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DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS

FOR

COVE ROYALE

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**DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS
FOR
COVE ROYALE**

THIS DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS FOR COVE ROYALE is made this 1st day of February, 2024, by KH COVE ROYALE LLC, a Florida limited liability company ("Declarant").

PART ONE: INTRODUCTION TO COVE ROYALE

Declarant, as the developer of the development known as Cove Royale has established this Declaration to provide a flexible system and procedures for the overall development and expansion of Cove Royale in accordance with the Site Plan and for the governance, administration, maintenance, and preservation of Cove Royale as a residential community.

Article 1. Creation of the Community

1.1 Purpose and Intent.

By recording this Declaration in the Public Records of Martin County, Florida, Declarant intends to establish a general plan of development for, and to provide for the overall development, governance, administration, maintenance and preservation of the planned community known as Cove Royale. An integral part of the development plan for Cove Royale is the creation of Cove Royale Homeowners Association, Inc., an association comprised of all owners of real property in Cove Royale. Cove Royale Homeowners Association, Inc. will own, operate, and/or maintain various common areas and community improvements and administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

This document does not and is not intended to create a condominium under Florida law.

1.2 Binding Effect.

Cove Royale initially shall consist of the real property described in Exhibit "A", but the community may be expanded in the future, in accordance with the procedures established in this Declaration, to include additional real property. All property described in Exhibit "A", and any such additional property which is made a part of Cove Royale in the future, shall be owned, conveyed and used subject to the provisions of this Declaration, which shall constitute a covenant running with the title to such property and shall be binding upon all Persons now or hereafter having any right, title, or interest in any portion of Cove Royale, and their heirs, successors, successors-in-title, and assigns.

This Declaration shall remain in effect and shall be enforceable by Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Declaration is recorded in the Public Records of Martin County, Florida, subject to any amendments which may be adopted during such period in accordance with the procedures described in this Declaration. After such time, this Declaration shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by a majority of the then Owners is recorded within the year preceding any extension,

agreeing to terminate this Declaration, in which case this Declaration shall terminate as of the date specified in such instrument.

Notwithstanding the foregoing, if any provision of this Declaration would be unlawful, void, or voidable by reason of any Florida law prohibiting covenants from extending more than twenty-one (21) years beyond the death of a person identified in such covenant who is living at the time such covenant is made, such provision shall expire twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3 Governing Documents.

The Governing Documents for Cove Royale consist of (all as they may be amended from time to time):

- (a) this Declaration and such Subsequent Amendment as may be recorded from time to time to expand the community or to supplement this Declaration with additional covenants, restrictions and easements applicable to particular areas within Cove Royale;
- (b) the Articles of Incorporation and By-Laws of Cove Royale Homeowners Association, Inc.;
- (c) the Rules and Regulations;
- (d) the Architectural Guidelines described in Article 4;
- (e) the Development Order; and
- (f) such resolutions as the Board may adopt from time to time pursuant to this Declaration.

In the event of any conflict among this Declaration, the Articles, the By-Laws or any of the other Governing Documents, this Declaration shall control.

The Governing Documents apply to all Owners and occupants of property within Cove Royale, as well as to their respective tenants, guests, invitees, employees and contractors. Any lease relating to property within Cove Royale shall provide that the tenant and all occupants of the leased property are bound by and obligated to comply with the Governing Documents.

The Association, the Declarant, and every Owner shall have the right to take legal action to enforce the Governing Documents. The Association shall have the specific enforcement powers and remedies described in Section 8.6 and elsewhere in the Governing Documents.

If a court should determine that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or other applications of such provision.

Article 2. Concepts and Definitions

2.1 Definitions.

The terms used in this Declaration are intended to have their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

“Access Control System” shall mean any surveillance and/or gate system intended to control access to Cove Royale. By way of example, and not of limitation, the term Access Control System may include electronic entrance gates, a gatehouse and/or a roving attendant. THE PROVISION OF AN ACCESS CONTROL SYSTEM SHALL IN NO MANNER CONSTITUTE A WARRANTY OR REPRESENTATION AS TO THE PROVISION OF OR LEVEL OF SECURITY WITHIN COVE ROYALE. DECLARANT AND ASSOCIATION DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR BY IMPLICATION, THE MERCHANTABILITY OF FITNESS FOR USE OF ANY ACCESS CONTROL SYSTEM, OR THAT ANY SUCH SYSTEM (OR ANY OF ITS COMPONENTS OR RELATED SERVICES) WILL PREVENT INTRUSIONS OR OTHER OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE MONITORING SERVICE IS DESIGNED TO MONITOR THE SAME. EACH AND EVERY OWNER AND THE OCCUPANT OF EACH UNIT ACKNOWLEDGES THAT DECLARANT AND ASSOCIATION, THEIR EMPLOYEES, AGENTS, MANAGERS, DIRECTORS, AND OFFICERS, ARE NOT INSURERS OF OWNERS OR UNITS, OR THE PERSONAL PROPERTY LOCATED WITHIN UNITS. DECLARANT AND ASSOCIATION WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES, OR DEATHS RESULTING FROM ANY SUCH EVENTS.

“ARC” means the committee established pursuant to Section 4.3.

“Architectural Guidelines” means the architectural, design and construction guidelines and standards and review procedures adopted pursuant to and complying with the terms of Article 4, as they may be amended.

“Area(s) of Common Responsibility” means the Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration and any Subsequent Amendment or other applicable covenants, contracts, or agreements.

“Articles” means the Articles of Incorporation of Cove Royale Homeowners Association, Inc., filed with the Secretary of State of the State of Florida, a copy of which is attached to this Declaration as Exhibit “B”, as amended from time to time.

“Assessment(s)” means a share of the funds which are required for the payment of Common Expenses, which from time to time are assessed against the Lots and/or Units. The term, “Assessment” may from time to time also refer to Base Assessments, Special Assessments and Specific Assessments wherever the context requires.

“Association” means Cove Royale Homeowners Association, Inc., a Florida nonprofit corporation, its successors or assigns.

“Base Assessment”: Assessments levied on all Lots and Units subject to assessments under Article 8 and to fund the Common Expenses, as determined in accordance with Section 8.1.

“Board of Directors” or “Board” means the body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Florida corporate law.

“By-Laws” means the By-Laws of Cove Royale Homeowners Association, Inc., a copy of which is attached to this Declaration as Exhibit “C”, as amended from time to time.

“Builder” means any Person who purchases one or more Lots for the purpose of constructing improvements thereon for resale to consumers in the ordinary course of its business.

“Common Area” means all real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term shall include the Limited Common Area, as defined below. The Common Areas contemplated at this time include open space and/or landscape areas, lakes, a recreation area and clubhouse, and private roads.

“Common Expenses” means all actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserves, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred prior to Turnover for initial development or other original construction costs (payments due under leases of capital improvements such as street lights shall not be considered an initial development or original construction cost) unless either included as a line item in the Association budget or approved by a majority of the Members who will be subject to assessment for such costs or expenses.

“Community Service Fees” means fees levied in accordance with Section 8.10 hereof.

“Community-Wide Standard” means the standard of conduct, maintenance, or other activity generally prevailing throughout Cove Royale, as more specifically determined by the Board.

“Conservation Areas”: All protected or conservation areas in Cove Royale as required by the County or the SFWMD, including, but not limited to upland preserves, wetland preservation areas, any protected archeological sites, or other preservation or conservation areas, as shown on the Master Plan, the SFWMD Permit or as identified on any plat filed for Cove Royale.

“County” means Martin County, Florida.

“Cove Royale” means the real property generally which is legally described on Exhibit “A”, together with such additional property as is made subject to the terms of this Declaration.

“Declaration” means this document, as the same may be amended from time to time, and any Subsequent Amendment.

“Development Order” means, collectively, all development orders issued by the County with respect to Cove Royale (including but not limited to County Resolution Number 20-5.5), all associated exhibits, and any subsequent amendments approved by the County.

“Governing Documents” means those documents listed in Section 1.3.

“Limited Common Area” means a portion of the Common Area primarily benefiting one or more, but less than all of the Units in Cove Royale as described in Article 12.

“Lot” means any unimproved portion of Cove Royale (and a subdivided lot of record) upon which it is intended that a Unit shall be constructed. Upon completion of construction of the Unit on a Lot, such Lot and the improvements thereon shall collectively be considered to be a Unit for purposes of this Declaration.

“Master Plan” means that certain PUD plan for the development of Cove Royale, as it may be revised from time to time in Declarant’s sole discretion and as approved by the County.

“Member” means a Person subject to membership in the Association pursuant to Section 6.2.

“Mortgage” means a mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot or Unit. The term “Mortgagee” shall refer to a beneficiary or holder of a Mortgage.

“Occupant” means the occupant of a Unit who shall be the owner, the lessee, or their respective guest(s).

“Owner” means one or more Persons who hold the record title to any Lot or Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

“Person” means a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

“Plans” means the plans and specifications described in Section 4.4(b).

“Reviewer” means the entity having jurisdiction in a particular case submitted to the ARC as described in Section 4.3(c).

“Rules and Regulations” means the initial restrictions for all of Cove Royale as they may be supplemented, modified and repealed, from time to time.

“SFWMD” means South Florida Water Management District.

“SFWMD Permit” means the SFWMD Permit No. 43-102077-P approving a conceptual surface water management plan for Cove Royale, as the same may be amended from time to time.

“Site Plan” shall mean the County-approved site plan for Cove Royale, as amended from time to time.

“Special Assessment(s)” means assessments levied in accordance with Section 8.2.

“Specific Assessment(s)” means assessments levied in accordance with Section 8.3.

“Subsequent Amendment” means an amendment to this Declaration which subjects additional property to this Declaration, or which withdraws property previously submitted to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on any land submitted by a Subsequent Amendment to the provisions of this Declaration.

“Surface Water Management System” means all lakes, wetlands, canals and drainage facilities comprising the surface water management system located within Cove Royale, as generally described in the SFWMD Permit and regardless of whether the Association or any other Person owns, operates, or maintains such system.

“Turnover” means the date that the first of the following occurs:

(a) three months after 90% of the total Lots and Units located in Cove Royale contemplated to be constructed within all phases of Cove Royale that will ultimately be operated by the Association have been conveyed to Persons other than Declarant or any Person(s) who succeed to the rights and liabilities of Declarant hereunder in a writing;

(b) upon Declarant abandoning or deserting its responsibility to maintain and complete the amenities or infrastructure as disclosed in the Governing Documents;

(c) upon Declarant filing a petition seeking protection under Chapter 7 of the Federal Bankruptcy Code;

(d) upon Declarant losing title to Cove Royale through a foreclosure action or the transfer of a deed in lieu of foreclosure, unless the successor owner has accepted an assignment of developer rights and responsibilities first arising after the date of such assignment;

(e) upon a receiver for Declarant being appointed by a circuit court and not being discharged within 30 days after such appointment, unless the court determines within 30 days after such appointment that transfer of control would be detrimental to the Association or its Members; or

(f) when, in its discretion, the Class “B” Member so determines.

“Unit” means improved property within Cove Royale that is intended for residential use, and for which a certificate of occupancy has been issued by the appropriate jurisdiction.

“Work” means the activity described in Section 4.3(a).

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance, and architecture at Cove Royale set it apart from other developments and give it its identity. Each property owner, resident, and tenant participates in upholding such standards and can take pride in the results of that common effort. This Declaration establishes procedures for adopting, modifying, applying, and enforcing such standards while providing flexibility for the community standards to evolve as Cove Royale grows and changes over time.

Article 3. Rules and Regulations

3.1 Establishment.

Subject to the provisions hereof, the Board may establish reasonable Rules and Regulations concerning the use of Lots, Units, the Common Areas and facilities located thereon. Copies of such Rules and Regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such Rules and Regulations and amendments thereto. Such Rules and Regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants and agents, until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board or in a regular or special meeting of the Association by the vote of the Members holding a majority of the total votes in the Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant owns any Lot or Unit.

3.2 Not Applicable to Declarant.

The Rules and Regulations shall not apply to Declarant or any property owned by Declarant, and shall not be applied in a manner which would prohibit or restrict the development or operation of Cove Royale or adversely affect the interests of Declarant. Without limiting the foregoing (and subject to applicable federal, state, and local laws, regulations, permits, and codes), Declarant, and/or its assigns, shall have the right to: (i) develop and construct Lots and Units and Common Areas and related improvements within Cove Royale, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale and resale of Units and Lots), general office and construction operations within Cove Royale; (iii) place, erect or construct portable, temporary or accessory buildings or structures within Cove Royale for sales, construction storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Cove Royale; (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or portions of Cove Royale owned by Declarant, signs or others materials used in developing, constructing, selling or promoting the sale of any portion of Cove Royale including, without limitation, Lots and Units; (vi) excavate fill from any wetlands or waterways within and/or contiguous to Cove Royale by dredge or dragline, and store fill within Cove Royale and remove and/or sell excess fill; (vii) grow or store plants and trees within, or contiguous to Cove Royale and use and/or sell excess plants and trees; and (viii) undertake all activities which, in the sole opinion of Declarant, are necessary for the development and sale of any lands and improvements comprising Cove Royale.

3.3 Notice to Owners.

All Owners are given notice that use of their Lots, Units and the Common Area is limited by the Rules and Regulations as they may be amended, expanded and otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot or Unit can be affected by this provision and that the Rules and Regulations may change from time to time. All purchasers of Lots and Units are on notice that changes may have been adopted by the Association. Copies of the current Rules and Regulations may be obtained from the Association.

Article 4. Architectural Standards and Use Restrictions.

4.1 Purpose.

In order to preserve the natural setting and beauty of Cove Royale, to establish and preserve a harmonious and aesthetically pleasing design for Cove Royale, and to protect and promote the value of Cove Royale, the Lots, Units and any and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article 4. Every grantee of any interest in a Lot or Unit, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article 4.

4.2 General.

No structure or thing shall be placed, erected, or installed upon any Lot or Unit after the date it is made subject to this Declaration, and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, or planting or removal of landscaping) shall take place on any property within Cove Royale after the date it is made subject to this Declaration, except in compliance with this Article and the Architectural Guidelines.

Any Owner may remodel, paint or redecorate the interior of such Owner's Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structure shall be subject to approval.

All buildings constructed on any property within Cove Royale after the date such property is made subject to this Declaration shall be designed by and built in accordance with the plans and specifications of a Florida licensed architect unless otherwise approved by Declarant or its designee in its sole discretion.

This Article shall not apply to Declarant's activities so long as Declarant owns any portion of Cove Royale or any real property adjacent to Cove Royale or to activities of the Association prior to Turnover.

4.3 Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of Cove Royale, acknowledges that as the developer of Cove Royale and as an Owner of portions of Cove Royale, Declarant has a substantial interest in

ensuring that the improvements within Cove Royale enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no changes shall be made to the exterior of any Unit and no other activity within the scope of this Article (collectively, "Work") shall be commenced on such Owner's Unit unless and until Declarant or its designee has given its prior written approval for such Work, which approval may be granted or withheld in the Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue so long as Declarant owns any portion of Cove Royale, unless earlier terminated in a written instrument executed and recorded by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may, but shall not be obligated to, delegate from time to time all or a portion of its reserved rights under this Article to (i) an architectural review committee appointed by the Board (the "ARC"), or (ii) a committee comprised of architects, landscape architects, engineers or other persons who may or may not be Members of the Association. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as are specifically delegated to it by Declarant.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters hereunder. The ARC, when appointed, shall consist of no less than three (3) or more than five (5) persons. The members of the ARC need not be Members of the Association or representatives of Members.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

(c) Fees; Assistance. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

4.4 Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare the initial Architectural Guidelines, which may contain general provisions applicable to all of Cove Royale as well as specific provisions which may vary according to land use and housing type and from one area of Cove Royale to another. The Architectural Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Architectural Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Architectural Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Architectural Guidelines as long as it owns any portion of Cove Royale or has a right to expand Cove Royale pursuant to Section 9.1, notwithstanding a delegation of reviewing authority to the ARC, unless Declarant also delegates the power to amend to the ARC. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the Architectural Guidelines with the consent of the Board. Any amendments to the Architectural Guidelines shall be prospective only and shall not apply in a manner to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive.

The Reviewer shall make the Architectural Guidelines available to Owners and Builders who seek to engage in development or construction within Cove Royale. In Declarant's discretion, such Architectural Guidelines may be recorded, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

All Architectural Guidelines must (i) be consistent with the County's approved plans per Resolution 20-5.5, as amended from time to time and (ii) include minimum landscape standards consistent with the County's approved plans per Resolution 20-5.5, as amended from time to time. Notwithstanding the foregoing, the Lot landscape plans approved by the County shall be the minimum landscape standards for the Association to enforce.

(b) Procedures. Except as otherwise specifically provided in the Architectural Guidelines, no Work shall commence on any portion of Cove Royale until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Architectural Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall make a determination on each application within thirty (30) days after receipt of a completed application and all required information. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

Until expiration of Declarant's rights under this Article, the ARC shall notify Declarant in writing within three (3) business days after the ARC has approved any application relating to proposed Work within the scope of matters delegated to the ARC by Declarant. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC.

The Reviewer shall notify the applicant in writing of the final determination on any application within five days thereafter or, with respect to any determination by the ARC subject to Declarant's veto right, within five days after the earlier of: (i) receipt of notice of Declarant's veto or waiver thereof; or (ii) expiration of the ten (10) day period for exercise of Declarant's veto. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the Reviewer fails to respond within thirty (30) days, approval shall be deemed to have been given, subject to Declarant's right to veto approval by the ARC pursuant to this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless a variance has been granted pursuant to Section 4.6. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

If construction does not commence on a project for which Plans have been approved within six (6) months after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Owner.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

Notwithstanding anything contained in this Article to the contrary, the ARC shall receive from Declarant all County documents, plans and exhibits and shall keep an archive of such documents for its use during its architectural review and approval process. No approval by the ARC or the Reviewer may be granted that is inconsistent with County Resolution 20-5.5, as

amended from time to time. Any proposed changes or amendment to any approved County documents, plans or exhibits must be approved in advance by the County.

4.5 No Waiver of Future Approvals.

Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.6 Variances.

The Reviewer 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. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.7 Limitation of Liability.

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of Cove Royale; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design.

The Reviewer shall have sole and full authority to determine matters of aesthetic judgment and the determination of the Reviewer as to such matters shall be final and shall not be subject to judicial review so long as exercised in accordance with the procedures set forth in this Article.

Declarant, the Association, the Board, any committee, or any member of any of the foregoing, shall not be held liable for soil conditions; drainage or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not such contractor has been approved or featured by Declarant to construct homes or other structures in Cove Royale; or any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In all matters,

the Board, the ARC, and the members of each shall be defended and indemnified by the Association as provided in Section 7.5.

4.8 Certificate of Compliance.

Any Owner may request that the Reviewer issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Architectural Guidelines. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

4.9 Restrictions.

(a) Construction of Improvements. No Unit may be temporarily or permanently occupied until the exteriors thereof and the landscaping of the Lot on which the Unit is located have been completed, and a certificate of occupancy for such Unit has been issued. No temporary house, shack, tent, or other outbuilding shall be permitted on any Lot at any time. During the continuance of construction by an Owner, such Owner shall require its contractors to maintain the Lot and Unit in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers, and the construction site shall be kept secure by the use of temporary fences during construction. Upon completion of construction, such Owner shall cause its contractors to immediately remove all equipment, tools and construction material and debris from the Lot or Unit which such construction has been completed.

(b) Building Restrictions. All buildings and other structures shall be constructed in compliance with any and all applicable state, county and municipal zoning and building restrictions and any applicable regulations and restrictions of applicable governmental agencies.

(c) Service Yards. Each Owner of a Lot or Unit shall provide visually screened areas to serve as service yards in which garbage receptacles, wood piles, gas and electric meters, pool equipment, air conditioning equipment and other outdoor equipment shall be located. Materials, supplies and equipment which are stored outside by Owners must be placed or stored in order to conceal them from view from roads and adjacent properties. Any such visual barrier shall consist of fencing, landscaping or planting and shall be at a height and type which is approved by the ARC in accordance with the terms of this Article 4.

(d) Exterior Appearance. All fences shall be subject to the Architectural Guidelines published by the ARC and shall be approved by the ARC prior to installation. Further, no foil or other reflective materials, bed sheets or the like or other non-standard materials shall be used on any windows for sunscreens, blinds, shades or other purpose, nor shall any window-mounted heating or air-conditioning units be permitted without the approval of the ARC. Outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained unless screened completely from view on all sides from all adjoining properties and Common Areas, nor shall any clothing, rugs or other items be hung

on any railing, fence, hedge or wall. No projections of any type shall be placed or permitted to remain above the roof of any improvement except approved chimneys or vent stacks.

(e) Easements. Except as constructed by the Declarant or substantially similar replacements thereof or as provided elsewhere herein, no Unit or material improvement to a Unit shall be built or maintained upon any easement or right-of-way, and such easements and rights-of-way shall at all times be open and accessible to the persons entitled to the use thereof.

(f) Vehicles, Parking and Garages. Vehicles shall be parked only in the garages or in the driveways serving the Units or Lots or in the appropriate spaces or designated areas in which parking may be assigned, and then subject to the reasonable rules and restrictions adopted by the Board. For the purposes of this Section, a "Truck" shall be defined as a vehicle with a bed behind the passenger cab, regardless of whether the bed is enclosed and shall not include any vehicle commonly known as an SUV. Vehicles shall not be parked overnight on roads or swales. All commercial vehicles (i.e., any vehicle which has any exterior lettering or logo, or has visible tools or equipment), recreational vehicles, trailers, campers, camper trailers, boats, watercraft, motorcycles, boat trailers, Trucks rated more than one-half ton capacity (i.e., larger than a Ford F150 or GMC 1500), motor homes, buses, non-passenger vans (i.e., any van which does not have permanent installed seating for four or more passengers and does not have windows completely circling the exterior or is in excess of seventeen (17) feet in length), or any vehicles over eighty (80) inches in height shall be parked entirely within the garage of the Unit and shall not be parked on any part of Cove Royale, on any driveway serving any Lot or Unit, or on any designated parking space within Cove Royale except: (1) commercial vehicles, vans, or Trucks delivering goods or furnishing services temporarily during daylight hours and (2) upon such portions of Cove Royale as the Board may, in its discretion, allow. The Association shall have the right to authorize the towing away of any vehicles in violation of this rule with the costs and fees, including attorneys' fees, if any, to be borne by the vehicle owner or violator. No Owner shall keep any vehicle on any Lot, except fully enclosed within his or her garage, which is deemed to be a nuisance by the Board. No garage shall be used as a living area. No garage shall be altered in such a manner that the number of automobiles which may be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed. No maintenance to vehicles shall be performed on any part of Cove Royale or on any part of the Unit or Lot except within the garage. Garage doors shall be closed at all times when the garage of a Unit is not in use. No motorized vehicles, with the exception of motorized wheelchairs and other vehicles used to assist handicapped individuals, shall be operated on pathways or trails owned, controlled or maintained by the Association.

(g) Animals and Pets. No animals shall be raised, bred, or kept in any Unit, except that dogs, cats, or other household pets may be kept in the Unit, provided they are not kept, bred or maintained for any commercial purpose. The Board has the authority to promulgate Rules and Regulations with respect to the number or type of pets kept in a Unit. Notwithstanding the foregoing, no animal may be kept in the Unit, which in the judgment of the Board results in a nuisance or is obnoxious to the residents in the vicinity. A determination by the Board that an animal or pet kept or harbored in a Unit is a nuisance shall be conclusive and binding on all parties. The Association may prohibit breeds of dogs that the Board considers dangerous in its sole discretion. Otherwise, Owners may keep domestic pets as permitted by County ordinances and otherwise in accordance with the Rules and Regulations established by the Board from time to time. All pets shall be walked on a leash. No pet shall be permitted outside a Lot unless such pet

is kept on a leash or within an enclosed portion of the Lot, as approved by the ARC. No pet or animal shall be “tied out” on the exterior of the Lot or in the Common Areas, or left unattended on a balcony, porch, or patio. No dog runs or enclosures shall be permitted. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. All pets shall defecate and urinate only in the “pet walking” areas within Cove Royale designated for such purpose, if any, or in that Owner’s Unit. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet and each Owner by acquiring a Unit agrees to indemnify the Association and hold it harmless against any loss or liability resulting from his or her, his or her family member’s, or his or her lessee’s ownership of a pet. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this Section.

(h) Subdivision of Unit. Lots shall not be further subdivided or separated by any Owner; and no portion less than all of any such Lot, nor any easement shall be conveyed or transferred by an Owner; provided, however, that this shall not prevent corrective deeds, deeds to resolve boundary disputes and other similar corrective instruments. Declarant, however, hereby expressly reserves the right to subdivide, replat, or otherwise modify the boundary lines of any Lot or Lots owned by the Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable municipal subdivision and zoning regulations.

(i) Antennas. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of Cove Royale or upon any improvements thereon, unless expressly approved in writing by the ARC, except that this prohibition shall not apply to those satellite dishes that are one (1) meter (39.37 inches) in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt rules governing the types of antennae which may be permitted and restrictions relating to safety, location and maintenance of antennae. The Association may also adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to certain specified locations, not visible from the street and integrated with Cove Royale and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules and provided the cost of complying with such rules would not unreasonably increase the cost of installation of permissible dishes or antennae. Any permissible dishes or antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. Further, any Owner desiring to install permissible dishes or antennae may, but is not obligated to, submit plans and specifications for same to the Association to ensure compliance with the Association’s rules, if any, governing the types of permissible antennae and restrictions relating to safety, location and maintenance of antennae.

(j) Energy Conservation Equipment. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and Domestic Water Systems. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the ARC. No solar panel, vents, or other roof-mounted, mechanical equipment shall project

more than 1.0 feet above the surface of the roof of a Unit; and all such equipment, other than solar panels, shall be painted consistent with the color scheme of the portion of the Unit to which such equipment is installed. This provision is not intended to prohibit the use of solar energy devices.

(k) Windows, Porches and Screened Areas. All draperies, curtains, shades, or other window coverings installed in a Unit, and which are visible from the exterior of a Unit shall have a white backing, unless otherwise approved by the ARC. Porches and screened areas are intended for seating, gathering, and conversation, and are not to be used for storage of equipment, bicycles, toys, or similar personal property. The types of personal property permitted to be placed on a porch or in screened area are outdoor furniture, overhead fans, and potted plants.

(l) Additional Items Requiring the Prior Approval of the ARC. Without in any matter limiting the generality of any other provision in this Section, the following items must be approved in advance by the ARC:

(i) Basketball hoops and backboards (all basketball hoops shall be of temporary, rollaway design and shall be removed at night and stored inside the garage of a Unit);

(ii) All flagpoles and other similar items;

(iii) Lawn ornaments, exterior sculpture, fountains and other similar items;

(iv) Mailboxes, paper boxes or other receptacles of any kind for use in the delivery of mail, newspapers, magazines or similar material;

(v) Swimming pools, tennis courts and other similar recreational areas;

(vi) Bicycle racks or stands;

(vii) Play equipment, unless screened completely from view on all sides from all adjoining properties, including, without limitation, swing sets, tree houses and sandboxes; and

(viii) Outdoor lighting.

(m) Lot Irrigation. It is intended that the irrigation system for each Unit will utilize potable water. Maintenance, repair and replacement of the irrigation system for each Unit will be the Unit Owner's responsibility; however, the Association shall have the right to repair each Unit's irrigation system and run it as necessary to keep the Community's overall irrigation running smoothly. Declarant may utilize a computerized loop system to irrigate the Common Areas. Every Lot and the Common Areas must participate in the use of such irrigation systems. Except for sprinkler or irrigation systems installed by Declarant, no sprinkler or irrigation systems of any type which draw water from lakes, rivers, ponds, canals or other surface waters within Cove Royale shall be installed, constructed or operated within Cove Royale unless prior written approval from the Board has been obtained. Before the Board approves the installation of any alterations or improvements to a Lot that in any way affect the irrigation system, the irrigation system that will be within the improvement portion of that Lot must be rerouted, if necessary, by a professional irrigation company. In order for the Board to approve the improvement installation, a letter or other evidence by a professional irrigation company must be given to the Board at least ten (10) days before the improvement installation stating that the effectiveness of the Cove Royale irrigation and

drainage system will not be affected by the rerouting of the irrigation system. Should an Owner install the improvement without providing the necessary letter or other evidence from a professional irrigation company in advance as required herein, then, upon reasonable notice to the Owner, the Association may enter the Lot and conduct the necessary inspection, repair any necessary irrigation and drainage facilities and the costs of such work, together with interest thereon, may be charged to the Owner and, as charged, shall become a lien on the Lot. The water used in the irrigation system may not be suitable for drinking or water sports. Children and pets should not play in such water. Due to water quality, irrigation systems may cause staining on Units, other structures or paved areas. It is each Owner's responsibility to treat and remove any such staining. The Association may require from time to time, that Owners install, at such Owner's sole cost and expense, system(s) to prevent stains (e.g., automatic deionization systems).

(n) Nuisances. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of Cove Royale, nor shall any nuisance or odors be permitted to exist or operate upon or arise from Cove Royale, so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying any other portions of Cove Royale. Noxious or offensive activities shall not be carried on in any Lot or Unit or in any part of the Common Areas, and each Owner, his or her family, tenants, guests, invitees, servants and guests shall refrain from any act or use of a Lot or Unit or of the Common Areas which could cause disorderly, unsightly or unkempt conditions, or which could cause embarrassment, discomfort, annoyance or nuisance to the Occupants of other portions of Cove Royale, or which could result in a cancellation of any insurance for any portion of Cove Royale, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers (except as may be installed by Declarant or its assigns as part of their original construction), horns, whistles, bells or other sound devices, except security and fire alarm devices used exclusively for such purposes, shall be located, used or placed within Cove Royale without permission by the Board, which may establish restrictions on the time, place and manner of such use. Any Owner, or his or her family, tenants, guests, invitees, servants or agents who dumps or places any trash or debris upon any portion of Cove Royale shall be liable to the Association for the actual costs of removal thereof or the sum of \$150.00, whichever is greater, and such sum shall be added to and become a part of that portion of any Assessment next becoming due to which such Owner and his or her Lot or Unit are subject.

(o) Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, Declarant and its agents and employees shall have the right to maintain on any property owned by Declarant and Common Areas and carry on such facilities and activities as may be reasonably required, convenient or incidental to the completion, improvement and sale and resale of Lots and/or Units or the developing of Lots, Units and Common Areas, including, without limitation, the installation and operation of sales and construction trailers, offices, signs and model Units, all as may be approved by Declarant from time to time. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units as model residences, and to use any Unit as an office for the sale and resale of Lots and/or Units and for related activities.

(p) Traffic Regulations. THE ASSOCIATION IS HEREBY AUTHORIZED TO PROMULGATE, ADMINISTER AND ENFORCE REASONABLE RULES AND REGULATIONS GOVERNING VEHICULAR AND PEDESTRIAN TRAFFIC, INCLUDING

REASONABLE SAFETY MEASURES AND SPEED LIMITS AND MODIFICATIONS OF THOSE IN FORCE ON ANY STREETS WITHIN COVE ROYALE. THE ASSOCIATION SHALL BE ENTITLED TO ENFORCE SAME BY ESTABLISHING SUCH ENFORCEMENT PROCEDURES AS IT DEEMS APPROPRIATE, INCLUDING LEVYING FINES FOR THE VIOLATION THEREOF. In the event of a conflict between the provisions of the laws of the State of Florida, the County and the Rules and Regulations promulgated by the Association, the Association may enforce the strictest provisions. Only drivers licensed to operate motor vehicles by the State of Florida or by any other state in the United States may operate any type of motor vehicle on any street or Common Areas within Cove Royale. All vehicles of any kind and nature which are operated on the streets in Cove Royale shall be operated in a careful, prudent, safe and quiet manner and with due consideration for the rights of all residents of Cove Royale.

(q) Use of Water Bodies. No swimming, motorized boats, use of personal flotation devices, or other use of marshes, lakes, ponds, streams or other bodies of water within Cove Royale which are prohibited by the Rules and Regulations, if any, shall be allowed. Neither Declarant nor the Association shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of marshes, lakes, ponds, streams or other bodies of water within Cove Royale.

(r) Hazardous Materials. No reportable quantities of hazardous materials shall be used or stored at Cove Royale.

(s) Hurricane Season. Each Unit Owner who intends to be absent from his Unit during the hurricane season (May 1 - November 30 of each year) shall prepare his Unit prior to his departure by doing the following:

(i) Removing all furniture, potted plants, and other movable objects from his yard, patio, and deck; and

(ii) Designating a responsible person or firm, satisfactory to the Association, to care for his Unit should it suffer hurricane damage. Such person or firm shall also contact the Association for permission to install temporary hurricane shutters, which must be removed when no longer necessary for storm protection. At no time shall hurricane shutters, other than shutters installed by the Declarant, be permanently installed, without the consent of the ARC.

If approved by the ARC, temporary or permanent exterior shutters may only be closed during a Storm Event. A "Storm Event" is defined as when a hurricane or tropical storm watch has been issued for the County by the appropriate authorities.

(t) Lighting. Except for seasonal holiday decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved by the ARC.

(u) Artificial Vegetation, Exterior Sculpture, and Similar Items. Except as may be installed by Declarant or its assigns as part of their original construction, no artificial vegetation shall be permitted on the exterior of any portion of Cove Royale. Exterior sculpture, fountains, flags, and similar items must be approved by the ARC. No ARC approval is necessary for the installment of one portable, removable United States of America flag or official flag of the State

of Florida, not larger than 4 ½ feet by 6 feet, displayed in a respectful manner, and Owners may additionally display, in a respectful manner, one portable, removable official flag, not larger than 4 ½ feet by 6 feet, which represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard or a POW-MIA flag.

(v) Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of structured and channeled flow of surface water only. No obstructions or debris shall be placed in these areas. No Person, other than the Declarant, the Association, or the SFWMD, may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. No septic tank may be installed on any Lot or other portion of Cove Royale.

(w) Tree Removal. No trees shall be removed from Lots or Units, except for diseased or dead trees (which shall thereafter be replaced) and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved by the ARC. Trees may be removed from the Common Areas, subject to any applicable requirements in the Development Order. All tree removal must be performed in compliance with the County code.

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

(y) Recreational Facilities. All recreational facilities and playgrounds furnished by the Association, if any, shall be used at the risk of the user, and neither Declarant nor the Association shall be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

(z) Mining and Excavation. No oil, gas, mineral or other type of mining, excavating, drilling, refining, quarrying or other similar activities of any kind shall be conducted on Cove Royale.

(aa) Signs. Except as may be required by any applicable law, no sign of any nature or type whatsoever, including without limitation “for rent” or “for sale” signs, shall be displayed or placed on any part of Cove Royale without the prior approval of the ARC.

(bb) Combining Units. No more than one (1) Unit shall be located on any Lot. Lots may be combined with the prior consent of the ARC, provided only one Unit shall be placed on the combined Lots and only for so long as a unity of title agreement in form approved by the Association is recorded against both Lots. Any Lot combination (or subsequent release of unity of title agreement) is also subject to County review and approval.

(cc) Commercial Use. Each Lot and Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein except as set forth in this subsection. Use of any Unit for a business, trade, garage sale, moving sale, rummage sale, or similar activity shall not be allowed, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all applicable zoning requirements; (iii) the business activity does

not involve door-to-door solicitation of residents of Cove Royale; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in Cove Royale which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Cove Royale and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Cove Royale, 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 or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Leasing of a Residential Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of Cove Royale or its use of any Unit which it or any Declarant owns within Cove Royale.

(dd) Leasing of Units. Any lease for a Unit must (i) be in writing, (ii) not be for a period of less than six (6) months, (iii) comply with all governmental laws, rules, ordinances and regulations; and (iv) otherwise be in compliance with the Rules and Regulations as may be promulgated and published from time to time by the Board. The Rules and Regulations may include, without limitation, rules and regulations governing the use, maintenance, parking and other responsibilities and privileges regarding the lease and the mechanisms of enforcement afforded the Unit Owner and the Association in connection therewith. Any lease for a Unit shall be for not less than the entire Lot and all the improvements thereon. No bed and breakfast facility may be operated out of a Unit. Specific rooms of a Unit may not be leased on any basis. No transient tenants may be accommodated in a Unit. No time-share or other similar arrangement is permitted. To the extent that an Owner does not reside in his or her Unit, but desires to permit family or friends to occupy such Unit without a lease, all prospective occupants of the Unit, prior to moving into the Unit and irrespective of their relation to the Owner, must be registered with the Association and shall be subject to the Association's screening and approval process which is used for prospective tenants seeking to lease a Unit within Cove Royale. Any and all lease agreements must provide that the lessee shall be subject in all respects to the terms and provisions of this Declaration and that any failure by the lessee under such lease agreement to comply with such terms and conditions shall be a material default and breach of the lease agreement. All leases shall be subject to Association approval, and all tenants (and other occupants, as noted herein, shall be subject to Association screening). The Owner must make available to the lessee or Occupants copies of the Governing Documents. Any lessee or tenant shall in all respects be subject to the terms and conditions of the Governing Documents and any other applicable provisions of any other agreement, document or instrument governing Cove Royale or administered by the Association or any other applicable governmental law, rule or regulation. It shall be the obligation of all Unit Owners to supply the Board and the managing agent of the Association with a copy of the written lease prior to the lessee occupying the premises. All leases shall be on forms approved by

Association and shall provide (or if not provided, shall be automatically deemed to provide) that Association shall have the unilateral right to terminate the lease upon default by the tenant in observing any of the provisions of the Association Documents or other applicable provisions of any agreement, document or instrument governing Cove Royale or administered by Association. Each Owner hereby acknowledges and agrees that any and all leases entered into by such Owner in connection with his or her Unit shall be deemed to incorporate by this reference a collateral assignment of rents and leases in favor of Association, which collateral assignment of rents and leases shall provide that in the event such Owner leasing his or her Unit is past due in the payment of his or her Assessments, Association shall have the power and authority to take actions including, but not limited to: (i) collecting rents now due or that become due directly from such Owner's tenant(s) (or other party in possession of the Unit); and/or (ii) pursuing any and all legal remedies available against such Owner and/or such Owner's tenant(s) including, but not limited to, actions for eviction of such Owner's tenant(s). A Unit Owner, by leasing his entire Unit, automatically, delegates his right of use and enjoyment of the Common Areas and facilities to his lessee; and in so doing such Owner relinquishes such rights during the term of the lease agreement. No Unit may be subject to more than one (1) lease in any twelve (12) month period, regardless of the lease term. No subleasing or assignment of lease rights by the tenant is permitted. In no event shall occupancy of a leased Unit (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. Owners wishing to lease their Unit shall be jointly and severally liable to the Association with the lessees of their Unit for any amount which is required by the Association to affect such repairs or to pay any claim for injury or damage to property caused by or which is the responsibility of such lessee. Association shall repair any such damage and the cost of such repair shall be invoiced as an Individual Assessment to the Owner. All leases shall provide that the Association shall have the right (i) to terminate the lease upon default by the tenant in observing any of the provisions of the Governing Documents or any other applicable provisions of any agreement, document or instrument governing Cove Royale or administered by the Association, and (ii) to collect all rental payments due to the Owner and to apply same against unpaid Assessments if, and to the extent that, the Owner is in default in the payment of Assessments. Additionally, as a condition to the approval by Association of a proposed lease of a Unit, Association has the authority to require that a security deposit in an amount not to exceed the equivalent of one (1) month's rent be deposited into an account maintained by Association. The security deposit shall protect against damages to the Common Areas or Association Property. A security deposit held by Association under this Section shall be governed by Chapter 83 of the Florida Statutes, as it may be renumbered from time to time. Association may also charge a reasonable fee of no more than One Hundred (\$100.00) dollars to offset the costs of a background check on tenant. Association and its directors or officers, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any party whatsoever, due to any mistakes in judgment, negligence, or any action or inaction of Association, its officers, or directors, in connection with the approval or disapproval of tenants. Each Owner agrees, individually and on behalf of its prospective tenants, current tenants, heirs, successors and assigns by acquiring title to a Lot, that he or she (or any other of the aforementioned parties) shall not bring any action or suit against Association or its directors or officers, or any of the Association's agents or other parties acting on Association's behalf, in order to recover any damages alleged or caused by the actions of Association, or its officers or directors in connection with the provisions of this Section. Notwithstanding the foregoing, this Section shall not apply to a situation where an Owner or resident of a Unit receives in-home care by a professional caregiver residing within the Unit.

(ee) Notice of Transfer. The Unit Owner shall notify the Association in writing of the transfer of his or her Unit prior to such transfer by furnishing the Association with the names and contact information for the transferees. After the transfer, it shall then be the responsibility of the transferee to furnish the Association with a recorded copy of the instrument of conveyance indicating the owner's mailing address for all future assessments and other correspondence from the Association. It is not the intention of this subparagraph to grant to the Association a right of approval or disapproval of purchasers. It is, however, the intent of this paragraph to impose an affirmative duty on the Unit Owners to keep the Association fully advised of any changes in occupancy or ownership for the purposes of facilitating the management of the Association's membership records.

(ff) Firearms. The discharge of firearms, including without limitation, BB guns, pellet guns, airsoft guns, paintball guns and other firearms of all types and sizes, is prohibited. Notwithstanding anything to the contrary contained herein, the Association shall not be obligated to take action to enforce this Section.

(gg) Pools and Spas. No above ground pools shall be permitted. Unless installed by Declarant, all pools and appurtenances installed shall require the approval of the ARC. All pools shall be adequately maintained and chlorinated. Unless installed by Declarant, no slides, or platforms shall be permitted without ARC approval. The drainage of a pool into another Lot, the Common Areas or into the waterways, canals, or Conservation Areas is prohibited.

(hh) Roofs and Pressure Treatment. Roofs, exterior surfaces, pavement areas, including, but not limited to, driveways, private sidewalks, and other improvements comprising the Unit as well as the public sidewalks, driveways and curbs adjoining each Lot or Unit shall be pressure treated as often as appropriate but in any event within thirty (30) days of notice by the ARC.

(ii) Paint. Units shall be repainted as often as needed but in any event within forty-five (45) days of notice by the ARC.

(jj) Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the ARC, which approval shall conform to the requirements of this Declaration and/or the Architectural Guidelines.

(kk) Fences and Walls. Walls and fences on Lots must be approved in advance by the ARC in its sole discretion. Unless otherwise agreed to in writing by the Board, the only acceptable material for fences is four (4) foot bronze aluminum. Under no circumstances shall wood, vinyl, chain link, or buried / invisible dog fences be permitted in any part of Cove Royale.

(ll) Garbage Storage/Pickup. The Board of the Association shall have the authority to promulgate Rules and Regulations to govern garbage storage and pickup within Cove Royale.

(mm) Minor's Use of Facilities. Parents shall be responsible for all actions of their minor children at all times in and about Cove Royale. Declarant and the Association shall not be responsible for any use of the facilities by anyone, including minors.

Article 5. Maintenance and Repair

5.1 Association's Responsibility.

(a) Common Areas. The Association shall maintain and keep in good repair the Common Areas as described in this Declaration in accordance with the Community-Wide Standard. The maintenance of the Common Areas shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all Common Areas, which are not publicly dedicated and maintained; private roads dedicated to the Association; all road and identification signage; drainage easements and other easements; sidewalks located within rights-of-ways; sod, landscaping and other flora located on the Common Areas; and other structures and improvements situated upon the Common Area. Certain portions of the Common Areas consist of park areas, hardscapes, walls, formal lawns and bosque type landscaping that requires a special regiment of maintenance. The landscaping within the Common Areas shall, at a minimum be maintained, in accordance with the Landscape Maintenance Plan as provided by Declarant. The costs associated with maintenance, repair, replacement, insurance and operation of the Common Area shall be a Common Expense and shall be assessed equally among the Unit Owners, as part of the Common Expenses pursuant to the provisions of this Declaration.

(b) Areas of Common Responsibility. The Association shall maintain or cause to be maintained any Areas of Common Responsibility. Without limiting the foregoing, the Association may also agree to maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. However, the Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities. The costs associated with maintenance, repair, replacement, insurance and operation of the Areas of Common Responsibility shall be a Common Expense and shall be assessed equally among the Unit Owners pursuant to the provisions of this Declaration.

(c) Limited Common Areas. The Association may maintain certain Limited Common Areas in which event, the cost of maintenance, repair, replacement and insurance of Limited Common Areas shall be a Common Expense assessed against the Lots or Units to which the Limited Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(d) Lot Maintenance. The Association may maintain property which it does not own, including, without limitation, the lawn, landscaping materials and irrigation system installed by the Declarant on each Lot. With respect to the maintenance of Lots by the Association, each Owner shall be responsible for ensuring that the Association has access to their respective Lots at all times. Maintenance of the landscaping materials on the Lots by the Association may not include the replacement of landscaping within each Lot, provided, however, the Board may decide in its sole discretion to replace landscaping on a Lot without creating an obligation on the

Association to replace landscaping on any other Lot. If an Owner modifies the landscaping initially installed by Builder, which would require the prior written consent of the ARC, then such Owner shall be solely responsible for maintenance of such landscaping at such Owner's sole cost and expense. The cost to the Association of maintaining the Lots shall be assessed as a Common Expense pursuant to the provisions of this Declaration. However, in the event any of the foregoing maintenance by the Association is required due to the negligence or willful misconduct of an Owner, the costs therefore may be assessed as a Specific Assessment against such Owner's Lot. This provision is not intended to make the Association the insurer of any Lot.

5.2 Owner's Responsibility.

(a) Generally. All maintenance activities not specifically undertaken by the Association as described above shall be the responsibility of each Owner who shall maintain his or her own Unit, including, without limitation, the structures, driveways, private sidewalks, and other improvements comprising the Unit as well as the public sidewalks, driveways and curbs adjoining his or her Lot or Unit in a manner consistent with the Community-Wide Standard and all applicable covenants.

(b) Failure to Maintain. In the event any Unit Owner shall fail to maintain the Lot and the improvements thereon, as provided in this Article 5 and in accordance with the Community-Wide Standard, the Association, after reasonable notice to the Owner (except in an emergency), shall have the right to enter upon any Lot to repair, maintain and restore the Lot or the exterior of the Unit and any other improvements erected thereon. All costs related to such correction, repair or restoration shall become a Specific Assessment against such Unit.

(c) Maintenance Responsibility. Unless maintained by the Association, each Owner of a Unit shall maintain the exterior of his Unit and the Lot on which the Unit is located, including, without limitation, any boundary walls, columns, gates, fences, lighting installations, and lines and equipment for utility services including water and sewer, where applicable, in good condition and repair. No Owner of a Unit shall repaint, refinish or otherwise modify the exterior surfaces of the Unit without the prior written consent of the ARC. There shall be no right to remove trees, shrubs or similar vegetation from any area within Cove Royale without prior approval of the ARC. The Association shall be responsible for the maintenance of all buffer walls, columns and access gates constructed within the buffer zones located within property that is adjacent to the Lot on which the Unit is constructed.

So long as Declarant owns property subject to this Declaration, Declarant shall have the right to enter the Lot of any Unit and remove any fence installed thereon as Declarant, in Declarant's reasonable discretion, deems necessary in connection with any construction on an adjacent Lot. In such event, Declarant will install temporary fencing in place of the fence so removed during the duration of the construction project. After the construction is completed on the adjacent Lot, Declarant will replace and/or erect a new fence of the same size and of like materials, quality, color, function and effect as the original fence.

5.3 Homeowner's Insurance.

Each Owner of a Unit shall maintain physical damage insurance for his or her Unit in an amount equal to the full replacement value of the Unit. The Association may require that each such Owner provide proof of insurance. Each insurance policy insuring a Unit shall provide for notice to the Association upon termination or cancellation of such policy. Should any such Owner fail to provide proof of insurance upon request, the Association may purchase the required insurance, and the costs of such insurance may be levied as a Specific Assessment against such Unit.

PART THREE: COVE ROYALE COMMUNITY GOVERNANCE AND ADMINISTRATION

The Declaration establishes the Association as a mechanism by which each Owner is able to participate in the governance and administration of Cove Royale. While many powers and responsibilities are vested in the Board in order to facilitate day-to-day management and operation, some decisions are considered of such importance that they are reserved for the Association's membership – the Owners of property in Cove Royale.

Article 6. The Association and its Members

6.1 Function of the Association.

The Association has been established for the purpose of administering Cove Royale in accordance with the Governing Documents. Its responsibilities include, but are not limited to:

- (a) management, maintenance, operation and control of the Areas of Common Responsibility;
- (b) interpretation and enforcement of the Governing Documents;
- (c) upholding the Community-Wide Standard within Cove Royale; and
- (d) upon delegation for termination of Declarant's authority under Article 4, administering the architectural review process for Cove Royale.

6.2 Membership.

The Owner of the fee simple title of record of each Unit shall be a mandatory member of the Association upon acceptance of a deed to his or her Unit. Membership shall continue until the Member transfers or conveys its interest of record or the interest is transferred by operation of law, at which time the membership shall automatically be conferred upon the transferee.

6.3 Association. As a Member, the Owner shall be governed by the Governing Documents; and shall be entitled to one (1) vote for each Unit owned. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or

partnership shall be exercised as set forth in the By-Laws. Provided, however, Declarant shall retain the right to appoint all of the directors to the Board until Turnover.

6.4 Voting.

(a) Class “A” and Class “B” Membership. The Association initially shall have two classes of membership, Class “A” and Class “B,” as follows:

Class “A” Members shall be all Owners with the exception of Declarant. Declarant shall be the only Class “B” Member. Class “A” Members and the Class “B” Member shall have the voting rights set forth in the Articles. The Class “B” Membership shall cease and terminate when Declarant ceases to own any Lot or Unit in Cove Royale. Prior to Turnover, Declarant shall have the right to control the Association as provided herein. After Turnover, Declarant shall have the right to vote on any matter submitted to a vote of the Class “A” Members by the Board and on any other matter specifically set forth in the Governing Documents.

(b) Additional Memberships. Declarant may, by Subsequent Amendment, create additional classes of membership for the owners of Units within any additional property made subject to this Declaration, with such rights, privileges and obligations as may be specified in such Subsequent Amendment, in recognition of the different character and intended use of the property subject to such Subsequent Amendment.

Article 7. Association Powers and Responsibilities

7.1 Acceptance and Control of Association Property.

(a) The Association, through action of its Board, may acquire, hold, lease (as lessor or lessee), operate and dispose of tangible and intangible personal property and real property. The Board may enter into leases, licenses or operating agreements for portions of the Common Area, for such consideration or no consideration as the Board deems appropriate, to permit use of such portions of the Common Area by community organizations and by others, whether nonprofit or for profit, for the provision of goods or services for the general benefit or convenience of owners, occupants and residents of Cove Royale.

(b) Declarant and its designees may convey to the Association personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, described in Exhibit “A” and the Association shall accept any such property.

(c) The Association shall be responsible for management, operation and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate.

7.2 Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably

available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, however, the Association may obtain such additional coverage and/or higher limits as are reasonably determined by the Association;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board’s business judgment but not less than an amount equal to the maximum funds that will be in the custody of the Association or its management agent at any one time. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that premiums for insurance on Limited Common Areas may be included in the Common Expenses for the Lots or Units to which such Limited Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the County. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.2(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in Florida which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest as a member of the Association in the Common Area (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(vii) provide a waiver of subrogation under the policy against any Owner or occupant of a Unit;

(viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which name the Owners, collectively, as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least ninety (90) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless Members representing at least 75% of the total votes attributable to Units entitled to use and enjoy the damaged portion of the Common Area, and the Class "B" Member, if any, decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such sixty (60)-day period, then the period shall be extended until such funds or information is available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall

against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.2(a).

7.3 Compliance and Enforcement.

(a) Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in Article 13 of the By-Laws. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit (in the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall be assessed against the Owner of the Unit);

(ii) suspending an Owner's right to vote;

(iii) suspending any Person's right to use any recreational facilities within the Common Area;

(iv) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than ninety (90) days delinquent in paying any assessment or other charge owed to the Association;

(v) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of Article 4 and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article 4 and the Architectural Guidelines from continuing or performing any further activities in Cove Royale; and

(viii) levying Specific Assessments to cover costs incurred by the Association to bring a Unit into compliance with the Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in Article 13 of the By-Laws:

(ix) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations), and entry onto any Unit for such purpose shall not be considered a trespass; and

(x) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails to perform properly his or her maintenance responsibility after written notice specifying the maintenance required and a reasonable opportunity to perform such maintenance, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs, including, without limitation, reasonable administrative fees, incurred by the Association against the Lot or Unit and the Owner as a Specific Assessment. In the event of the foregoing, the Association shall be entitled to choose a service provider or contractor of its choice to perform the work and shall not be required to obtain bids for the work that is performed. In the event the Association does obtain such bids, the Association shall not be required to choose the lowest bid.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs incurred in such action.

(b) The decision to have the Association pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action; or

(ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) it is not in the Association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule, nor shall it preclude any Owner from taking action at law or in equity to enforce the Governing Documents.

The Association, by contract or other agreement, may enforce applicable County ordinances, if applicable, and permit the County to enforce ordinances within Cove Royale for the benefit of the Association and its Members.

7.4 Implied Rights; Board Authority.

The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Association in, mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its members.

In exercising the rights and powers of the Association, making decisions on behalf of the Association, and conducting the Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards required by Florida law.

7.5 Indemnification of Officers, Directors and Others.

Subject to Florida law, the Association shall indemnify and defend every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify and defend shall be limited to those actions for which liability is limited under this Section.

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 and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The 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.

7.6 Safety and Security.

Each Owner and occupant of a Unit, and their respective guests and invitees shall be responsible for their own personal safety and the security of their property in Cove Royale. The Association shall not be obligated to maintain or support any activities within Cove Royale designed to enhance the level of safety or security which each person provides for himself and his property. IT IS CURRENTLY CONTEMPLATED THAT THE ENTRANCE INTO COVE ROYALE AND CERTAIN COMMON AREAS MAY BE MONITORED BY 24 HOUR VIDEO

CAMERAS AND AUDIO RECORDING DEVICES. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within Cove Royale, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to Cove Royale, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and shall be responsible for informing its tenants and all occupants of its Unit that the Association, its Board and committees, and Declarant are not guarantors of security or safety and that each Person using Cove Royale assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

7.7 Access Control System.

Declarant may install an Access Control System at the entrance to Cove Royale. Association shall have the right, but not the obligation, to contract for the installation of additional Access Control System facilities for Cove Royale. The Access Control System, if any, may not be staffed, as determined in the sole discretion of the Association. Prior to Turnover, all contracts for Access Control Systems shall be subject to the prior written approval of Declarant. ASSOCIATION AND DECLARANT SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE ACCESS CONTROL OR INEFFECTIVENESS OF ACCESS CONTROL MEASURES UNDERTAKEN. Each and every Owner and the occupant of each Unit acknowledges that Declarant, Association, and their employees, agents, managers, members, directors, and officers, are not insurers of Owners or Units, or the personal property located within Units. Declarant and Association will not be responsible or liable for losses, injuries, or deaths resulting from any casualty or intrusion into a Unit.

Article 8. Association Finances

8.1 Budgeting for and Allocating Association Expenses.

(a) Preparation of Budget. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses of the Association for the coming year, to be allocated among all Lots and Units. Each budget may also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots and Units, and the amount estimated to be generated through the levy of assessments against the Lots and Units.

The estimated expenses in each budget may be based upon total anticipated expenses at the time of full build-out of Cove Royale as if all Units were constructed and paying assessments. The estimated expenses in each budget may include general operating reserves. If included, such reserves may be used for any expenses as the Board deems reasonably necessary and reserves shall only be collected from Owners after sale from Declarant to a third party purchaser.

Without limiting the foregoing, the Common Expenses shall include, the costs of administration for the Association, including any secretaries, accounting service, bookkeepers, or employees necessary to carry out the obligations and covenants of the Association under this Declaration, including the collection of sums owed by a particular Unit. Bulk rate charges for cable television, internet and telephone services and/or security alarm services shall be assessed as Common Expenses, if the Association becomes a party to a single billing service for any or all of the foregoing bulk services provided to all of the Owners. In a bulk rate agreement, the gross amount billed to the Association by the service provider will remain fixed for a period of time and may thereafter escalate, and the sum assessed to an Owner may vary depending on the number of Owners receiving the services. Any revenue or income received by the Association under the terms of a bulk rate agreement may be utilized to pay operating expenses of the Association and shall not be considered in determining the operating budget of and assessments due to the Association.

The Association may retain a managing company or contractors to assist in the operation of the Association and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Common Expenses.

(b) Calculation of Base Assessments. Upon determining the total amount of income required to be generated through the levy of Base Assessments, the Association shall allocate such amount equally among all Lots and Units subject to assessment under Section 8.1 on the effective date of the budget. Each Owner's share of Common Expenses will be determined as a fraction, the numerator of which is the number of Lots or Units owned by the Owner, and the denominator of which is the total number of Lots or Units which are planned for Cove Royale. The amount allocated to each Unit shall then be levied as a Base Assessment.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.6(b)), which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget.

Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

(c) Date of Commencement of Base Assessments. Base Assessments shall commence as to each Unit at the time that the title to such Unit is transferred from the Declarant to a third party purchaser, who upon receipt of title becomes a Member of the Association. Assessments shall be due and payable in a manner and on a schedule as the Board may provide. The first Base Assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on a Unit.

(d) Notice of Budget and Assessment. The Board shall send to each Owner either a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget or a written notice that a copy of the budget is available upon request at no charge to the Owner. If the Board fails for any reason to determine the budget for

any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

(e) Budget Revisions. The Board may revise the budget and adjust the Assessments levied pursuant thereto from time to time during the year, subject to the same notice requirements as set forth above.

(f) Initial Budget. The initial budget prepared by Declarant is not based on historical operating figures and is not a contractual statement or guaranty of actual assessments. The figures shown in the initial budget are based on good faith analysis; therefore, it is likely that the actual budget may be different once historical figures are known. Because there is no history of operation, it is impossible to predict actual Common Expenses. It is not intended that any person rely on any budget in electing to purchase a Lot or Unit. Projections in budgets are an effort to provide some information regarding future Common Expenses. Budgets do not take inflation or scopes of services into account. Reserve accounts for capital expenditures and deferred maintenance will not be initially established by Declarant, accordingly, the initial budget will not include any amounts for funding of reserves.

8.2 Special Assessments.

In addition to other authorized Assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such amount, manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.3 Specific Assessments.

The Association shall have the power to levy Specific Assessments against a particular Lot or Unit which shall include all monetary fines, penalties, interest or other charges or fees (excluding Base Assessments and Special Assessments) levied against an Owner pursuant to the Governing Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Governing Documents, and any expense (including without limitation attorneys' and legal assistants' fees) incurred by the Association as a result of the failure of an Owner to abide by the Governing Documents, or to remedy or abate any emergency. Without limiting the foregoing, Specific Assessments shall include costs:

(a) to cover the costs, including overhead and administrative costs, of providing services to Lots or Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association. Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover the costs, including overhead and administrative costs, of providing certain services to certain Lots and/or Units, but not all Lots and Units within Cove Royale. Such

Specific Assessments shall be allocated equally among the Lots and/or Units receiving such services; and

(c) to cover costs incurred in bringing the Lot or Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Lot or Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (c); and

(d) to cover costs incurred or expected to be incurred by the Association to set up, clean up, provide additional security, utilities or other services in connection with any festival or other special events sponsored by the Owners or tenants of any Unit or group of Units, upon the Board's determination, in the exercise of its business judgment, that such services are necessary and appropriate.

8.4 Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed is deemed to covenant and agree to pay all Assessments authorized in the Governing Documents. All Assessments, together with interest (computed from its due date at a rate of 18% per annum or such higher rate as the Board may establish, subject to the limitations of Florida law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot and Unit until paid in full. Upon a transfer of title to a Lot or Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix Assessment amounts or rates or to deliver or mail each Owner an Assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an Assessment was made, if any, until a new budget becomes effective and a new Assessment is levied pursuant thereto. Any such budget may include as an expense item any shortfall in amounts previously collected.

No Owner may exempt himself from liability for Assessments by non-use of Common Area, abandonment of his Lot or Unit, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of Assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option to Fund Budget Deficits. Prior to Turnover, Declarant may satisfy its obligation for Assessments on Units which it owns either by paying such Assessments in the same manner as any other Owner or by paying the difference between the amounts of Assessments levied on all other Units subject to Assessment and any working capital, capital contributions or other sources of income collected or due to the Association and the amount of actual expenditures by the Association during the fiscal year. In the event of a surplus for any fiscal year, Declarant shall have the right to use such surplus to offset its obligation for assessments for any prior year that was previously funded or for the next fiscal year. For purposes of this Section, "surplus" shall mean the difference between the amounts of Assessments levied on all other Units subject to assessment and all other sources of income and working capital collected or due to the Association and the amount of actual expenditures by the Association during the fiscal year. Unless Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of Declarant's election, Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After Turnover, Declarant shall pay Assessments on its unsold Lots and Units in the same manner as any other Owner; however, in no event shall Declarant have any obligation to pay any Assessments on its unsold Lots or Units for funding reserve accounts or any cable television, internet, telephone or security alarm services.

8.5 Lien for Assessments.

The Association shall have a lien against each Lot and Unit to secure payment of delinquent Assessments, as well as interest, late charges (subject to the limitations of Florida law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any recorded first Mortgage (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual Assessment, its pro rata share of the Assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid Assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Unit shall not affect the Assessment lien or relieve such Unit from the lien for any subsequent Assessments. The subsequent Owner to the foreclosed Unit shall not be personally liable for Assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to Assessment under Section 8.1, including such acquirer, its successors and assigns.

8.6 Remedies. In the event any Owner shall fail to pay his or her Assessments within (15) days after the same becomes due, the Association, through its Board, shall have all of the following remedies to the extent permitted by law.

(a) Late Charge. To impose a late charge as determined by Board resolution.

(b) Acceleration of Assessments. To accelerate the entire amount of any Assessments for the remainder of the year notwithstanding any provisions for the payment thereof in installments.

(c) Attorneys' Fees and Costs. To advance on behalf of the Owner funds to accomplish the needs of the Association and the amount or amounts of money so advanced, including reasonable attorneys' fees and expenses which might have been reasonably incurred because of or in connection with such advance, including costs and expenses of the Association if it must borrow to pay expenses because of such Owner, together with interest at the highest rate allowable by law, may thereupon be collected or enforced by the Association and such advance or loan by the Association shall not waive the default.

(d) Action in Equity. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in a like manner as the foreclosure of a mortgage on real property.

(e) Action at Law. To file an action at law to collect such Assessments, plus interest at the highest rate allowable by law plus costs and attorneys' fees, without waiving any lien rights or rights of foreclosure by the Association.

8.7 Authority to Assess Owners; Time of Payment.

The obligation to pay Assessments as provided for in this Article shall commence as to each Unit on the day (a) the Unit is conveyed by Declarant to a third-party purchaser, or (b) which the Board first determines a budget and levies Assessments pursuant to this Article, whichever is later. The first Base Assessment levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time Assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.8 Exempt Property.

The following property shall be exempt from payment of Community Service Fees, Base Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by Declarant as are included in the Area of Common Responsibility; and

(b) Any property dedicated to and accepted by the Association, the County, any governmental authority, or public utility.

8.9 Capitalization of Association.

Upon acquisition of record title to a Unit by the Owner thereof other than Declarant or a Builder (whether a conveyance by Declarant to the Owner or a re-sale by an Owner to a new Owner), a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to three (3) months of the Base Assessments per Unit or in such other amount as the Board may specify from time to time in its sole discretion, which may be a flat rate from year to year. Each Owner's capital contribution shall be collected on the closing statement for the transaction conveying the Unit and shall be remitted to the Association at that time. This amount shall be in addition to, not in lieu of, the Base Assessment and shall not be considered an advance payment of such Assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association to offset Declarant's deficit and for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws. The funds derived from the contributions shall be used at the discretion of Declarant for any purpose, including but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs. Declarant may waive this requirement for some Lots, if the first purchaser is a Builder, and the Builder becomes unconditionally obligated to collect and pay the contribution upon the subsequent sale of each Lot to an end purchaser.

8.10 Community Service Fees.

(a) Authority. The Board shall have the authority, on behalf of the Association, to establish and collect community service fees (the "Community Service Fees") from the transferring Owner upon each transfer of title to a Unit in Cove Royale, which fee shall be payable at the closing of the transfer and shall be secured by the Association's lien for assessments under Section 8.5.

(b) Fee Limit. The Board shall have the sole discretion to determine the amount and method of determining any such transfer fee, which may, but is not required to, be determined based upon a sliding scale which varies in accordance with the "Gross Selling Price" of the property or another factor as determined by the Board. For the purpose of determining the amount of the transfer fee, the Gross Selling Price shall be the total cost to the purchaser of the property, excluding taxes and title transfer fees as shown by the amount of tax imposed by the County.

(c) Purpose. All transfer fees which the Association collects shall be deposited into the Association's account to use for such purposes as the Board deems beneficial to the general good and welfare of Cove Royale.

(d) Exempt Transfers. Notwithstanding the above, no Community Service Fees shall be levied upon transfer of title to a Unit:

- (i) by or to Declarant;
- (ii) by a Builder who held title solely for purposes of development and resale;
- (iii) by the co-owner of a Unit to any Person who was also a co-owner of such Unit immediately prior to such transfer;
- (iv) to the Owner's estate, surviving spouse or child upon the death of the Owner;
- (v) to an entity wholly owned by the grantor; provided, upon any subsequent transfer of an ownership interest in such entity, the transfer fee shall become due; or
- (vi) to an institutional lender pursuant to a Mortgage or upon foreclosure of a Mortgage.

8.11 Certificate of Payment.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of Assessment a certificate in writing signed by an officer of the Association setting forth whether such Assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such Assessment. The Association may require the advance payment of a processing fee for the issuance of such certificate.

8.12 Subsidy Contracts.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with the Declarant or other entities for the payment of some portion of the Common Expenses.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the Declarant, as the developer of Cove Royale, in order to facilitate the smooth and orderly development of the community and to accommodate changes in the Master Plan for such development which inevitably will occur as the community grows and matures.

Article 9. Expansion of the Community

9.1 Expansion by Declarant.

Declarant may from time to time expand Cove Royale to include additional property by recording a Subsequent Amendment describing the additional property and stating the intent to subject it to the provisions of this Declaration. A Subsequent Amendment recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to expand Cove Royale pursuant to this Section shall expire twenty (20) years after this Declaration is recorded. Until then, Declarant may transfer or assign this right to

any Person who is the developer of a portion of Cove Royale. Any such transfer shall be memorialized in a written, recorded instrument executed by Declarant.

Notwithstanding the foregoing, as of the date of recording this Declaration, Declarant does not intend to expand Cove Royale to include additional property, and nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration in any manner whatsoever.

9.2 Expansion by the Association.

The Association may also expand Cove Royale to include additional property by recording a Supplemental Declaration describing the additional property and the intent to subject it to the provisions of this Declaration. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than 50% of the Class "A" votes represented at a meeting duly called for such purpose and the consent of the owner of the additional property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's consent shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the additional property, and by Declarant, if Declarant's consent is necessary.

9.3 Additional Covenants and Easements.

Declarant may subject any portion of Cove Royale to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Assessments. Such additional covenants and easements may be set forth either in a Subsequent Amendment subjecting such property to this Declaration or in a separate Subsequent Amendment referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Subsequent Amendment. Any such Subsequent Amendment may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4 Effect of Filing Subsequent Amendment.

A Subsequent Amendment shall be effective upon recording thereof in the Public Records of the County unless otherwise specified in such Subsequent Amendment. On the effective date of the Subsequent Amendment, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

Article 10. Additional Rights Reserved to Declarant.

10.1 Withdrawal of Property.

So long as Declarant has a right to expand Cove Royale pursuant to Section 9.1, Declarant reserves the right to amend this Declaration for the purpose of withdrawing from the coverage of this Declaration any portion of Cove Royale which has not yet been improved with structures.

Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant.

10.2 Right to Approve Changes in Rules and Regulations.

So long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant shall have the right to amend and modify the Rules and Regulations from time to time and no amendment to or modification of the Rules and Regulations shall be effective without prior notice to and the written approval of Declarant.

10.3 Development and Sales Activities.

Until the recording in the Public Records of the County by Declarant of a written statement that all sales activity has ceased or forty (40) years from the date this Declaration is recorded, whichever is earlier:

(a) Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Area such facilities and activities as Declarant, in its sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities at no charge.

(b) Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Areas of Common Responsibility (except as restricted by Article 19) for the purpose of making, constructing, and installing such improvements to the Areas of Common Responsibility as it deems appropriate in its sole discretion.

10.4 Control of and Changes in Development Plan.

Every Person that acquires any interest in Cove Royale acknowledges that Cove Royale is a master planned community and that changes in the Master Plan may occur as the development of Cove Royale proceeds. Each such Person therefore agrees not to protest, challenge or otherwise object to changes made or proposed by Declarant in the development plan or in the uses or density of property beyond the boundaries of that shown on the recorded subdivision plat applicable to the Unit in which such Person holds an interest.

10.5 Right of Approval.

So long as Declarant continues to have rights under this Article, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of Cove Royale without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

10.6 Exclusive Rights To Use Name of Development.

Declarant, for itself, its successors, and assigns, hereby reserves sole and exclusive rights in and to the name "Cove Royale" and no Person shall use the name "Cove Royale" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Cove Royale" in printed or promotional matter where such term is used solely to specify that particular property is located within the Cove Royale development and the Association shall be entitled to use the words "Cove Royale" in its name.

10.7 Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed and recorded by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.8 Right to Notice of Design or Construction Claims.

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within Cove Royale in connection with or in anticipation of any potential or pending claim, demand or litigation involving such design or construction unless Declarant and any Builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the Owner of the property to discuss such Person's concerns and conduct their own inspection.

10.9 Termination of Declarant's Rights. This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate at Turnover or the date Declarant no longer owns any Lot or Unit subject to this Declaration, whichever shall occur last.

PART FIVE: PROPERTY RIGHTS WITHIN COVE ROYALE

The nature of living in a traditional community development, with various areas intended for shared use and the proximity of various land uses to one another, requires the creation of special property rights and provisions to address the relationships between various parcels of property and the rights and responsibilities of Owners and the Association.

Article 11. Easements

11.1 Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The Board's right to:
 - (i) adopt rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Area (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to the By-Laws;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
 - (iv) permit use of any Common Area by persons other than Owners, their families, lessees and guests, and designate other areas and facilities within the Area of Common Responsibility as open for the use and enjoyment of the public;
 - (v) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- (d) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Limited Common Areas," as described in Article 12.

The Owner of a Unit who resides in the Unit may extend his or her right of use and enjoyment of the Common Area to the other members of his or her household and to guests, subject to reasonable Board regulation. If the Owner of a Unit does not reside in the Unit, the Owner shall be deemed to have assigned all of the Owner's rights to use and enjoy the recreational facilities within the Common Area to the Occupants of the Unit, who may extend the privilege of use and enjoyment to their guests, subject to reasonable Board regulation.

11.2 Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3 Easements for Utilities, Development, Construction, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, so long as Declarant owns any property described in Exhibit "A" of this Declaration, and grants to the Association and all governmental and utility providers, perpetual non-exclusive easements throughout Cove Royale (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve Cove Royale, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, stormwater drainage systems, landscaping, irrigation systems, sanitary sewer systems, street lights and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on recorded plats;

(ii) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 11.3(a)(i);

(iii) access to read utility meters;

(iv) removing and erecting any fencing as described in Section 5.4; and

(v) development, construction, marketing and customer service operations in a customary and reasonable fashion including the maintenance of construction and supply vehicles, staff and activities associated with development and construction, marketing and customer service operations (including the placement of signs on Cove Royale) and the right to provide for storage and materials.

(b) Temporary Construction Easement. A temporary, non-exclusive easement is hereby created over, under, across and through each Lot along the side-yard of such Lot ("Burdened Lot"), in favor of the Owner of the Lot immediately adjacent to such Burdened Lot ("Adjacent Lot") which easement shall be for access to the rear or sides of the Adjacent Lot for construction, maintenance or repair of improvements constructed or to be constructed on such Adjacent Lot, if any. The Owner of the Adjacent Lot shall use this easement right only in a reasonable manner and only during the period of actual maintenance, repair or construction on the Adjacent Lot. The Owner of the Adjacent Lot shall not materially interfere with the Owner of the Burdened Lot's use of the Burdened Lot. The Owner of the Adjacent Lot shall restore the Burdened Lot to its original condition when the construction, maintenance or repair is complete. The Owner of the Adjacent Lot agrees to indemnify, defend and hold the Owner of the Burdened Lot harmless from any damage, loss, cost, expense (including, without limitation, reasonable costs, attorneys' fees and paraprofessional fees pretrial, at trial and at all levels of proceedings, including appeals), or claims of damage to property, personal injury, death or other matters caused directly or indirectly by or arising from the Owner of the Adjacent Lot's (and its employees, agents, contractors, subcontractors and invitees) access onto the Burdened Lot.

(c) Right to Grant Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described in Exhibit "A". The Owner of any property to be burdened by any easement granted

pursuant to this subsection (c) shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed or conditioned.

(d) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall only be afforded to Declarant, the Association, or Owner of an Adjacent Lot after reasonable notice to the Owner or Occupant.

(e) Easement for Structural or Non-Structural Enclosure of Utilities. Declarant hereby grants a perpetual easement over, under, across and through each Lot and the Common Areas for structural or non-structural improvements and appurtenances thereto that will be constructed by Declarant on portions of certain Lots and Common Areas in locations as may be determined by Declarant from time to time.

11.4 Easements to Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, a perpetual, nonexclusive easement over the Common Area for the purposes of enjoyment, use, access, and development of any additional property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing any and all utilities on such property.

11.5 Easements for Maintenance, Emergency and Enforcement.

Declarant grants to the Association easements over Cove Royale as necessary to enable the Association to fulfill its maintenance responsibilities hereunder. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

11.6 Easements for Wetland Maintenance and Flood Water.

Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Area of Common Responsibility to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, improve, maintain, and repair structures and equipment used for retaining or draining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the

Association, and their successors, assigns and designees shall have an access easement over and across any of Cove Royale abutting or containing bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves for itself, the Association, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within fifty (50) feet of bodies of water and wetlands within Cove Royale, in order to (a) temporarily flood and back water upon and maintain water over such portions of Cove Royale; (b) alter in any manner and generally maintain the bodies of water and wetlands within the Area of Common Responsibility; and (c) maintain and landscape the slopes and banks pertaining to such areas. All Persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

11.7 Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any structure, improvement or condition which may exist on any portion of the property within Cove Royale, including Units, and a perpetual, nonexclusive easement of access throughout Cove Royale to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner.

11.8 Easements for Drainage Facilities.

Easements for the installation and maintenance of drainage facilities (including the Surface Water Management System) are granted to the Association, and the Declarant as shown on any plat of Cove Royale. Within these easement areas, no structure, planting or other material (other than sod), which may interfere with such installation and maintenance, or which may obstruct or retard the flow of water through drainage channels shall be placed or permitted to remain unless such structure, planting or other material was installed by Declarant. The Association shall have access to all such drainage easements for the purpose of operation and maintenance thereof. These easements shall not be removed from their intended uses by subsequent owners or others without the written consent of the SFWMD.

11.9 Easements Regarding Units.

(a) Drainage. Declarant may install or may cause to be installed certain underground drainage and stormwater infrastructure on certain Lots in various locations as determined necessary by Declarant in Declarant's sole discretion ("Drainage Facilities"). Declarant hereby grants a perpetual drainage and flowage easement to each Owner of a Lot on which a Unit is constructed (the "Benefitted Lot") in, on, under, over, across and through the Lots adjacent to such Benefitted Lot (the "Burdened Lot(s)") and any Drainage Facilities located on such Burdened Lots for drainage and stormwater run-off from each Benefitted Lot (and the improvements located thereon). Declarant and the Association shall have a perpetual non-exclusive easement to enter each Lot from time to time as determined necessary by Declarant or

the Association to construct, inspect, alter, maintain, operate and repair the Drainage Facilities. Each Lot shall be kept free from obstructions, or obstacles which would prevent or hinder drainage and flowage of stormwater run-off from any Benefitted Lot and/or Declarant's or the Association's installation, maintenance and operation of the Drainage Facilities. The Owner of a Lot on which Drainage Facilities are constructed shall have a temporary non-exclusive easement to enter each adjacent Lot as reasonably necessary in the event such Owner requires such access for the purpose of maintaining repairing or replacing the Drainage Facilities.

(b) Improvements. Declarant may install or may cause to be installed certain improvements on Lots outside the Unit, including, without limitation, air conditioning pads, air conditioning equipment and decks, pools and pool equipment in various locations as determined necessary by Declarant in Declarant's sole discretion ("Accessory Improvements"). Each Lot on which a Unit is constructed is subject to a perpetual non-exclusive access easement for ingress and egress in favor of Declarant, the Association and any service provider requiring access to such Accessory Improvements as may be needed to service, repair, or replace the Accessory Improvements.

Article 12. Limited Common Areas

12.1 Purpose.

Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Units. By way of illustration and not limitation, Limited Common Areas may include entry features, recreational facilities, landscaped medians, turnabouts and closes, lakes and other portions of the Common Area. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be allocated among the Owners to which the Limited Common Areas are assigned.

12.2 Designation.

Initially, any Limited Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Units, so long as Declarant has a right to subject additional property to this Declaration. Thereafter, a portion of the Common Area may be assigned as Limited Common Area upon approval of the Board. Limited Common Area may be reassigned upon approval of the Owners of those Units to which the Limited Common Area is assigned and the approval of the Owners of those Units to which it is to be reassigned. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration, any such assignment or reassignment shall also require Declarant's written consent.

12.3 Use by Others.

Upon approval of a majority of Owners of Units to which any Limited Common Area is assigned, the Association may permit other Owners of Units to use all or a portion of such Limited Common Area upon payment of reasonable user fees.

Article 13. Property Rights

13.1 Use of Common Area.

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time, and subject to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board, and in accordance with procedures which it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) Right to Borrow Money. The right of the Association to borrow money for the purpose of improving the Common Area and, in connection therewith, to mortgage the Common Area.

(b) Protect Against Foreclosure or Imminent Danger. The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure or an imminent danger.

(c) Suspension of Rights.

(i) The right of the Association to suspend the enjoyment rights and easements of any Owner for any period during which an Assessment remains unpaid by that Owner.

(ii) The right of the Association to suspend the enjoyment rights and easements of any Owner for any period during which such Owner is in violation of any of the Governing Documents.

(d) Maintenance. The right of the Association to maintain the Common Area.

(e) Rules and Regulations. Rules and regulations governing the use and enjoyment of the Common Area, as promulgated by the Association.

(f) Traffic Regulations. Traffic regulations governing the use and enjoyment of the road, as promulgated by the Association or the County.

(g) Dedications. The right of the Association to dedicate or transfer all, or any part, of the Common Area to any governmental or quasi-governmental agency, authority or utility.

(h) Plat Restrictions. Restrictions contained on any plat, or filed separately, with respect to all or any portion of Cove Royale.

(i) Declaration. All of the provisions of the Governing Documents as same may be amended from time to time.

(j) Utility Easements. The Owners' easements of enjoyment shall be subject to easements, hereby reserved over, through and underneath the Common Area, and (where appropriate) the Lots for present and future utility services to Cove Royale, including, but not limited to, easements for water pipes, sanitary sewer pipes, emergency sewer lines, storm drainage pipes, sprinkler pipes, telephone cables, security wires and street lights.

(k) Cable Television and Wireless Communication. Declarant reserves the right to lease portions of the Common Area to a service provider for the provision of internet, cable television, cable radio, cellular telephone, or similar operations.

(l) Emergency Access. In case of any emergency originating in, or threatening Cove Royale or any Unit, regardless of whether the Owner is present at the time of such emergency, the Board or any person authorized by the Association, or the management agent under a management agreement, shall have the right to enter Cove Royale or such Unit, for the purpose of remedying, or abating, the cause of such emergency, and such right of entry shall be immediate.

13.2 Declarant's Rights.

The Owners' easements of enjoyment shall be subject to the rights reserved by Declarant, its successors or assigns, or successors in title, for future development of Cove Royale. As a material condition for ownership of a Unit, each Owner, by accepting a deed to a Unit, releases Declarant, its successors or assigns, or successors in title, from any claim for interference with his quiet enjoyment of his Unit or the Common Area, due to the development of Cove Royale, whether or not the construction operations are performed on the Common Area, or the Lots, and each Owner acknowledges and agrees that Declarant shall have the sole right of design, construction, development and improvement of the Common Area, and other property owned by Declarant within Cove Royale.

13.3 Nonexclusive Use.

(a) The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, Members of the Association) entitled to use portions of the Common Areas. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

(b) The Owners' easements of enjoyment shall be subject to easements, hereby reserved over and through the Common Area as required for the use and enjoyment of the Common Area in accordance with Section 13.3(a) above.

13.4 Title to Common Area.

Declarant shall not be required to convey title to the Common Area or any portion thereof to the Association until Turnover. Notwithstanding the manner in which title is held, the Association shall be responsible for the management, maintenance, and operation of the Common Areas, (excepting only such portions of the Common Areas which may be subject to express easements which may provide for the maintenance of such portions of the Common Areas to be

provided by the easement grantee), and for the payment of all real estate taxes and other assessments which are liens against the Common Area, from and after the recording of this Declaration. On or before Turnover, Declarant, shall convey the Common Area to the Association by quitclaim deed. Declarant shall not be required to provide any title insurance or other related title documents to the Association in connection with the conveyance of the Common Areas.

13.5 Annexation of Additional Property.

The Association shall have the power and authority to acquire and annex to the Common Areas other interests in real and personal property as it may deem beneficial to the Members. Any property acquired pursuant to this Section shall be annexed to the Common Areas by means of a Subsequent Amendment recorded in the Public Records of the County.

13.6 Implied Rights.

The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

13.7 Unit Insurance.

Each Unit Owner shall maintain a policy or policies to insure his or her Unit from all physical damage and liability losses. If a Unit is damaged by a casualty, the affected Unit Owner shall promptly have his Unit repaired and rebuilt substantially in accordance with the architectural plans and specifications of the Unit. The Board shall establish periodically the minimum physical damage and liability insurance coverage and endorsements to be maintained by each Unit Owner. Upon the request of the Association, each Owner will provide a certificate of insurance coverage to the Association to evidence compliance with the minimum physical damage and liability coverage and endorsements set by the Board.

13.8 Reconstruction and Repair after Casualty.

(a) Determination. Under ordinary circumstances, Common Area improvements which are damaged by a casualty shall be reconstructed and repaired. If a dispute arises as to whether a Common Area improvement should be repaired or reconstructed, the Board shall make the determination to repair or reconstruct. The adjoining owners shall be bound by this determination. The Association shall have the right to specially assess all members of the Association if insurance proceeds are insufficient to repair or rebuild the affected Common Areas in accordance with this paragraph. The assessment and collection of any special assessment authorized pursuant to this paragraph shall be made in accordance with the assessment powers and lien rights of the Association for Common Expenses.

(b) Plans and Specifications. Although it is impossible to anticipate all problems which may arise from a casualty, the intent is to try to assure that the general plan of development is maintained by requiring damaged Units to be rebuilt or repaired and that unsightly and dangerous conditions are remedied as soon as possible. Any reconstruction and repair must be substantially in accordance with the plans and specifications for such property as originally

constructed, and in any event, according to plans and specifications approved by the ARC. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair to the Common Areas, for which the Association is responsible, or if at any time during the work or upon completion of the work, the funds available for payment of the costs are insufficient, assessments shall be made by the Association against all Owners in sufficient amounts to provide funds for the payment of those costs. The Assessments shall be made as a Common Expense, except that the cost of construction, reconstruction and repair occasioned by special improvement made at the request of the Owner and not common to other Units shall be assessed to such Unit Owner.

13.9 Insurance Proceeds.

All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as trustee or to such institution in Florida with trust powers as may be designated as "Insurance Trustee" by the Board. The Insurance Trustee shall hold the proceeds for the benefit of the Unit Owners and their mortgagees in the following shares:

(a) Share of Proceeds. An undivided share for each Unit Owner, that share being the same as such Owner's undivided share in the Common Expenses.

(b) Mortgagees. If a mortgagee endorsement of an insurance policy has been issued as to a Unit, the share of the Owner shall be held in trust for the Mortgagee and such Owner, as their interests may appear; however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any such Unit shall be reconstructed or repaired, and unless provided by the terms of the Mortgage, no Mortgagee shall have any right to apply or have applied to the reduction of a Mortgage debt any insurance proceeds except distribution of proceeds made to the Owner and the Mortgagee.

13.10 First Mortgagees.

This Article is additionally for the benefit of first Mortgagees of Units and may not be amended without the consent of all such Mortgagees.

13.11 Policy Cancellation.

All insurance policies purchased by the Association shall require the insurer to notify in writing the Association or the designated Insurance Trustee and each first Mortgagee named in any mortgage clause at least ten (10) days before it cancels or substantially changes the coverage.

13.12 Association as Agent.

The Association is irrevocably appointed agent for each Unit Owner and for each Mortgagee or other lienor of a Unit, and for each owner of any other interest in the property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The success of Cove Royale as a community in which neighbors care about one another and work together for the good of the entire community requires good faith efforts to resolve disputes amicably, acknowledgment of Cove Royale's role in and relationship to the larger community, and protection of the rights of others who have an interest in the community.

Article 14. Dispute Resolution and Limitation on Litigation

14.1 Agreement to Encourage Resolution of Disputes Without Litigation.

(a) All election disputes and recall disputes shall be resolved in accordance with the requirements of Section 720.311(1), Florida Statutes.

(b) Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving Cove Royale without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (c), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 14.2 in a good faith effort to resolve such Claim.

(c) As used in this Article, the term "Claim" shall refer to any claim, grievance or dispute arising out of or relating to any matter other than those set forth in Section 14.1(a), except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 14.2:

(i) any suit by the Association to collect Assessments or other amounts due from any Owner;

(ii) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Declaration;

(iii) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iv) any suit in which any indispensable party is not a Bound Party; and

(v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 14.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

14.2 Dispute Resolution Procedures.

(a) To the maximum extent permitted by Florida law (and for all other circumstances, if any, the Association and parties to this Declaration hereby agree to waive all rights to a trial by jury), all claims, disputes and other matters in question between the Association, any owner and the Declarant and/or any Builder arising out of or relating to this Declaration or any alleged the breach of any terms or conditions hereof, the transition of Association control or any alleged failures relating thereto, or any other matter contemplated under this Declaration, shall be decided by mandatory and binding arbitration in accordance with the rules of the American Arbitration Association (“AAA”) currently in effect unless the parties mutually agree otherwise. The following procedures shall apply:

(i) Demand for arbitration shall be filed in writing with the other party or parties subject to the Declaration and with the AAA. A demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. “Construction rules” will be utilized in any arbitration proceeding under this section.

(ii) No arbitration arising out of or relating to this Declaration shall include, by consolidation, joinder or any other manner, an additional person or entity not a party to this Declaration, except by written consent containing a specific reference to this Declaration signed by the parties hereto and any other person or entity sought to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented by the parties to this Declaration shall be specifically enforceable in accordance with applicable law and any court having jurisdiction thereof.

(iii) The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

(iv) All filing fees and AAA costs associated with the arbitration itself shall be paid for by the party who files the notice of arbitration; provided, however, that all such expenses shall be recovered by the filing party in the event such party prevails. Any issues regarding who is the prevailing party shall be determined by the arbitration panel. The prevailing party also shall recover from the non-prevailing party all attorneys’ fees and costs, including fees and costs for legal assistants and expert witnesses, and including all fees and costs incurred relative to any challenge or appeal of the arbitration award, or confirmation by a court of law.

(v) If and only to the extent a matter arising under this Declaration cannot be resolved by arbitration pursuant to this section, the prevailing party shall be entitled to collect from the non-prevailing party reasonable attorneys’ fees and costs at the trial level and at all levels of appeal. In such event, to the maximum extent permitted by law, each of the Declarant,

Association, Builders, and Owners, voluntarily, intentionally and irrevocably waive all right to trial by jury in respect of any action, proceeding, or counterclaim (whether based on contract, tort, or otherwise) arising out of or related to any of the provisions of this Declaration, or any course of conduct, course of dealing, statements (whether oral or written) or actions of any party hereto or to any document pertaining to this Declaration. This provision is a material inducement of all parties taking title to real property subject to this Declaration. The parties hereby submit to the jurisdiction of the civil courts of the state of Florida and the United States district courts located in the state of Florida in respect of any suit or other proceeding brought in connection with or arising out of this Declaration and venue shall be in the county.

14.3 Initiation of Litigation by Association.

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Members entitled to cast 75% of the total Class “A” votes in the Association, respectively, except that no such approval shall be required for actions or proceedings:

- (a) initiated prior to Turnover;
- (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;
- (c) initiated to challenge ad valorem taxation or condemnation proceedings;
- (d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

Article 15. Mortgagee Provisions

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in Cove Royale. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

15.1 Notices of Action.

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an “Eligible Holder”), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of Cove Royale or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of ninety (60) days, or any other violation of the Governing Documents relating to such Parcel or Residential Unit or the Owner or Occupant which is not cured within ninety (60) days; or

(c) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

First 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 Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

15.2 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 first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

15.3 Notice to Association.

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

15.4 Failure of Mortgagee to Respond.

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

15.5 Construction of Article 15.

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

Article 16. Changes in Common Area

16.1 Condemnation.

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of Declarant, as long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such taking Declarant, so long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and Members representing at least 75% of the total Class "A" votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.2(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

16.2 Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action for the partition of any portion of the Common Area without the written consent of all Owners. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

16.3 Transfer or Dedication of Common Area.

The Association may dedicate portions of the Common Area to the County or any other local, state, or federal governmental or quasi-governmental entity or to any organization which is tax-exempt under the provisions of Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code.

Article 17. Amendment of Declaration

17.1 By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, prior to Turnover, Declarant shall have the unilateral right to amend this Declaration as it deems

appropriate, without joinder or consent of any person or entity whatsoever. Notwithstanding the foregoing, no amendments to this Declaration shall modify the rights of the SFWMD under the terms of this Declaration or any exhibit attached hereto, including, without limitation, Article 19 of this Declaration, without the written consent of the SFWMD. With the exception of amendments to exhibits referenced in the preceding sentence, all exhibits may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

17.2 By Members after Turnover.

Except as otherwise specifically provided above and elsewhere in this Declaration, after Turnover, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 75% of the total Class "A" votes in the Association and Declarant, so long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Article 15 shall be met, if applicable.

Notwithstanding the above, 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; so long as the Board does not deem such amendment a "material change". If the Board deems an amendment a "material change", then the percentage of votes necessary to amend such specific clause shall require the affirmative vote of Members representing at least 75% of the total Class "A" votes in the Association.

17.3 Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

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 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 amendment shall become effective upon recording in the Public Records of the County, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

Article 18. Termination

18.1 Consent to Termination.

This Declaration may be terminated upon the later to occur of (i) the affirmative written consent of eighty percent (80%) of all Unit Owners, and (ii) the affirmative written consent of all Mortgagees holding mortgages encumbering Units.

18.2 Termination Documents.

If this Declaration is terminated in accordance herewith, it is hereby declared by the Declarant, and each and every Owner of a Unit by acquiring title to his Unit covenants and agrees, that the termination documents shall require:

(a) Use of Units. That all Units shall continue to be used subject to the use restrictions set forth herein.

(b) Common Areas. All Common Areas shall be owned and held in equal shares by the Unit Owners as tenants in common, and each Unit Owner shall remain obligated to pay his pro rata share of expenses to continually maintain the Common Areas.

18.3 Limitation on Termination.

The Unit Owners and their grantees, successors, and assigns by acquiring title to a Unit covenant and agree that no termination of this Declaration shall be made for a period of twenty-five (25) years from the date of recordation of this Declaration. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the subject property and inure to the benefit of Declarant, the Association, the Owners, and their respective legal representatives, heirs, successors, and assigns for such period. After this period, the Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such twenty-five (25) year term or any such ten (10) year extension thereof is recorded in the Public Records of the County, an instrument signed by at least eighty percent (80%) of all Unit Owners agreeing to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of twenty-five (25) years or the ten (10) year extension thereof during which the termination instrument is recorded.

PART SEVEN: THE SURFACE WATER MANAGEMENT SYSTEM

The affairs and governance of Cove Royale is subject to the jurisdiction of various governmental bodies that include, without limitation, the County and the South Florida Water Management District. These entities have various requirements that will affect and impose duties and responsibilities upon each of the Owners as well as the Association.

Article 19. SFWMD

Cove Royale is subject to the conceptual surface water management plan as approved by the SFWMD, pursuant to the terms of the SFWMD Permit. The Association's secretary shall maintain copies of the SFWMD Permit and any further SFWMD permitting actions for the benefit of the Association.

19.1 Surface Water Management Systems.

Cove Royale is subject to a conceptual surface water management plan which has been or will be approved by the SFWMD. The Surface Water Management System for Cove Royale is authorized pursuant to the SFWMD Permit. Various real property interests have or will be

conveyed to the Association for roads, stormwater retention, drainage and buffers. The Surface Water Management System shall be owned and maintained by the Association in compliance with the SFWMD Permit and the rules and regulations promulgated by the SFWMD.

19.2 Lakes, Ponds, Retention Areas and Water Bodies.

No swimming or operation of any motorized boats shall be permitted in or on any of the lakes, ponds, retention areas or other water bodies which are dedicated or deeded to the Association or over which the Association has an easement, unless previously permitted in writing by the Association. No removal of water nor discharge of any materials or water, nor removal or interference with aquatic vegetation or alteration of banks or shoreline of any lake, pond, canal or retention area dedicated or deeded to the Association or to which the Association has an easement is permitted, unless previously approved in writing by the Association. The priority function of these water bodies is surface water management, not aesthetic or recreational. Notwithstanding the preceding sentence, a permit from SFWMD will be required for withdrawal of water for irrigation and where a permit, interlocal agreement or other agreement is in existence from or with any entity that has the right to charge for withdrawal of water for irrigation, no other approval shall be required for the removal of water in accordance with the overall irrigation quality ("IQ") water irrigation system for Cove Royale if such IQ water irrigation system has been approved in writing by the entity having the right to charge for such removal and SFWMD. The water body levels shall fluctuate based on, among other things, the amount of rainfall occurring over time.

19.3 SFWMD Approval Rights to Amendments.

No amendment of this Declaration which would change the Surface Water Management System or Conservation Areas located within Cove Royale shall occur unless agreed to in writing by the SFWMD.

19.4 Use Restrictions.

Except as to governmental ownership and usage, the Association shall enforce the use restrictions of the Surface Water Management System. Activities prohibited within the Surface Water Management System shall include but not be limited to:

- (a) digging or excavations;
- (b) depositing fill, debris, or any other material or item;
- (c) constructing or altering any water control structure; or
- (d) any other construction that would modify the Surface Water Management System.

19.5 Enforcement by SFWMD.

SFWMD shall have the primary right to enforce, by a proceeding at law or in equity, the provisions contained in this Article 19 and take enforcement measures including a civil action for

injunction and/or penalties against the Association to compel the Association to correct any outstanding problems with the Surface Water Management System or Conservation Areas.

19.6 Maintenance and Monitoring.

Subject to the rights and obligations of SFWMD, the Association shall be responsible for the maintenance, operation and repair of the Surface Water Management System. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the SFWMD, including but not limited to complying with the “best management practices” prevailing in the area and as otherwise required by SFWMD. Any repair or reconstruction of the Surface Water Management System shall be as permitted or, if modified, as approved by SFWMD.

19.7 Prohibition of Conservation Area Alteration.

THE CONSERVATION AREAS SHALL BE THE PERPETUAL RESPONSIBILITY OF THE ASSOCIATION, AS PROVIDED HEREIN, AND MAY IN NO WAY BE ALTERED FROM THEIR NATURAL OR PERMITTED STATE. ACTIVITIES PROHIBITED WITHIN THE CONSERVATION AREAS INCLUDE, BUT ARE NOT LIMITED TO, CONSTRUCTION OR PLACING OF BUILDINGS ON OR ABOVE THE GROUND; DUMPING OR PLACING SOIL OR OTHER SUBSTANCES SUCH AS TRASH; REMOVAL OR DESTRUCTION OF TREES, SHRUBS, OR OTHER VEGETATION – WITH THE EXCEPTION OF EXOTIC/NUISANCE VEGETATION REMOVAL; EXCAVATION, DREDGING OR REMOVAL OF SOIL MATERIAL; DIKING OR FENCING; ANY OTHER ACTIVITIES DETRIMENTAL TO DRAINAGE; FLOOD CONTROL, WATER CONSERVATION, EROSION CONTROL, OR FISH AND WILDLIFE HABITAT CONSERVATION OR PRESERVATION.

19.8 Covenant for Maintenance Assessment for Association.

Assessments by the Association may be used for the maintenance and repair of the Surface Water Management System including but not limited to work within retention areas, drainage structures and drainage easements.

19.9 Conservation Areas.

Portions of Cove Royale shall contain Conservation Areas, as required by the SFWMD, and as more particularly identified on the Master Plan, and as shown on any future plats or conservation easements recorded in Cove Royale. The Association will own, operate and maintain the Conservation Areas, and such maintenance expenses will be paid by the Owner through the Assessments due the Association. All Owners are notified that portions of the Units may contain or lie adjacent to Conservation Areas and each Owner shall comply with all use restrictions created herein or pursuant to any conservation easements created for the Conservation Areas. The Association is charged with the duty of perpetually maintaining all Conservation Areas in accordance with the use restrictions as set forth in Section 19.4 hereof as well as the requirements contained in the SFWMD Permit pertaining to Cove Royale (including, without limitation, any required mitigation monitoring and perpetual mitigation maintenance) and any subsequent

conservation easements created. The Association is further charged with the duty to perpetually maintain all markers and signage required by the SFWMD Permit governing Cove Royale and the Association shall have a perpetual right and easement over the entire area of Cove Royale to maintain the Conservation Areas, and all markers and signs pertaining thereto.

PART EIGHT: MISCELLANEOUS DISCLOSURES

Article 20. Miscellaneous Disclosures. All Owners, Occupants and users within Cove Royale are hereby notified of the following:

20.1 Treasure Coast Classical Academy. Cove Royale is located near Treasure Coast Classical Academy. Such proximity may result in (i) additional noise within Cove Royale, including from recreational facilities or other functions at Treasure Coast Classical Academy, and (ii) additional traffic along SE Cove Road, including from school drop off and pick up at Treasure Coast Classical Academy.

20.2 Lift Stations. It is currently contemplated that one or more lift stations may be located within Cove Royale. Owners may be subject to noise or unpleasant odors with respect to the lift stations. DECLARANT MAKES NO REPRESENTATION OR WARRANTY AS TO THE CONDITION, LOCATION OR FUTURE MODIFICATIONS OF SUCH LIFT STATIONS.

20.3 Cluster Mailboxes. Curbside mail delivery from the USPS may not be available within Cove Royale. Rather, it is contemplated that USPS mail delivery within Cove Royale will be by means of one or more cluster mailboxes at a central location. Declarant makes no representations as to the location of such cluster mailboxes or the proximity to any particular Lot or Unit within Cove Royale.

20.4 Future Development Property. Some or all of the property shown on the plat for Cove Royale as intended for future development (the "Future Development Property"), may be developed by Declarant as additional residential lots. However, the Future Development Property is not intended to become part of Cove Royale, but rather part of an adjacent development currently known as Preserve at Park Trace. Accordingly, if the Future Development Property becomes part of Preserve at Park Trace, then the Association would not have jurisdiction over the Future Development Property and the owners within the Future Development Property would not be subject to this Declaration. Rather, the Future Development Property would be part of and governed by the documents applicable to the Preserve at Park Trace. All Owners, Occupants and users of Cove Royale are hereby placed on notice that development of the Future Development Property may include excavation, construction, and other activities within or in close proximity to Cove Royale, and such development may occur for some time in the future. By acceptance of their deed or other title or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of Cove Royale, each such Owner, Occupant and user automatically acknowledges, stipulates and agrees (i) that none of the aforesaid activities shall be deemed nuisances or noxious activities, hereunder or at law generally, (ii) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to where such activity is being conducted (even if not actively conducted at the time of entry, such as at night or otherwise during non-working hours), (iii) Declarant and its affiliates shall not be liable in any manner whatsoever

for any and all losses, damages (compensatory, consequential, punitive or otherwise), injuries or deaths whatsoever arising from or relating to the aforesaid activities, (iv) any purchase of any portion of Cove Royale has been and will be made with full knowledge of the foregoing, and (v) this acknowledgement and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of the applicable portion of Cove Royale.

20.5 Wetlands. Cove Royale contains certain wetland areas ("Wetlands") intended to be owned, operated, and maintained by the Association. The Wetlands are subject to various title documents, permits, and restrictions, including but not limited to (i) Wetlands Maintenance Covenant and Agreement recorded in Official Records Book 3329, Page 2544 of the Public Records of Martin County, Florida, (ii) Reciprocal Easements, Development, and Cost-Sharing Agreement recorded in Official Records Book 3329, Page 2452 of the Public Records of Martin County, Florida (the "Cost Sharing Agreement"), (iii) Conservation Easement recorded (or to be recorded) in the Public Records of Martin County, Florida, and (iv) SFWMD Environmental Resource Permit No. 43-102077-P (collectively, the "Title Documents"). The Association, as owner of the Wetlands, will be subject to all of the foregoing Title Documents and responsible for maintaining and operating the Wetlands in perpetuity in conformance with such Title Documents. Additionally, certain of the Wetlands are adjacent to and primarily benefit the Future Development Property. Accordingly, it is intended that the cost to operate and maintain certain Wetlands will be borne solely by the Future Development Property; provided, however, that until and unless the Future Development Property is developed, the cost to operate and maintain all Wetlands will continue to be a cost of the Association and a Common Expense paid for by all Owners. Furthermore, pursuant to the Cost Sharing Agreement, if the Future Development Property is developed, the Association's right to collect the costs of operation and maintenance of certain of the Wetlands from the Future Development Property will be subordinate to the obligation of the Future Development Property to pay assessments to the Preserve at Park Trace Association. By acceptance of their deed or other title or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of Cove Royale, each such Owner, Occupant and User acknowledges that Cove Royale is subject to the Title Documents, all of which are binding upon the Association.

20.6 Disclaimers as to Water Bodies. Neither the Declarant, the Association, nor any of their successors, assigns, officers, directors, committee members, employees, management agents, contractors or sub-contractors (collectively, the "Listed Parties") shall be liable or responsible for maintaining or assuring the water quality or level in any lake, pond, canal, creek, stream, marsh, or other water body adjacent to or within the property, except as such responsibility may be specifically imposed by an applicable governmental or quasi-governmental agency or authority. Further, all Owners and users of any portion of Cove Royale located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of the deed to or use of, such property, to have agreed to hold harmless the Listed Parties for any and all changes in the quality and level of the water in such bodies. All persons are hereby notified that from time to time alligators, poisonous snakes, and other wildlife may inhabit or enter into water bodies and natural areas within the property and may pose a threat to persons, pets and property, but that the Listed Parties are under no duty to protect against, and do not in any manner warrant against, any death, injury or damage caused by such wildlife.

PART NINE: EXHIBITS

Article 21. **Exhibits.** The following Exhibits “A” - “C” are attached to this Declaration and are incorporated by this reference:

Exhibit “A” – Cove Royale Legal Description

Exhibit “B” – Articles of Incorporation

Exhibit “C” – Bylaws

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

WITNESSES:

KH COVE ROYALE LLC, a Florida limited liability company

Print Name: German Martinez
Address: 8478 S.E. Merritt Way
Jupiter, FL 33468

By: The Kolter Group LLC, a Florida limited liability company, its Manager

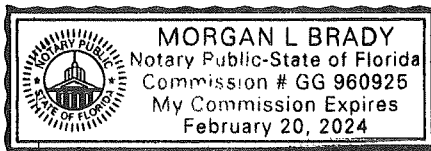
Michelle Haire
Print Name: Michelle Haire
Address: 2010 20th St
PB6, FL 33418

By: Victoria L. Imhoff
Name: Victoria L. Imhoff
Title: President of HOA / VP of Palm Beach

STATE OF FLORIDA)
) SS.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 19th day of Jan., 2024 by Victoria Imhoff as Representative of The Kolter Group LLC, a Florida limited liability company, which is Manager of KH COVE ROYALE LLC, a Florida limited liability company, on behalf of said companies, and who is ☒ personally known to me or ☐ has produced _____ as identification.

[NOTARIAL SEAL]



Notary: Morgan L. Brady
Print Name: Morgan L. Brady
Notary Public, State of Florida
My commission expires: February 20th, 2024

JOINDER

COVE ROYALE HOMEOWNERS ASSOCIATION, INC. does hereby join in the Declaration to which this Joinder is attached, for the purpose of agreeing to the terms hereof.

WITNESSES:

COVE ROYALE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

Brittney Shepler
Print Name: Brittney Shepler

By: Victoria Imhoff
Victoria Imhoff, President

Address: 1125 Mystic Way
Wellington FL 33414

Michelle P. Haire
Print Name: Michelle P. Haire

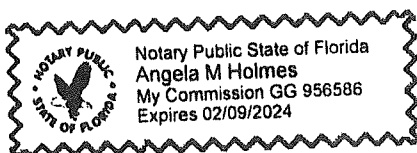
Address: 2010 20th Lane
PB6, FL 33418

{SEAL}

STATE OF FLORIDA)
) SS.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 23rd day of Jan, 2024 by Victoria Imhoff, as President of COVE ROYALE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, who is personally known to me or who produced _____ as identification, on behalf of the corporation.

My commission expires:



Angela M. Holmes
Print Name: Angela M. Holmes
NOTARY PUBLIC- STATE OF Florida
Commission Number: GG 956586
My commission expires: 02.09.2024

MORTGAGEE JOINDER AND CONSENT

CIBC BANK USA, an Illinois state chartered bank ("Mortgagee"), the holder of that certain Mortgage, Assignment of Rents and Security Agreement recorded July 23, 2021 in Official Record Book 3243, Page 1066 of the Public Records of Martin County (as amended, the "Mortgage"), which Mortgage constitutes a lien and encumbrance upon the real property legally described in Exhibit A to this Declaration, hereby joins in this Declaration for the purpose of consenting to the terms hereof, and agreeing that the Declaration shall survive any foreclosure, deed in lieu of foreclosure and/or exercise of any remedy by Mortgagee pursuant to the Mortgage.

Mortgagee makes no warranty or any representation of any kind or nature concerning the Declaration, any of its terms or provisions, or the legal sufficiency thereof, and disavows any such warranty or representation as well as any participation in the development of the project described in the Declaration, and does not hereby assume and shall not hereby be responsible for any of the obligations or liabilities of the makers of the Declaration. None of the representations contained in the Declaration or other documents shall be deemed to have been made by Mortgagee, nor shall they be construed to create any obligations on Mortgagee to any person relying thereon. Nothing contained herein shall affect or impair the rights and remedies of Mortgagee as set forth in the Mortgage or in the Declaration.

IN WITNESS WHEREOF, Mortgagee has caused these presents to be executed in its name, effective as of this 1st day of February, 2024.

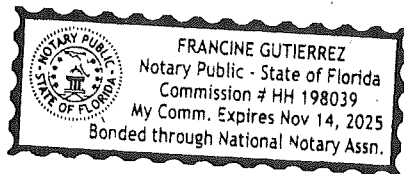
CIBC BANK USA,
an Illinois state chartered bank

By: [Signature]
Jeffrey I. Shulman, Managing Director

STATE OF FLORIDA)
)SS
COUNTY OF Palm Beach)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 1st day of February, 2024, by Jeffrey I. Shulman, as Managing Director of CIBC BANK USA, an Illinois state chartered bank, on behalf of said state chartered bank. He ☒ is personally known to me or ☐ has produced _____ as identification.

(Notary Seal)



Francine Gutierrez
Notary Public-State of Florida
Print Name: Francine Gutierrez
My Commission No: HH 198039
My Commission expires: 11.14.2025

EXHIBIT A

COVE ROYALE LEGAL DESCRIPTION

A PARCEL OF LAND IN SECTION 34, TOWNSHIP 38 SOUTH, RANGE 41 EAST, MARTIN COUNTY, FLORIDA, SAID PARCEL INCLUDES A PORTION OF "WA-CO FIELD PLACE" AS SHOWN ON THE PLAT RECORDED IN PLAT BOOK 5, PAGE 62, PUBLIC RECORDS OF PALM BEACH COUNTY (NOW MARTIN COUNTY), FLORIDA, SAID PARCEL IS DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 34; THENCE S89°29'28"W, ALONG THE SOUTH LINE OF SAID SECTION 34, A DISTANCE OF 2393.43 FEET, TO THE POINT OF BEGINNING;

THENCE S89°29'28"W, ALONG THE SOUTH LINE OF SAID SECTION 34, A DISTANCE OF 51.48 FEET; THENCE S89°29'22"W, ALONG THE SOUTH LINE OF SAID SECTION 34, A DISTANCE OF 1409.18 FEET, TO A SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 8, AS SHOWN ON SAID PLAT OF WA-CO FIELD PLACE; THENCE N00°15'33"W, ALONG SAID SOUTHERLY PROLONGATION AND SAID EAST LINE, A DISTANCE OF 2162.97 FEET, TO THE SOUTH LINE OF THE RIGHT-OF-WAY FOR COVE ROAD, AS DESCRIBED IN PARCEL NO. 34, IN OFFICIAL RECORDS BOOK 1040, PAGE 994 OF SAID PUBLIC RECORDS; THENCE N65°09'35"E, ALONG SAID SOUTH LINE, A DISTANCE OF 616.08 FEET, TO THE WEST LINE OF LOT 12, AS SHOWN ON SAID PLAT OF WA-CO FIELD PLACE; THENCE S00°16'32"E, ALONG SAID WEST LINE, A DISTANCE OF 1099.24 FEET, TO THE SOUTH LINE OF THE SAID PLAT OF WA-CO FIELD PLACE, SAID SOUTH LINE ALSO BEING THE OLD SOUTH LINE OF THE HANSON GRANT; THENCE N66°12'43"E, ALONG SAID SOUTH LINE, A DISTANCE OF 1614.95 FEET, TO THE WEST BOUNDARY OF THE PARCEL DESCRIBED IN THE SPECIAL WARRANTY DEED RECORDED IN OFFICIAL RECORDS BOOK 2373, PAGE 2615, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA; THENCE S28°30'17"W, ALONG SAID WEST BOUNDARY, A DISTANCE OF 471.12 FEET; THENCE S08°05'50"W, ALONG SAID WEST BOUNDARY, A DISTANCE OF 207.58 FEET; THENCE S52°15'10"E, ALONG SAID WEST BOUNDARY, A DISTANCE OF 559.52 FEET; THENCE S37°44'50"W, A DISTANCE OF 47.37 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT AND CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 57°34'59", A DISTANCE OF 50.25 FEET, TO A POINT OF TANGENCY; THENCE N84°40'11"W, A DISTANCE OF 51.95 FEET; THENCE S18°24'14"W, A DISTANCE OF 132.26 FEET; THENCE S47°40'49"W, A DISTANCE OF 23.80 FEET; THENCE S28°32'07"E, A DISTANCE OF 73.95 FEET; THENCE S45°27'33"E, A DISTANCE OF 39.26 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT AND CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 34°36'57", A DISTANCE OF 30.21 FEET, TO A POINT OF NON-TANGENCY; THENCE S86°07'29"W, A DISTANCE OF 59.35 FEET; THENCE N88°49'46"W, A DISTANCE OF 210.41 FEET; THENCE S89°39'34"W, A DISTANCE OF 257.06 FEET; THENCE S88°07'23"W, A DISTANCE OF 122.90 FEET; THENCE N88°06'13"W, A DISTANCE OF 233.53 FEET; THENCE S86°31'03"W, A DISTANCE OF 162.41 FEET; THENCE N86°02'25"W, A DISTANCE OF 51.04 FEET; THENCE S00°43'29"W, A DISTANCE OF 42.05 FEET; THENCE N80°51'29"E, A DISTANCE OF 53.96 FEET; THENCE N86°34'34"E, A DISTANCE OF 7.51 FEET;

THENCE S29°14'59"E, A DISTANCE OF 59.42 FEET; THENCE N72°47'08"E, A DISTANCE OF 7.92 FEET; THENCE S17°12'52"E, A DISTANCE OF 10.00 FEET; THENCE S72°47'08"W, A DISTANCE OF 5.79 FEET; THENCE S29°14'59"E, A DISTANCE OF 10.69 FEET; THENCE S05°39'55"W, A DISTANCE OF 61.23 FEET; THENCE S18°15'23"E, A DISTANCE OF 111.12 FEET; THENCE S36°44'25"E, A DISTANCE OF 94.29 FEET; THENCE S61°42'14"E, A DISTANCE OF 16.28 FEET; THENCE S20°54'10"W, A DISTANCE OF 19.17 FEET; THENCE S10°53'20"W, A DISTANCE OF 49.70 FEET; THENCE S24°27'01"E, A DISTANCE OF 45.37 FEET; THENCE S45°53'31"E, A DISTANCE OF 36.13 FEET; THENCE S33°53'06"E, A DISTANCE OF 24.88 FEET; THENCE S48°07'01"E, A DISTANCE OF 34.31 FEET; THENCE S57°43'20"E, A DISTANCE OF 31.43 FEET; THENCE S81°40'21"E, A DISTANCE OF 54.05 FEET; THENCE N34°39'21"E, A DISTANCE OF 46.17 FEET; THENCE N86°42'20"E, A DISTANCE OF 44.06 FEET; THENCE S58°53'16"E, A DISTANCE OF 55.69 FEET; THENCE S28°02'03"E, A DISTANCE OF 60.58 FEET; THENCE S19°16'55"W, A DISTANCE OF 34.83 FEET; THENCE S77°44'30"W, A DISTANCE OF 48.72 FEET; THENCE S10°57'00"E, A DISTANCE OF 44.59 FEET, TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 70.272 ACRES, MORE OR LESS.

EXHIBIT B

Stocks, Melanie (561) 671-2527

(01/09) 03/30/2023 01:56:06 PM

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Fax Number : (561)671-2527

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Email Address: mnstocks@gunster.com

FLORIDA PROFIT/NON PROFIT CORPORATION COVE ROYALE HOMEOWNERS ASSOCIATION, INC.

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**ARTICLES OF INCORPORATION
OF
COVE ROYALE HOMEOWNERS ASSOCIATION, INC.**

(a Florida Corporation Not for Profit)

In compliance with the requirements of the laws of the State of Florida, and for the purpose of forming a corporation not-for-profit, the undersigned does hereby acknowledge:

Article 1. Name of Corporation. The name of the corporation is COVE ROYALE HOMEOWNERS ASSOCIATION, INC. (the "Association").

Article 2. Principal Office. The initial principal office of the Association is located at 105 NE 1st Street, Delray Beach, Florida 33444.

Article 3. Registered Office - Registered Agent. The street address of the Registered Office of the Association is 1201 Hays Street, Tallahassee, Florida 32301. The name of the registered agent of the Association is Corporation Service Company

Article 4. Definitions. A declaration entitled Declaration of Covenants, Easements, and Restrictions for Cove Royale (as amended and unamended and restated from time to time, the "Declaration") has been or will be recorded among the Public Records of Martin County, Florida, and shall govern all of the operations of a community to be known as Cove Royale. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.

Article 5. Purpose of the Association. The purposes for which the Association is organized are to operate and manage the affairs and property of the Association, to perform all acts provided in the Declaration and applicable Florida laws, and administer the interests of the Association and the Owners. The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member or any individual person, firm or corporation.

Article 6. Powers of the Association. The Association shall, subject to the limitations and reservations set forth in applicable law and the Declaration, have all powers, privileges, and duties allowed by law and/or which are reasonably necessary to discharge its obligations, including, without limitation, the following:

6.1 To perform all the duties and obligations of the Association as set forth in the Declaration, these Articles of Incorporation and the By-Laws.

6.2 To enforce, by legal action or otherwise, the provisions of the Declaration, these Articles of Incorporation, the By-Laws, and the rules, covenants, conditions, restrictions, regulations, and/or agreements governing or binding the Association.

6.3 To fix, levy, collect and enforce payment by any lawful means, of all Assessments payable pursuant to the terms of the Declaration, these Articles of Incorporation and the By-Laws.

6.4 To operate and maintain any Common Areas.

6.5 To pay all Common Expenses and Association expenses including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Common Areas or other property of the Association.

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6.6 To acquire (by gift, purchase or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real or personal property (including the Common Areas) in connection with the functions of the Association, except as limited by the Declaration.

6.7 To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

6.8 To dedicate, grant, license, lease, create easements upon, sell or transfer all or any part of, the Common Areas to any public agency, entity, authority, utility, or other person or entity for such purposes and subject to such conditions as it determines, subject only to requirements set forth in the Declaration, if any.

6.9 To participate in mergers and consolidations with other non-profit corporations organized for the same purpose.

6.10 To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions or agreements governing the Association, Cove Royale, the Common Areas and Lots and Units as provided in the Declaration, and to effectuate all of the purposes for which the Association is organized.

6.11 To have and to exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of Florida that, as a homeowners' association, operates a community may, now or hereafter, have or exercise, including all powers under Chapters 617 and 720, Florida Statutes.

6.12 To employ personnel and retain independent contractors to contract for management of the Association, Cove Royale and the Common Areas as provided in the Declaration, and to delegate in such contract all or any part of the powers and duties of the Association.

6.13 To contract for services to be provided to, or for the benefit of, the Association, Owners, the Common Areas, and Cove Royale, as provided in the Declaration including, without limitation, telecommunication services, maintenance, garbage pick-up, and utility services. The foregoing rights shall not be deemed to impose any obligation on the Association to provide such services. Neither the Board of Directors of the Association nor any manager or management company hired or retained by the Board shall approve any contract with a contingency payment or payment provisions without the approval of the Members.

6.14 To establish committees and delegate certain of its functions to those committees.

6.15 To bring suit against any party or be sued by any party.

The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services stated in these Articles of Incorporation as the Board shall authorize.

Article 7. Association Lawsuits. The Board shall have no duty to bring suit against any party, and the Board is permitted to apply a rule of reasonableness when determining whether to bring suit against any party.

Article 8. Members. The Members of the Association shall consist of Declarant (for as long as it owns a Lot or Unit in Cove Royale) and the record property Owners of all of the Lots and Units in Cove

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Royale, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. Membership shall be established effective immediately upon becoming an Owner; provided, however, that such new Member's rights shall not become effective until the new Member presents the Association with a recorded copy of the deed of conveyance or other muniment of title conveying the title to the Unit so conveyed, and such membership shall pass with title to the Lot or Unit in question as an appurtenance thereto with no such membership or rights arising therefrom being transferable in any manner except as an appurtenance to such Lot or Unit. Each and every Member shall be entitled to the benefits of membership and shall be bound to abide by the provisions of these Articles of Incorporation, the Declaration and the By-Laws of the Association, as amended from time to time.

Article 9. Classes of Members, Voting and Assessments.

9.1 The Association shall have two (2) classes of membership (Class A and Class B) as follows:

(a) Class A Members shall be all those Owners as defined in Section 8 hereof with the exception of Declarant. Prior to Turnover, Class A Members shall have no voting rights, unless otherwise set forth in the Declaration or the Board of Directors requests the vote of the Members on any action. After Turnover, Class A Members shall be entitled to one (1) vote for each Lot or Unit owned in which they hold the interests required for membership by Section 8 hereof. Two Lots may be combined to form one (1) Unit in accordance with the terms of the Declaration, in which event the Owner shall have a total of only one (1) vote for such Lot or Unit. When more than one person holds such interest or interests in any Lot or Unit, all of such persons shall be Members, and the vote for such Unit shall be exercised as they among themselves determine, but, in no event shall more than one vote be cast with respect to any such Lot or Unit.

(b) Declarant shall be the only Class B Member. Declarant, as the Class B Member, shall be entitled to one (1) vote for each Lot or Unit which Declarant owns in Cove Royale. The Class B Membership shall cease and terminate when Declarant ceases to own any Lot or Unit in Cove Royale. Prior to Turnover, Declarant shall have the right to control the Association as provided in the Declaration. After Turnover, Declarant shall have the right to vote on any matter submitted to a vote of the Class A Members by the Board of Directors and on any other matter specifically set forth in these Articles of Incorporation, the Declaration or the By-Laws.

9.2 The By-Laws of the Association shall provide for an annual meeting of Members and may make provisions for regular and special meetings of Members other than the annual meeting. Unless a greater or lesser vote is specifically required according to these Articles of Incorporation or the Declaration, the affirmative vote of at least a majority of the votes entitled to be cast of the Members present or represented at any meeting of the Members duly called at which a quorum has been attained, shall be binding upon the Members. Prior to Turnover, a quorum shall be established by Declarant's presence, in person or by proxy at any meeting. After Turnover, a quorum for the transaction of business at any meeting of Members shall exist if thirty percent (30%) of the total number of votes entitled to be cast by the Members shall be present or represented at the meeting. Fractional voting is prohibited. There shall be no cumulative voting.

9.3 After Turnover, the Members shall be entitled to vote on the following matters: (i) any amendment to these Articles of Incorporation, in accordance with these Articles of Incorporation; (ii) the election of directors, in accordance with these Articles of Incorporation; (iii) the dissolution and liquidation of the Association, in accordance with these Articles of Incorporation; (iv) the amendment of the Declaration, where such amendment requires the consent of the Members pursuant to the terms of the

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Declaration; (v) the decision to commence or prosecute a judicial or administrative proceeding by the Association pursuant to the terms of the Declaration; and (vi) any other matter the Board of Directors elects to submit to a vote of the Members.

9.4 The Association will obtain funds with which to operate by assessment of its Members in accordance with the provisions of the Declaration.

Article 10. Board of Directors.

10.1 The affairs of the Association shall be managed and conducted by a Board of Directors consisting of not less than three (3) members. The number of directors may be increased or decreased from time to time as the Board of Directors may determine; however, the number of directors shall not be less than three (3). Prior to Turnover, Directors need not be Members of the Association and need not be residents of Cove Royale; thereafter, Directors shall be Members of the Association (except for any Director who is appointed by Declarant).

10.2 Prior to Turnover, all Directors shall be appointed by Declarant and Declarant shall have the right to remove any Director, with or without cause. Any Director appointed by Declarant shall serve at the pleasure of Declarant. Prior to Turnover, all vacancies in the Board of Directors shall be filled by a majority vote of the remaining Directors.

10.3 After Turnover, Directors shall be elected by the Members of the Association at the annual meeting of the membership as provided in the By-Laws of the Association, and the By-Laws may provide for the method of voting in the election of Directors. Election shall be by majority vote of the votes entitled to be cast by the Members at any meeting where a quorum is present or represented. Notwithstanding anything to the contrary herein, at any time that Declarant owns at least five percent (5%) of the Lots in Cove Royale, Declarant shall have the right to appoint one Director. Directors elected by the Members shall hold office until the next succeeding annual meeting of Members, and thereafter until qualified successors are duly elected and have taken office. After Turnover, all vacancies shall be filled by a majority vote of the remaining Directors; provided, however, that if the Director appointed by Declarant is removed or resigns from office, Declarant shall have the right to fill the vacancy created by the removal or resignation of such Director if Declarant has the right to appoint one Director at such time.

10.4 The names and addresses of the initial members of the Board, who shall hold office until their successors are appointed or elected or otherwise removed, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Victoria Imhoff	105 NE 1st St Delray Beach, FL 33444
Jonas Read	105 NE 1st St Delray Beach, FL 33444
Scott Morton	105 NE 1st St Delray Beach, FL 33444

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HALL COUNTY CLERK
JALAN/SEEK/CLERK

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Article 11. Dissolution.

11.1 Upon dissolution of the Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner and order:

(a) The Surface Water Management System shall be conveyed to an appropriate agency of local government acceptable to the SFWMD. If a governmental agency will not accept the Surface Water Management System, then it must be dedicated to a similar non-profit corporation;

(b) Real property contributed to the Association without the receipt of other than nominal consideration by Declarant (or its successors in interest) shall be returned to Declarant (whether or not a Member at the time of such dissolution) unless it refuses to accept the conveyance (in whole or in part);

(c) Dedication to applicable municipal or other governmental authority of such property (whether real, personal or mixed) as determined by the Board of Directors of the Association to be appropriate for dedication and which the authority is willing to accept; and

(d) The remaining assets shall be distributed among the Members, as tenants in common, each Member's share of the assets to be determined in accordance with his or her voting rights.

11.2 Prior to Turnover, the dissolution may be authorized by the Board of Directors, by a majority vote of the Directors then in office. After Turnover, the Board of Directors must adopt a resolution recommending that the Association be dissolved and directing that the question of such dissolution be submitted in a vote at a meeting of the Members entitled to vote thereon (unless the Board of Directors determines that because of a conflict of interest or other substantial reason it should not make any recommendation). Written notice stating the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the Association must be given to each Member entitled to vote at such meeting in accordance with the terms of these Articles of Incorporation. A resolution to dissolve the Association shall be adopted by receiving at least two-thirds (2/3) of the votes that Members present or represented at such meeting are entitled to cast.

Article 12. Duration. The Association's existence shall be perpetual.

Article 13. Amendment(s).

13.1 General Restrictions on Amendment(s). Notwithstanding any other provision herein to the contrary, no amendment to these Articles of Incorporation shall affect the rights of Declarant unless such amendment receives the prior written consent of Declarant, which consent may be withheld for any reason whatsoever. No amendment shall be effective until it is recorded among the Public Records.

13.2 Amendment(s) Prior to Turnover. Prior to Turnover, Declarant shall have the right to amend these Articles of Incorporation as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Declarant's right to amend under this Section 13.2 is to be construed as broadly as possible. In the event that the Association shall desire to amend these Articles of Incorporation prior to Turnover, the Association must first obtain Declarant's prior written consent to any proposed amendment. After receiving Declarant's written consent to the proposed amendment, an amendment identical to that approved by Declarant may be adopted by the Association pursuant to the requirements for amendment after Turnover. After approval of the amendment by the Board, Declarant shall join in such identical amendment so that his consent to the same will be reflected in the Public Records.

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13.3 Amendment(s) After Turnover. After Turnover, these Articles of Incorporation shall be amended, subject to the general restrictions of amendments set forth above, with (i) the approval of two-thirds (66-2/3%) of the Board and (ii) seventy-five percent (75%) of the votes present (in person and by proxy) at a duly called meeting of the Members in which there is a quorum. Notwithstanding the foregoing, these Articles of Incorporation may be amended after Turnover by a two-thirds (66-2/3%) of the Board acting alone to change the number of directors on the Board. Such change shall not require the approval of the Members. Any change in the number of directors shall not take effect until the next Annual Members Meeting.

Article 14. Limitations.

14.1 Declaration is Paramount. No amendment may be made to these Articles of Incorporation which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

14.2 Rights of Declarant. There shall be no amendment to these Articles of Incorporation which shall abridge, reduce, amend, affect or modify the rights of Declarant, without Declarant's prior written consent.

14.3 By-Laws. These Articles of Incorporation shall not be amended in a manner that conflicts with the By-Laws adopted by the Association.

Article 15. Officers. The Board shall elect as President, Secretary, Treasurer, and as many Vice Presidents, Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Board shall from time to time determine. The names and addresses of the initial Officers, who shall serve until their successors are elected by the Board are as follows:

Victoria Imhoff	-	President
Jonas Read	-	Vice President
Scott Merton	-	Treasurer
Brian Grove	-	Secretary

Article 16. Indemnification of Officers and Directors. Provided the person proposed to be indemnified satisfies the requisite standard of conduct for permissive indemnification by a corporation, not for profit as set forth in the applicable provisions of the Florida Not For Profit Corporation Act, as the same may be amended from time to time, the Association shall indemnify its Officers and Directors, and may indemnify its employees and agents, to the fullest extent permitted by the provisions of such law, as the same may be amended and supplemented, from and against any and all of the expenses or liabilities incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding (other than in an action, suit or proceeding brought by the Association upon authorization of the Board of Directors and Members) or other matters referred to in or covered by such provisions, including advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings, both as to actions in their official capacities and as to actions in any other capacity while an Officer, Director, employee or other agent. Expenses (including attorneys' fees) incurred by an Officer or Director in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Director or Officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as authorized in this Section. Such expenses (including attorneys' fees) incurred by other employees and agents shall also be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The indemnification and advancement of

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expenses 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 Directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding such office. Such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall inure to the benefit of the heirs and personal and other legal representatives of such a person. Except as otherwise provided above, an adjudication of liability shall not affect the right to indemnification for those indemnified. This Section shall apply only to persons for whom the Association is authorized to provide indemnification under applicable law.

Article 17. Transactions in Which Directors or Officers are Interested Parties. No contract or transaction between the Association and any one (1) or more of its Directors and/or Officers or Declarant, or between the Association and any other corporation, partnership, association or other organization in which one (1) or more of its Officers and/or Directors is an officer, director, or employee, or is otherwise affiliated or holds an interest in such entity (whether or not legally recognized), shall be invalid, void or voidable solely for this reason, or solely because the Officer or Director is present at, or participates in, meetings of the Board thereof which authorized the contract or transaction, or solely because said Officer's or Director's vote is counted for such purpose. No Director or Officer shall incur liability by reason of the fact that such Director or Officer may be interested in any such contract or transaction. Interested Directors or Officers shall disclose the general nature of their interest and may be counted in determining the presence of a quorum at a meeting of the Board which authorizes the contract or transaction. Notwithstanding anything to the contrary in this Article 17, no such contract or transaction shall violate Section 720.303(12), Florida Statutes, which, among other things, prohibits the direct receipt by any director, officer or committee member of any homeowners' association of any salary or other compensation for the performance of his or her duties as a director, officer or committee member.

Article 18. Incorporator.

The name and address of the Incorporator is as follows:

Tyrone T. Bongard, Esq.
777 S. Flagler Drive, Suite 500E
West Palm Beach, Florida 33401

Article 19. Severability. Invalidation of any of the provisions of these Articles of Incorporation by judgment or court order shall in no way affect any other provision, and the remainder of these Articles of Incorporation shall thereafter remain in full force and effect.

IN WITNESS WHEREOF, the Incorporator has executed these Articles of Incorporation of the 30th day of March, 2023.

/s/ Tyrone T. Bongard

Tyrone T. Bongard, Incorporator

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MAR 30 PM 12:35
CLERK OF DISTRICT COURT
JULIA WASSERMAN, CLERK

ACCEPTANCE OF APPOINTMENT AS REGISTERED AGENT

Having been named as the registered agent and to accept service of process for the above-stated Florida corporation not-for-profit, at the place designated in these Articles, CORPORATION SERVICE COMPANY hereby accepts the appointment as registered agent and agrees to act in this capacity. CORPORATION SERVICE COMPANY further agrees to comply with the provisions of all statutes relating to the proper and complete performance of its duties, and it is familiar with, and accepts, the obligations of the position as registered agent as provided for in Chapter 617, Florida Statutes.

CORPORATION SERVICE COMPANY

By: Lea Regs
Name: Lea Regs
Title: Assistant Secretary

Dated: March 30, 2023

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23 MAR 30 PM 12:35
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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EXHIBIT C
BY-LAWS
of
COVE ROYALE HOMEOWNERS ASSOCIATION, INC.
(a Florida corporation not for profit)

ARTICLE I
DEFINITIONS

Section 1. The term "Association" as used herein, shall mean Cove Royale Homeowners Association, Inc., a Florida corporation not for profit, its successors or assigns.

Section 2. All terms which are defined in the DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS FOR COVE ROYALE, recorded in the Public Records of Martin County, Florida, and any amendments or supplements thereto (hereinafter referred to as the "Declaration") and the Articles of Incorporation of the Association, shall be used herein with the same meanings as defined in the Declaration or Articles of Incorporation, as the case may be.

ARTICLE II
LOCATION OF PRINCIPAL OFFICE

The principal office of the Association shall be located at 105 NE 1st St, Delray Beach, FL 33444, or at such other place as may be established by resolution of the Board of Directors.

ARTICLE III
MEMBERS' VOTING RIGHTS

Section 1. Voting rights shall be set forth in the Articles of Incorporation.

Section 2. Every Owner of a Lot or Unit shall be deemed to have membership in the Association. No Person who holds an interest in a Lot or Unit only as security for the performance of an obligation shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot or Unit. There shall be one vote appurtenant to each Lot or Unit. For the purposes of determining who may exercise the voting rights associated with each Lot or Unit, the following rules shall govern:

(a) If a Lot or Unit is owned by husband and wife, either the husband or wife (but not both) may exercise the voting rights with respect to a Lot or Unit. In the event the husband and wife cannot agree, neither may exercise the voting rights.

(b) In the event that any trust owns a Lot or Unit, the Association shall have no obligation to review the trust agreement with respect to such trust. The Association shall be governed by the following examples with respect to trusts:

(i.) If a Lot or Unit is owned by Robert Smith, as Trustee, Robert Smith shall be deemed the Owner of the Lot or Unit for all Association purposes.

- (ii.) If the Lot or Unit is owned by Robert Smith as Trustee for the Laura Jones Trust, then Robert Smith shall be deemed the Member with respect to the Lot or Unit for all Association purposes.
- (iii.) If the Lot or Unit is owned by the Laura Jones Trust, and the deed does not reference a trustee, then Laura Jones shall be deemed the Member with respect to the Lot or Unit for all Association purposes.
- (iv.) If the Lot or Unit is owned by the Jones Family Trust, the Jones Family Trust may not exercise its voting rights unless it presents to the Association the identification of the person who should be treated as the Member with respect to the Lot or Unit for all Association purposes.
- (v.) If Robert Smith and Laura Jones, as Trustees, hold title to a Lot or Unit, either trustee may exercise the voting rights associated with such Lot or Unit in the absence of a designation signed by both trustees that only one such trustee is authorized to vote. In the event of a conflict between trustees, the voting rights for the Lot or Unit in question cannot be exercised.
- (vi.) In the event that any other trust ownership is presented to the Association, the decision of the Board as to who may exercise the voting rights with respect to any Lot or Unit shall be final. The Association shall have no obligation to obtain an attorney opinion letter in making its decision, which may be made on any reasonable basis.

(c) If a Lot or Unit is owned by a corporation, the corporation shall designate a person that is an officer, employee, or agent who shall be treated as the Member who can exercise the voting rights associated with the Lot or Unit.

(d) If a Lot or Unit is owned by a limited liability company, the limited liability company shall designate a person that is a member, manager, officer or agent who shall be treated as the Member who can exercise the voting rights associated with the Lot or Unit.

(e) If a Lot or Unit is owned by a limited partnership, any one of the general partners may exercise the voting rights associated with such Lot or Unit. By the way of example, if the general partner of a limited partnership is a corporation, then the provisions hereof governing corporations shall govern which person can act on behalf of the corporation as general partner of such a limited partnership. If a Lot or Unit is owned by a general partnership, any one of the general partners may exercise the voting rights associated with such Lot or Unit. In the event of a conflict among the general partners entitled to exercise the voting rights, the voting rights for such Lot or Unit cannot be exercised.

(f) If a Lot or Unit is owned by more than one individual, any one such individual may exercise the voting rights with respect to such Lot or Unit. In the event that there is a conflict among such individuals, the voting rights for such Lot or Unit cannot be exercised.

(g) The Association may act in reliance upon any writing or instrument or signature, whether original, facsimile or email (e.g., PDF), which the Association, in good faith, believes to

be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. So long as the Association acts in good faith, the Association shall have no liability or obligation with respect to the exercise of voting rights, and no election shall be invalidated (in the absence of fraud) on the basis that the Association permitted or denied any person the right to exercise voting rights. In addition, the Board may impose additional requirements respecting the exercise of voting rights (e.g., the execution of a voting certificate).

ARTICLE IV

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be managed by a Board of Directors consisting of an odd number with no less than three (3) persons and no more than nine (9) persons as determined by the Board at least sixty (60) days in advance of any annual Member meeting. The Board shall have the right to determine the number of Board members. Board members appointed by Declarant need not be Members of the Association. Board of Directors elected by the other Members must be Members of the Association.

Section 2. Declarant shall have the right to appoint the initial Board of Directors and thereafter a majority of the members of the Board of Directors prior to Turnover.

Section 3. "Turnover" shall occur upon the earlier of:

- (a) the date that is three (3) months after ninety percent (90%) of the total Units contemplated to be constructed within Cove Royale that will ultimately be operated by the Association have been conveyed to Persons other than Declarant or any Person who succeeds to the rights and liabilities of Declarant hereunder in a writing;
- (b) upon Declarant abandoning or deserting its responsibility to maintain and complete the amenities or infrastructure as disclosed in the Governing Documents;
- (c) upon Declarant filing a petition seeking protection under Chapter 7 of the Federal Bankruptcy Code;
- (d) upon Declarant losing title to Cove Royale through a foreclosure action or the transfer of a deed in lieu of foreclosure, unless the successor owner has accepted an assignment of developer rights and responsibilities first arising after the date of such assignment;
- (e) upon a receiver for Declarant being appointed by a circuit court and not being discharged within 30 days after such appointment, unless the court determines within 30 days after such appointment that transfer of control would be detrimental to the Association or its Members;
- (f) forty (40) years after the date on which this Declaration is recorded in the public records of Martin County, Florida; or

- (g) when, in its discretion, Declarant so determines.

Section 4. No Director shall receive compensation for any service rendered as a Director to the Association; provided, however, any Director may be reimbursed for actual expenses incurred as Director.

Section 5. A majority of the Board of Directors shall constitute a quorum to transact business at any meeting of the Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Board of Directors.

Section 6. Any vacancy occurring on the Board of Directors because of death, resignation or other termination of services of any Director, shall be filled by the Board of Directors; except that Declarant, to the exclusion of other Members and/or the Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Director appointed by Declarant. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office and shall serve until his successor shall have been elected and/or appointed and qualified.

Section 7. Except to the extent prohibited by law, the Board of Directors shall have the right to take any action without a meeting by obtaining the written approval of the required number of Directors. Any action so approved shall have the same effect as though at a meeting of the Directors.

ARTICLE V

ELECTION OF DIRECTORS;

Section 1. Subject to Article IV, Section 2 above:

- (a) Election to the Board of Directors shall be by written ballot (including votes submitted by proxy) as hereinafter provided. At an election, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Election shall be by plurality vote.
- (b) Nominations for election to the Board of Directors may be made from the floor by Members at the time of the meeting, or by other means permitted by the Board of Directors.
- (c) An election is not required unless more candidates are nominated than vacancies exist.
- (d) A Person who is delinquent in the payment of any fee, fine, or other monetary obligation to the Association for more than ninety (90) days is not eligible for Board of Directors membership. A person who has been convicted of any felony in this 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 for Board of Directors membership unless such felon'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 of Directors.

- (e) All elections to the Board of Directors shall be made by written ballot (or by proxy) which shall:
 - (i) describe the vacancies to be filled; and
 - (ii) set forth the names of those nominated as provided in Section 1(b) above.

Section 2. Each Member shall receive as many ballots as he has votes. Notwithstanding that a Member may be entitled to several votes, he shall exercise on any one (1) ballot only one (1) vote for each vacancy shown thereon. The completed ballots may be returned by mail to the Secretary or filed with the Secretary at the annual or special meeting of the Members. Only those ballots received by the Secretary on or before the date of the meeting shall be counted.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have the power:

- (a) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of ten percent (10%) of the entire voting membership, as provided in Article X, Section 2 hereof.
- (b) To appoint and remove all Officers, agents and employees of the Association, except those appointed by Declarant; prescribe their duties; fix their compensation, if any; and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.
- (c) To exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to the Members in the Declaration.
- (d) In the event that any member of the Board of Directors of the Association (other than a member appointed by Declarant) shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the seat of the absent Director to be vacant.
- (e) To employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services stated in these By-laws as the Board of Directors shall authorize.

Section 2. It shall be the duty of the Board of Directors:

- (a) To cause to be kept minutes of all its acts and corporate affairs.
- (b) To supervise all Officers, agents and employees of the Association.

- (c) To prepare financial reports required by the Florida Statutes.
- (d) To exercise all powers to vote, except where the Declaration, the Articles of Incorporation, or these By-Laws specifically require a vote of the Members.
- (e) To fix the amount of assessments against each Lot and Unit for each assessment period at least thirty (30) days in advance of the Association's fiscal year or January 1st of each year.
- (f) To prepare a roster of Owners of each Lot and Unit and the assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member at reasonable times.
- (g) To issue, or to cause any appropriate Officer (or any authorized agent) to issue, upon demand by any interested person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

Section 3. Until Turnover, Declarant shall have and is hereby granted the right to disapprove or veto any such action, policy, or program proposed or authorized by the Association, the Board of Directors, the ARC, any committee of the Association, or the vote of the Members. This right may be exercised by Declarant at any time within ten (10) days following a meeting held pursuant to the terms and provisions thereof. This right to disapprove may be used to veto proposed actions but shall not extend to the requiring of any action or counteraction on behalf of the Association, the Board or any committee of the Association.

Section 4. The Board shall have the right to delegate certain of its duties to a management agent, including, without limitation, the preparation of financial reports and preparation of a roster of Owners.

ARTICLE VII

DIRECTORS' MEETING

Section 1. A regular meeting of the Board of Directors shall be held at least semi-annually. A regular meeting of the Board of Directors shall also be held immediately following the regular annual meeting of the Members. Meetings of the Board shall be open to all Members of the Association.

Section 2. If the day for the regular meeting of the Board of Directors shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special meetings of the Board of Directors shall be held when called by the President or Vice President of the Association or by any two Directors after not less than three (3) days' notice to each Director.

Section 4. In the event of an emergency involving immediate danger of injury or death to any person or damage to property, if a meeting of the Board of Directors cannot be immediately

convened to determine a course of action, the President or, in his absence, any other Officer or Director, shall be authorized to take such action on behalf of the Association as shall be reasonably required to appropriately respond to the emergency situation, including the expenditures of Association funds in the minimum amount as may be reasonably required under the circumstances. The authority of Officers to act in accordance herewith shall remain in effect until the first to occur of the resolution of the emergency situation of meeting of the Board of Directors convened to act in response thereto.

Section 5. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records of the Association and made a part of the minutes of the meeting.

Section 6. A majority of the Board of Directors shall constitute a quorum thereof.

Section 7. The Board of Directors shall cast votes in the manner provided in the Florida Statutes. In the absence of a statutory provision, the Board shall establish the manner in which votes will be cast.

Section 8. Nothing herein shall restrict or prohibit members of the Board of Directors from participation in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.

Section 9. Notices of meetings of the Board shall be posted in a conspicuous place in Cove Royale at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in Cove Royale, notice of each board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. The Board may adopt a reasonable alternative to posting or mailing of notice for each meeting of the Board, including publication of notice, provision of a schedule of Board meetings, or the conspicuous posting and repeated broadcasting of the notice on a closed-circuit cable television system serving the Association. However, if broadcast notice is used in lieu of a notice posted physically in Cove Royale, the notice must be broadcast at least four (4) times every broadcast hour of each day that a posted notice is otherwise required. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Notice of meetings of the Board by electronic transmission, shall be allowed; however, a Member must consent in writing to receiving notice by electronic transmission.

ARTICLE VIII

OFFICERS

Section 1. The Officers of the Association shall be a President, a Secretary and a Treasurer and such other Officers as may be deemed necessary or appropriate by the Board of Directors. The President shall be a member of the Board of Directors.

Section 2. The Officers shall be chosen by a majority vote of the Board of Directors.

Section 3. All Officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, leases, mortgages, deeds and all other written instruments. The President shall not be the Secretary.

Section 5. The Secretary of the Association shall be the Secretary of the Board of Directors, shall record the votes and keep minutes of all proceedings in a minute book to be kept for that purpose. He/she shall sign certificates of membership, if any. He/she shall keep the official records of the Association. He/she shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 6. The Treasurer shall receive and deposit in appropriate bank accounts, insured by the FDIC, all monies of the Association and shall disburse such funds as directed by resolution of the Board; provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer may sign all checks of the Association, provided that such checks shall also be signed by one (1) Director. However, in the event that the Treasurer is unavailable, checks may be signed by any two (2) Directors. The Treasurer shall keep books of account according to generally accepted accounting principles consistently applied and cause an annual audit, review, or compilation, of the Association's books to be made by an auditor, accountant, or a certified public accountant at the completion of each fiscal year. He/she shall prepare an annual budget, an annual balance sheet statement and an annual statement of operations, and the balance sheet statement and statement of operations shall be presented to the membership at its regular annual meeting.

ARTICLE IX

COMMITTEES

Section 1. The Board of Directors may create committees including, but not limited to: (a) Recreation Committee; (b) Maintenance Committee; and (c) Finance and Audit Committee. Unless otherwise provided herein, each committee shall consist of a Chairman and two (2) or more Members and shall include a member of the Board of Directors. Committee members may be appointed by the Board of Directors to serve at the discretion of the Board. The Board of Directors may create, from time to time, such other committees as it deems desirable. All committees shall perform such functions as the Board in its sole discretion determines is necessary.

Section 2. The Recreation Committee, if created by the Board of Directors, shall advise the Board on all matters pertaining to any recreational program and activities of the Association, and shall perform such other functions as the Board, in its discretion, determines necessary.

Section 3. The Maintenance Committee, if created by the Board of Directors, shall advise the Board on all matters pertaining to the maintenance, repair or improvement of the property of the Association, and shall perform such other functions as the Board, in its discretion, determines necessary.

Section 4. The Finance and Audit Committee, if created by the Board of Directors, shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the Board of Directors at a regular Board of Directors meeting. The Treasurer shall be an ex officio member of the committee.

Section 5. It shall be the duty of each committee, if created, to receive complaints and suggestions from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints and suggestions, as it deems appropriate or refer them to such other committee, Director or Officer of the Association as is further concerned with the matter presented.

Section 6. Until Turnover, Declarant shall appoint the members of the ARC. Upon expiration of the right of Declarant to appoint members of the ARC as provided by the Declaration, the Board of Directors shall appoint the members of the ARC. As provided under the Declaration, the Association shall have the authority and standing to seek enforcement in the courts of competent jurisdiction any decisions of the ARC.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the Members shall be held on or before the last day of the fourth month after the fiscal year end of the Association, or as soon as practicable thereafter at a time to be set by the Board of Directors. If the day for the annual meeting of the Members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the Members for any purpose may be called at any time by a majority of the members of the Board of Directors, or upon written request of the Members who have the right to vote ten percent (10%) of all of the votes of the entire membership. The business to be conducted at a special Members meeting shall be limited to the extent required by Florida Statutes.

Section 3. Notice of any meeting of Members shall be given to the Members by the Secretary or a management company for the Association. Notice may be given to the Member either personally, electronically transmitted (so long as the Member consents to the delivery of notice by electronic transmission) or by sending a copy of the notice through the mail, postage prepaid, to his address appearing on the books of the Association. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed by him to such address. In addition to mailing, delivering, or electronically transmitting the notice of any meeting, the Association may, by

reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Notice of any meeting, regular or special, shall be delivered or mailed at least fourteen (14) days in advance of the meeting (unless a different length of time is provided for elsewhere in these By-Laws, the Articles of Incorporation or the Declaration) and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve an election governed by Article V hereof, or any action governed by the Articles of Incorporation or by the Declaration, notice of such meeting shall be given or sent as therein provided. The notice shall specify the place, day, and hour of the meeting and, in the case of a special Members meeting, the purpose of the meeting. Alternatively, and to the extent not prohibited by the Florida Statutes, the Board may adopt from time to time, other procedures for giving notice to the Members of the annual meeting or a special meeting.

Section 4. The presence at the meeting of Members, or their proxies, entitled to cast thirty percent (30%) of the votes of the entire membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the Declaration, shall require a quorum as therein provided. If however, a quorum shall not be present at the Members meeting, the meeting may be adjourned as provided in the Florida Statutes. In the absence of a provision in the Florida Statutes, the Members present shall have power to adjourn the meeting and reschedule it on another date.

ARTICLE XI

PROXIES

Section 1. At all meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of ninety (90) days after the date of the first meeting for which it was given, and every proxy shall automatically terminate upon sale by the Member of his or her Lot or Unit.

Section 3. A Member shall not be entitled to appoint more than one (1) proxy to attend on the same occasion and an instrument of proxy shall be valid only for the occasion for which it is given and may be in the following form or any other form which the Board of Directors shall approve:

I, _____ being a member in good standing of
Cove Royale Homeowners Association, Inc. hereby appoint
_____ as my proxy to vote for me and on my behalf at the
meeting of Members to be held at _____ (location), on
the _____ day of _____, _____ at _____ (time), and any
adjournment(s) thereof.

Signed this _____ day of _____.

Signature of Member

_____, as shown on the Plat of _____.

ARTICLE XII
OBLIGATIONS OF THE ASSOCIATION

Section 1. The Association must maintain and make available, during reasonable business hours, to inspection by any Member, the books, records and papers of the Association.

Section 2. The Association must supervise all Officers, agents, and employees, and see to it that their duties are properly performed.

Section 3. The Association shall fix and collect the amount of the Assessments against, or due from Members. All Assessments and installments thereof not paid when due shall be assessed a late charge as described in the Declaration, commencing from the due date, and costs of collection thereof, and may result in the suspension of a Member's right to use the Common Areas (without prohibiting the right of that Member to have vehicular and pedestrian ingress to an egress from his or her Lot or Unit, including, but not limited to, the right to park) and, subject to applicable law, any other privileges of membership during any period of such nonpayment.

Section 4. The Association shall have powers including but not limited to:

- (a) Issuing, or causing an appropriate Officer or agent to issue, upon demand by any Person, a certificate setting forth whether or not Assessments have been paid and any other amounts due to the Association. A charge may be made by the appropriate Officer or agent for the issuance of the certificate. If the certificate states that Assessments have been paid, such certificate shall, as against all parties other than the Owner, be conclusive evidence of such payment.
- (b) Procuring and maintaining adequate bonds, liability, hazard, property, and/or casualty insurance, as required.
- (c) Administering the reconstruction after the casualty of improvements on the Common Areas, as required.
- (d) Operating, maintaining, repairing, and replacing the Common Areas.
- (e) Enforcing the provisions of the Declaration, the Articles of Incorporation, these By-Laws, and the Rules and Regulations.

ARTICLE XIII
ENFORCEMENT OF THE PROVISIONS OF THE DECLARATION,
BY-LAWS OR RULES OF THE ASSOCIATION

Section 1. The Board may suspend, for a period of time, the right of a Member, or a Member's tenant, guest, or invitee, to use Common Areas and facilities for the failure of the Owner of a Lot or Unit or its occupant, licensee, or invitee to comply with any provision of the Declaration, these By-Laws, or reasonable rules of the Association in accordance with Chapter 720, Florida Statutes.

Section 2. The Board shall have the power to levy Specific Assessments against a particular Lot or Unit as follows: The Board may levy reasonable fines of up to \$150 per violation against any Owner of a Lot or Unit's tenant, guest, or invitee for the failure of the Owner of a Lot or Unit or its occupant, licensee, or invitee to comply with any provision of the Declaration, these By-Laws, or the Rules and Regulations of the Association. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$5,000 in the aggregate. A fine of less than \$1,000 may not become a lien against a Lot or Unit. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from the nonprevailing party as determined by the court.

Section 3. A fine or suspension may not be imposed by the Board without at least fourteen (14) days' notice to the Owner of a Lot or Unit sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) Members appointed by the Board who are not Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. The role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the Board. If the Board imposes a fine or suspension, the Association must provide written notice of such fine or suspension by mail or hand delivery to the Owner and, if applicable, to any tenant, occupant, guest, licensee, or invitee of the Owner.

ARTICLE XIV

CORPORATE SEAL

The Association may adopt a seal, and if adopted, shall be in circular form having within its circumference the words:

Cove Royale Homeowners Association, Inc.

ARTICLE XV

AMENDMENTS

Section 1. Prior to Turnover, Declarant shall have the right to amend these By-Laws as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Declarant's right to amend under this provision is to be construed as broadly as possible. In the event that the Association shall desire to amend these By-Laws prior to Turnover, the Association must first obtain Declarant's consent, which may be withheld in Declarant's sole and absolute discretion. Thereafter, an amendment identical to that approved by Declarant may be adopted by the Association pursuant to the requirements for amendments after Turnover. Thereafter, Declarant

shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

Section 2. These By-Laws may be amended, at any regular or special meeting of the Board of Directors at which there is a quorum, by a vote of a majority of the Directors present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of the Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

Section 3. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control; and in the event of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

Section 4. Notwithstanding the foregoing, no amendment to these By-Laws shall be effective which prejudices or otherwise detrimentally affects any of the rights or privileges of Declarant, without Declarant's prior written consent.

ARTICLE XVI

MISCELLANEOUS

Section 1. The first fiscal year shall begin on the date of incorporation and end December 31 of that year. Thereafter, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 2. Whenever in these By-Laws the context so requires, the use of any gender shall be deemed to include all genders.

Section 3. Whenever these By-Laws refer to the Florida Statutes, it shall be deemed to refer to the Florida Statutes, as they exist on the date these By-Laws are recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

Section 4. Invalidation of any of the provisions of these By-Laws by judgment or court order shall in no way affect any other provision, and the remainder of these By-Laws shall remain in full force and effect.
