured and shall require that the Master Association will be given ~~at least~~ thirty (30) days prior written notice of any cancellation, substantial modification, or non-renewal.

Premiums for all insurance on the Common Areas (other than Recreational Facilities and Exclusive Common Areas) shall be a Common Expense and shall be included in the Common Assessments. Premiums for all insurance on the Recreational Facilities shall be a part of the Recreational Facilities Budget.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Master Association. Such insurance shall be governed by the provisions hereinafter set forth:

6.1.1 All policies on the Common Areas shall be for the benefit of the Master Association and its Members.

6.1.2 Exclusive authority to adjust losses under policies obtained by the Master Association shall be vested in the Board of Directors.

6.1.3 In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by the Village Associations, individual Owners, occupants, or their Institutional Mortgagees. The ~~insurance carried~~ by the Master Association shall be primary.

6.1.4 In addition to the other insurance required by this Section, the Board of Directors shall obtain worker's compensation insurance if and to the extent required by law, and a fidelity bond or bonds (or substantially equivalent insurance) on directors, officers, employees, and other Persons handling or responsible for the Master Association's funds, if at a reasonable cost. The Board may additionally obtain flood insurance on Common Areas, if required or desirable, and other insurance considered reasonable and desirable by the Board. The costs of such additional insurance shall be allocated between the Recreational Facilities Budget and the Common Area Budget, based on whether such costs are related to the Recreational Facilities or all other Common Areas, respectively.

Section 6.2 Individual Insurance.

By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Master Association that each Owner shall carry blanket all-risk casualty insurance on the Lot(s) owned by such Owner and the structures constructed thereon, unless the Village Association in which the Lot is located carries such insurance. Each Owner further covenants and agrees that in the event of a loss or damage resulting in destruction of all or any portion of the structures on such Owner's Lot(s), the Owner shall remove any debris then-existing on the Lot within sixty (60) days, and complete repair or reconstruction of the damaged structure as soon as reasonably practicable, but in any event within one (1) year, in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 11 of this Declaration. The applicable Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds.

Section 6.3 Damage and Destruction.

6.3.1 As soon as practicable after damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Master Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance.

6.3.2 Any damage or destruction to the Common Areas or the Exclusive Common Area of any Village shall be repaired or reconstructed as soon as reasonably practicable. Any such repair or reconstruction shall be consistent with applicable building codes and other governmental requirements, and may incorporate changes to or improvements of the damaged or destroyed structure, as approved by, as the case may be, the Board, consistent with this Declaration and the By-Laws, or the board of the relevant Village Association, consistent with the applicable Village Association Documents.

Section 6.4 Disbursement of Proceeds.

Proceeds of insurance policies shall be disbursed as follows: if the damage or destruction is to the Common Areas (excluding Exclusive Common Areas), and the proceeds are to be used for repair or reconstruction of such damage or destruction, the proceeds, or such portion thereof as may be required by the Master Association for such purpose, shall be disbursed in payment of such repairs or reconstruction. Any proceeds remaining after defraying such costs of the Master Association's repair or reconstruction, or in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Master Association and placed in the appropriate capital improvements account, with proceeds related to Recreational Facilities going to the Recreational Facilities Special Reserve Fund and proceeds related to all other Common Areas going into the Common Area Capital Reserve.

Section 6.5 Repair and Reconstruction to Common Areas.

If the damage or destruction to the Common Areas (excluding Recreational Facilities) for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not

sufficient to defray the cost thereof, the Board of Directors may, by a two-thirds (2/3rds) vote of the Board, without the necessity for a Member Vote, levy a Special Assessment against all Owners as provided for in Section 10.5 herein, or may pay such cost in excess of the proceeds out of the Common Area Reserve; provided, if the damage or destruction involves the Exclusive Common Area appurtenant to a specific Village, only the Owners of Lots in the affected Village shall be subject to the Assessment therefor. If the damage or destruction is to Recreational Facilities, then such costs may be paid out of: (i) Recreational Facilities Dues Assessments; or (ii) upon a two-thirds (2/3rds) vote of the Board, any available Recreational Facilities Capital Assessments pursuant to Section 13.7 of the By-Laws or Recreational Facilities Capital Reserve Fund.

ARTICLE 7 NO PARTITION

Except as is permitted in this Declaration, there shall be no judicial partition of the Common Areas included in the Property or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE 8 CONDEMNATION

Whenever all or any part of the Common Areas included in the Property shall be taken by condemnation by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Master Association, as trustee for all Owners, to be disbursed as follows:

If the taking involves a portion of the Common Areas on which improvements have been constructed, then, provided that at least a majority of the Members casting Votes, prior to or at a meeting at which a quorum is established, approve of same, the Master Association may restore or replace such improvements ~~so taken on~~ the remaining land included in the Common Areas, to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the provisions regarding the disbursement of funds in respect to casualty, damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are funds remaining after any such restoration or replacement is completed, then such award or funds shall be disbursed to the Master Association and used for capital improvements as the Board shall determine, in its sole discretion.

ARTICLE 9
RIGHTS AND OBLIGATIONS OF THE MASTER ASSOCIATION

Section 9. 1 Common Areas.

The Master Association shall be responsible for the management and control of the Common Areas and shall maintain and keep the Common Areas in good repair, or cause same to be done, in accordance with the Community-Wide Standards, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements. All Owners, by the acceptance of title to any property or the deed to any Lot, release and indemnify the Master Association from all claims arising from its actions pursuant to this Section.

Section 9. 2 Rules and Regulations.

The Master Association, through its Board of Directors, may make and enforce reasonable, uniform, non-discriminatory Rules and Regulations governing the use of the Properties, which Rules and Regulations shall be consistent with the rights and duties established by this Declaration. The Master Association, through its Board of Directors, may impose sanctions and Compliance Assessments upon Owners for, among other things, violations of such Rules and Regulations. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use Common Areas, other than streets and other Common Areas necessary to access the Owner's Lot, and exclusion from the Properties of any contractor, subcontractor, agent or other invitee who fails to comply with the provisions of such Rules and Regulations. Any suspension of use of Common Area may include revocation of privileges to obtain access through any gatehouse by use of an automated entry device, such as (by way of example) electronic access card, remote control or bar code. Any such sanction or Compliance Assessment or suspension shall be governed by the pertinent provisions of the Florida Statutes and the By-Laws, as the same may be amended from time to time. The Board shall, in addition, have the power to seek relief in any court for violations or to abate unreasonable disturbances. Imposition of sanctions shall be subject to the procedures for disciplinary action provided in the By-Laws. Fines shall constitute Compliance Assessments subject to the lien rights provided in this Declaration.

The Master Association, through its Board of Directors, by contract or other agreement, shall have the right, but not the obligation, to enforce all applicable federal, state and local laws, ordinances and regulations and to permit any governmental agency having jurisdiction to enforce such laws, ordinances, and regulations on the Properties.

Section 9. 3 Implied Rights.

The Master Association may exercise any other right or privilege given to it by this Declaration, its Articles of Incorporation, its By-Laws or by the Florida Statutes, and every other right or privilege given to it herein or therein, or reasonably necessary to effectuate any such right or privilege.

ARTICLE 10 ASSESSMENTS

Section 10.1 Creation of Assessments.

There are hereby created Assessments for Master Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in this Article. There shall be ~~four (4)~~ types of Assessments: (i) Common Assessments, as described above and in Section 10.3 hereof; (ii) Recreational Facilities Assessments, as described above and in Section 10.4 hereof; (iii) Special Assessments, as described above and in Section 10.5 hereof; and (iv) Compliance Assessments, as described above and in Section 10.6 hereof.

Common Assessments shall be levied equally on all Lots which are subject to this Declaration. Recreational Facilities Assessments ~~shall~~ be levied and allocated among the Members as provided in the By-Laws.

All Assessments, together with (i) Membership Contributions; (ii) Club Charges, (iii) Village Assessments, (iv) interest on all unpaid Assessments, Club Charges and Village Assessments (at a rate not to exceed the highest rate allowed by Florida usury law) as computed from the date the delinquency first occurs, (v) late charges, (vi) costs, and (vii) reasonable attorneys' fees and other expenses of collection, shall be a charge on the Lot to which they pertain and shall be a continuing lien upon the Lot against which each Assessment or Club Charge is made. Each such Assessment, together with interest, late charges, costs, and reasonable attorneys' fees and other expenses of collection, shall also be the personal and continuing obligation of the Owner of such Lot at the time the Assessment arose. An Owner is jointly and severally liable with the previous Owner for all unpaid Assessments that came due up to the time of transfer of title, including, but not limited to, foreclosure and/or deed in lieu of foreclosure, except as provided pursuant to Section 720.3085, Florida Statutes, as the same may be amended from time to time.

The Master Association shall, upon the written or electronic request of any Owner, Owner's designee, a mortgagee of a Lot, or such mortgagee's designee, furnish to the requesting party a certificate in writing, signed by an authorized representative of the Master Association, setting forth the information required by Section 720.30851, Florida Statutes, as the same may be amended from time to time, as well as the amount of any Membership Contributions and any contribution to working capital imposed by the Village in which the Lot is located, required to be paid by the purchaser of a Lot. Such certificate shall, absent fraud or misrepresentation on the part of the Owner or party requesting the certificate, be conclusive evidence of payment to the Master Association of such Assessment therein stated to have been paid. The Master Association may require the advance payment of a reasonable processing fee for the issuance of each such certificate.

Assessments shall be paid in such manner and on, ~~such~~ dates as may be fixed by the Board of Directors, and such determinations by the Board may include, without limitation, acceleration of that fiscal year's Assessments for delinquencies.

No Owner may waive or otherwise exempt such Owner from liability for Assessments, including, by way of illustration and not limitation, by non-use of all or any part of the Common Areas, or by abandonment of the property. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. If a Lot is owned by more than one Owner (e.g., a husband and wife), the obligation to pay Assessments is a joint and several obligation of each of the Owners of that Lot. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be expressed in any such deed, shall be deemed to covenant and agree to pay the Assessments. No diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of any alleged or actual failure of the Master Association or the Board to take some action or perform some function required to be taken or performed by the Master Association or the Board under this Declaration or the By-Laws, or any alleged or actual inconvenience or discomfort arising from the making of repairs or improvements by the Master Association.

Section 10.2 Purpose of Assessments.

10.2.1 The Assessments levied by the Master Association shall be used exclusively for the purpose of promoting the proper maintenance, replacement, repair and management of the Properties and in particular for operation of the Master Association and fulfilling its obligations under this Declaration and all documents and agreements executed in connection herewith. The Board of Directors may borrow funds due to shortfalls created by delinquent Assessments. Expenses of such borrowing shall be allocated to the Common Areas (excluding Recreational Facilities) or Recreational Facilities depending on the nature of the Assessment, and any liability shall be that of the Master Association.

10.2.2 Notwithstanding Subsection 10.2.1, the Recreational Facilities Assessments shall be used to pay for the costs of owning, operating, maintaining, improving and expanding the Recreational Facilities.

Section 10.3 Computation of Common Assessment.

It shall be the duty of the Board annually to prepare the Common Area Budget covering the estimated Common Expenses during the coming Fiscal Year, exclusive of the revenue and expenses set forth in the Recreational Facilities Budget. The Common Area Budget shall be used to determine the amount of the Common Assessments for the coming Fiscal Year. Any Common Area Budget adopted by the Master Association shall include contributions for a reserve as described in Section 10.14 hereof. The Board shall cause a copy of the Common Area Budget and the notice of the Common Assessment amount to be delivered to the Members at least thirty (30) days prior to the beginning of each Fiscal Year. The Common Area Budget and Common Assessments shall be determined by the Board of Directors in their sole and absolute discretion. The Common Area Budget shall include as income, and the Recreational Facilities Budget shall include as an expense, Common Assessments that would be assessed for eleven (11) Lots that were formerly deemed to be owned by the Former Club.

Notwithstanding the foregoing, in the event the Board fails for any reason to determine the Common Area Budget for any Fiscal Year, then and until such time as a budget shall have been determined as provided herein, the Common Area Budget in effect for the immediately

preceding Fiscal Year shall continue for the current Fiscal Year; provided, however, that upon the adoption of a new Common Area Budget, the same shall be deemed retroactive to the beginning of the then-current Fiscal Year, and each Owner shall pay the increase, if any, or be refunded the decrease, if any, in the Common Assessment from the beginning of such Fiscal Year at the time the next installment is due.

Section 10.4 Recreational Facilities Assessments.

In addition to the Common Assessments, it shall be the duty of the Board annually to prepare a separate budget covering the estimated revenue to be generated by, and the expenses relating to, the ownership, operation and management of the Recreational Facilities for the coming Fiscal Year (the "Recreational Facilities Budget"). The Recreational Facilities Budget shall include as an expense, and the Common Area Budget shall include as ~~income~~, Common Assessments that would be assessed for eleven (11) Lots that were formerly deemed to be owned by the Former Club. At least thirty (30) days prior to the beginning of each Fiscal Year, the Recreational Facilities Budget shall be delivered or made available to the Members. The Recreational Facilities Budget shall be used by the Board to establish the amount of the Recreational Facilities Assessments for the coming Fiscal Year. The Recreational Facilities Assessments shall be levied and allocated to the Members in the manner provided in the By-Laws.

Notwithstanding the foregoing, in the event the Board fails for any reason to determine the Recreational Facilities Budget for any Fiscal Year, then and until such time as a budget shall have been determined as provided herein, the Recreational Facilities Budget in effect for the immediately preceding Fiscal Year shall continue for the current year; provided, however, that upon the adoption of a new Recreational Facilities Budget, the same shall be deemed retroactive to the beginning of the then current Fiscal Year, and each Owner shall pay the increase, if any, or be refunded the decrease, if any, in the Recreational Facilities Assessments from the beginning of such Fiscal Year to the date such payment is due.

Section 10.5 Special Assessments.

In addition to Common Assessments, the Master Association may levy Special Assessments for capital expenditures for the Common Areas in accordance with the procedures and requirements set forth in Section 13.1 of the By-Laws. Special Assessments shall be levied equally on all Lots which are subject to this Declaration.

Section 10.6 Compliance Assessments.

The Board of Directors may impose a Compliance Assessment against an Owner and the Owner's Lot for the Owner's failure to comply with this Declaration, the By-Laws or the Rules and Regulations, including without limitation: (i) violations of Sections 5.2, 5.3, and 6.2 hereof; (ii) violations of the maintenance and architectural control requirements of this Declaration, in which event the Master Association may, in addition to other remedies provided for herein, enter the Lot and perform such maintenance or repairs as may be required; and (iii) the costs of any maintenance, repair or replacement, whether to the Common Areas, the Owner's Lot or the Owner's personal property or the personal property of the Master Association, other Lots, or the

personal property of other Owners or residents or the property of other Owners or occupants of Lots, rendered necessary by an Owner's act or failure to act, or by the negligence or intentional misconduct of any member of an Owner's Immediate Family, Designated Users, guests, employees, agents, licensees, contractors or lessees. The amount of such Assessment shall be equal to the cost of action taken by the Master Association, together with a charge equal to ten percent (10%) of such amount for reimbursement of overhead and administrative expenses. No such Compliance Assessment for failure to comply with the Declaration, By-Laws or the Rules and Regulations shall be imposed without first giving the affected Owner(s) an opportunity for a hearing as provided in the pertinent provisions of the Florida Statutes and the By-Laws, as the same may be amended from time to time. Fines are considered a Compliance Assessment and may be levied after notice to the Member and an opportunity for a hearing. Any charge for services rendered to an Owner, whether provided on a mandatory or optional basis, may also be charged to such Owner as a Compliance Assessment. Examples of such services may include Lot maintenance and landscaping performed by the Master Association, electronic monitoring services and associated costs such as permit codes and fees, and fines and charges for false alarms.

The Master Association may also levy, without a Member Vote, a Compliance Assessment equally against all Lots in any Village to reimburse the Master Association for costs incurred in bringing the Village into compliance with the provisions of the Declaration, the Articles, the By-Laws, and the Rules and Regulations, and for the costs of any remedial maintenance undertaken by the Master Association to remedy deficient maintenance by a Village Association. Any such Compliance Assessment may be levied upon a two-thirds (2/3rds) vote of the Board after notice to the Village Association and an opportunity for a hearing.

Section 10.7 Date of Commencement of Assessments.

The obligation to pay the Assessments provided for herein shall commence as to each Lot on the date of transfer of title of such Lot to any Owner.

Section 10.8 Collection of Assessments.

10.8.1 If requested by the Board, each Village Association shall collect from each Owner the Common Assessments in quarterly installments, together with Village Assessments and Assessments (exclusive of the Recreational Facilities Assessments) for each Lot within the Village, and shall promptly remit the Common Assessments collected to the Master Association. In the event that the Village Association shall receive a partial payment in any month from a particular Owner, the payment from such Owner shall be allocated pro rata to the payment of Assessments and the Village Assessments. In the event that any Owner shall fail to pay Assessments, the Master Association shall have the right to collect such Assessments directly from such Owner and shall have the lien and collection rights set forth in this Declaration and the By-Laws; if the same Owner has also failed to pay Village Assessments, the Master Association's lien and collection efforts as to such Owner shall be undertaken in coordination with the affected Village Association.

10.8.2 Notwithstanding Section 10.8.1: (i) the Recreational Facilities Assessments shall be invoiced directly to each Member, unless any Village Association and the

Master Association agree that such Village Association shall collect the Recreational Facilities Assessments on behalf of the Master Association from the Owners of Lots in that Village; and (ii) the Board may elect to cause Common Assessments and other Assessments levied by the Master Association to be billed directly to each Member, rather than through the Village Associations.

Section 10.9 Lien for Assessments.

Upon failure to meet the obligation to pay any Assessments or Club Charges within fifteen (15) days of same becoming due (with no notice of delinquency being necessary) and recording of a notice of lien on any Lot in accordance with law, there shall exist (subject to and in accordance with applicable Florida law) a perfected lien for unpaid Assessments and Club Charges, including interest, late charges and costs (including attorneys' fees and other costs of collection) prior and superior to all liens placed of record after the date of the Original Declaration, except (i) all taxes, bonds, assessments, mechanics and material men's liens and other levies which by law would be superior thereto, and (ii) the lien or charge of any Institutional Mortgagee of record as of the date the lien for Assessments is recorded and made in good faith and for value by an Institutional Lender.

Section 10.10 Enforcement of Lien.

The lien of the Master Association may be enforced by suit, judgment and foreclosure in accordance with applicable law.

The Master Association, acting on behalf of its Members, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Master Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no Assessments shall be levied on it; (iii) each other Lot shall be charged, in addition to its usual Assessments, its equal pro rata share of the Assessments that would have charged to the Lot owned by the Master Association, had such Lot not been acquired by the Master Association; and (iv) each other Lot shall be charged, in addition to its usual Assessments, its equal and pro rata share of the costs and expenses of maintaining the Lot owned by the Master Association, had such Lot not been acquired by the Master Association, including, but not limited to, property taxes, water, sewer and other general maintenance expenses. A suit to obtain a money judgment for unpaid Assessments and attorneys' fees and costs shall be maintainable against the Owner (or former Owner) personally (and jointly and severally, for multiple Owners) without foreclosing or waiving the lien securing the same.

Section 10.11 Institutional Mortgagee.

An Institutional Mortgagee acquiring title to a Lot as a result of foreclosure of its first mortgage, or by deed in lieu of foreclosure, shall not, during the period of its ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the Membership Contributions and Assessments coming due during the period of such ownership. In addition, an Institutional Mortgagee is liable, as a result of the foreclosure or the acceptance of such deed, for the applicable Lot's share of Membership Contributions, Assessments or other charges imposed by the Master Association pertaining to such Lot which

became due prior to the Institutional Mortgagee's acquisition of title; provided, however, that the Institutional Mortgagee's liability is limited to the maximum amount set forth in the applicable statute, as same may be amended from time to time. This limited liability applies only to the Institutional Mortgagee and not to any other Person acquiring title to a Lot, including (without limitation) any other mortgagee. If any unpaid share of Common Expenses or Assessments or other charges is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of Common Expenses or Assessments is a Common Expense collectible from all of the Owners, including such acquirer, and such acquirer's successors and assigns.

Section 10.12 Assignment of Rents.

The Master Association shall have such rights as are conveyed by Section 720.3085(8), Florida Statutes, including but not limited to, if the Lot is occupied by a tenant and the Owner is delinquent in any monetary obligation due to the Master Association, the Master Association may demand that the tenant pay to the Master Association the subsequent rental payments and continue to make such payments to the Master Association until all the monetary obligations of the Owner related to the Lot have been paid in full to the Master Association and the Master Association releases the tenant or until the tenant discontinues tenancy in the Lot, subject to the provisions of said Section 720.3085(8), Florida Statutes.

Section 10.13 Duties of the Board of Directors.

The Board of Directors shall prepare or have prepared a roster of the names and addresses of all Owners, which shall be kept in the office of the Master Association and shall be open to inspection by any Owner or the Owner's designee, including by access on a website, and by providing a copy to any Owner upon payment of the reasonable cost of printing. The status of the payment of Assessments for each Owner shall not, unless otherwise required by law, be open to inspection by all Owners; rather, only the Board, such Owner, such Owner's designee, such Owner's Institutional Mortgagee, or a settlement agent requesting an estoppel letter in furtherance of a sale of a Lot, may inspect the Master Association's books and records relating to the status of Assessments on such Owner's Lot.

Section 10.14 Reserve Budget and Reserve Contribution.

The Board of Directors shall include in the Common Area Budget a reserve for the Common Areas (exclusive of the Recreational Facilities) which may, but shall not be required to, take into account the number and nature of replaceable assets, the useful life of each asset and the anticipated repair and replacement cost. A separate reserve budget shall be established for the Recreational Facilities as part of the Recreational Facilities Budget, and such reserve budget shall be funded from Recreational Facilities Assessments as provided in the By-Laws. Subject to the limitations set forth in the By-Laws, the Board shall have the right, but not the obligation, to set the required reserve contribution, in an amount sufficient to permit meeting the projected needs of the Master Association, estimated by the applicable reserve budget, with respect both to amount and timing of Assessments over the period of the budget.

Section 10.15 Contributions to Working Capital.

Membership Contributions shall be made by or on behalf of the Owner, upon every transfer of record title to a Lot and upon certain transfers of interests in an Entity Member, as set forth in the definition thereof. The Master Association shall collect Membership Contributions due upon resale. The Common Area Membership Contribution shall be used to cover operating and other expenses incurred by the Master Association in the Fiscal Year of receipt. Recreational Facilities Membership Contributions shall be used as provided in the By-Laws. The Membership Contributions required by this Section shall constitute an assessment against the Lot and shall be subject to the same lien rights and other rights of collection applicable to other Assessments under this Article.

Notwithstanding the foregoing, no Membership Contribution shall be required for any transfer of a Lot in certain circumstances described in Subsections 9.4(e) and (f) and Sections 9.5 and 9.6 of the By-Laws.

Section 10.16 Exempt Property.

Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Common Assessments, Recreational Assessments, Special Assessments and Compliance Assessments:

- (i) all Common Areas;
- (ii) all Exclusive Common Areas; and
- (iii) all property dedicated to and accepted by any governmental authority or public utility.

**ARTICLE 11
ARCHITECTURAL STANDARDS**

All property which is now or may hereafter be subjected to this Declaration is subject to architectural, landscaping and site plan review, except the Recreational Facilities. This review shall be in accordance with this Article and such standards as may be promulgated by the Board or the Architectural Review Committee. The Board of Directors shall have the authority and standing, on behalf of the Master Association, to enforce in courts of competent jurisdiction decisions of the Architectural Review Committee.

No construction, which term shall include within its definition clearing, excavation, grading, and other site work, no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article. All construction shall first be approved by the board of directors of the Village Association which includes the Lot, and then must be approved by the ARC. The Board of Directors may establish reasonable fees to be charged by the ARC on behalf of the Master Association for review of an application for approval hereunder, which fees, if established, shall be paid in full prior to review of any application hereunder.

The ARC shall also promulgate sodding and landscaping requirements for each Lot from time to time.

All structures constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications submitted to the ARC, except the Recreational Facilities. For clarity, ARC approval shall not be required for the Recreational Facilities.

Section 11.1 Architectural Review Committee.

The ARC shall have exclusive jurisdiction over all construction on any portion of the Properties, excluding the Common Property. The ARC shall consist of at least three (3), but no more than five (5) persons, plus two (2) alternates, one or more of whom shall act only in the absence of one or more Committee Members, all of whom shall be required to be Members of the Master Association, Entity Member Designated Users, or spouses of Members, and who shall serve terms subject to the sole discretion of Board of Directors. A member of the ARC shall recuse himself or herself from deliberations relating to, and any decision regarding, a submission made to the ARC by such member, the member's spouse, or the member's Immediate Family, and in any circumstance where the ARC member's participation in deliberations or decision making would give the appearance of impropriety.

The ARC shall prepare and, upon approval of the Board of Directors, shall promulgate design and development guidelines and application and review procedures. Copies shall be available from the Master Association and shall be posted on the Master Association's website, for review by Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties, and such parties shall conduct their operations in accordance therewith. The guidelines and procedures shall be those of the Master Association, and the ARC shall have sole and full authority to prepare and to amend them, subject to Board approval. For purposes of this Article, the term "Owner" includes any prospective owner of a Lot.

The ARC also shall have exclusive jurisdiction over modifications, additions or alterations made on or to existing Lots and the open space, if any, appurtenant thereto.

Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the ARC for approval as to design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel or paint the interior of the residence on such Owner's Lot; provided, modification or alterations to the interior of screened porches, patios and similar portions of a Lot visible from outside the Lot shall be subject to approval hereunder. In the event that the ARC does not approve or disapprove such plans, and does not request additional information, within sixty (60) days after submission of such plans, the Owner may provide written notice to the ARC that the Owner intends to proceed with the modifications, additions, or alterations as specified in such plans, and the ARC shall have an additional thirty (30) days after the receipt of such written notice to approve or disapprove such plans. If the ARC does not approve or disapprove such plans during such thirty (30) day period, the plans shall be deemed approved.

The Board of Directors is empowered to impose such fees and costs upon the Owner as it deems necessary in connection with the review of the Owner's submission under this Article 11, including, but not limited to, the cost of referral to a qualified and licensed architect or architectural firm, the review of the submission by such architect or firm, such site visits as are deemed reasonably necessary by the ARC or the architect, and the rendering of a written opinion by the architect or firm to and for the benefit of the Master Association. A copy of the opinion or other report of the architect or firm shall be provided to the submitting Owner, unless such opinion or report implicates (or may potentially implicate) legally privileged matters. Before the ARC or the Board retains an architect or architectural firm in connection with an Owner's submission, the ARC shall give such Owner notice of the intention to retain such architect or firm, and provide the Owner with an opportunity to withdraw or modify the submission in order to avoid having to incur the costs associated with the architectural review. Under no circumstances shall the Master Association be required to incur costs in connection with the review of a submission by an Owner under this Article 11 without the right to reimbursement of such costs from the Owner.

Section 11.2 No Waiver of Future Approvals.

The approval of the ARC of any proposals, plans, specifications, or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans, specifications, drawings, or matter whatever subsequently or additionally submitted for approval or consent.

Section 11.3 Variance.

The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate, and no variance shall: (a) be effective unless in writing; (b) be contrary to the restrictions set forth in the body of this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain the issuance of any permit, or the terms of any financing shall not necessarily be considered a hardship warranting a variance.

Section 11.4 Compliance.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the ARC may be excluded by the Board from the Properties, subject to compliance with applicable law.

Section 11.5 Right to Inspect.

There is specifically reserved unto the Master Association and the ARC the right of entry and inspection upon any Lot for the purpose of determination whether there exists any construction or any improvements which violate the terms of any approval by the ARC or the terms of which this Declaration or of any other covenant, conditions and restrictions to which its

deed or other instrument of conveyance or Plat makes reference. The Master Association is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy; and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expenses, and reasonable attorneys' fees in connection therewith, and the same shall be assessable and collectible in the same manner as any Assessment provided for herein. The Master Association shall indemnify and hold harmless the ARC members from all costs, expenses, and liabilities, including attorneys' fees (but only for an attorney selected by the Board of Directors of the Master Association), incurred by virtue of any service by a person as a member of the ARC, except in the case of gross negligence or willful misconduct of the person seeking indemnification.

Section 11.6 Modifications Impacting Recreational Facilities.

If, in the reasonable opinion of the Board, the construction or modification being reviewed by the ARC would or might have a material adverse impact on the Recreational Facilities whether by restriction of view, hazards to person or otherwise, then, in that event, the Board may disapprove the proposed construction irrespective of the approval of same by the ARC, and the Owner shall resubmit to the ARC the proposed construction or modification so as to take into account the objection of the Board, which objection shall be provided in writing to the Owner.

Section 11.7 ARC Liability.

Neither the ARC, the Master Association nor any of its or their representatives shall be liable in damages to anyone submitting plans for approval or to any Owner or occupant of the Property by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of any plans or the failure to approve any plans. Any Owner making or causing to be made any proposed improvement or additions on any portion of the Property or Lot agrees, and shall be deemed to have agreed, for such Owner, and such Owner's heirs, personal representatives, successors and assigns, to hold the ARC, the Master Association and all other Owners harmless from any liability or damage to the Property and from expenses or damages arising from the construction and installation of any proposed improvement, and such Owner shall be solely responsible for the maintenance, repair and insurance of any improvement, alteration, modification or change and for assuring that the proposed improvement meets with all applicable governmental approvals, rules and regulations.

No ARC or Board approval as provided herein shall be deemed to represent or imply that the proposed improvement, if constructed in accordance with the approved plans and specifications, will result in properly designed and constructed improvements or will meet all applicable building codes, applicable governmental permits or other governmental requirements.

Section 11.8 Siting of Improvements and Setbacks.

Since the establishment of standard building setback lines for the location of structures tends to force construction of such buildings both directly behind and directly to the side of each other with detrimental effects on privacy, views, preservation of important trees, etc., no specific

setback-lines are established by this Declaration, except as may be required by the establishment of easements within the Property and shown on the plat of the Lot. In order to assure, however, that the location of structures will be staggered where practical and appropriate so that the maximum amount of view and breeze will be available thereto, and that the structures will be located with regard to ecological constraints and topography, taking into consideration the elevations, the location of large trees, and similar considerations, the ARC shall have the right to control absolutely and solely to decide, the precise site and location of any building or other structure upon all properties within Addison Reserve. Provided, however, that such location shall be determined only after reasonable opportunity is afforded to the Owner to recommend a specific site. Notwithstanding the foregoing, the ARC shall be empowered to grant variances with respect to such setback lines if so permitted in any such provision of this Declaration, the recorded Plat of the Lot, a Supplemental Declaration, or any other writing of Declarant.

Each Owner acknowledges that neither the Master Association nor the ARC, nor any person acting on behalf of any of the foregoing, has made or is authorized to make, any representation or commitment that any view or line of sight shall be preserved, protected or remain unobstructed, and there are no express or implied easements for view purposes appurtenant to any Lot.

ARTICLE 12 USE RESTRICTIONS

The Properties (excluding the Sales Center) shall be used only for residential and recreational purposes and for the administrative and other activities of the Master Association, as may more particularly be set forth in this Declaration. Any Supplemental Declaration or Village Association Document may impose stricter standards than those contained in this Article. The Master Association, acting through its Board of Directors, shall have standing and the power to enforce standards imposed by this Declaration, any Village Association Documents, and any such Supplemental Declaration.

The Master Association, acting through its Board of Directors, shall have the authority to make and to enforce Community-Wide Standards which may include standards and restrictions governing the use of the Properties, in addition to those contained herein.

Such regulations and use restrictions shall be binding upon all Owners, all Lots, and all occupants as defined in Section 12.2 hereof.

Section 12.1 Parking and Vehicular Restrictions.

Parking in the Properties shall be restricted to private automobiles and passenger-type vans, jeeps and pick-up trucks having a capacity of no more than two (2) tons, and only within the parking areas therein designed and/or designated for such purpose. This restriction is not intended to apply to parking within, and vehicles used for, the Recreational Facilities. No Owner shall conduct repairs (except in an emergency) or restorations of any motor vehicle, or other vehicle upon any portion of the Properties, except in an enclosed area with the doors thereto closed at all times or in a portion of the Recreational Facilities designated for such purpose, such as by way of example and not limitation, a maintenance yard at the golf course.

No commercial vehicles, or campers, mobile homes, motor homes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers or house trailer shall be permitted to be parked or to be stored at any place within the Properties, except in spaces for some or all of the above specifically designated by the Master Association, if any. No Owner shall keep any vehicle on the Common Areas which is deemed a nuisance by the Board. For purposes of this Section, "commercial vehicles" shall mean those vehicles which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The prohibitions on parking contained above in this Section shall not apply to temporary parking of commercial vehicles, such as for construction, landscaping, or maintenance use or for providing pick-up and delivery and other commercial services, nor to any vehicles of the Master Association or the Master Association's vendors and contractors.

No parking on lawns shall be permitted. No overnight on-street parking shall be permitted. Overnight parking of automobiles and other non-commercial trucks or vans shall only be allowed on an Owner's driveway or in an Owner's garage.

All boats, jet-skis, wave-runners, golf carts and other vehicles used for similar types of recreational purposes must be parked in a garage at all times when not in use. Parking of these vehicles in driveways or in the streets is not permitted.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations may be towed by the Master Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of twenty-four (24) hours from the time a notice of violation is placed on the vehicle. Neither the Master Association nor the towing company shall be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason or such towing and once the notice is placed, neither its removal, nor the failure of the owner to receive the notice for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes, trailers, etc. An affidavit of the person posting the aforesaid notice, stating that it was properly placed, shall be conclusive evidence of proper posting.

Section 12.2 **Occupants Bound.**

All provisions of this Declaration, the Articles, the By-Laws, the Rules and Regulations, the Community-Wide Standards or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests, invitees, contractors, licensees and lessees of any Owner (collectively, for purposes of this Section, "occupants"). Every Owner shall cause such Owner's occupants to comply with this Declaration, Articles, By-Laws, Rules and Regulations, Village Association Documents, and the Community-Wide Standards adopted pursuant thereto, and shall be responsible for all violations and losses to the Properties caused by such occupants, notwithstanding the fact the such occupants are fully liable and may be sanctioned for any violation of this Declaration, Articles, By-Laws, Rules and Regulations, Village Association Documents, and Community-Wide Standards adopted pursuant thereto.

Section 12.3 Animals and Pets.

No animals, wildlife, livestock, reptiles, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats or other usual and common household pets may be permitted on a Lot. All pets shall be controlled by their owner or the owner's designee at all times. Those pets which, in the sole discretion of the Master Association, endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the Owners of other Lots, or their Designated Users, Immediate Family, guests or invitees, an owner of any portion of the Properties, or persons using the Recreational Facilities, shall be removed upon request of the Board within three (3) days of written request. No pets shall be kept, bred, or maintained on any Lots for commercial purposes. Household pets outside the pet owner's Lot shall be confined on a leash (not to exceed twenty-five (25) feet when extended) held by a responsible person over the age of sixteen (16) years, except as otherwise provided herein. The foregoing leash requirement shall not apply when a pet is within any fenced in area set aside and designated by the Master Association as a dog park or similar area. Further, any household pets permitted outside of a residence, but on a Lot, shall at all times be confined and controlled on a leash held by a responsible person unless within a fully fenced in and secured area on the Lot or where the household pet is within a secured area adjacent to the residence within a fenced-in area on the Lot, which in either event, must be adequate to prevent the pet from making contact with any person or other pets outside the Lot. Pets shall only be permitted on those portions of the Common Areas (to the extent permitted herein) as are so designated by the Master Association. All persons bringing a pet onto the Common Areas shall be responsible for removing any solid waste of the pet. Each Owner, by acquiring title to a Lot, agrees to indemnify the Master Association and each applicable Village Association, and to hold each of them harmless against all loss or liability of any kind whatsoever arising from any pet or animal of the Owner or such Owner's Designated Users, Immediate Family, guests or invitees or other occupants. Pets are not permitted on or within the Recreational Facilities at any time, except in the case of service animals permitted pursuant to, and in accordance with, the Rules and Regulations.

Section 12.4 Nuisances.

No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be unsightly; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious, illegal or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Properties.

Section 12.5 Hazardous Materials.

Hazardous materials shall only be stored on the Property if reasonably necessary to the maintenance of the Properties or operation of any permitted business within the Properties. All hazardous materials shall be stored, utilized and accounted for in accordance with all governmental requirements. Owners shall be responsible for the maintenance, clean-up, storage, handling and disposal of any hazardous materials on their property and any contamination therefrom. If any Owner fails to properly perform his or her maintenance responsibility, the Master Association shall have the right, but not the obligation to maintain, clean-up, or dispose of such hazardous materials and assess all costs incurred by the Master Association against the Lot and the Owner thereof as a Special or Compliance Assessment. Each Owner shall indemnify and hold harmless the Master Association, against any and all expenses, including attorneys' fees and costs, reasonably incurred by or imposed upon the indemnified party as a result of the Owner's use or storage of hazardous materials.

Section 12.6 Trash.

No rubbish, trash, garbage or other waste material shall be kept or permitted on the Properties except in containers located in appropriate areas, if any, and in all events such containers shall not be visible from any of the Properties except for the minimum time necessary for its collection. Owners shall not leave trash out for pick-up prior to 7:00 p.m. on the night prior to pick-up and shall remove trash receptacles as soon as practicable after pick-up. No odor shall be permitted to arise therefrom so as to render the Properties or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No clothing or household fabrics shall be hung, dried or aired in a manner which is visible from any roadway, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties, except within an enclosed structure appropriately screened from view erected for that purpose, if any.

Section 12.7 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 such Owner's Lot.

Section 12.8 Outside Installations.

Except as permitted by the Design Review Guidelines and applicable law, no visible antennas, aerials, satellite dishes, cable dishes, or other apparatus for the reception or transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any Lot or Common Area in the Property (excluding the Recreational Facilities). The Design Review Guidelines contain specific size, placement, screening and color scheme requirements for permitted antennas, aerials, satellite dishes, cable dishes and other apparatus for reception of radio and/or television signals.

Section 12.9 Subdivision of Lot and Time Sharing.

No Lot shall be submitted to any time share or vacation club form of ownership as defined in applicable Florida Statutes, or otherwise subdivided or its boundary lines changed, except with the prior written approval of the Board of Directors in its sole discretion. No Lot may be subdivided.

No Lot shall be made subject to any type of timeshare or vacation club program, interval ownership or similar program whereby the right to exclusive use of the Lot rotates among multiple owners or members of the program on a fixed or floating time schedule over a period of years. This Section shall not prohibit ownership of a Lot intended for residential use by up to two (2) joint tenants or tenants-in-common nor shall it prohibit ownership by an Owner who is not a natural person.

Section 12.10 Firearms.

The discharge of firearms within the Properties is prohibited, except with the prior approval of the Board of Directors in its sole discretion. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. This restriction shall not prohibit the discharge of firearms in connection with "shotgun" start tournaments held at the golf course. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Master Association shall not be obligated to take any action to enforce this Section.

Section 12.11 Irrigation.

No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties by any Person, other than the Master Association. In the event effluent irrigation becomes available, the Master Association may require Owners of Lots to connect the irrigation system on their property to the effluent source, all at the Owners' sole cost and expense. Notwithstanding the foregoing, wells shall be permitted within the Properties as additionally set forth in Subsection 12.26.4.

Section 12.12 Garages, Carports, and Outbuildings.

Every residence within Addison Reserve is required to have an attached garage which must be designed to include space for the storage of a golf cart. All garages must be approved by the ARC.

No detached garages or carports shall be developed, constructed or installed on the Lot unless the architectural design of such structure is consistent with the Lot's residence and the structure is approved by the ARC in accordance with Article 12

Except as may be permitted by the Board of Directors, no tent, utility shed, shack, trailer, outbuilding, or other unattached structure shall be placed upon any Lot unless such structure will be used for special short-term occasions.

Section 12.13 **Insurance Rates.**

Nothing shall be done or kept in the Common Areas which will increase the rate of insurance on any property insured by the Master Association without the approval of the Board, nor shall anything be done or kept on any Lot or the Common Areas which would result in the cancellation of insurance on any property insured by the Master Association or which would be in violation of any law.

Section 12.14 **Sight Distance at Intersections.**

All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight ~~problem~~.

Section 12.15 **Utility Lines.**

No overhead utility lines, including without limitation lines for electric, telephone and cable television, shall be permitted within the Properties, except for temporary lines as required during construction, lines on or adjacent to the boundaries of the Property as the same exist or may be replaced and high voltage lines if required by law or for safety purposes.

Section 12.16 **Lakes and Water Bodies.**

All lakes, canals, ponds and streams within the Properties, if any, shall be for aesthetic purposes only except as hereinafter provided. The Master Association will allow residents of Addison Reserve to fish from the banks of those lakes, canals, ponds and streams within the Properties that are not located on the golf course. No other use of the lakes, canals, ponds and streams is permitted, including without limitation, swimming, boating, playing or use of personal flotation devices, skating or sledding. Neither the Master Association nor any Village Association shall be responsible for any loss, damage or injury to any person or property arising out of authorized or unauthorized use of lakes, canals, ponds or streams within the Properties. This Section shall not restrict the right of the Master Association to permit use of bodies of water within the Recreational Facilities in connection ~~with golf course~~ play or other recreational activities.

Section 12.17 **Playground.**

Any playground or other play areas or equipment furnished by the Master Association or any Village Association or erected with the Properties ~~shall~~ be used at the risk of the user, and neither the Master Association or any Village Association shall be held liable to any Person for any claim, damage, or injury occurring thereon or ~~related to use thereof~~.

Section 12.18 **Business Use.**

No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or

smell from outside the Lot; (b) the business activity conforms to all governmental requirements; (c) the business activity does not involve persons coming onto Lots who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Lot and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full time or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section. This Section shall not apply to the Recreational Facilities, or to the resale or rental of any Lot.

Section 12.19 Leasing of Lots.

12.19.1 Leasing Provisions. The provisions of this Section apply to all leases and subleases, and references to leases shall also refer to any subleases. For purposes of this Section, leasing includes any granting of rights to occupy a Lot for which the Owner receives any consideration or benefit. Lots may be leased only in their entirety; no fraction or portion may be rented and only one lease may be in effect for a particular Lot at any given time. There shall be no leasing of Lots or assignment of leases unless prior written approval is obtained from the Board of Directors. All leases shall be for a minimum term of four (4) months and a maximum term of two (2) years and shall be in writing. A Lot may not be leased more often than twice during any Fiscal Year, and may not be leased to any lessee (or to the lessee's spouse or family member who lived on the Lot while the lessee was a Designated User or otherwise was leasing such Lot) for a cumulative period of time that extends beyond two (2) Fiscal Years (all tenancies included), provided, however, that the Board shall have discretion, on a case-by-case basis, to waive this two-year limitation with respect to a lessee who is a spouse, a former spouse, a parent, a child, a child-in-law, a sibling, or a sibling-in-law of a Member (or, in the case of an Entity Member, of the majority beneficial owner(s) of the Entity Member), or in extraordinary circumstances upon good cause shown.

All transfers by lease shall require, as a condition of approval: (i) the payment to the Master Association of a transfer fee not to exceed the maximum amount permitted by Florida Statutes, as same may be amended from time to time, with husband/wife or parent/dependent child counting as a single applicant; and (ii) the posting of a security deposit with the Master Association not to exceed the maximum amount permitted by Florida Statute, as same may be amended from time to time. Prior to approving any lease, the Master Association shall be entitled to written notice of the Owner's intent to make the lease, with such Owner providing a copy of the proposed lease, and such other documentation pertaining to the proposed lessee and any other occupants as the Board may reasonably require. The Board may also require a personal interview with the proposed lessee(s) and any other occupants. Within thirty (30) days

of receipt of the last of the information required pursuant hereto, the Board must either approve or disapprove the lease. Failure on the part of the Board to respond within said thirty (30) day period shall constitute automatic approval for the proposed lease. The Board may disapprove a lease on any reasonable and lawful basis.

Section 12.20 Landscaping.

Installation and removal of landscaping and trees shall be subject to the prior approval of the ARC. No trees shall be removed except for diseased or dead trees without the prior approval of the ARC or for safety reasons, and the approval of such removal may be conditioned upon replacement of removed trees. Either the Master Association or the Village Association governing the applicable Lot may remove a dead or diseased tree or other dead or diseased landscaping at the expense of the Owner of such Lot, if such Owner does not do so within thirty (30) days of the giving of notice by the applicable association to such Owner (which notice may be given by electronic or ordinary mail) to remove such dead or diseased tree or landscaping. Costs incurred by the Master Association associated with removal shall be assessed to the Owner(s) of the affected Lot(s) as Compliance Assessments in accordance with Section 10.6 hereof.

Section 12.21 Sculptures and Artwork.

Any sculpture, statue or artwork of any type whatsoever which is visible from outside the Lot is subject to the prior approval of the ARC.

Section 12.22 Septic Tanks.

Septic tanks are not permitted on any portion of the Property, except on a temporary basis as approved by the ARC and if permitted by law.

Section 12.23 Private Golf Carts.

Private golf carts may be used within the Properties only by Members and their Designated Users, Immediate Family, guests, and invitees who are permitted to do so by the Master Association's By-Laws or Rules and Regulations. Customized golf carts are prohibited. All use of privately owned golf carts in the Properties must be in accordance with the provisions of the Rules and Regulations pertaining to private golf carts, as those provisions may be amended from time to time. Those provisions may include limitations on the categories of members who are allowed to use private golf carts, a requirement that all golf carts must be a standard color, style and appearance approved by the Master Association, maintenance standards, insurance requirements and other regulations determined by the Master Association from time to time in its sole discretion. As to golf carts traveling on Addison Reserve Boulevard, Drive or Way, such golf carts shall be limited to the use of the sidewalks parallel to the roadways and the right to cross-over the roadways at a 90-degree angle to the flow of traffic. Violation of any Section of this Declaration, By-Laws or Rules and Regulations may result in the loss or suspension of the private golf cart privileges conveyed by this Section, subject to the notice and hearing requirements specified herein and in the By-Laws.

Section 12.24 Golf Cart Paths.

No persons shall be permitted to jog or walk for non-golf purposes along the golf cart paths or any other portion of the golf course unless the prior approval of the Master Association has been obtained.

Section 12.25 Recreational Facilities Nuisance.

No Person shall engage in any activity whatsoever which shall interfere with the players' performance during use of the Recreational Facilities. Further, no obnoxious, unpleasant, unsightly or offensive activity shall be carried on that would or might interfere with the use or enjoyment of the Recreational Facilities.

Section 12.26 Approval by ARC.

The following use restrictions are restrictions that permit or prohibit certain conduct or uses and require certain permitted uses to be approved by the ARC in accordance with Article 11. The following restrictions are illustrative only and shall in no event be deemed a comprehensive list of items subject to approval in accordance with Article 11. Notwithstanding anything to the contrary herein, this Section 12.26 shall not apply to the Recreational Facilities.

12.26.1 Signs. No sign, billboard or advertisement of any kind, including, without limitation, "for sale" signs and those of realtors, contractors and subcontractors, shall be erected within the Properties without the written consent of the ARC. If permission is granted to any Owner to erect a sign within the Properties, the ARC reserves the right to restrict the size, shape, color, lettering, height, material and location of the sign, or in the alternative, provide the Owner with a sign to be used for such purposes. Under no circumstances shall signs, flags, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Properties be permitted within the Properties. No sign shall be nailed or otherwise attached to trees.

12.26.2 Driveways, Walkways and Mailboxes. All driveways, sidewalks and mailboxes shall be maintained in the style originally established or ~~approved in~~ accordance with Article 12. All driveways and culverts installed within Addison Reserve shall be of a type and quality approved by the Master Association and the grade of same shall be set by the Master Association. Mailboxes shall be uniform and shall be of the same type and quality as approved in accordance with Article 12 from time to time.

12.26.3 Tennis Courts. A tennis court may only be erected, constructed or installed on any Lot with the prior approval of the ARC.

12.26.4 Wells and Drainage. No private water system shall be constructed on any Lot without the prior approval of the Architectural Review Committee; provided, however, that wells shall be permitted on Lots subject to approval (i) by the governing documents of the respective Village, and (ii) of the ARC pursuant to rules and standards to be adopted and approved by the Master Association Board of Directors for the installation and maintenance of such wells. Catch basins and drainage areas are for the purpose of natural flow of

water only. No obstructions or debris shall be placed in these areas. No Person other than the Master Association may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Master Association hereby reserves for itself a perpetual easement across the Properties for the purpose of altering drainage and water flow.

12.26.5 Air Conditioning Units. No window air conditioning units may be installed on any Lot, except as approved in accordance with Article 11.

12.26.6 Lighting. Except for seasonal Christmas or holiday decorative lights, which may be displayed between Thanksgiving and January 31 only (unless the Village where the Lot with the seasonal lighting is located requires removal of such lighting prior to January 31, in which case the Village requirement shall apply), all exterior lights on Lots must be approved in accordance with Article 11. An exterior light may be required to be of the same type and quality approved by the Master Association.

12.26.7 Artificial Vegetation, Flags and Similar Items. All artificial vegetation, fountains, flags and similar items must be approved in accordance with Article 11; provided, however, that nothing herein shall prohibit the appropriate display of the American Flag.

12.26.8 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure and is approved in accordance with Article 11.

12.26.9 Fences. No dog runs, animal pens or front yard fences of any kind shall be permitted on any Lot except as approved in accordance with Article 11. Fences to enclose the portion of Lots and "invisible fences" to contain domestic animals within such areas shall be permitted provided approval is obtained in accordance with Article 11. Wooden and chain link fences shall not be allowed, and fences shall not be allowed to obstruct the views of neighbors.

12.26.10 On-Site Fuel Storage. No on-site storage of gasoline or other fuels shall be permitted on any Lot, except that up to five (5) gallons of fuel may be stored on each Lot for emergency purposes and operation of gas grills, lawn mowers and similar tools or equipment. Notwithstanding this provision, underground fuel tanks for storage of fuel for dwellings (including for use with electrical generators), pools, gas grills and similar equipment may be permitted on a Lot if approved in accordance with Article 11.

12.26.11 Play Equipment, Etc. All bicycles, tricycles, scooters, skateboards and other play equipment, wading pools, baby strollers and similar items shall be stored so as not to be visible from streets or property adjacent to a Lot. No such items shall be allowed to remain on the Common Area in the Property or on Lots so as to be visible from adjacent property when not in use. Swing sets, basketball hoops and backboards and similar sporting or playground equipment may be erected on Lots, provided each item is approved in accordance with Article 11.

12.26.12 Window Coverings. All windows on any structure which are visible from the street or dwellings on other Lots or from the Recreational Facilities shall have window coverings which have a white or off-white backing or blend with the exterior color of the dwelling, as approved pursuant to Article 11. Reflective window coverings are prohibited. No awnings, canopies or shutters shall be permanently installed on the exterior of any building unless first approved in accordance with Article 11.

Section 12.27 **No Garage Conversions**.

No garage shall be converted into habitable living space within the Properties.

Section 12.28 **Community-Wide Standards, Rules**.

The Master Association, through the Board, shall have the right to promulgate and impose further Community-Wide Standards and any Rules and Regulations of the Master Association and thereafter to modify, alter, amend, rescind and augment any of the same with respect to the use, operation and enjoyment of all or a portion of the Property, the Common Areas, the Exclusive Common Areas, and any improvements located thereon, including, but not limited to, establishing reasonable fees for the use of facilities and establishing hours and manner of operation.

ARTICLE 13 VILLAGES

Section 13.1 **General**.

Each Lot shall be located in a Village. Each Village may be a separately developed and denominated residential area comprised of one or more housing types, whether or not such Lots are located in close proximity to each other, in which Owners may have certain common interests. For example, and by way of illustration and not of limitation, a Village may have a common driveway providing access to residences in a Village.

The Lots within a particular Village shall be subject to additional covenants, and the Lot Owners shall all be members of a Village Association in addition to the Master Association, unless otherwise provided in a Supplemental Declaration regarding such Village.

Section 13.2 **Exclusive Common Areas**.

13.2.1 Village Expense. The cost and expense of maintaining the Exclusive Common Areas shall be borne by the Owners of Lots located in the Village(s) primarily benefited by such Exclusive Common Areas, as set forth in Village Association Documents, or otherwise.

13.2.2 Master Association Approval of Village Association Budget and Ability to Enforce Rules. In order to ensure compliance with the Community-Wide Standards of neatness, attractiveness and well-maintained appearance promulgated by the Master

Association from time to time, the Master Association shall have the following rights and powers with respect to each Village Association.

13.2.2.1 Budgets. Each year, each Village Association shall submit its budget to the Board for review. The Board shall have the right to require such changes in a Village Association's budget as the Board deems appropriate, and such changes shall be implemented by the Village Association.

13.2.2.2 Approval of Village Association Documents. The Master Association shall have the right to approve all Village Association Documents and all amendments thereto. Each Village Association shall submit all proposed Village Association Documents and amendments thereto to the Master Association for review and approval prior to recordation thereof.

13.2.2.3 Enforcement of Village Association Documents. The Master Association shall have the power, but not the obligation, to enforce all terms and provisions of any Village Association Documents. Such power shall be exercised by the Master Association only after notice to the Village and a reasonable opportunity for such Village to object to the proposed action or to enforce such Village Association Documents.

Section 13.3 Other Powers of the Master Association with Respect to Villages.

The Master Association shall have the power to veto any action taken or contemplated to be taken by any Village Association which the Board reasonably determines to be adverse to the interests of the Master Association or its Members or inconsistent with the Community-Wide Standards. The Master Association shall also have the power to require specific action to be taken by any Village Association in connection with its obligations and responsibilities hereunder or under any other covenants affecting the Properties. Without limiting the generality of the foregoing, the Master Association may require specific maintenance or repairs or aesthetic changes to be effectuated by the Village Association, may require that a proposed budget include certain items and that expenditures be made therefor, and may veto or cancel any contract providing for maintenance, repair, or replacement of the property governed by such Village Association.

13.3.1 Compliance. Any action required by the Master Association in a written notice pursuant to the foregoing paragraph to be taken by a Village Association shall be taken within the time frame set by the Master Association in such written notice, which time frame shall be reasonable. If the Village Association fails to comply with the requirements set forth in such written notice, the Master Association shall have the right, but not the obligation, to effect such action on behalf of the Village Association. To cover the Master Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Master Association, the Master Association shall assess the Lots in such Village for their pro rata share of any expenses incurred by the Master Association in taking such action, together with an administrative surcharge of ten percent (10%) of such amount. Such assessments may be collected as a Compliance Assessment hereunder and shall be subject to all lien rights provided for herein.

13.3.2 **Assessments.** The Master Association shall have the right, in addition to any other Assessment rights of the Master Association, to specifically assess the Owners and their Lots within a Village and such Village Association for expenses specifically incurred by the Master Association for such Village as a Compliance Assessment.

13.3.3 **Entry Rights.** The Master Association shall have the right, for itself, its designee, or any agent or employee, to enter upon any property administered by a Village Association to carry out the provisions hereunder, the applicable Supplemental Declaration, or the provisions of Village Association Documents not enforced by the Village Association and the same shall not constitute a trespass.

13.3.4 **Delegation.** The Master Association shall have the right and power, but neither the duty nor the obligation, to delegate in whole or in part, exclusively or non-exclusively, and on a permanent or temporary basis, to any Village Association any obligation of maintenance or repair created under this Declaration or by delegation from Declarant. If a Village Association does not accept or undertake such rights and obligations in a manner consistent with the standards established by the Master Association, then the Master Association shall have the right, but not the obligation, by its sole act, to terminate such assignment, and again fulfill such rights and obligations.

13.3.5 **Right to Maintain Village Property.** The Master Association shall have the right, but not the obligation, to maintain the Exclusive Common Areas, including in particular, all landscaping within the Village, and may assess the cost of such maintenance as a Compliance Assessment.

13.3.6 **Priority.** When a Supplemental Declaration or Village Association Documents pertaining to any Village is in conflict with this Declaration, the Articles of Incorporation, By-Laws, Rules and Regulations or any other documents of the Master Association, this Declaration and the other documents of the Master Association shall prevail.

Section 13.4 **No Liability.**

The Master Association, and their directors, officers, agents, employees and affiliates shall have no liability or responsibility whatsoever to any Person concerning any matters pertaining to any Village Association.

Section 13.5 **Dispute Resolution.**

The Master Association may, but shall not be obligated to, exercise jurisdiction over and act as arbiter with respect to any dispute between any Villages or Village Associations.

ARTICLE 14
RECREATIONAL FACILITIES

Section 14.1 General.

The Recreational Facilities are part of the Common Areas and are owned and operated by the Master Association and administered according to this Declaration, the By-Laws and the Rules and Regulations adopted by the Master Association from time to time. Every Owner, whether an initial purchaser, resale purchaser or anyone acquiring title from the initial purchaser or resale purchaser, is required to acquire and maintain a Recreational Facilities Certificate and shall have such rights and obligations relative to the category of Membership acquired as are set forth in the By-Laws.

By acquisition of title to a Lot, each Owner acknowledges and agrees that acquisition of a Membership creates the privilege to use the Recreational Facilities per the By-Laws and therefore requires the initial payment of a Recreational Facilities Membership Contribution, and the ongoing payment of other Recreational Facilities Assessments, Club Charges and other fees related solely to the Recreational Facilities. These amounts shall be determined by the Master Association as set forth herein and in the By-Laws. Payment of these amounts may, but shall not be required to, be subject to a recorded claim of lien on the Owner's Lot if payment is not made in accordance with this Declaration and the By-Laws.

Section 14.2 Assumption of Risk and Indemnification.

EACH OWNER BY ACQUISITION OF A LOT IN THE VICINITY OF THE RECREATIONAL FACILITIES HEREBY EXPRESSLY ASSUMES THE RISK OF NOISE, PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY MAINTENANCE AND OPERATION OF THE RECREATIONAL FACILITIES, INCLUDING, WITHOUT LIMITATION: (I) NOISE FROM MAINTENANCE EQUIPMENT AND IT BEING SPECIFICALLY UNDERSTOOD THAT SUCH MAINTENANCE TYPICALLY TAKES PLACE AROUND SUNRISE OR SUNSET; (II) NOISE CAUSED BY GOLFERS; (III) USE OF PESTICIDES, HERBICIDES, FERTILIZERS AND EFFLUENT IRRIGATION; (IV) VIEW RESTRICTIONS CAUSED BY MATURATION OF TREES AND SHRUBBERY OR REDESIGN OF THE GOLF COURSE; (V) REDUCTION IN PRIVACY CAUSED BY CONSTANT GOLF TRAFFIC ON THE GOLF COURSE, RELOCATION OF GOLF CART PATHS OR THE REMOVAL OR PRUNING OF SHRUBBERY OR TREES ON THE GOLF COURSE; AND (VI) DESIGN OF THE GOLF COURSE. EACH OWNER AGREES THAT NEITHER THE MASTER ASSOCIATION NOR ANY OF ITS AFFILIATES OR AGENTS NOR ANY OTHER ENTITY OPERATING OR MANAGING THE RECREATIONAL FACILITIES SHALL BE LIABLE TO AN OWNER OR ANY OTHER PERSON CLAIMING ANY LOSS OR DAMAGE, INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE ARISING FROM PERSONAL INJURY, DESTRUCTION OF PROPERTY, TRESPASS, LOSS OF ENJOYMENT OR ANY OTHER ALLEGED WRONG OR ENTITLEMENT TO REMEDY BASED UPON, DUE TO, ARISING FROM OR OTHERWISE RELATED TO THE PROXIMITY OF AN OWNER'S LOT TO THE RECREATIONAL FACILITIES, INCLUDING, WITHOUT LIMITATION, ANY CLAIM

ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE MASTER ASSOCIATION OR ANY OTHER ENTITY OPERATING OR MANAGING THE RECREATIONAL FACILITIES. EACH OWNER HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS THE MASTER ASSOCIATION AND ANY OTHER ENTITY OPERATING OR MANAGING THE RECREATIONAL FACILITIES AGAINST ANY AND ALL CLAIMS BY OWNERS, VISITORS, TENANTS AND OTHERS UPON SUCH OWNER'S LOT.

Section 14.3 Easement for Golf Balls.

Every Lot is burdened with an easement permitting golf balls hit from the golf course to unintentionally come upon the Lot and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of the Lot to retrieve errant golf balls; provided, however, if the Lot is fenced or walled, the golfer shall seek the Owner's or occupant's permission before entry. Each Owner, by acceptance and delivery of a deed to a Lot, assumes all risks associated with errant golf balls, and each Owner agrees and covenants not to make any claim or institute any action whatsoever against the Master Association, the Villages, the golf course designer, any person who has redesigned or modified the golf course or who may do so in the future, or any user of the golf course or the golf practice facilities, arising or resulting from any errant golf balls, any damages that may be caused thereby, or for negligent design of the golf course or the siting of the Owner's Lot.

Section 14.4 Use of Lakes and Waterways.

The lakes, ponds, canals, waterways and drainage system for Addison Reserve shall be owned and operated by the Master Association. The Master Association shall at all times have the right to use and divert the water in all lakes, ponds, canals and waterways located in the Properties, in unlimited quantities, for the purposes of: (i) irrigation, watering and maintenance of the golf course and related facilities comprising part of the Recreational Facilities, subject to applicable laws and regulations governing water use; and (ii) maintenance, repair and upkeep of the lakes, ponds, canals and waterways, or any of them.

In the event there are insufficient water levels to provide the necessary irrigation needs of the Recreational Facilities and other areas of the Properties, subject to applicable governmental permits and requirements, the Recreational Facilities shall have first priority for irrigation, followed by any other Common Area, and then any Exclusive Common Areas.

**ARTICLE 15
GENERAL PROVISIONS**

Section 15.1 Term.

The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Master Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each, unless by not less than sixty percent

(60%) of the Votes of all of the Membership Units, or by written agreement in the manner prescribed in the applicable statute, an instrument is directed to be recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein. Notwithstanding the foregoing, any terms, provisions, covenants, restrictions or prohibitions contained herein which relate to, pertain to or affect any environmentally sensitive areas of the Properties or any portion of the Properties which is subject to the rules, ordinances or regulations of the Federal Government, the State of Florida or Palm Beach County, or any agency or body of the foregoing shall be applicable to the Properties in perpetuity unless the waiver of same shall have been obtained from the appropriate party or unless the rule, ordinance or regulation shall have been abrogated or repealed by the appropriate party.

Section 15.2 Amendment.

The Board of Directors may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary to: (i) bring any provision hereof into compliance with any applicable governmental statutes, rule, requirement or regulation, or judicial determination that is final and nonappealable, (ii) enable any reputable title insurance company to issue title insurance coverage on Lots, (iii) enable an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Master Association or Federal Home Loan Mortgage Corporation, to make or purchase mortgage loans on Lots, (iv) enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots, (v) clarify this Declaration in a non-substantive manner, or (vi) correct any stenographic, scrivener's or surveyor's error or any error of a like nature; provided, however, that any such amendment shall not adversely affect the title to any Lot unless the Owner thereof shall consent thereto in writing. Any amendment of this Declaration other than as stated in the first sentence of this Section shall require: (a) (i) the affirmative vote of two-thirds (2/3rds) of the members of the Board of Directors, or (ii) a written petition seeking such change signed by Members representing not less than ten percent (10%) of all Memberships; and (b) the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units. Notwithstanding anything to the contrary contained in this Section, (i) Member votes on any amendments regarding Golf Matters shall be conducted in the manner described in the By-Laws, and (ii) the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Public Records.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any proposed amendment to this Declaration which would affect the surface water management system (including environmental conservation areas and the water management portions of the Common Areas in the Property) must be submitted to the South Florida Water Management District for a determination as to whether the amendment necessitates a

modification of the surface water management permit. If a modification is necessary, the South Florida Water Management District will so advise the permittee and any such amendment shall be conditioned upon modifications of the permit.

Section 15.3 **Indemnification.**

The Master Association shall indemnify and hold harmless every Officer, Director and Committee Member against any and all expenses, including reasonable attorneys' fees and costs, reasonably incurred by or imposed upon such Officer, Director and Committee Member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such person may be a party by reason of being or having been an Officer, Director or Committee. The Officers, Directors and Committee Members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The Officers, Directors, and Committee Members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Master Association (except to the extent that such Officers, Directors or Committee Members may also be Members of the Master Association), and the Master Association shall indemnify and forever hold each such Officer, Director, and Committee Member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer, Director or Committee Member, or former Officer, Director or Committee Member may be entitled. The Master Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 15.4 **Easements for Utilities, Etc.**

There is hereby reserved unto the Master Association and its designees (which may include, without limitation, Palm Beach County, Florida, South Florida Water Management District, and any utility company), blanket easements upon, over, across, and under all of the Properties for ingress and egress; dispensing pesticides; installation, replacing, repairing, relocating and maintaining restricted access and similar systems, roads, walkways, bicycle pathways, lakes, ponds, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewer, meter boxes, telephones, gas and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry into any Lot shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water, electric and gas supplier easements across the Common Areas in the Property and the Lots for ingress, egress, installation, reading, replacing, repairing, and maintaining meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Board.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have

the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Section shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3rds) vote, the power to dedicate portions of the Common Areas in the Property to Palm Beach County, Florida, or to any other local, state or federal governmental entity, subject to such approval requirements as may be contained in this Declaration.

Section 15.5 **Severability.**

~~Invalidation~~ of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 15.6 **Disclaimer of Association Liability.**

AS USED IN THIS ARTICLE, "ASSOCIATIONS" SHALL MEAN THE MASTER ASSOCIATION AND ALL VILLAGE ASSOCIATIONS HAVING JURISDICTION OVER PORTIONS OF ADDISON RESERVE, AND ALL COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS SUCCESSORS AND ASSIGNS OF ANY OF THE FOREGOING.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATIONS OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATIONS (COLLECTIVELY, AS USED IN THIS ARTICLE THE "ASSOCIATIONS' DOCUMENTS"), THE ASSOCIATIONS SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, MEMBER, OCCUPANT, DESIGNATED USER OR OTHER USER OF ANY PORTION OF ADDISON RESERVE, OR THEIR GUESTS, LESSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATIONS' DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF, WHICH ARE ENFORCEABLE BY THE ASSOCIATIONS AND WHICH GOVERN OR REGULATE THE USES OF ADDISON RESERVE, HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF ADDISON RESERVE AND THE VALUE THEREOF; AND

(b) THE ASSOCIATIONS ARE NOT EMPOWERED, AND HAVE NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR INSURES COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA OR PALM BEACH COUNTY OR OF THE UNITED STATES, OR ENFORCES OR INSURES THE PREVENTION OF TORTIOUS ACTIVITIES.

EACH MEMBER (BY VIRTUE OF SUCH MEMBER'S ACQUISITION OF A LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF ADDISON RESERVE (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST WHICH THE LIABILITY OF THE ASSOCIATIONS HAS BEEN DISCLAIMED IN THIS ARTICLE. EACH MEMBER DOES HEREBY RELEASE THE ASSOCIATIONS FROM ALL LIABILITY FROM INJURY AND/OR ACCIDENTAL DEATH DUE TO ADVERSE WEATHER AND ALL EFFECTS AND RESULTS THEREOF.

Section 15.7 Cumulative Effect; Conflict.

The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Village Association, and the Master Association may, but shall not be required to, enforce the latter; provided, however, that in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Village Association shall be subject and subordinate to those of the Master Association. The foregoing priorities shall apply, but not be limited to, the liens for Assessments created in favor of the Master Association.

Section 15.8 Right of Entry.

The Master Association shall have the right, but not the obligation, to enter into any Lot for emergency and safety reasons, to abate nuisances (including, without limitation, false burglar alarms), and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws and the Rules and Regulations, which right may be exercised by the Master Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include, but not be limited to, the right of the Master Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

Section 15.9 Compliance.

Every Owner, every occupant of any Lot, and any user of the Recreational Facilities, their guests and invitees, shall comply with all lawful provisions of this Declaration, the By-Laws and Rules and Regulations of the Master Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Master Association or, in a proper case, by the Owner of any aggrieved Property. In addition, the Master Association shall have the remedies prescribed in Chapter 720, Florida Statutes, as same may be amended from time to time and in the By-Laws.

Section 15.10 Notice of Transfer of Lot.

In the event that any Owner desires to sell or otherwise transfer title to such Owner's Lot, such Owner shall proceed under the transfer procedures specified in the By-Laws. Until such procedures are completed, and the Membership Contributions and other amounts required to be paid with respect to the Membership and transfer thereof are paid in full, the transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner of the Lot, including payment of all Assessments, notwithstanding the transfer of title to the Lot.

Section 15.11 Dissolution of Master Association.

In the event of dissolution or final liquidation of the Master Association, all of the property and assets of the ~~Master Association~~, after payment of its debts, shall be distributed as permitted by Florida law or a court having jurisdiction: (i) first to the Members in proportion to the amount that each Member would be entitled to receive in repayment of a portion of the Recreational Facilities Membership Contribution, as specified in Section 9.4 of the By-Laws; and (ii) thereafter, if any amount is remaining, to the Members in equal proportions.

Section 15.12 Power of Attorney.

Each Owner hereby unconditionally and irrevocably appoints the Master Association as its true and lawful attorney-in-fact, coupled with an interest, to execute any and all documents and take any and all actions necessary or desirable to fulfill the purposes and intentions of this Declaration.

**ARTICLE 16
MORTGAGEE PROVISIONS**

The following provisions are for the benefit of Institutional Mortgagees holding mortgages on Lots. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 16.1 Notice to Mortgagee.

An Institutional Mortgagee who provides written request to the Master Association (such request to state the name and address of such mortgage holder, insurer, or guarantor and the Lot address), will be entitled to timely written notice of:

16.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Properties;

16.1.2 Any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the mortgage of such Institutional Mortgagee, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any Institutional Mortgagee, upon request, is entitled to written notice from the Master Association of any default in the performance by such Owner of any obligation under the Declaration or By-Laws of the Master Association which is not cured within sixty (60) days;

16.1.3 Any lapse, cancellation, or material modification of any insurance policy maintained by the Master Association; or

16.1.4 Any proposed action which would require the consent of a specified percentage of eligible Owners.

Section 16.2 Special FHLMC Provision.

So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven percent (67%) of the Institutional Mortgagees or Members representing at least sixty-seven percent (67%) of the total Master Association votes entitled to be cast thereon consent, the Master Association shall not:

16.2.1 by act or omission seek to abandon, alienate, release, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area in the Property (excluding the Recreational Facilities) which the Master Association owns (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this Subsection);

16.2.2 change the method of determining the obligations, Common Area Assessments, dues, or other charges which may be levied against an Owner of a Lot (a decision, including contracts, by the Board or provisions of any Supplemental Declaration recorded on any portion of the Properties regarding Assessments for Villages or other similar areas shall not be subject to this provision where such decision or Supplemental Declaration is otherwise authorized by this Declaration);

16.2.3 by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Area in the Property (excluding the Recreational Facilities) (the issuance and amendment of architectural standards, procedures, rules and regulations, of use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

16.2.4 fail to maintain insurance, as required by this Declaration; or

16.2.5 use hazard insurance proceeds for any Common Area (excluding the Recreational Facilities) losses for other than the repair, replacement, or reconstruction of such property.

Section 16.3 Payment of Taxes and Other Amounts Owed by Master Association.

Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas or any part thereof, and may pay overdue premiums on casualty insurance policies or secure new casualty insurance

coverage upon the lapse of a Master Association policy, and Institutional Mortgagees making such payments shall be entitled to immediate reimbursement from the Master Association.

Section 16.4 **No Priority.**

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the Institutional Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 16.5 **Amendment by Board.**

Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirement less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 16.6 **Notice to Master Association.**

Upon request, each Owner shall be obligated to furnish to the Master Association the name and address of the holder of any mortgage encumbering such Owner's Lot.

Section 16.7 **Applicability of this Article.**

Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Florida law for any of the acts set out in this Article.

Section 16.8 **Failure of Mortgagee to Respond.**

Any Institutional Lender who received a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Master Association does not receive a written response from the Institutional Lender within thirty (30) days of the date of the Master Association's request.

Section 16.9 **Mandatory Membership**

An Institutional Lender or any other Person who acquires ownership of a Lot through foreclosure, a deed in lieu of foreclosure, or similar process is required, upon taking such ownership, to become a Member and to pay all amounts, including without limitation Membership Contributions and Assessments, required of a Member hereunder and in the By-Laws, provided that the Board may, as to any Institutional Lender, waive the requirement to pay Membership Contributions on a case-by-case basis.

**ARTICLE 17
EASEMENTS**

Section 17.1 **Emergency and Service Easement.**

A general easement is hereby granted to all police, sheriff, security, fire protection, ambulance, and all other similar emergency agencies or persons and to all trash collection and school transportation personnel to enter upon all streets and property in Addison Reserve in the proper performance of their duties.

Section 17.2 **Maintenance Easement.**

An easement is hereby reserved and granted to the Master Association, and any trustee or manager, and their respective officers, agents, employees, and assigns upon, across, over, in and under the Properties and a right to make such use of the Properties as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Master Association is obligated or permitted, to perform, including the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of such Lots as required by this Declaration, the By-Laws, the Articles of Incorporation, and the Rules and Regulations. The Master Association shall not unreasonably interfere with the rights of the Owners in the use of this easement.

Section 17.3 **Easements on Plats.**

All easements for utility purposes, drainage purposes, and any other purposes depicted or described on any Plats of any portions of the Properties recorded in the Public Records are hereby granted to the Master Association and any other parties named or described on the recorded Plats, to be used for their intended purposes. All such easements shall be non-exclusive unless otherwise set forth on the recorded Plat or Plats.

Section 17.4 **Golf Course Easement.**

Owners of Lots (if any) which are subject to a golf course easement as indicated on the Plat(s) of the Properties shall not be permitted to erect, improve or construct any improvement thereon without the prior approval of the Board and the ARC; and provided further that the Master Association shall have the right to maintain such easement areas in its sole discretion.

Section 17.5 **Easements Deemed Created.**

All conveyances of property within the Properties, including Lots, hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the rights, powers and easements contained in this Article, even though no specific reference to such rights, powers and easements or to this Article appears in the instrument for such conveyance.

Section 17.6 **Agreement with Lake Worth Drainage District.**

The Declarant entered into a Piping License Agreement with Lake Worth Drainage District pursuant to which the Declarant installed piping for the District's Equalizer Canal No. 2-1/2 abutting and contiguous to Addison Reserve. The Master Association has assumed all obligations of the Declarant set forth in the Piping License Agreement, other than the obligation

to install piping. The Master Association shall maintain the piped canal, its headwalls and improvements thereon, maintain a general liability insurance policy naming the Lake Worth Drainage District as an additional insured in the amount of One Million Dollars (\$1,000,000), and fulfill all other obligations of the Declarant set forth in the Piping License Agreement. An access easement has also been granted to the Lake Worth Drainage District with respect to the Equalizer 2-1/2 Canal.

ARTICLE 18
CENTRAL CABLE AND INTERNET TELECOMMUNICATIONS,
ELECTRONIC MONITORING SYSTEMS, AND SECURITY AND SAFETY

Section 18.1 Ownership and Use.

The Master Association reserves and retains to itself, its successors and assigns:

(A) The title to any central cable telecommunication and/or Internet receiving and distribution system and any electronic monitoring system which Declarant installed or caused to be installed within Addison Reserve, together with improvements and modifications thereto, and together with a perpetual easement for the placement and location thereof, including without limitation, conduits, wires, amplifiers, towers, antennae and related apparatus and equipment; and

(B) A perpetual easement for ingress and egress to service, maintain, install, repair and replace the aforesaid apparatus and equipment; and

(C) The right to connect the central telecommunication and electronic monitoring systems to such receiving sources as the Master Association may in its sole discretion deem appropriate, including without limitation, companies licensed to provide cable television services, Internet services, security services, and/or electronic monitoring services in Palm Beach County, Florida, for which services the Master Association, its successors and assigns shall have the right to charge every Member a reasonable fee not to exceed the maximum allowable charge for such services as from time to time may be defined by the laws and ordinances of Palm Beach County, Florida. The provisions of this Subsection (C) ~~shall not~~, however, be applicable to any property which is the subject of this Declaration which is hereinafter owned in fee simple by any cable TV or monitoring company or any of its subsidiary corporations, or any successor in title to any such property; and

(D) The right to empower a licensee or franchisee to provide exclusive cable television and Internet telecommunication, security and/or electronic monitoring services within Addison Reserve, to enter into an exclusive agreement with such licensee or franchisee, and to collect such license or franchise fees in connection therewith as the Master Association may, in its sole discretion, deem appropriate. **EACH OWNER'S ASSESSMENT MAY INCLUDE A SPECIFIED MONTHLY CHARGE TO EACH LOT FOR THE FEES CHARGED TO THE MASTER ASSOCIATION FOR CABLE TELEVISION AND INTERNET SERVICE AND ELECTRONIC MONITORING SERVICES PURSUANT TO ANY SUCH EXCLUSIVE AGREEMENT, WHETHER OR NOT ANY OWNER ELECTS TO USE SUCH SERVICES.** The Master Association has assumed all obligations under such

exclusive agreements for cable television, Internet and/or electronic monitoring services, and all payments belong to the Master Association. The Master Association recognizes that such agreements benefit Addison Reserve and the Owners, that beneficial terms and conditions were obtained through the execution of such agreements, and that the Master Association will not unreasonably cancel such agreements.

Section 18.2 Security and Safety.

The Master Association, their successors or assigns or licensees or franchisees, and the cable TV or electronic monitoring system operator may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. **THE MASTER ASSOCIATION SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY OR SAFETY WITHIN THE PROPERTIES, AND THE MASTER ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR SAFETY MEASURES, OR INEFFECTIVENESS OF SECURITY OR SAFETY MEASURES UNDERTAKEN. ALL OWNERS AND ALL OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE MASTER ASSOCIATION AND ITS BOARD OF DIRECTORS DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, ELECTRONIC MONITORING SYSTEM, TRAFFIC SAFETY SYSTEM, OR OTHER SECURITY OR SAFETY SYSTEMS OR MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR ELECTRONIC MONITORING SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, OR THAT FIRE PROTECTION OR ELECTRONIC MONITORING SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND EACH OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE MASTER ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES ARE NOT INSURERS OF SAFETY OR SECURITY WITHIN THE PROPERTIES, AND THAT EACH OWNER AND EACH OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES, BY ENTRY INTO THE PROPERTIES OR ANY PORTION THEREOF, ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO HOMES AND TO THE CONTENTS OF HOMES, AND FURTHER ACKNOWLEDGES THAT THE MASTER ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE, SAFETY AND/OR ELECTRONIC MONITORING SYSTEMS OR OTHER SECURITY OR SAFETY SYSTEMS OR MEASURES RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.**

Section 18.3 **Electronic Monitoring Systems Requirements.**

Each residence must be equipped with an electronic monitoring system which shall be part of the central monitoring system installed pursuant to Article 18. Builders shall be required to prewire for the central monitoring system and tie in when the central system is operational. Owners shall pay a specified monthly sum as part of the Assessment for the cost of the central monitoring system.

**ARTICLE 19
SALES CENTER**

The Sales Center may be operated by the Master Association or its successors and assigns as a sales center for the sale of Lots and/or residences, or for other Community-related purposes, in the sole discretion of the Board. Subject to obtaining all necessary governmental permits and approvals, the Master Association or its successors and assigns may operate the Sales Center as an office for the sale and resale of Lots and/or homes and other uses approved by local governmental authorities. Each Owner by acceptance of a deed to a Lot hereby acknowledges the granting to the Master Association of a power of attorney to enable the Master Association to apply for all governmental and regulatory permits and approvals necessary to operate the Sales Center as provided in this Article.

The Master Association hereby grants any tenant of the Sales Center (regardless of whether such Persons are Members hereunder), such tenant's guests and invitees and such tenant's employees, agents, contractors, and designees a nonexclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel to and from the entrance to Addison Reserve from and to the Sales Center respectively, and, further, over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Sales Center.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, this Declaration has been executed as of the date first above written.

WITNESSES:

ADDISON RESERVE MASTER
PROPERTY OWNERS ASSOCIATION,
INC., a Florida not-for-profit corporation,

Harry Stein
Print Name: Harry Stein
Dana Brush
Print Name: Dana Brush

By: *Bert Blicher*
Print Name: Bert Blicher
Title: President

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18 day of December 2018, by Bert Blicher, as President of ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of said corporation. He is () personally known to me or () produced as identification.

Witness my hand and official seal in the County and state aforesaid this 18 day of December, 2018.

My Commission Expires:

Josephine Calli
Notary Public State of Florida

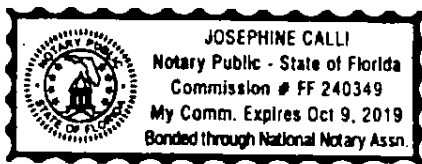


EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTIES

All of that certain Plat entitled Addison Reserve Plat One, recorded in Plat Book 75, Pages 143 through 149, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Replat Lots 9-14, Block 1, Addison Reserve Parcels One & Two, recorded in Plat Book 77, Pages 16 and 17, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Plat Two, recorded in Plat Book 77, Pages 3 through 8, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Plat Three, recorded in Plat Book 78, Pages 5 through 12, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Plat Four, recorded in Plat Book 79, Pages 76 through 81, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcels One & Two, recorded in Plat Book 76, Pages 4 through 7, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Three, recorded in Plat Book 76, Pages 26 and 27, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcels Four and Five, recorded in Plat Book 76, Pages 8 through 11, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcels Seven & Eight, recorded in Plat Book 78, Pages 126 through 132, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcels Nine, Ten & Nineteen, recorded in Plat Book 78, Pages 137 through 144, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Eleven, recorded in Plat Book 79, Pages 173 through 175, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Eleven Replat, recorded in Plat Book 81, Pages 53 and 54, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Twelve, recorded in Plat Book 85, Pages 139 through 141, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Thirteen, recorded in Plat Book 83, Pages 160 and 162, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Fourteen, recorded in Plat Book 84, Pages 54 through 56, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Fifteen, recorded in Plat Book 84, Pages 192 through 194, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Sixteen, recorded in Plat Book 83, Pages 34 through 36, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Seventeen, recorded in Plat Book 82, Pages 49 through 51, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Parcel Eighteen, recorded in Plat Book 83, Pages 21 through 23, in the Public Records of Palm Beach County, Florida.

AND

All of that certain Plat entitled Addison Reserve Replat Lake 19, recorded in Plat Book 83, Pages 151 through 154, in the Public Records of Palm Beach County, Florida.

AND

A parcel of land situate in Sections 27 and 28, Township 46 South, Range 42 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Northwest corner of said Section 27; thence along the West line of said Section, S00°40'33"E, a distance of 75.00 feet to the point of beginning.

From the point of beginning; thence departing from said West line and along a line 75.00 feet South of and parallel with the North line of said Section 27; N89°19'27"E, a distance of 1337.81 feet to the East line of the Northwest one-quarter (NW ¼) of the Northwest one-quarter (NW ¼) of said Section 27; thence departing from said North line and along said East line, S00°33'20"E, a distance of 68.95 feet; thence departing from said East line, N88°50'35"W, a distance of 123.41 feet to a line 140.00 feet South of and parallel with the North line of said Section 27; thence along said line, S89°19'27"W, a distance of 1209.66 feet; thence S83°38'16"W, a distance of 461.79 feet; thence N88°28'31"W, a distance of 461.53 feet; thence N81°42'22"W, a distance of 453.85 feet to intersect the West line of the East 5.00 feet of the West one-half (W ½) of the East one-half (E ½) of said Section 28, also being the East right-of-way line of the Lake Worth Drainage District E 2 ½ Canal, 80 feet in width; thence along said East right-of-way line, N00°42'46"W, a distance of 90.27 feet to intersect a line 120.00 feet South of and parallel with the South boundary line of "Gleneagles Plat Eight", recorded in Plat Book 54 at Pages 114 through 117 of the Public Records of said Palm Beach County, at a point along a curve having a radius of 1163.31 feet from which a radial line bears S01°09'08"E; thence Northeasterly along the arc of said curve subtending a central angle of 00°14'47", a distance of 5.00 feet to intersect the East line of the West one-half (W ½) of the East one-half (E ½) of said Section 28; thence along said line, S00°42'46"E; a distance of 75.00 feet to intersect a line 75.00 feet South of and parallel with the North line of said Section 28; thence along said line, N89°01'54"E, a distance of 482.59 feet; thence S88°28'31"E, a distance of 419.48 feet; thence N83°38'16"E, a distance of 154.09 feet to intersect a line 75.00 feet South of and parallel with the aforementioned North line of said Section 28; thence along said line, N89°01'54"E, a distance of 264.46 feet to the point of beginning.

EXHIBIT "B"

ADDISON RESERVE MASTER
PROPERTY OWNERS
ASSOCIATION, INC.

BY-LAWS

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ARTICLE I PURPOSES

ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC. was established to control and regulate the use of the Property in accordance with the Amended and Restated Master Declaration of Covenants, Restrictions and Easements for Addison Reserve, as amended from time to time. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning ascribed to such terms in the Declaration.

The purposes of the Master Association include:

- a. ~~promoting, assisting~~ and providing adequate and proper maintenance of the Property for the benefit of all Members of the Master Association;
- b. providing recreational activity within the Property through the ownership and management of the Recreational Facilities formerly owned by Addison Reserve Country Club, Inc., a Florida not-for-profit corporation that merged with and into the Master Association for the pleasure and benefit of Members;
- c. enhancing the quality of life and property values within the residential community commonly known as Addison Reserve through means and methods as the Master Association may deem in the best interest of its Members and maintaining the private nature of the Recreational Facilities and the Community;
- d. exercising all powers and discharging all responsibilities granted to the Master Association as a corporation and as a homeowners' association under the laws of the State of Florida, the Articles of Incorporation of the Master Association, these Amended and Restated By-Laws and the Declaration;
- e. acquiring, holding and conveying and otherwise dealing with real and/or personal property in the Master Association's capacity as a homeowners' association; and
- f. to otherwise engage in such additional lawful activities for the benefit, use, ~~convenience~~ and enjoyment of its Members as it may deem proper and as contemplated by the Declaration.

The powers of the Master Association shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these By-Laws, or by law. These By-Laws are the By-Laws referred to in the Declaration.

ARTICLE II DEFINITIONS

Capitalized terms used herein without definition shall have the meanings ascribed to them in the Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Easements for Addison Reserve. The following terms when used in these By-Laws (unless the context provides otherwise) shall have the following meanings:

“Annual Meeting” shall mean the meeting of the Members, to be held annually, pursuant to Section 3.1 of these By-Laws.

“Application for Membership” or “Application” shall mean a written application, in a form approved by the Board of Directors, to be submitted by a person or persons, or entity, desiring to be considered for Membership or for Designated User status.

“Budget” shall mean the annual budget of the Master Association approved by the Board.

“Changing Member” shall have the meaning set forth in Section 9.4 hereof.

“Committee” or “Committees” shall refer to the Standing Committees, the Executive Advisory Committee, and such other committees, subcommittees and task forces as may be created pursuant to Section 8.13 hereof.

“Committee Members” shall mean natural Persons serving on Committees.

“Common Area Reserve” shall have the meaning set forth in Section 12.2.a hereof.

“Designated User” shall mean one individual who has been so designated by an unmarried individual Member in good standing, or each of one or two individuals who have been designated by an Entity Member in good standing (referred to herein as an “Entity Member Designated User”) or by a Member in good standing who is seeking Board approval to allow such Member’s tenants to use Recreational Facilities pursuant to Article XI, and in each case who has been approved for such status by the Board of Directors. In considering a Member’s request for Designated User approval, the Board may request such information as it deems necessary or appropriate, including information about the Designated User’s plans for Community residency, and including (in the case of a Lot leasing situation) a copy of any lease agreement, and may require the designating Member to update or supplement such information from time to time thereafter (including, in the case of any Lot leasing situation, requiring the filing of any amendments to the lease agreement). The Board may require payment of an application fee in connection with an application for Designated User status. The Board’s approval of a Designated User may be for a limited time (e.g., for the term of a lease) or indefinite, may be conditioned as the Board deems appropriate (e.g., by imposing credit limit or deposit requirements), may be revoked at any time, and shall be deemed revoked in the event of the marriage of a Member whose Designated User was approved by virtue of the Member’s unmarried status. A Member may change or add a Designated User not more than once in any Fiscal Year, except (i) when an Entity Member, having added one Designated User, wishes to

add a second Designated User later in the same Fiscal Year; and (ii) in a situation where a Designated User dies during a Fiscal Year.

“Director(s)” shall mean a member or members of the Board of Directors.

“Effective Date” shall mean December 31, 2018.

“Entity Member” shall mean a Member that is a corporation, partnership, limited liability company, trust or other form of ownership, provided that the entity owns the Lot. The Membership will be issued in the name of the entity. The entity must provide a breakdown of its ownership, and promptly notify the Master Association of any change in the equity ownership of the entity. Any change in ownership of the entity exceeding 50% on a cumulative basis, or any substantial change affecting the beneficiaries of a trust, since such Membership interest was issued shall be deemed a sale of the Member's Lot and subject to the provisions of these By-Laws with regard to Memberships in connection with the sale of Lots, unless the Member can demonstrate that the change has a bona fide purpose (for example, a bona fide family or estate planning purpose) (as determined by the Board) other than one relating to transfer of the Membership or one relating to purchase of the Lot for consideration.

“Expansion Assessments” shall have the meaning set forth in Section 13.7.a hereof.

“Expansion Expenditures” shall have the meaning set forth in Section 13.8 hereof.

“Fiscal Year” shall mean an accounting period of twelve months, commencing October 1st and ending September 30th, unless otherwise determined by the Board.

“Former ARMPOA Board” shall mean the nine (9) members of the board of directors of the Master Association immediately prior to the Effective Date.

“Former Club Board” shall mean the nine (9) members of the board of governors of the Former Club immediately prior to the Effective Date.

“GCAC” shall mean the General Common Areas Committee as described in Section 8.6 hereof.

“GCAC Initial Term” shall mean the period of time from the Effective Date until the Annual Meeting held in the year 2022.

“General Manager/Chief Executive Officer” shall mean the person designated by the Board and employed by the Master Association to whom the executive operation and management of the Master Association is entrusted.

“Golf Member” shall mean the owner of a Golf Membership.

“Immediate Family” shall mean a Member's spouse (i.e., if not a Member) and unmarried children of either spouse under the age of twenty-three (23), or a Designated User and unmarried children of such Designated User under the age of twenty-three (23), provided said children primarily reside within the Community.

"Master Association Documents" shall mean and refer to these By-Laws, the Declaration, the Articles and the Rules and Regulations, each as may be amended from time to time.

"Membership Unit" shall mean a Member or, in the circumstances specified in Section 9.2, two (2) Members who shall be treated collectively as a single unit of Membership.

"Off-Season" shall mean May 1st through October 31st of each year.

"Officer(s)" shall mean the President, First Vice-President, Second Vice-President, Secretary, and Treasurer of the Master Association, and all other persons designated pursuant to Article VII of these By-Laws.

"Plan of Merger" shall mean that certain Plan of Merger by and ~~between~~ the Former Club and the Master Association providing the terms and conditions for the Merger.

"Recreational Facilities Capital Assessments" shall have the meaning set forth in Section 13.5.a hereof.

"Recreational Facilities Capital Reserve Fund" shall have the meaning set forth in Section 13.5.b hereof.

"Recreational Facilities Certificates" shall mean certificates evidencing Members' ownership interest in the Master Association and referencing the Members' category of Membership which certificates shall be prepared in form and content consistent with the provisions of the Declaration, the Articles and these By-Laws.

"Recreational Facilities Dues Assessments" shall have the meaning set forth in Section 13.4 hereof.

"Recreational Facilities Member Capital Assessment Fund" shall have the meaning set forth in Section 13.7.a hereof.

"Recreational Facilities Member Capital Assessments" shall have the meaning set forth in Section 13.7.a hereof.

"Recreational Facilities Minimum Capital Reserve Assessments" shall have the meaning set forth in Section 13.6.a hereof.

"Recreational Facilities Minimum Capital Reserve Fund" shall have the meaning set forth in Section 13.6.a hereof.

"Recreational Facilities Special Reserve Fund" shall have the meaning set forth in Section 13.8 hereof.

"Regular Meeting" shall mean the meetings of the Board of Directors to be held as determined by the Board pursuant to Section 5.3 of these By-Laws.

"Replacement Assessments" shall have the meaning set forth in Section 13.7.a hereof.

"Resale Income" shall mean that portion of a Recreational Facilities Membership Contribution retained by the Master Association after payment of a portion of the Recreational Facilities Membership Contribution required to be repaid to a selling Member, less sums deducted as provided in Section 9.4.d.vii hereof.

"Respondent" shall have the meaning set forth in Section 8.7 hereof.

"Social Member" shall mean the owner of a Social Membership, if any.

"Special Meeting" shall mean a meeting of the Members called in accordance with Section 3.3 of these By-Laws, or of the Board of Directors called in accordance with Section 5.4 of these By-Laws.

"Sports Member" shall mean the owner of a Sports Membership.

"Standing Committees" shall refer to those Committees set forth in Section 8.1 hereof.

ARTICLE III MEETINGS OF MEMBERSHIP

Section 3.1 ANNUAL MEETING

The Annual Meeting shall be held for the purpose of electing Director(s); receiving reports of Officers, Master Association management and others; and for such other business as may be properly presented at the meeting by the Board or any Member in good standing.

Section 3.2 DATE AND PLACE OF ANNUAL MEETING

The Annual Meeting shall be held at the clubhouse or other Recreational Facilities, at a date and time designated by the Board, on or after March 1st but in no event later than April 15th of each Fiscal Year.

Section 3.3 SPECIAL MEETINGS

Special Meetings of the Membership may be called by the President, a majority of the entire Board of Directors, or at the written petition of Members representing at least ten (10%) percent of all of the Membership Units. Any such request for a Special Meeting shall include a detailed description of the business to be considered, and shall be submitted to the President who shall cause notice of such Special Meeting to be mailed, or electronically transmitted to the Members to the extent permitted by applicable law, within thirty (30) days of the date of receipt of the request. Notices of any Special Meeting must contain a statement of the purpose or purposes for which the Special Meeting is called, and include proxy materials for any votes to be taken; no other business may be transacted at such meeting.

Section 3.4 NOTICES

The Secretary shall arrange to give each Membership Unit at least twenty-one (21) days but not more than forty-five (45) days prior notice, by mail, or electronic mail to the extent

permitted by applicable law, stating the place, day and time of the Annual Meeting or Special Meeting. Any Member may request notice by US mail only. Such notice shall be deemed to be delivered, if sent electronically, when sent (unless the sender receives an indication that the message was not received), or if sent by mail, when deposited in the United States mail in a sealed envelope addressed to such Membership Unit at the address of record, with sufficient prepaid postage. In addition to the sending of notices, notice of any meeting will be posted or placed in any medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the Community. In the case of the Annual Meeting, the notice shall list the names of candidates seeking election to the Board, reports to be received, each item of business to be brought before the meeting, and include proxy materials for any votes to be taken with respect to such business. Business that requires a vote of the Members shall be restricted to only those matters contained in the notice.

In the case of business sought to be presented at the Annual Meeting by a Member in good standing, a detailed written description of such business must be provided to the President no fewer than five (5) business days prior to the date of the sending of notice of the Annual Meeting, which date shall be provided to any Member upon request. In the alternative, such Member may provide the President with such detailed written description no fewer than twenty (20) days prior to the date of the Annual Meeting; provided, however, that in such event the Member will be responsible for any additional postage and other costs incurred by the Master Association.

Section 3.5 QUORUM

The presence, either in person or by casting a Vote, of at least thirty (30%) percent of all of the Membership Units shall constitute a quorum at any meeting of the Membership. In addition, any properly noticed meeting at which a quorum is not present may be adjourned at the discretion of the President for one or more periods that together shall total no longer than ninety (90) days. Notice of an adjourned meeting shall be posted or placed in any medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the Community. If no business requiring a Vote of the Members will be brought before the meeting, then no quorum is required.

Section 3.6 VOTING

Each Membership Unit is entitled to cast a single Vote on any matter that properly comes before the Members. Attempts to Vote more than once will not be permitted. In the event more than one Vote is submitted on behalf of a Membership Unit, and such Votes are in conflict, each such Vote shall be invalid unless and until amended by a single Vote executed by the parties in conflict. All voting in a specific matter must occur at or prior to the meeting of the Members at which such matter will be determined. An Entity Member, to be eligible to Vote, must submit to the Secretary a written notice designating a natural person having the authority to Vote on behalf of such Entity Member. If any Member has had his, her or its rights to Vote suspended as of the record date for a particular matter, or as of the final date for casting a Vote, such Member is ineligible to Vote. Proxy voting is permitted only under the form and procedure as determined by

the Board of Directors. In order to be valid, a proxy must include the date, time and place for the meeting for which it was given and must be signed and dated by the Member. Any proxy must be limited to a specific matter or matters, and shall be revocable until the close of voting in connection with such matter.

Once a quorum is established, a majority of the Votes cast is necessary for passage of any motion, except as otherwise expressly provided in the Declaration, the Articles, these By-Laws or applicable law.

On all Golf Matters to be determined by a Vote of the Members, Golf Members shall have each of their Votes weighted by a factor of four (4), and Sports Members shall have each of their Votes weighted by a factor of one (1). On all other matters to be determined by a Vote of the Members, including the election of Directors, all Membership Units shall have each of their Votes equally weighted.

Section 3.7 NO ACTION WITHOUT MEETINGS

No action may be taken by the Members except at a properly called and noticed meeting of the Membership; and no action may be taken by the written consent of the Membership in lieu of such meeting.

Section 3.8 MEMBERSHIP UNITS OF RECORD

For the purpose of determining the Membership Units of record entitled to notice of any meeting of the Members, or eligible to Vote prior to or at any such meeting, or in order to make a determination of the Membership Units of record for any other proper purpose, the Master Association's roster and the designations of those entitled to Vote on record with the Secretary as of three (3) days prior to the mailing of the notice shall be used. Such determination shall apply to any adjournment or continuance of such meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 NUMBER AND QUALIFICATIONS

The governance and administration of the affairs and property of the Master Association shall be vested in the Board of Directors. Except as provided in Section 4.4 and Section 4.5 of these By-Laws, Directors shall be elected by the Members. Only persons who are Members or Entity Member Designated Users may serve on the Board. If the sale or transfer of an ownership interest in a Lot results in a Board member no longer being eligible to serve on the Board, such Board member shall be deemed to have resigned from the Board as of the date of such sale or transfer. A Member who is delinquent in the payment of any fee, fine or other monetary obligation to the Master Association for more than ninety (90) days may not serve on the Board of Directors. A person who has been convicted of a felony in Florida or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction which would be considered a felony if committed in Florida, is not eligible to serve on the Board of

Directors unless such person's civil rights have been restored for at least five (5) years as of the date on which such person seeks election to the Board.

In accordance with the Plan of Merger:

- a. the members of the Former ARMPOA Board immediately prior to the Effective Date shall be deemed to have resigned from the Board as of the Effective Date;
- b. the nine (9) members the Former Club Board immediately prior to the Effective Date shall serve on the Board of Directors for the Master Association beginning on the Effective Date;
- c. at the second Annual Meeting following the Effective Date, three (3) Former Club Board members will vacate their positions on the Board of Directors (such three persons to be those members of the Former Club Board whose terms would, among the Former Club Board members, have expired first), and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Board of Directors for a three-year term;
- d. at the third Annual Meeting following the Effective Date, three (3) Former Club Board members will vacate their positions on the Board of Directors (such three persons to be those members of the Former Club Board whose terms would, among the Former Club Board members, have expired second), and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Board of Directors for a three-year term; and
- e. at the fourth Annual Meeting following the Effective Date, the three (3) Former Club Board members remaining on the Board of Directors will vacate their positions, and three (3) Members or Entity Member Designated Users will be elected by the Members to serve on the Board of Directors for a three-year term.

Section 4.2 ELECTIONS

- a. Voting for the Board of Directors shall be in accordance with the procedures and time frames as detailed in the leadership development process under Section 8.9 of these By-Laws. The Board of Directors may authorize electronic balloting as an alternative to written balloting in any election, under such procedures as the Board of Directors shall specify, subject to allowing a written ballot to be used by any Member who requests a written ballot and in accordance with Florida Statutes.
- b. There shall be no cumulative voting; i.e., no Vote shall contain more than one (1) vote for a particular candidate.

- c. Those candidates receiving the highest number of Votes from the balloting of the Membership Units shall be declared elected to the vacancies having the longest term of office, until all vacancies on the Board have been filled.

Section 4.3 TERM

- a. At each Annual Meeting after the Effective Date, three (3) Directors shall be elected to the Board who shall serve for a term of three (3) years (except that no such election shall occur at the first Annual Meeting after the Effective Date), as well as any additional Directors necessary to fill any vacancies on the Board as of the date of such Annual Meeting and to fill any positions on the Board that were filled on an interim basis pursuant to Section 4.4 of these By-Laws. In the event a Director's term expires prior to an election, the Director shall continue to serve until the next election is completed.
- b. No Director shall serve more than two (2) consecutive three-year terms, including terms served on the Former Club Board or the Former ARMPOA Board. Once a Director has served the maximum terms specified in the preceding sentence (or such longer period specified in subsection c below), such Director shall not be eligible to hold the office of Director until two (2) years have passed from the end of the second term. A Member or Entity Member Designated User appointed or elected to fill a vacancy in accordance with Section 4.4 of these By-Laws shall be eligible for subsequent election to two (2) consecutive three-year terms.
- c. The first sentence of subsection b of this Section 4.3 does not apply to any Former Club Board member to the extent (and only to the extent) that such member may serve one additional year on the Board beyond the date on which such member's term on the Former Club Board would have expired.

Section 4.4 VACANCIES

If a vacancy occurs on the Board of Directors subsequent to the election or as a result of an insufficient number of candidates at the Annual Meeting to fill all vacancies created by expired terms, the Board shall appoint a Member or Entity Member Designated User to fill the vacancy on an interim basis. The Director so appointed will serve until the next election, at which time a candidate shall be elected to fill the remaining years, if any, of the former Director's term.

Section 4.5 REMOVAL OF DIRECTORS

The removal of Directors and the replacement of any Directors removed from the Board shall be in accordance with Chapter 720, Florida Statutes, as the same may be amended from time to time.

Section 4.6 INDEMNIFICATION

Neither the Directors nor the Officers nor the Committee Members shall be liable to the Master Association or any of its Members for decisions made regarding the Master Association, its facilities or its operations, and the Master Association, subject to applicable law, shall indemnify and hold harmless each Director, Officer and Committee Member from and against any and all actions, claims, damages and costs arising out of or resulting from any actions taken or decisions made by such Director, Officer or Committee Member; provided that the Director, Officer or Committee Member acted in good faith and in a manner such person believed to be in the best interests of the Master Association and its Members and in accordance with law. The Master Association shall obtain, at its expense, liability insurance for such Directors, Offices and Committee Members with such limits and upon such terms and conditions as the Board of Directors shall determine from time to time, but in no event less than Five Million Dollars (\$5,000,000) per occurrence.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

Section 5.1 ANNUAL MEETING

Each year the Board of Directors shall hold its annual meeting to elect Officers and to consider any other matters that may be properly brought before the meeting. The annual meeting of the Board shall be held as soon as practicable after the election of Directors.

Section 5.2 QUORUM

A majority of the Board of Directors shall constitute a quorum at any meeting for the transaction of business. Telephonic or other electronic (such as by video over an Internet link) appearances are permitted; provided that all participants are able to hear each other at the same time. The presence of a quorum shall be determined as of the time at a meeting of the Board when any vote is taken.

Section 5.3 REGULAR MEETINGS

The Board of Directors shall meet on a regular basis as determined by the Board. All meetings of the Board shall be open to all Members. The President may limit the time any Member may speak at a Board meeting. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session if permitted by applicable law. Once a quorum is established, a majority of the Directors present is necessary for passage of any motion, except as otherwise expressly provided by these By-Laws or the Declaration.

Minutes of all Board Meetings shall be made available to the Members on the Master Association's website and shall reflect how each individual Board member voted on all matters brought to a vote (including matters brought to a vote pursuant to these By-Laws, but excluding elections of Officers). Notwithstanding the foregoing, any minutes prepared with respect to matters brought to a vote during an executive session as hereinabove set forth may be limited to

a summary of the action taken or decision made (with names redacted to preserve confidentiality when the Board deems such redaction necessary or desirable).

Section 5.4 SPECIAL MEETINGS

Special Meetings of the Board of Directors may be called by the President or any three (3) Directors.

Section 5.5 NOTICES

- a. Except as provided in subsection b hereof, notice of any meeting of the Board of Directors, regular or special, must be given to all Members by (i) posting or placing such notice in any medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the Community at least forty-eight (48) hours prior to the meeting, except in an emergency, or (ii) mailing or delivering to each Member notice of the meeting at least seven (7) days prior to the meeting, except in an emergency. Alternatively, the Board of Directors may elect to provide notice to each Member by publication to the Members, provision of a schedule of Board meetings to Members or such other reasonable means of notice permissible by law, including electronic notice, provided that Members have consented in writing to receiving notice by electronic transmission.
- b. An Assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessments. Written notice of any meeting at which Special Assessments will be considered or at which amendments to the Declaration (except to the extent amendment of the Declaration is permitted, pursuant to the terms thereof, without a vote of the Membership), the By-Laws (except to the extent amendment of the By-Laws is permitted, pursuant to the terms hereof, without a vote of the Membership), or any rules regarding use of any Lot will be considered must be, not less than fourteen (14) days prior to the meeting, mailed, delivered, or electronically transmitted to Members, and placed in medium likely to be seen by the Membership, including (but not limited to) within the Recreational Facilities, on the Master Association website, and at each of the two vehicular entrances to the community.

Section 5.6 VOTING

Directors may not vote by proxy or secret ballot at Board meetings, except for the election of officers, where secret ballots may be used.

**ARTICLE VI
POWERS OF THE BOARD OF DIRECTORS**

Section 6.1 MANAGEMENT OF THE MASTER ASSOCIATION

The Board of Directors, except as otherwise specifically provided by the Declaration, these By-Laws or the Articles of Incorporation, shall exercise all powers of the Master Association, and is authorized to take any actions necessary or appropriate to carry out the purposes of the Master Association as set forth in Article I of these By-Laws, and in the Declaration and the Articles of Incorporation.

Section 6.2 DUTIES AND POWERS

The Board of Directors shall:

- a. elect the Officers, who shall be from among the Directors;
- b. appoint committees and assign committee duties;
- c. appoint a Member or Entity Member Designated User to fill any vacancy on the Board, pursuant to Section 4.4 or as provided in Section 4.5 hereof;
- d. employ a General Manager/Chief Executive Officer and other employees, and delegate such authority to the General Manager/Chief Executive Officer as is considered necessary or appropriate for the proper operation and management of the Master Association; provided that, until the end of the GCAC Initial Term, the Common Areas manager, assistant manager, staff and vendors will report directly to the GCAC, and the GCAC shall have full authority concerning all such personnel, provided however, that the GCAC shall not have the authority to expend Master Association funds except in accordance with (i) the Common Area Budget, and (ii) the procedures for notice, open meetings and voting set forth in Chapter 720, Florida Statutes (as the same may be amended from time to time);
- e. adopt, alter, amend or repeal the Rules and Regulations of the Master Association, including (but not limited to) rules and regulations governing the use of the Common Areas and the Recreational Facilities by Members and their guests;
- f. approve the Budget and establish all Assessments, Club Charges and other fees and the terms of payment thereof, subject to the provisions of Article XII and Article XIII hereof;
- g. establish a code of conduct and a code of ethics to which each Director shall adhere during such Director's service on the Board;
- h. have the power to authorize the expenditure of funds to the extent of the amount in the Master Association's treasury or owing to the Master

Association and to enter into contracts; have the power to borrow money and incur indebtedness on behalf of the Master Association and to cause promissory notes or other evidences of indebtedness to be executed and issued; each subject to the limits set forth in Article XIII of these By-Laws; and

- i. perform all such acts as are permitted by the laws of the State of Florida with respect to not-for-profit corporations and homeowners' associations, as those laws now exist or may hereafter provide.

Section 6.3 ISSUANCE OF RECREATIONAL FACILITIES CERTIFICATES

The Board of Directors shall have the sole authority to issue, cancel and transfer Recreational Facilities Certificates.

Section 6.4 COMPENSATION

No Director shall receive a salary or any other compensation from the Master Association whatsoever. A Director shall be entitled to reimbursement for all expenses reasonably incurred in performing any duties pursuant to these By-Laws, provided that the Board approved in advance reimbursement of the Director for the expenses incurred.

Section 6.5 INTERPRETATION OF BY-LAWS

The Board of Directors will have the corporate power generally to do everything permitted for non-profit corporations by law, statute, the Declaration, the Articles and these By-Laws, and to determine the interpretation or construction of the Articles, these By-Laws and Rules and Regulations, or any parts hereof, and its decision shall be final and conclusive, so long as consistent with applicable law. When approval of the Master Association is required by the Declaration, these By-Laws, the Rules and Regulations, or any other Master Association documents, the same shall mean approval by a majority of the Board voting at a duly called and held meeting, unless otherwise specified herein, in the Declaration, or required by law.

Section 6.6 NO ACTION WITHOUT MEETINGS

No action may be taken by the Board of Directors except at a properly called and noticed meeting of the Board, provided, however, that the Board may adopt a resolution relating to an administrative or ministerial matter upon securing (in writing or electronically) the unanimous written consent of all Directors.

ARTICLE VII OFFICERS

Section 7.1 ELECTION OF OFFICERS

The Board of Directors at its annual meeting shall elect a President, First Vice- President, Second Vice-President, Treasurer, and Secretary, and such other Officers as the Board may from time to time determine appropriate, to serve for a term of one (1) year, and until their successors

shall be elected. An Officer may be removed from office by a majority vote of the entire Board of Directors. The removal of a Director who is also an Officer shall automatically act as a removal of such Director's position as an Officer. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 7.2 PRESIDENT

The President shall preside at all Meetings of the Membership and meetings of the Board of Directors, and shall enforce observance of the provisions of the Declaration, these By-Laws and all Master Association Rules and Regulations. The President may call Special Meetings of the Board, and shall be an ex-officio member of the Finance and Membership Committees. The President is empowered to execute all documents, and to delegate another member of the Board to execute any and all documents, requiring execution in the name of the Master Association, subject to the Board's exercise of its powers pursuant to Article VI above. Except as otherwise provided herein, the President shall appoint committee chairs (except as otherwise specified herein), and have the power to set the agenda at Board meetings and at the Annual Meeting.

Section 7.3 VICE-PRESIDENTS

The Vice-Presidents shall assist the President in the President's duties; and in the absence or disability of the President, the First Vice-President shall perform and carry out all duties and responsibilities of the President. The Vice-Presidents shall exercise other duties as prescribed by the Board of Directors.

Section 7.4 SECRETARY

The Secretary shall keep, or cause to be kept, records and minutes of all meetings of the Board and meetings of the Membership, and shall be responsible for giving all required notices of meetings. The Secretary shall have custody of the seal of the Master Association, and all Membership records shall be kept under the Secretary's supervision.

Section 7.5 TREASURER

The Treasurer shall chair the Finance Committee. The Treasurer shall cause to be collected, held and disbursed, under the direction of the Board, all monies of the Master Association; and it shall be the Treasurer's duty to cause collection of all monies due to the Master Association. The Treasurer shall keep or cause to be kept, at the Master Association, regular books of account and all financial records of the Master Association, and shall prepare or cause to be prepared budgets and financial statements, when and in the form requested by the Board. The Treasurer and/or the Treasurer's designee shall deposit or cause to be deposited all monies of the Master Association in an account or accounts in the Master Association's name, in the bank or banks designated by the Board. In the absence or disability of the Secretary, the Treasurer shall serve as Secretary, and shall perform and carry out all duties and responsibilities of the Secretary.

Section 7.6 OTHER OFFICERS

The Board of Directors may appoint additional officers and assign their duties.

Section 7.7 DUTIES OF OFFICERS

The Officers of the Master Association shall each have such powers and duties as ~~generally pertain~~ to their respective offices, as well as such powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

Section 7.8 RESIGNATION.

Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or ~~at a later time~~ specified in the notice, and the acceptance of the resignation shall not be necessary to make it effective.

ARTICLE VIII COMMITTEES

Section 8.1 STANDING COMMITTEES

The Board of Directors will establish and (except as specified in Section 8.6 below with respect to the GCAC Initial Term) appoint the members of the following Standing Committees:

- a. Architectural Review;
- b. Audit;
- c. Finance;
- d. General Common Areas;
- e. Grievance;
- f. Hearing;
- g. Leadership Development;
- h. Legal; and
- i. Membership.

All Committees will act in an advisory capacity to the Board of Directors and will have no independent authority, except as specifically provided in the Declaration and these By-Laws.

Section 8.2 APPOINTMENT OF CHAIR AND COMMITTEE MEMBERS

No more than thirty (30) days after the annual meeting of the Board of Directors, the President shall, subject to the provisions of these By-Laws, designate a chair of each of the following Standing Committees: Audit; Grievance; Hearing; Legal; and Membership. The chairs of these committees shall designate the members of their committees, subject to the advice and consent of the Board. The chairs of all other Standing Committees shall be determined by election among the members of the committee, who shall be appointed by the Board, unless otherwise specified in these By-Laws. All Committee Members shall be Members or Entity Member Designated Users.

Section 8.3 ARCHITECTURAL REVIEW COMMITTEE.

The Architectural Review Committee shall be established and have such powers and responsibilities as provided in the Declaration.

Section 8.4 AUDIT COMMITTEE

The Audit Committee shall consist of three (3) non-Board members, including the chair, plus one (1) member selected annually from the Board. Except for the Board member, each Audit Committee Member shall be appointed to serve for a term of three (3) years. The duties of the Audit Committee shall be to:

- a. recommend to the Board the particular persons or firm to be employed by the Master Association as its independent auditors;
- b. consult with the persons or firm so chosen to be the independent auditors with regard to the plan of audit, which audit shall be performed annually;
- c. review, in consultation with the independent auditors, their report of audit, or proposed report of audit, and the accompanying Management letter, if any; and
- d. consult with the independent auditors (periodically, as appropriate, out of the presence of management) with regard to the adequacy of internal controls.

Section 8.5 FINANCE COMMITTEE

The Finance Committee shall be chaired by the Treasurer pursuant to Section 7.5 of these By-Laws. The Finance Committee shall review all matters pertaining to the Master Association's finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the Budget, the preparation of the current reports for the Board on the Master Association's financial condition, and the issuance to Members of such financial statements as required by Florida Statutes. The Finance Committee shall report to the Board from time to time with respect to the Master Association's finances. The account books and vouchers shall at all times be open to the inspection of any member of the Board.

Section 8.6 GENERAL COMMON AREAS COMMITTEE

The GCAC shall initially, and until the end of the GCAC Initial Term, consist of the nine (9) Former ARMPOA Board members. After the GCAC Initial Term, all members of the GCAC will be appointed by the Board of Directors. One member of the GCAC shall be elected by the members of the GCAC to serve as the chair for one (1) year or until such chair's successor is elected. The GCAC shall (i) oversee the maintenance of the Common Areas, exclusive of the Recreational Facilities; (ii) oversee all matters of traffic and Community safety, including security, gate operations and roadway safety; (iii) provide recommendations to the Board of Directors on matters impacting the Common Areas, exclusive of the Recreational Facilities; (iv) oversee the Common Area manager, assistant manager, staff and vendors until the end of the GCAC Initial Term, (v) oversee the projects directly related to the Common Areas, other than the Recreational Facilities, included in the Common Areas Budget, and (vi) perform such additional duties as may be delegated by the Board of Directors from time to time. If any Former ARMPOA Board member resigns from, or is unable to continue to serve on the GCAC, the remaining members of the GCAC shall replace such member until the end of the GCAC Initial Term. Actions of the GCAC shall be ratified by the Board of Directors unless such recommendations are contrary to these By-Laws, the Declaration or applicable law or are not consistent with the then-current Common Area Budget. Notwithstanding anything to the contrary herein, this Section 8.6 may not be amended prior to the end of the GCAC Initial Term unless consented to in writing by a majority of the members of the GCAC and approved by the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units.

Section 8.7 GRIEVANCE COMMITTEE

The Grievance Committee shall, upon receipt of a written complaint submitted by a Member or Entity Member Designated User, the board of a Village Association, the General Manager/Chief Executive Officer, or when so instructed by the Board, investigate any allegation of improper conduct or conduct likely to endanger the welfare, safety, harmony or good reputation of the Master Association or its Members, or any alleged violation of the Master Association Documents, the Village Association Documents or any other agreement, document, or instrument affecting the Property, by a Member, Immediate Family, Designated User, guest or invitee of a Member. The Grievance Committee shall have the authority to recommend to the Board discipline of such Member, Immediate Family, Designated User, guest or invitee (any of such persons, the "Respondent") by censure, fine, suspension of some or all Membership privileges, and/or such other remedial action as may be appropriate for any such misconduct or violation. Such investigation shall be conducted by the Grievance Committee promptly after the grievance is submitted, and in accordance with rules of procedure approved by the Board for the conduct of such investigations. The Grievance Committee shall consist of at least five (5) Members or Entity Member Designated Users, including the chair, who preferably shall be an experienced attorney. Board members and their Immediate Families shall not be eligible to serve on the Grievance Committee.

Section 8.8 HEARING COMMITTEE

The Hearing Committee shall consist of at least three (3) Members or Entity Member Designated Users, including the chair, who are appointed by the Board and who are not members

of the Grievance Committee, Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director or employee. The Hearing Committee shall provide a Respondent to a grievance who requests a hearing with an opportunity for a hearing with respect to a fine or suspension proposed to be levied against that Respondent by the Board. The number of Committee Members, their qualifications, and the role of the Hearing Committee are and will be subject to Florida Statutes, Section 720.305, as the same may be amended from time to time. The role of the Hearing Committee is limited to determining whether to confirm or reject the fine or suspension proposed to be levied by the Board.

Section 8.9 LEADERSHIP DEVELOPMENT COMMITTEE

The Leadership Development Committee shall consist of seven (7) Members or Entity Member Designated Users, of whom none ~~may be from the~~ Board. A member of the Leadership Development Committee, or any Immediate Family of such member, may not be nominated as a candidate for election to the Board of Directors.

- a. The Leadership Development Committee shall seek, throughout the Fiscal Year, to encourage Members and Entity Member Designated Users to become involved in governance and leadership matters within the Master Association, and shall seek to identify potential candidates for positions on committees and on the Board.
- b. The Leadership Development Committee shall use its best efforts to nominate sufficient candidates to have at least two (2), but no more than three (3), times the number of Directors to be elected to the Board at the next Annual Meeting.
- c. The Leadership Development Committee shall provide the list of nominees to the Secretary at least fifty (50) days prior to the Annual Meeting; all prospective candidates will be informed at that time as to whether or not they were nominated by the Committee.
- d. Any Member or Entity ~~Member~~ Designated User who (i) declares his or her desire to serve on the Board of Directors, (ii) submits a resume or other information form as may be requested by the Master Association for inclusion in candidate information materials, and (iii) agrees to a background check to determine eligibility for serving on the Board of Directors, will be included as a candidate provided the person meets the eligibility criteria for serving on the Board of Directors as outlined in Section 4.1 hereof. All applicable materials for self-nomination must be submitted to the Master Association no later than ten (10) days after the Leadership Development Committee has made its nominations. Persons who are or were members of the then-current Leadership Development Committee or spouses of such members shall not be eligible to self-nominate. The nominees nominated by the Leadership Development Committee, as well as any qualified persons timely self-nominated, will be included on any ballot mailed to the Members of the Master Association

and posted on the official bulletin boards of the Master Association. All communications to the Members with respect to nominees will be standardized. All communications to inform Members of the qualifications of nominees, whether nominated by the Leadership Development Committee or self-nominated, will be mailed at the same time and shall not contain information as to whether such nominee was nominated by the Leadership Development Committee or self-nominated. All candidates, whether nominated by the Leadership Development Committee or self-nominated, will be entitled to participate in any "Meet the Candidates" meetings or similar activities.

- c. The Leadership Development Committee is charged with the responsibility of conducting the election proceedings.

Section 8.10 LEGAL COMMITTEE

The Legal Committee shall advise the Board with regard to the publication, modification, and interpretation of the By-Laws, the Declaration, Master Association rules and regulations, and all other matters of a legal nature pertaining to the Master Association. The Legal Committee shall be chaired by an experienced attorney. Board members shall not be eligible to serve on the Legal Committee.

Section 8.11 MEMBERSHIP COMMITTEE

The Membership Committee shall review (i) Applications for Membership to determine whether the requirements to become a Member or Designated User have been met, and (ii) applications of Members desiring to lease their Lots, and shall provide recommendations to the Board of Directors regarding approval of same. The Membership Committee shall also examine all Membership-related issues as requested by the Board, and shall submit reports and recommendations thereon.

Section 8.12 EXECUTIVE ADVISORY COMMITTEE

The President may appoint an Executive Advisory Committee, which shall consist of no more than four (4) Directors, one of whom shall be the President. The General Manager/Chief Executive Officer shall be invited to all meetings of the Executive Advisory Committee, except for those portions of such meetings where the President deems it necessary or appropriate to meet without the General Manager/Chief Executive Officer. The function of the Executive Advisory Committee shall be to assist the President in setting the agenda for Board meetings by reviewing and vetting issues of importance to the Master Association. The Executive Advisory Committee is not authorized to exercise any powers on behalf of the Master Association, or to take any action to carry out the purposes of the Master Association as set forth in these By-Laws. Meetings of the Executive Advisory Committee shall not be subject to the provisions of Section 5.3 of these By-Laws.

Section 8.13 AD HOC COMMITTEES

The Board may, from time to time, appoint ad hoc Committees and/or task forces and determine the powers and composition thereof. Any Standing Committee may appoint subcommittees and/or ad hoc task forces and determine the powers and composition thereof.

Section 8.14 TERMS OF COMMITTEE CHAIRS AND MEMBERS

Each Committee chair, and each member of a Committee, shall serve at the pleasure of the Board, which may remove a Committee chair or Committee Member at any time and for any reason, except where: (i) a Committee Member's term is specified in these By-Laws, (ii) the members or chair of a Committee are specified in these By-Laws, or (iii) the chair of the Committee is to be elected by the members of the Committee, in any of which cases ((i), (ii), or (iii)) a Committee Member or chair may only be removed by the Board for cause. Upon the Board's announcement to the Members of the members of any new Committee, those Committee Members intentionally not named in such announcement and not having terms specified in these By-Laws will be deemed to have been removed from their Committee memberships by the Board.

ARTICLE IX MEMBERSHIPS

Section 9.1 CATEGORIES OF MEMBERSHIP

The Master Association currently offers two (2) categories of Membership: Golf Membership and Sports Membership. In addition, the Master Association previously offered Social Membership. Membership permits the owner of a Lot to use the Recreational Facilities in accordance with the category of Membership acquired and to Vote on matters affecting the Master Association, all as provided in the Declaration, the Articles and these By-Laws. Only one Membership shall be issued for each Lot. The maximum number of Memberships to be issued in the Master Association, in each current category of Membership, is set forth below:

<u>Category</u>	<u>Number of Memberships</u>
Golf Memberships	565
Sports Memberships	151
Social Membership	1

Social Memberships are no longer offered in the Master Association. Only one (1) Social Membership remains and such Membership will be retired, and not reissued, upon resignation. At such time, the maximum number of Sports Memberships shall be increased by one (1).

Section 9.2 ELIGIBILITY FOR MEMBERSHIP

- a. In accordance with the requirements of the zoning approval from Palm Beach County, each Owner within the Community is required to own and maintain a Membership for each Lot owned. Each Member must own a Lot. Memberships shall be issued only to Owners. There may be no more than one Member per Membership Unit, except that two natural persons may each be a Member in the same Membership Unit if they customarily reside together and either (i) each owns an equity interest in the Lot, or (ii) one is the sole equity Owner and the other is married to such Owner. Immediate Family and Designated Users are entitled to use the Recreational Facilities on the same basis as the Members, provided that such use shall not circumvent the Master Association's policies, and provided further that the Board of Directors may establish policies (either generally or on an event-by-event basis) with respect to Designated User and Immediate Family participation in Master Association events.
- b. A purchaser of a Lot must arrange to acquire the selling Member's Membership, unless the purchaser desires another available category of Membership and there is a Member on the waiting list who will acquire the seller's Membership. In such case the purchaser may acquire a different category of Membership that is available. A purchaser must maintain Membership for so long as such Member owns the Lot. Membership must be applied for prior to closing on the purchase of the Lot and be acquired upon closing on the purchase of the Lot. All Membership transfers must take place through the Master Association.

Section 9.3 APPLICATION FOR MEMBERSHIP

Each applicant must mail or deliver to the Master Association an Application for Membership promptly upon execution of a contract to purchase a Lot. The Application for Membership must be completed in full and must be accompanied by a check in the amount of the designated fees required to accompany such Application, as determined from time to time by the Board. After receiving the Application, other relevant materials and the designated fees, the Board will determine whether the applicant has satisfied the requirements for Membership. If the applicant has satisfied those requirements, the applicant will be notified in writing that the Application has been acted upon favorably, and advised as to the amount of any additional fees required to be paid at the time of settlement on the purchase of a Lot. Upon approval for Membership, the applicant shall be deemed to have agreed to be bound by the terms and conditions of the Declaration, these By-Laws, the Rules and Regulations, other Master Association documents, and the rules, regulations, by-laws, and declaration of the Village where the applicant's Lot is located, as the same may be amended from time to time.

Section 9.4 TRANSFERS, CHANGES AND RESIGNATIONS OF MEMBERSHIPS

- a. Transfer of Memberships – General. A Membership may only be transferred through the Master Association. A Member who transfers his, her, or its Membership will be responsible for payment of all Assessments, Club Charges, and other fees and charges of the Master Association and the Village in which the Member's Lot is located until such time as the transfer of said Membership is completed by the Master Association. Repayment of the Recreational Facilities Membership Contribution and any refund(s) are governed by Section 9.4.d hereof.
- b. Change of Membership Category. Members may change to a different category of Membership if available. The Master Association shall maintain a waiting list of Members who desire to acquire each category of Membership.

Available changes of Memberships will be offered on a first-come, first-served basis. Members desiring to change their Membership category (each a "Changing Member") must give the Master Association written notice of their desire to be on a waiting list for a specific category of Membership, and follow the deposit payment policies established by the Master Association from time to time. A Changing Member must notify the Master Association of such Changing Member's acceptance of an available change and make any payment due within thirty (30) days of receipt of notice of availability from the Master Association, or forfeit the right to such change and be removed from the waiting list. A change of Membership category may not occur unless and until there is a Changing Member in the other Membership category to complete the change.

If the change is to a Membership with a higher current Recreational Facilities Membership Contribution, the Changing Member must pay to the Master Association the difference between the then-current Recreational Facilities Membership Contributions of the two categories of Membership. If the change is to a Membership with a lower current Recreational Facilities Membership Contribution, the Changing Member will receive from the Master Association such amount as may be specified by Board policy.

The Master Association reserves the right to disapprove any attempt to evade the provisions of these By-Laws relating to waiting lists.

- c. Transfer Upon Resale. A Member shall arrange for the Master Association to reissue such Member's Membership to the subsequent purchaser of such Member's Lot upon payment of the then-current Recreational Facilities Membership Contribution and all other Assessments, Club Charges, and other fees, including (but not limited to) any fees or charges

levied by the Village where the Lot is located. The transfer of a Membership which is associated with the transfer of a Lot to a purchaser by the Master Association is not subject to any waiting list. This type of transfer must occur simultaneously with the closing of the resale of a Lot. The purchaser of a selling Member's Lot is required to acquire and maintain a Membership. Title to Membership must be held in the same name as title to the Lot for which the Membership is being acquired, and the Recreational Facilities Certificate will be issued consistent with same.

The procedure for a transfer of Membership to the purchaser of the Member's Lot shall be as follows:

- (i) The selling Member must submit a resignation in writing stating:
(a) that such Member is selling such Member's Lot, and (b) that the resignation shall become effective upon (1) the closing of title, (2) the receipt of the purchaser's Application for Membership, and (3) receipt of all amounts due to the Master Association and the Village in which the Lot is located from the selling Member, including amounts due as a result of the transfer. In addition, the selling Member must provide to the Master Association a copy of the executed contract for the sale of the Lot;
- (ii) The purchaser must submit an Application for Membership and payment in full in good funds on or before the closing;
- (iii) Upon the resignation becoming effective, as hereinabove provided, the selling Member shall deliver to the Secretary of the Master Association such Member's Recreational Facilities Certificate; and
- (iv) The Membership Contributions to be paid to the Master Association by such purchaser shall be the amounts of the Recreational Facilities Membership Contribution and the Common Area Membership Contribution as of the date of closing on the purchase of the Lot. After the purchaser has become a Member, and upon the Master Association's receipt of the purchaser's Membership Contributions and all other fees required to acquire the Membership, including (but not limited to) all amounts payable to the Village where the Lot is located, the Master Association shall promptly remit to the selling Member the amount due as provided in Section 9.4.d hereof. As soon as practicable thereafter, the Secretary of the Master Association shall cancel the Recreational Facilities Certificate of the selling Member and issue a new Recreational Facilities Certificate to the purchaser. Purchase of a resigned Membership is contingent upon closing of the resale of a Lot.

- (v) Notwithstanding the foregoing, the purchaser of the Lot owned by the sole remaining Social Membership shall acquire a Sports Membership, unless the purchaser requests a Golf Membership and the Board determines that a Golf Membership is available. The Membership shall be issued pursuant to Section 9.1 hereof.
- d. Repayment to Selling Member. The amount of the Recreational Facilities Membership Contribution to be repaid to a selling Member for the Membership shall depend upon the acquisition date of such Membership as determined by these By-Laws as follows.
- (i) With respect to Members who acquired or applied for equity memberships in the Former Club prior to April 1, 2006, the repayment shall be eighty (80%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (ii) With respect to Members who acquired or applied for equity memberships in the Former Club on or after April 1, 2006, but prior to May 1, 2010, the repayment shall be seventy (70%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (iii) With respect to Members who acquired equity memberships in the Former Club on or after May 1, 2010 (and not applied for prior to such date), the repayment shall be fifty (50%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (iv) With respect to Members who acquired Memberships on or after the Effective Date, the repayment shall be fifty (50%) percent of the Recreational Facilities Membership Contribution (exclusive of any initiation fee) received by the Master Association upon the reissuance of such Member's Membership.
 - (v) The foregoing notwithstanding, in no event shall the repayment hereunder, when combined with any amount received by the Member in connection with a change to a different category of Membership pursuant to Section 9.4.b or Section 9.4.e of these By-Laws, exceed the amount that the Member would have received under this Section 9.4.d if the Member had not changed categories of Membership.

- (vi) The portion of the Recreational Facilities Membership Contribution retained by the Master Association as Resale Income shall be deposited into the Recreational Facilities Special Reserve Fund, as set forth in Article XIII of these By-Laws. In addition, a Member who resigns a Membership upon sale of a Lot will be entitled to a refund on a pro rata basis of any dues paid in advance for the Fiscal Year in which the sale occurs. The Master Association will deduct from the amount of the dues refund to be paid to such selling Member any amount(s) which such Member then owes to the Master Association or to the Village in which the Lot is located, and which has not been paid under any other provision hereof.
 - (vii) In any event, the repayment to a selling Member under this subsection shall be reduced by any amount then owed to the Master Association or to the Village in which the Lot is located, including (but not limited to) sums due under Section 14.1 hereof and not paid under any other provision hereof. The amount of any such reduction shall be allocated to the same accounts as the charges giving rise to the reduction.
- c. Transfer of Membership to New Lot. Notwithstanding the provisions of Section 9.4 of these By-Laws:
 - (i) In the event a Member purchases a Lot while owning another Lot, said Member must acquire the Membership associated with the newly purchased Lot, resulting in the Member's holding two Memberships. If one of the Lots is associated with a Golf Membership and one of the Lots is associated with a Sports Membership, the Member, by written notice to the Association, may change the Membership associated with each Lot. Upon the subsequent sale of one of the two (2) Lots, within a period not longer than twenty-four (24) months after purchase of the second Lot, and the resignation of one of the two (2) Memberships at the time of such sale, said Member shall: (x) if the two (2) Memberships are of the same category, be entitled to receive repayment from the Master Association at one hundred percent (100%) of the then-current amount of the Membership Contributions (exclusive of any initiation fee) for that category of Membership; or (y) if the two (2) Memberships are not of the same category, either pay to the Master Association or be entitled to receive an amount from the Master Association, as if the Member had changed categories of Membership, in accordance with Section 9.4.b of these By-Laws. During the period of ownership of two (2) Memberships, the Member shall be obligated to meet all of the obligations of both Memberships including, but not limited to, all Assessments.

- (ii) In the event a Member plans to sell a Lot and, on or before the closing date of such sale gives written notice to the Master Association of the Member's intention to purchase another Lot, the Master Association will not repay the applicable portion of the Recreational Facilities Membership Contribution at the time the Member sells the Lot, but instead shall hold the entire Recreational Facilities Membership Contribution for a period, not longer than twenty-four (24) months from the date of closing of the initial sale transaction (except that the Board may, on a case-by-case basis, extend such period for up to an additional six (6) months), until the former Member purchases another Lot. Upon the former Member's purchase of another Lot, and upon the former Member's readmission to the Master Association pursuant to the Master Association's ordinary procedures, the Member shall: (x) if the new and former Memberships are of the same category, be entitled to admission to the Master Association without payment of any additional Membership Contributions; or (y) if the two Memberships are not of the same category, either pay to the Master Association or be entitled to receive an amount from the Master Association, as if the Member had changed categories of Membership, in accordance with Section 9.4.b of these By-Laws. The returning Member shall not be required to pay any Membership Contributions on readmission, except to the extent an additional Recreational Facilities Membership Contribution is required by (y) above for a change of Membership category, and shall succeed to the rights of the former Membership with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws. During the period until readmission to the Master Association, said former Member will not be considered a Member and will not be entitled to any access to or use of the Recreational Facilities, except as a guest of a Member or as a tenant subject to the Master Association's Rules and Regulations. If the former Member does not purchase another Lot within the 24-month period (or the extended period specified herein), or if the former Member gives written notice to the Master Association prior to the conclusion of the 24-month period (or the extended period specified herein) that the Member's intention has changed and the Member is revoking the above-referenced notice, the Master Association shall promptly thereafter repay to the former Member the applicable portion of the Recreational Facilities Membership Contribution as stated in this Section 9.4.

- f. Other Transfers. A Membership may be transferred from a Member or Members who are natural persons, or from an Entity Member, to an entity

or to a natural person or persons, provided that, in any of such cases, the transferee Person(s) or entity owns the Lot, and the transfer has a bona fide purpose as determined by the Board (for example, a bona fide family or estate planning purpose), other than a purpose relating to transfer of the Membership or one relating to purchase of the Lot for consideration. A Member whose Membership is obtained by transfer pursuant to this Section 9.4.f shall not be required to pay any Membership Contributions, and shall succeed to the rights of the transferor Member with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws.

Section 9.5 TRANSFER OF MEMBERSHIP UPON DEATH

Upon the death of a Member, the person or persons entitled to ownership of the Member's Lot (through operation of law, implementation of a will or trust, or otherwise) shall apply for Membership, unless such person (such as a surviving spouse) is already a Member. In order for such person or persons to be admitted to Membership, they shall be required to pay all Assessments, Club Charges, and other fees and charges owed to the Master Association and assessments, fees and other charges owed to the Village in which the Lot is located, including those (to the extent previously unpaid) for the intervening period between the deceased Member's, or the estate of such Member's, last payment and the admission date of the new Member(s). A Member whose Membership is obtained pursuant to this Section 9.5 shall not be required to pay any Membership Contributions, and shall succeed to the rights of the deceased Member with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws.

Section 9.6 TRANSFER OF MEMBERSHIP UPON DIVORCE

In the event married Members become legally separated or divorced, the Membership, including all rights and benefits given to the holder thereof, shall vest in the spouse awarded the Lot, either by the separation agreement or the divorce decree. Each of the divorced or legally separated persons shall give written notice to the Master Association immediately after such divorce or legal separation, designating the person who is entitled to the rights and privileges of the Membership, based upon their agreement or the applicable court decree. Until such written notice has been provided to the Master Association, both such persons (if Members) shall remain responsible for the payment of all Assessments, Club Charges and other fees associated with such Membership. The person designated as the Member shall be responsible for all Assessments, Club Charges and other fees and charges owed to the Master Association and assessments, fees and other charges owed to the Village in which the Lot is located incurred subsequent to providing such written notice to the Master Association. If such person was not previously a Member, such person shall submit an Application for Membership to the Master Association. A Member whose Membership is obtained pursuant to this Section 9.6 shall not be required to pay any Membership Contributions, and shall succeed to the rights of the Member to whom such Member was previously married with respect to any repayment of the Recreational Facilities Membership Contribution as described in these By-Laws.

Section 9.7 RECREATIONAL FACILITIES CERTIFICATES

Every Member who paid the required Recreational Facilities Membership Contribution will be entitled to receive a Recreational Facilities Certificate. Each Recreational Facilities Certificate shall be in a form approved by the Board of Directors and will state that the Membership is issued subject to these By-Laws as they now are or may be amended and shall be subscribed by the President and Secretary and under the seal of the Master Association. Recreational Facilities Certificates are not redeemable or transferable except as specifically provided by these By-Laws and then only through the Treasurer of the Master Association. Upon the resignation of a Member, the Member will surrender the associated Recreational Facilities Certificate; provided, however, in the event a Member has lost the Recreational Facilities Certificate or the Recreational Facilities Certificate has been destroyed, such Member may deliver an affidavit and indemnity agreement in such form as the Master Association shall require in lieu of providing such Recreational Facilities Certificate. Whenever any Member shall cease to be a Member for any reason, such cessation will operate to authorize the Treasurer of the Master Association to effectuate the redemption, cancellation, purchase or sale of the Recreational Facilities Certificate of such Member in accordance with and in the manner prescribed by these By-Laws.

ARTICLE X RECREATIONAL FACILITIES USE PRIVILEGES

Section 10.1 GOLF MEMBERSHIP

A Golf Membership entitles the Golf Member to use all of Recreational Facilities. Golf Members will not be charged greens fees or court fees for use of the golf or tennis facilities, but are required to pay golf cart fees or annual trail fees.

Section 10.2 SPORTS MEMBERSHIP

A Sports Membership entitles the Sports Member to use all of the Recreational Facilities, with limitations relating to golf as set forth herein. Sports Members will not be charged court fees for use of the tennis facilities. Each Sports Member shall be entitled to use the golf facilities up to six (6) times from November 1st through April 30th, subject to payment of applicable greens fees and golf cart fees. Sports Members are entitled to unlimited use of golf facilities from May 1st through October 31st, subject to payment of applicable golf cart fees.

Section 10.3 SOCIAL MEMBERSHIP

To the extent any Social Membership remains issued, the remaining Social Membership entitles the Member to use of the swimming, social and locker facilities of the Master Association. The Social Member may only use the golf course, golf practice facilities, tennis facilities, or fitness facilities of the Master Association (i) one day per month during the Off-Season upon the payment of the guest fee charged to guests of Members, and (ii) as a day guest of a Member with privileges to use those facilities and subject to all applicable guest limitations and fees. Upon the sale of the Social Member's Lot, the Social Membership will be retired and

the purchaser will be required to purchase a Golf Membership or a Sports Membership, subject to availability.

Section 10.4 IMMEDIATE FAMILY

A Membership entitles the Member and the Immediate Family to use the Recreational Facilities in accordance with the Member's category of Membership, these By-Laws and the Rules and Regulations.

Section 10.5 GUESTS

Members may invite guests to use the Recreational Facilities upon payment of the applicable guest charges and in accordance with the Members' category of Membership. Guest use shall be in compliance with the Rules and Regulations and these By-Laws, which may include restrictions on the number of guests a Member may sponsor and the number of times a guest may use all or certain of the Recreational Facilities. The Master Association reserves the right to limit the number of guests that accompany a Member on any given day. Guest privileges relating to all Members may be denied, withdrawn, modified or revoked at any time for reasons considered sufficient by the Board in its sole and absolute discretion. Guest privileges relating to any particular Member may be denied, withdrawn, modified or revoked at any time for reasons considered sufficient by the Board, provided that, prior to taking any such action, the Board provides notice of its intent to the affected Member and the reason for such action via registered or certified mail or via hand delivery, and gives such Member thirty (30) days from the date of receipt of such notice within which to request a hearing before the Hearing Committee regarding the proposed disciplinary action.

Section 10.6 RULES AND POLICIES

The Master Association reserves the right, from time to time, to modify the privileges of Membership, including but not limited to, establishing or modifying reservation privileges or systems, modifying or adopting rules and policies governing access, priority, sign-up privileges and starting time access, and availability of unreserved tee times on the day of play with respect to the golf course and/or golf practice facilities, the tennis courts, the fitness center and any other Recreational Facilities or activities of the Master Association that exist from time to time.

ARTICLE XI LEASING OF LOT

A Member may designate one or more tenants to lease such Member's Lot in accordance with the procedures specified in the Declaration. A Member who has complied with such procedures may seek Designated User status from the Board for the Member's tenant(s). A tenant who is designated as the Designated User of the Member's Membership is entitled, upon payment of all required charges and fees, to the Member's privileges to use the Recreational Facilities, subject to any maximum leasing term limitations as may be provided in the Rules and Regulations or in Section 12.19 of the Declaration. The Member shall not be permitted to use the Recreational Facilities during the period of time that the Member's tenant is a Designated User, except as a guest and then subject to all Rules and Regulations applicable to guests.

Members are responsible for all charges incurred by their tenants which remain unpaid after the customary billing and collection procedure of the Master Association, and for the deportment of each tenant.

A tenant who has previously been granted Designated User privileges as a tenant within any two (2) consecutive Fiscal Years will not be granted any further Designated User privileges; provided, however, that the Board shall have discretion, on a case-by-case basis, not to apply this limitation to a tenant who is a spouse, a former spouse, a parent, a child, a child-in-law, a sibling, or a sibling-in-law of a Member (or, in the case of an Entity Member, of the majority beneficial owner(s) of the Entity Member), or in extraordinary circumstances upon good cause shown.

ARTICLE XII BUDGETS AND RESERVES

Section 12.1 BUDGETS

- a. Pursuant to Section 10.3 of the Declaration, it shall be the duty of the Board of Directors annually to prepare or cause to be prepared the Budget covering the estimated Common Expenses of the Master Association during the coming year, exclusive of the revenue and expenses set forth in the Recreational Facilities Budget ("Common Area Budget"). The Common Area Budget shall be used to determine the amount of the Common Assessments for the coming year. The Common Assessments shall (i) exclude any Recreational Facilities Assessments, which shall be determined based on the Recreational Facilities Budget; and (ii) be allocated equally among all Members on a per Lot basis.
- b. In addition to the Common Area Budget, pursuant to Section 10.4 of the Declaration, it shall be the duty of the Board annually to prepare a separate budget covering the estimated revenue to be generated by, and the expenses relating to, the ownership, operation, maintenance, improvement and management of the Recreational Facilities for the coming year (the "Recreational Facilities Budget"). The Recreational Facilities Budget shall be used by the Board to establish the amount of the Recreational Facilities Assessments for the coming year. The Recreational Facilities Assessments shall be allocated to the Members in the manner provided in these By-Laws.
- c. Pursuant to the Declaration, at least thirty (30) days prior to the beginning of each Fiscal Year the Common Area Budget and the Recreational Facilities Budget shall be completed and delivered to the Members by the Board of Directors.
- d. Pursuant to the Declaration, in addition to the Common Assessments and the Recreational Facilities Assessments, the Master Association may also assess and collect Special Assessments (as specifically authorized in the

Declaration and these By-Laws) and Compliance Assessments (as specifically authorized in the Declaration and these By-Laws).

- c. In determining the Common Area Budget and the Recreational Facilities Budget, the Board of Directors shall allocate expenses between the two (2) budgets consistent with the practices of the Master Association and the Former Club prior to the Effective Date so that neither the Common Area Budget nor the Recreational Facilities Budget includes expenses not reasonably related to same. For clarity, expenses for the Recreational Facilities, including, without limitation, insurance, taxes and maintenance relating to the Recreational Facilities, will be included in the Recreational Facilities Budget.

Section 12.2 RESERVES

- a. The Common Area Budget shall include an allocation of Common Assessments for a reserve for Common Areas, exclusive of the Recreational Facilities (the "Common Area Reserve"). In addition, a separate reserve for the Recreational Facilities shall be included in the Recreational Facilities Budget and such reserve shall be funded from Recreational Facilities Assessments, as provided herein.
- b. Reserve funds of the Master Association in existence on the Effective Date shall not be used for the Recreational Facilities, but may only be used for purposes for which they were originally created. Similarly, reserve funds (including capital assessments, the Recreational Facilities Minimum Capital Reserve Fund and the Recreational Facilities Special Reserve Fund) established by the Former Club prior to the Effective Date shall only be used for the Recreational Facilities and shall be deposited in the applicable Recreational Facilities Capital Reserve Fund.

ARTICLE XIII

ASSESSMENTS, CHARGES, CAPITAL EXPENDITURES AND BORROWING

Section 13.1 COMMON AREA ASSESSMENTS AND CAPITAL EXPENDITURES

- a. Based on the Common Area Budget, the Board will determine the Common Assessments for the upcoming year. The Common Assessments shall (i) exclude any Recreational Facilities Assessments, and (ii) be assessed and collected in the manner set forth in the Declaration.
- b. Amounts required for capital expenditures for the material addition, alteration or improvement (as contrasted with the expenses for maintenance, repairs and replacement) of the Common Areas (exclusive of the Recreational Facilities) shall be subject to the following limitations:

- (i) Absent the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units, no more than five percent (5%) of the Common Area Budget, including operating expenses and reserves, for the applicable Fiscal Year may be expended for one capital project.
 - (ii) Absent the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units, no more than ten percent (10%) of the Common Area Budget, including operating expenses and reserves, for the applicable Fiscal Year may be expended for capital projects in any Fiscal Year.
 - (iii) ~~Additions~~, alterations and improvements to the Common Areas (exclusive of the Recreational Facilities) costing less than the five ~~percent~~ (5%) or ten percent (10%) thresholds above may be approved by the Board without Member approval.
- c. Capital expenditures (i) for the maintenance, repair and replacement of the Common Areas (exclusive of the Recreational Facilities); (ii) for additions, alterations or improvements of the Common Areas which are not material, or (iii) for infrastructure required by a governmental agency, including the South Florida Water Management District, do not require a vote of the Members and are not subject to the limitations described in Section 13.1.b. above. In no event shall repairs or reconstruction as provided in Section 6.5 of the Declaration require a Vote of the Members.
- d. Capital expenditures for the Common Areas (exclusive of the Recreational Facilities) may be funded from Common Assessments, Special Assessments or the Common Area Reserve in the discretion of the Board of Directors and information on the source of such funding shall be provided to Members in connection with any Vote required for capital expenditures described in Section 13.1.b. above.

Section 13.2 RECREATIONAL FACILITIES ASSESSMENTS

Based on the Recreational Facilities Budget, among other things, the Board shall determine the amount of the Recreational Facilities Assessments for each year. The Recreational Facilities Assessments shall be determined and collected in the manner described in these By-Laws.

Section 13.3 RECREATIONAL FACILITIES MEMBERSHIP CONTRIBUTIONS

The Board shall determine the amount of the Recreational Facilities Membership Contribution required to be paid by a Member in order to acquire the applicable category of Membership obtained by a Member on the acquisition of a Lot. The Recreational Facilities Membership Contributions shall be the sole source of funds for repayments required to be made to Members on the sale of Lots and reissuance of their Memberships by the Master Association,

as provided herein. The portion of the Recreational Facilities Membership Contributions retained by the Master Association as Resale Income will be deposited in the Recreational Facilities Special Reserve Fund.

Section 13.4 RECREATIONAL FACILITIES DUES ASSESSMENTS

Based on the Recreational Facilities Budget, the Board shall determine the amount to be charged to enable the Master Association to cover the costs of owning, operating, maintaining and repairing the Recreational Facilities (the "Recreational Facilities Dues Assessments"). Each Sports Member's Recreational Facilities Dues Assessments shall be equal to seventy percent (70%) of the Recreational Facilities Dues Assessments required to be paid by each Golf Member; and the Social Member's Recreational Facilities Dues Assessments, if any, shall be equal to fifty-five percent (55%) of the Recreational Facilities Dues Assessments required to be paid by each Golf Member. The Recreational Facilities Dues Assessments shall be due on or before October 1st of each year for the following Fiscal Year or at such other times as may be determined by the Board. In addition, if and to the extent that the Master Association incurs operating deficits related to the Recreational Facilities, the Master Association may impose additional Recreational Facilities Dues Assessments to cover such deficits, as determined by the Board from time to time. In the event that the Board determines that an operating surplus related to the Recreational Facilities exists (or is likely to exist) for a Fiscal Year, the Board will determine if such operating surplus will be credited towards the then-current or next Fiscal Year's Recreational Facilities Dues Assessments or to be placed in the Recreational Facilities Special Reserve Fund.

Section 13.5 RECREATIONAL FACILITIES CAPITAL ASSESSMENTS AND RECREATIONAL FACILITIES CAPITAL RESERVE FUND

- a. For each Fiscal Year, the Master Association shall collect the following capital assessments for the Recreational Facilities (collectively, the "Recreational Facilities Capital Assessments"): (i) the Recreational Facilities Minimum Capital Reserve Assessments, which shall be deposited into the Recreational Facilities Minimum Capital Reserve Fund; and (ii) the Recreational Facilities Member Capital Assessments, which shall be placed into the Recreational Facilities Member Capital Assessment Fund. Unless otherwise determined by the Board, the Recreational Facilities Capital Assessments shall (singularly or collectively, as determined by the Board) be separately stated on the invoices for the Recreational Facilities Assessments and placed into the applicable Recreational Facilities Capital Reserve Fund.
- b. The Recreational Facilities Minimum Capital Reserve Fund, the Recreational Facilities Member Capital Assessments Fund, and the Recreational Facilities Special Reserve Fund (sometimes singularly and collectively referred to as the "Recreational Facilities Capital Reserve Fund") shall each be funded as provided herein and will: (i) be placed into a segregated account (which account may include all Recreational Facilities Capital Assessments); (ii) be used solely for capital repairs,

maintenance, replacements, additions, expansions and improvements to the Recreational Facilities (or to pay for the debt service or like items relating to the financing of such capital items); and (iii) not be included in the operating revenue or be used to pay for operating expenses of the Master Association.

Section 13.6 RECREATIONAL FACILITIES MINIMUM CAPITAL RESERVE ASSESSMENTS AND FUND

- a. In the Recreational Facilities Budget for each Fiscal Year, the Board shall allocate an amount no less than five percent (5%) of the budgeted gross operating revenues related to the Recreational Facilities for such Fiscal Year as the "Recreational Facilities Minimum Capital Reserve Assessment" for such Fiscal Year. The Recreational Facilities Minimum Capital Reserve Assessment shall be placed into a reserve fund (the "Recreational Facilities Minimum Capital Reserve Fund"). The Recreational Facilities Minimum Capital Reserve Assessments shall be collected at the same time and in the same proportion as the Recreational Facilities Dues Assessments.
- b. The Recreational Facilities Minimum Capital Reserve Fund may be used during the Fiscal Year for capital repairs, replacements, maintenance, additions, expansions and/or improvements to the Recreational Facilities. Any funds remaining in the Recreational Facilities Minimum Capital Reserve Fund that are not expended, accrued, committed or otherwise reflected in the Master Association's financial statements or notes thereto as capital expenditures in the Fiscal Year for which they were budgeted shall be transferred into the Recreational Facilities Special Reserve Fund.

Section 13.7 RECREATIONAL FACILITIES MEMBER CAPITAL ASSESSMENTS

- a. In addition to the Recreational Facilities Minimum Capital Reserve Assessments, Members are subject to capital assessments required to pay for emergency capital repairs, maintenance and replacements to the Recreational Facilities when funds are not available from the applicable Recreational Facilities Capital Reserve Fund or funded indebtedness and such assessments do not require approval by the Members (the "Replacement Assessments"). In addition, Members are subject to capital assessments for capital additions, expansions and improvements to the Recreational Facilities provided that such Assessments are approved of by the Members (the "Expansion Assessments"), as provided in this Section 13.7 (the Assessments made pursuant to this Section 13.7 are sometimes singularly and collectively referred to herein as the "Recreational Facilities Member Capital Assessments"). Recreational Facilities Member Capital Assessments shall be placed into a fund (the "Recreational Facilities Member Capital Assessment Fund"). Any funds remaining in the

Recreational Facilities Member Capital Assessment Fund that are not expended, accrued, committed or otherwise reflected in the Master Association's financial statements or notes thereto as being required for the capital expenditures for which such assessments were collected shall be transferred into the Recreational Facilities Special Reserve Fund.

- b. There will be no Expansion Assessments for capital additions, expansions or improvements unless approved by the affirmative Vote of a majority of all of the Membership Units held by Golf Members and Sports Members. Any proposed Expansion Assessment relating to the golf facilities is a Golf Matter, with voting to be weighted as set forth in Section 3.6 of these By-Laws. Only the Golf Members and the Sports Members shall vote on a proposed Expansion Assessment relating to the golf facilities. A Sports Member shall pay fifty percent (50%) of the amount of the Expansion Assessments relating to the golf facilities paid by a Golf Member. Any proposed Expansion Assessment relating to the Recreational Facilities other than golf facilities shall be voted on by Golf Members and Sports Members as a non-Golf Matter. A Golf Member and a Sports Member shall each pay the same amount for the Expansion Assessments relating to the Recreational Facilities other than golf facilities.

Section 13.8 RECREATIONAL FACILITIES SPECIAL RESERVE FUND

The "Recreational Facilities Special Reserve Fund" shall consist of: (i) the unexpended portion of Recreational Facilities Minimum Capital Reserve Fund that may be deposited into the Recreational Facilities Special Reserve Fund, as provided in Section 13.6 hereof; (ii) the unexpended portion of the Recreational Facilities Member Capital Assessment Fund that may be transferred into the Recreational Facilities Special Reserve Fund, as provided in Section 13.7 hereof; (iii) the portion of the Recreational Facilities Membership Contributions retained by the Master Association as Resale Income, as provided in Section 13.3 hereof; (iv) operating surplus related to the Recreational Facilities that the Board determines should be placed in the Recreational Facilities Special Reserve Fund, and (v) any excess insurance proceeds received upon damage or destruction of the Recreational Facilities as provided in Section 6.5 of the Declaration. The Recreational Facilities Special Reserve Fund shall be used solely for capital expenditures for capital repairs, maintenance, replacements, additions, expansions and/or improvements to the Recreational Facilities. If a capital expenditure to be paid out of the Recreational Facilities Special Reserve Fund is for an addition, expansion or improvement to the Recreational Facilities ("Expansion Expenditures"), then such expenditure will require a Vote of the Members on the same basis as if such capital expenditure required an Expansion Assessment as provided in Section 13.7.b above. Notwithstanding the foregoing, the Board, without a vote of the Members but with written or electronic notice to the Members in each instance, may authorize the expenditure of funds out of the Recreational Facilities Special Reserve Fund for the following items:

- a. the borrowing of funds from the Recreational Facilities Special Reserve Fund, without the payment of interest, to meet short term operating expenses, provided such funds are repaid to the Recreational Facilities

Special Reserve Fund by the end of the Fiscal Year in which they are borrowed, provided, however, that such funds need not be repaid to the Recreational Facilities Special Reserve Fund by the end of such Fiscal Year if, in order to fund such repayment, the Master Association would have to borrow money from a third party, in which case interest at a commercially reasonable rate (owed from Master Association operating funds to the Recreational Facilities Special Reserve Fund, along with the amount borrowed) shall accrue on the amount borrowed from the end of such Fiscal Year until the date of repayment, and provided that such date of repayment shall be not more than two (2) years after the end of such Fiscal Year;

- b. the expenditure of funds from the Recreational Facilities Special Reserve Fund to pay interest and principal (including prepayment of interest and/or principal, and payment of any associated prepayment fees or penalties) on amounts owed by the Master Association as a result of, and any fees or charges imposed in connection with the refinancing (either contemporaneously with a prepayment or at a later point) of, funded indebtedness associated with capital expenditures approved by the Membership pursuant to Section 13.7.b hereof, or by the Board pursuant to Section 13.10 hereof;
- c. expenditures for capital repairs, replacement, maintenance, additions, expansions and/or improvements of no more than five percent (5%) of gross operating revenues generated by the Recreational Facilities in any Fiscal Year;
- d. for Expansion Expenditures approved by the Members that are not paid out of the Recreational Facilities Member Capital Assessment Fund or to pay debt service incurred on funded indebtedness for Expansion Expenditures authorized by the Members pursuant to Section 13.10 hereof that is borrowed to pay for such unfunded Expansion Expenditures;
- e. the lending of funds to the Master Association to be used for capital expenditures relating to the Common Areas (excluding the Recreational Facilities), provided that the Master Association's indebtedness to the Recreational Facilities Special Reserve Fund is documented with an executed note having a term of not more than three (3) years and bearing interest at a commercially reasonable rate; and
- f. upon the approval of two-thirds (2/3rds) of the Board, to pay for capital expenditures required to address emergency conditions or to pay debt service on funded indebtedness incurred to pay for such emergency capital expenditures.

Section 13.9 EMERGENCY CAPITAL EXPENDITURES

In the event the Board of Directors, by a two-thirds vote of the entire Board, shall determine that emergency conditions require immediate capital expenditures not otherwise provided for, the Board shall have the authority to make the expenditures necessary to meet such emergency requirements; and to fund such expenditures from the Recreational Facilities Special Reserve Fund, funded indebtedness, and/or Special Assessments.

Section 13.10 RESTRICTIONS ON BORROWING

Absent the approval of a majority of all of the Membership Units owned by Golf Members and Sports Members, the Board may not borrow funds that are (i) secured by an encumbrance on the real property owned by the Master Association, or (ii) to be ~~used for~~ Expansion Expenditures.

ARTICLE XIV DELINQUENCIES AND COLLECTION

Section 14.1 DELINQUENCIES; COLLECTION

An itemized statement of Assessments and Club Charges shall be sent monthly to each Member by electronic mail or U.S. mail or made available to each Member on the Master Association's website. The Master Association shall provide a paper statement by U.S. mail to any Member who requests same. Amounts owed to the Master Association not paid within ten (10) days from the date when due shall be considered delinquent for the purposes of this Section 14.1. If a Membership is issued in more than one name, each person named on the Membership will be jointly and severally liable for all Assessments and Club Charges relating to such Membership. Entity Member Designated Users shall be jointly and severally liable with their associated Entity Member for all Assessments and Club Charges relating to such Entity Membership. If the amounts owed to the Master Association are delinquent, the Master Association may impose a late fee and interest on the delinquent amount from the due date at the highest rate allowed by law, and may suspend the Member's privileges and voting privileges as provided in Section 14.2 hereof until all amounts are paid in full. The Master Association ~~may~~ bring an action at law against the delinquent Member, may levy against the Membership, may record a Claim of Lien against the Lot, or pursue one or more of such remedies at the same time or successively, and there shall be added to the amount due the Master Association, attorneys' fees and costs of collecting or attempting to collect the amount due the Master Association through all appeals. All such amounts owed to the Master Association or incurred by the Master Association shall be deducted from any proceeds payable to a Member upon the reissuance of such Member's Recreational Facilities Certificate.

All partial payments upon accounts shall be applied in the manner prescribed in Chapter 720, Florida Statutes, as the same may be amended from time to time. The Master Association may impose charging limitations or require a Member to place a deposit with the Master Association for Club Charges in the event the Member fails to timely pay amounts owed to the Master Association on a repeated basis.

In the case of a Golf Member, in the event the amount of such indebtedness exceeds fifty (50%) percent of the amount to be repaid to such Member for the Membership pursuant to Section 9.4.d hereof, the Board may reissue such Golf Membership to the next Member on the waiting list, and issue a Sports Membership to the delinquent Member. The amount specified by the Board policy adopted for purposes of Section 9.4.b hereof will be credited to the account of the Member whose Golf Membership was reissued and who was issued a Sports Membership. In such event, the acquisition date of the issued Sports Membership to the delinquent Member for purposes of determining the amount to be repaid pursuant to Section 9.4.d hereof shall be deemed to be the acquisition date of the Member's prior Golf Membership. Prior to taking any such action the Board will provide notice of its intent to the delinquent Member via registered or certified mail or via hand delivery, and the Member will have thirty (30) days from the date of receipt of such notice within which to request a hearing before the Hearing Committee to explain the circumstances of the delinquency.

Section 14.2 SUSPENSION FOR FAILURE TO TIMELY PAY

Without the requirement of a hearing as described in Section 15.4 hereof, the Master Association shall have the authority to suspend, for failure timely to pay amounts due to the Master Association, (i) the use rights of any Member, and of such Member's Designated Users, guests, tenants, and invitees, in accordance with the provisions of Florida Statutes, and (ii) the voting rights of the Member. Any such suspension pursuant to this Section shall be governed by the pertinent procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time, and the due date for the unpaid amount shall be the date used for calculating the length of delinquency for purposes of Section 720.305, Florida Statutes. Any such suspension shall end upon full payment of all obligations currently due or overdue to the Master Association.

Section 14.3 NO OTHER LIENS

No Member shall be permitted to create, incur, assume or suffer to exist upon such Member's Membership any liens and security interests whatsoever except to the extent such lien and security interest represents a security interest to the Master Association.

ARTICLE XV DISCIPLINARY PROCEEDINGS

Section 15.1 GENERAL

The Board of Directors shall have the power (i) to impose reasonable fines, as further provided in Section 15.2 hereof, in amounts to be determined by the Board of Directors from time to time and set forth in the Rules and Regulations, which, shall be enforced through an action for money damages and/or through the recording and foreclosure of a Claim of Lien as provided for by Florida Statutes, (ii) to suspend the rights of a Member or a Member's tenant(s), guest(s), occupant(s), or Designated User(s) to use the Common Areas, including the Recreational Facilities, (iii) to suspend the right to Vote, and (iv) to preclude contractors, subcontractors, agents and other invitees of a Member or occupant from the Property for violation of any duty imposed under the Declaration, these By-Laws or the Rules and

Regulations. Notwithstanding the foregoing, nothing herein shall authorize the Master Association or the Board of Directors to eliminate a Member's or occupant's ingress and egress to or from such Member's Lot, provided any access control device or label provided for a Member's convenience may be withdrawn from the Member or deactivated as a sanction hereunder. Violations of these By-Laws shall include, but not be limited to:

- a. submitting false information on the Application for Membership or for any application for guest privileges or tenant privileges;
- b. permitting a Membership card or Master Association account to be used by anyone other than the designated holder;
- c. failing to pay any amount owed to the Master Association in a proper and timely manner;
- d. failing to abide by the Declaration, these By-Laws, the Rules and Regulations or other rules and regulations governing conduct or use of the Property, as they may be amended from time to time;
- e. treating the personnel or employees of the Master Association in an unreasonable or abusive manner;
- f. destroying, damaging, or stealing Master Association property;
- g. abusing any Director, Officer or employee of the Master Association verbally or in writing; or
- h. exhibiting behavior, deportment or appearance deemed materially unsatisfactory by the Board of Directors or acting in a manner determined by the Board of Directors to be substantially improper or reasonably likely to endanger the welfare, safety, harmony or good reputation of the Master Association or its Members.

Any such fine or suspension pursuant to this Section shall be governed by the pertinent procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time.

In the event that any occupant, contract vendor, guest, tenant or Designated User of an Owner or a Lot violates the Declaration or these By-Laws, and a fine is imposed, the fine may first be assessed against such occupant, contract vendor, guest, tenant or Designated User directly or assessed against the Owner of the Lot; provided, however, if the fine is not paid by the occupant, contract vendor, guest, tenant or Designated User within the time period set by the Board of Directors, the Master Association shall have the authority, though not the obligation, to seek payment directly from the Owner of the Lot. The failure of the Board of Directors to enforce any provision of the Declaration or By-Laws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter. Assessments, fees and charges shall accrue during any suspension and must be paid in full when due. In the event the Master Association imposes a fine

or suspension, the Master Association must provide written notice of such fine or suspension in accordance with the provisions of Florida Statute governing suspensions and fines.

Section 15.2 FINES

In the event a Member or anyone for whom a Member is responsible fails to comply with a provision of the Master Association Documents in the manner required, the Master Association shall have the right to impose a fine against the Owner of the Lot in the manner provided in Chapter 720, Florida Statutes, as the same may be amended from time to time. The amount of any fine shall be determined by the Board of Directors, but in any event shall not exceed any maximum amount specified in Chapter 720, Florida Statutes, as the same may be amended from time to time, except that the maximum amount that may accrue where a fine is levied for each day of a continuing or recurrent violation is limited to Five Thousand Dollars (\$5,000.00) for each violation, and the maximum amount that may be levied as a fine for a single violation which is not continuing is limited to One Thousand Dollars (\$1,000.00) for each violation. The Master Association is hereby empowered to impose a lien for unpaid fines, subject to the limitations set forth in Chapter 720, Florida Statutes, as the same may be amended from time to time, and as set forth hereinabove as to the limitation of the amount of the fine.

Section 15.3 NOTICE

Prior to imposition of any fine or sanction hereunder, the Board of Directors or its delegates shall serve the accused with written notice governed by the procedures and requirements of Section 720.305, Florida Statutes, as same may be amended from time to time.

Section 15.4 HEARING

Except as provided in Section 14.2 hereof, prior to the effectiveness of any sanction hereunder, the person sought to be fined or suspended shall have an opportunity to be heard before the Hearing Committee with at least fourteen (14) days' notice and in accordance with the requirements of Section 720.305, Florida Statutes, as same may be amended from time to time. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any person.

Notwithstanding the foregoing and to the extent permitted by applicable law, any Member, Immediate Family, Designated User, or their guest or invitee whose conduct shall be deemed by the President with the concurrence of two (2) other Directors, or in the absence of the President by three (3) Directors, to constitute a threat of imminent danger to (i) Members or staff, or (ii) to the welfare, safety, harmony or good reputation of the Master Association or its Members, may be subject to immediate suspension of some or all privileges at the Recreational Facilities for a period not longer than fourteen (14) days. During such period, the Grievance Committee shall convene a panel of not less than three (3) members and hold a hearing to determine whether to recommend to the Board that such Member, Immediate Family, Designated User, guest or invitee should be further disciplined pursuant to these By-Laws.

Section 15.5 ADDITIONAL ENFORCEMENT RIGHTS

Notwithstanding anything to the contrary herein contained, the Master Association may elect to enforce any provisions of the Declaration or these By-Laws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity, to enjoin any violation, or to recover monetary damages, or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Member or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred, including where such fees and costs are incurred prior to a lawsuit being filed and through all appeals.

ARTICLE XVI FISCAL MANAGEMENT

Section 16.1 DEPOSITORIES

The funds of the Master Association shall be deposited in such accounts as may be selected by the Board of Directors or the Board's authorized designee, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds shall be used only for lawful purposes of the Master Association and in accordance with the terms and conditions of these By-Laws.

Section 16.2 EXPENSES

The receipts and expenditures of the Master Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices as set forth in Section 16.4 hereof and the Declaration.

Section 16.3 FIDELITY BONDS

The Master Association shall, in the discretion of the Board of Directors and if available at a reasonable cost, purchase blanket fidelity bonds for all directors, officers and employees of the Master Association and for any management agent or company who controls or disburses funds of the Master Association and any contractor handling or responsible for Master Association funds. If the Master Association elects to purchase bonds, the following provisions shall govern the Master Association's purchase of the bonds:

- a. Each fidelity bond purchased by the Master Association shall name the Master Association as an obligee of the bond;
- b. The premiums for bonds shall be paid by the Master Association;
- c. The fidelity bonds shall be in the amount determined from time-to-time by the Board of Directors; and

- d. Each bond shall include a provision requiring ten (10) days' written notice to the Master Association before the bond can be canceled or substantially modified for any reason.

Section 16.4 ACCOUNTS AND REPORTS

The Master Association shall provide financial reporting in the manner required by Chapter 720, Florida Statutes, as the same may be amended from time to time. To extent consistent with Florida Statutes, the following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- a. Accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, shall be employed;
- b. Accounting and controls should conform to generally accepted accounting principles;
- c. Cash accounts of the Master Association shall not be comingled with any other accounts;
- d. No remuneration shall be accepted by a Director, manager or employees from vendors, independent contractors, or others providing goods or services to the Master Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Master Association;
- e. Any financial or other interest which a Director may have in any firm providing goods or services to the Master Association shall be disclosed promptly to the Board of Directors;
- f. Financial reports shall be prepared for the Master Association at least annually containing:
 - (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
 - (ii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
 - (iii) a balance sheet as of the last day of the preceding period; and
 - (iv) a delinquency report listing all Members who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (for the purposes of this subsection an Assessment shall be considered delinquent fifteen (15) days after the date due unless otherwise determined by the Board of Directors);

- g. An annual financial report as required by Section 720.303, Florida Statutes, as same may be amended from time to time.

Section 16.5 AGREEMENTS, CONTRACTS, DEEDS, LEASES, CHECKS, ETC.

All agreements, contracts, deeds, leases, checks, and other instruments of the Master Association shall be executed by the President and Secretary or by such other members of the Board, officers of the Master Association or employees as may be designated by resolution of the Board of Directors.

Section 16.6 BOOKS AND RECORDS

- a. The Master Association shall maintain official records as defined in Section 720.303, Florida Statutes, as same may be amended from time to time, and such official records shall be subject to inspection as provided in Section 720.303, Florida Statutes, as same may be amended from time to time.
- b. Rules for Inspection. The Board shall establish reasonable rules with respect to:
 - (i) notice to be given to the custodian of the records;
 - (ii) hours and days of the week when an inspection may be made; and
 - (iii) payment of the cost of reproducing copies of documents requested.
- c. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Master Association and the physical properties owned or controlled by the Master Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Master Association. The rights of Directors hereunder may be limited by the Board of Directors by resolution approved by a majority of the Board with regard to information which is required to be kept confidential and is not subject to Member inspections under Chapter 720, Florida Statutes, as the same may be amended from time to time, or to the extent any individual Director abuses the privilege provided for herein in the judgment of the President or a majority of the Board of Directors.

Section 16.7 INSURANCE

The Master Association shall procure, maintain and keep in full force and effect insurance as may be required by the Declaration to protect the interests of the Master Association. The Master Association shall maintain insurance on the Recreational Facilities equal to all or substantially all of the replacement cost thereof, with a reasonable deductible amount, and the cost of such insurance shall be included in the Recreational Facilities Budget.

ARTICLE XVII MISCELLANEOUS

Section 17.1 LITIGATION OF DISPUTES

Litigation of any dispute relating in any way to Membership or operation of the Master Association shall be submitted to a non-jury trial. The Master Association and Members hereby knowingly, voluntarily, and intentionally waive the right to a trial by jury with respect to any litigation between the parties. These By-Laws shall be governed by the laws of the State of Florida. Jurisdiction and venue for all parties for all actions and proceedings and arbitration shall be in Palm Beach County, Florida. In any such proceeding, the prevailing party shall be entitled to recover reasonable attorneys' fees, witness fees, costs and expenses (including all such fees, costs and expenses incurred prior to commencement of litigation and incident to appeals) (collectively, the "Prevailing Party Fees"). In addition, the prevailing party shall be entitled to recover reasonable attorneys' fees, witness fees, costs and expenses incurred in proving both entitlement to the Prevailing Party Fees and the amount of the Prevailing Party Fees.

Section 17.2 CONFLICT OF TERMS

In the event of a conflict between the terms of these By-Laws and any other document listed below, the order of priority where there are conflicting terms shall be in the following order, and the terms of the preceding document referenced shall prevail:

- a. the Declaration,
- b. the Articles,
- c. these By-Laws, and
- d. the Rules and Regulations of the Master Association.

Section 17.3 DISSOLUTION OR LIQUIDATION

In the event of dissolution or final liquidation of the Master Association, all of the property and assets of the Master Association, after payment of its debts, shall be distributed, as permitted by Florida law or a court having jurisdiction: (i) first to the Members in proportion to the value of the Recreational Facilities Certificates owned by such Members, with the value of such Recreational Certificates as last established by the Master Association, until distributions equal to such values have been distributed; and (ii) thereafter to the Members in equal proportions.

Section 17.4 VALIDITY

If any By-Law or Rule or Regulation is adjudicated to be invalid, such fact shall not affect the validity of any other By-Law or Rule or Regulation.

Section 17.5 NOTICES

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered (i) personally, (ii) by electronic transmission to an email address to which the receiving party has consented to receive notices, to the extent permitted by Chapter 720, Florida Statutes, as amended from time to time, or (iii) if sent by United States Mail, first class postage prepaid:

- a. If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Member; or
- b. If to the Master Association, the Board of Directors, or the manager, at the principal office of the Master Association or the manager, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 17.6 CORPORATE SEAL AND MASTER ASSOCIATION EMBLEM

The corporate seal of the Master Association shall be circular in form and shall have inscribed thereon the name of the corporation and the words "seal", "Florida", "Not-For-Profit Corporation", and the year of incorporation. The corporate seal shall be in the possession of the Secretary of the Master Association and be affixed by the Secretary to all documents relating to the official acts of the Master Association, as authorized by the Board. Unauthorized use of the Addison Reserve trademark and/or tradename is prohibited. The emblem of the Master Association shall be of a style and design as approved by the Board of Directors.

ARTICLE XVIII AMENDMENTS

Section 18.1 VOTING REQUIREMENTS

Except as hereinafter provided, these By-Laws may be altered, amended, supplemented, or repealed only by the affirmative Vote of not less than sixty percent (60%) of all of the Membership Units. Any proposed amendment to the Declaration, the Articles or these By-Laws, excluding provisions in Section 18.2, must be set forth in the notice of the Annual or Special Meeting provided to the Members. In addition, any amendment to be effective must be recorded in the Public Records of Palm Beach County, Florida.

If proposed by the Board of Directors, such action or actions shall first require the approval of a two-thirds (2/3rds) majority of the entire Board and, if so approved, shall then be submitted by the Board at the Annual Meeting or a Special Meeting of the Membership for consideration and vote. In the alternative, such action or actions may be submitted for consideration and vote at the Annual Meeting or at a Special Meeting of the Membership, pursuant to the provisions of Article III of these By-Laws.

In either event, the notice of such meeting shall include a description of the proposed action or actions.

Section 18.2 CLARIFICATIONS AND CORRECTIONS

The Board of Directors may make non-substantive clarifying modifications or corrections to these By-Laws without the approval of the Members. The Board shall advise the Members of all ~~such modifications~~ and corrections on a timely basis and in such manner as it deems appropriate.

In addition, the Board of Directors may unilaterally amend the Declaration or these By-Laws ~~at any time and~~ from time to time if such amendment is:

- a. necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule, requirement or regulation, or judicial determination;
- b. necessary to enable any reputable title insurance company to issue title insurance coverage on Lots;
- c. required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Master Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on Lots;
- d. necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots;
- e. necessary or desirable in connection with retirement of the remaining Social Membership; or
- f. necessary to correct any stenographic, scrivener's or surveyor's error or any error of a like nature; provided, however, any such amendment shall not adversely affect the title to any Lot unless the owner thereof shall consent thereto in writing.

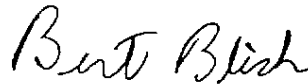
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of Addison Reserve Master Property Owners Association, Inc., a Florida not-for-profit corporation;

That the foregoing Amended and Restated By-Laws of said Master Association were duly adopted at a meeting of the Board of Directors thereof held on the 19th day of July, 2018, to be effective on ~~the Effective Date~~ of the merger of Addison Reserve Country Club, Inc. into Addison Reserve Master Property Owners Association, Inc.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal this 18 day of December, 2018.



Bert Blicher, President

EXHIBIT "C"

ARTICLES OF INCORPORATION OF ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.

FILED
95 JUL 26 PM 3:33
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned, desiring to form a corporation not-for-profit under Chapter 617, Florida Statutes, as amended, hereby executes and adopts the following Articles of Incorporation:

ARTICLE I NAME

The name of the corporation shall be Addison Reserve Master Property Owners Association, Inc. (hereinafter referred to as the "Master Association"). Its principal office and mailing address shall be at 7120 South Beneva Road, Sarasota, Florida 34238 or at such other place as may be designated, from time to time, by the Board of Directors.

ARTICLE II DURATION

The period of duration of the Master Association is perpetual.

ARTICLE III PURPOSE

The purpose for which the Master Association is organized is to further the interests of the Members, including without limitation maintenance of property owned by, dedicated to or agreed to be maintained by the Master Association, and the protection of private property; to exercise all the powers and privileges and to perform all of the duties and obligations of the Master Association as defined and set forth in that certain Master Declaration of Covenants, Conditions and Restrictions for Addison Reserve (the "Master Declaration") to be recorded in the public records of Palm Beach County, Florida, including the establishment and enforcement of payment of Assessments and fines contained therein, and to engage in such other lawful activities as may be to the mutual benefit of the Owners and their private property. All terms used herein which are defined in the Master Declaration shall have the same meaning herein as therein.

ARTICLE IV POWERS

The powers of the Master Association shall include and be governed by the following provisions:

Section 1. Common Law and Statutory Powers. The Master Association shall have all of the common law and statutory powers granted to it under Florida law, as the same may be amended or supplemented, which are not in conflict with the terms of these Articles and the Master Declaration.

Section 2. Necessary Powers. The Master Association shall have all of the powers reasonably necessary to exercise its rights and powers and implement its purpose, including, without limitation, the following:

- A. The power to fix, levy and collect Assessments against Private Property, as provided for in the Master Declaration.
- B. The power to expend monies collected for the purpose of paying the expenses of the Master Association.
- C. The power to manage, control, operate, maintain, repair and improve the Areas of Common Responsibility.
- D. The power to purchase supplies, material and lease equipment required for the maintenance, repair, replacement, operation and management of the Areas of Common Responsibility.
- E. The power to insure and keep insured the Common Areas as provided in the Master Declaration.
- F. The power to employ the personnel required for the operation and management of the Master Association and the Common Areas.
- G. The power to pay utility bills for utilities serving the Areas of Common Responsibility.
- H. The power to pay all taxes and assessments which are liens against the Common Areas.
- I. The power to establish and maintain a reserve fund for capital improvements, repairs and replacements.
- J. The power to control and regulate the use of the Properties.
- K. The power to make reasonable rules and regulations and to amend the same from time to time.

L. The power to enforce by any legal means the provisions of these Articles, the By-Laws, the Master Declaration and the rules and regulations promulgated by the Master Association from time to time.

M. The power to borrow money and to select depositories for the Master Association's funds, and to determine the manner of receiving, ~~depositing~~, and disbursing those funds and the form of checks and the person or persons by whom the same shall be signed, when not signed as otherwise provided in the By-Laws.

N. The power to enter into a long term contract with any person, firm, corporation, or management agent of any nature or kind to provide for the maintenance, operation, repair and upkeep of the Areas of Common Responsibility or any portion thereof. The contract may provide that the total operation of the managing agent, firm or corporation shall be at the cost of Master Association. The contract may further provide that the managing agent shall be paid from time to time a reasonable fee.

O. The power to contract for the management of the Master Association and to delegate to the manager, all of the powers and duties of the Master Association, except those matters which must be specifically approved by Members or the Board of Directors, as provided by the Master Declaration, Supplemental Declaration, these Articles of Incorporation, the By-Laws or applicable law.

P. The power to appoint committees as the Board of Directors may deem appropriate.

Q. The power to collect delinquent Assessments and fines by suit or otherwise, to abate nuisances and to fine, enjoin or seek damages from Members for violation of the provisions of the Master Declaration, these Articles of Incorporation, the By-Laws or the rules and regulations.

R. The power to bring suit and to litigate on behalf of the Master Association and the Members.

S. The power to adopt, alter and amend or repeal the By-Laws of the Master Association as may be desirable or necessary for the proper management of the Master Association.

T. The power to provide any and all supplemental municipal services as may be necessary or proper.

U. The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above described.

Section 3. Funds and Title to Properties. All funds and title to all properties acquired by the Master Association and the proceeds thereof shall be held in the name of the Master Association for the benefit of the Members in accordance with the provisions of the Master Declaration. No part of the income, if any, of the Master Association shall be distributed to the Members, directors, or officers of the Master Association. Nothing herein shall prohibit the

Master Association from reimbursing its directors, officers and committee members for all expenses reasonably incurred in performing service rendered to the Master Association.

Section 4. Limitations. The powers of the Master Association shall be subject to and be exercised in accordance with the provisions of the Master Declaration.

ARTICLE V QUALIFICATIONS OF MEMBERSHIP

The qualifications for membership and the manner of admission shall be as provided by the By-Laws of the Master Association.

ARTICLE VI VOTING RIGHTS

The right to vote on Master Association matters shall be exercised by Voting Members as provided in the Master Declaration and By-Laws.

ARTICLE VII LIABILITY FOR DEBTS

Neither the Members nor the officers or directors of the Master Association shall be liable for the debts of the Master Association.

ARTICLE VIII BOARD OF DIRECTORS

Section 1. The number of directors constituting the initial Board of Directors of the Master Association is three (3) and the names and addresses of the persons who will serve as the initial Board of Directors of the Master Association are:

<u>Name</u>	<u>Address</u>
John R. Peshkin	c/o Taylor Woodrow Communities 7120 S. Beneva Road Sarasota, FL 34238
Craig A. Perna	c/o Taylor Woodrow/Kenco, Ltd. 7350 Linton Boulevard Delray Beach, FL 33446
Kathryn B. Clayton	c/o Taylor Woodrow Communities 7120 S. Beneva Road Sarasota, FL 34238

Section 2. The Board of Directors shall be the persons who will manage the corporate affairs of the Master Association and are vested with the management authority thereof. The Board of Directors will be responsible for the administration of the Master Association and will have the authority to control the affairs of the Master Association, as are more fully set forth in the Master Declaration and the By-Laws of the Master Association.

Section 3. The method of election and terms of office, removal and filling of vacancies shall be as set forth in the By-Laws of the Master Association.

ARTICLE IX BY-LAWS

The By-Laws of the Master Association may be adopted, amended, altered or rescinded as provided therein; provided, however, that at no time shall the By-Laws conflict with these Articles of Incorporation or the Master Declaration.

ARTICLE X CONSTRUCTION

These Articles of Incorporation and the By-Laws of the Master Association shall be construed, in case of any ambiguity or lack of clarity, to be consistent with the provisions of the Master Declaration. In the event of any conflict between the terms of the Master Declaration, these Articles of Incorporation or the By-Laws, the following order of priority shall apply: the Master Declaration, the Articles of Incorporation and the By-Laws.

ARTICLE XI SOLE INCORPORATOR

The name and address of the sole incorporator is as follows:

John R. Peshkin

c/o Taylor Woodrow Communities
7120 S. Beneva Road
Sarasota, FL 34238

ARTICLE XII INDEMNIFICATION

The Master Association shall indemnify its directors, officers and committee members and may indemnify its employees and agents, to the fullest extent permitted by applicable Florida Statutes, as the same may be amended and supplemented, from and against any and all of the expenses or liabilities incurred in defending a civil or criminal proceeding, or other matters referred to in or covered by said provisions, including, but not limited to, the

advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of Members or disinterested directors, officers or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, committee member, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person and an adjudication of liability shall not affect the right to indemnification for those indemnified. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such officer, director or committee member of the Master Association may be entitled.

ARTICLE XIII OFFICERS

The affairs of the Master Association shall be managed by a President, a Vice-President, a Secretary and a Treasurer, and if elected by the Board of Directors, any such other officers and assistant officers as may be designated by the Board of Directors. The Board of Directors at each annual meeting shall elect, to serve for a term of one (1) year, a President, a Vice-President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time determine appropriate.

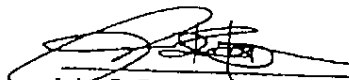
ARTICLE XIV AMENDMENT

Until the Turnover Date (as defined in the Master Declaration), the Declarant may amend these Articles of Incorporation in its sole and absolute discretion. After the Turnover Date, amendments to these Articles of Incorporation shall require the affirmative vote of Members casting seventy-five percent (75%) of the total votes in the Master Association in favor of such amendment.

ARTICLE XV REGISTERED AGENT AND REGISTERED OFFICE

The name of the initial registered agent shall be John R. Peshkin, and the street address of the registered office of the Master Association shall be c/o Taylor Woodrow Communities, 7120 S. Beneva Road, Sarasota, Florida 34238.

IN WITNESS WHEREOF the undersigned incorporator has executed these Articles of Incorporation this 22nd day of June, 1995.

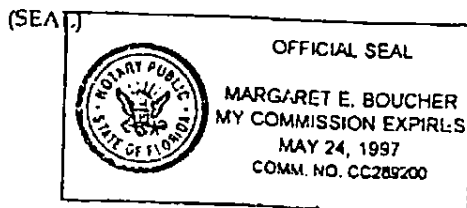

John R. Peshkin,
Incorporator

STATE OF FLORIDA
COUNTY OF Sarasota

The foregoing Articles of Incorporation were acknowledged before me by John R. Peshkin, the incorporator named therein. He is well known to me or has produced a driver's license as identification and did take an oath.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my seal under the laws of the State of Florida, this 22nd day of June 1995

Margaret E. Boucher
Notary Public
Print Name: MARGARET E. BOUCHER
State of Florida
My Commission Expires:



CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN FLORIDA,
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

FILED
95 JUN 26 PM 3:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING
IS SUBMITTED:

FIRST--THAT ADDISON RESERVE MASTER PROPERTY OWNERS ASSOCIATION,
INC., DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF
FLORIDA, WITH ITS PRINCIPAL PLACE OF BUSINESS AT 7120 S. BENEVA ROAD,
SARASOTA, FLORIDA 34238.

SECOND--JOHN R. PESHKIN LOCATED AT c/o TAYLOR WOODROW
COMMUNITIES, 7120 S. BENEVA ROAD, SARASOTA, FLORIDA 34238 AS ITS AGENT TO
ACCEPT SERVICE OF PROCESS WITHIN FLORIDA.

SIGNATURE

JOHN R. PESHKIN,
INCORPORATOR

DATE

6-22-95

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE
STATED CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY
AGREE TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY WITH
PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE
PERFORMANCE OF MY DUTIES.

SIGNATURE

JOHN R. PESHKIN,

DATE

6-22-95