

**AMENDMENT TO ROLLING HILLS ESTATES
COMMUNITY DECLARATION OF EASEMENTS,
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS AMENDEMENT is made as of the 11 day of October, 2002
by FORMOSA GARDENS HOMES, INC., a Florida corporation (the "Declarant").

WITNESSETH:

WHEREAS, Declarant made and recorded that certain Rolling Hills Estates Community Declaration of Easements, Covenants, Conditions and Restrictions, dated September 29, 1997, and recorded in Official Records Book 1438, Page 1431, Public Records of Osceola County, Florida, as amended (the "Declaration"), initially pertaining to the Plat of ROLLING HILLS ESTATES UNIT 1 AT FORMOSA GARDENS, recorded in Plat Book 10, Pages 29 through 31, inclusive, Public Records of Osceola County, Florida; and

WHEREAS ARTICLE XV, SECTION I of the By Laws provides that the Board shall have the right to amend the By Laws.

Now, therefore, the Board hereby amends the By Laws as follows:-

ARTICLE III, Section I is hereby deleted and the following is hereby substituted:-

ARTICLE III

MEETING OF THE MEMBERS

Section I - Annual Meeting:- There shall be an annual meeting of the members of the corporation at such place as may be designated, on the second Tuesday of January each year, if not a legal holiday under the laws of the State of Florida, and if a legal holiday, then on the third Tuesday, at 7.00 p.m., for the transaction of such business as may come before the meeting.

LARRY WHALEY 2P
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT

CL 2002174655 OR

Except as amended herein, the Declaration shall remain unmodified.

IN WITNESS WHEREOF, Declarant has hereunto executed this instrument as of the date first written above.

Signed, sealed and delivered
in the presence of:

ROLLING HILLS ESTATES COMMUNITY
OWNERS' ASSOCIATION, INC.,
a Florida corporation, by



Printed Name: Cheryl Hubka



Paul Phillips, President
7989 Magnolia Bend Court
Kissimmee, FL 34747




Printed Name: MARJORIE JERDE

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 11 day of
OCTOBER, 2002, by Paul Phillips, as President of ROLLING HILLS ESTATES
COMMUNITY OWNERS' ASSOCIATION, INC., a Florida corporation, on behalf of the
corporation. He is personally known to me.

NOTARY PUBLIC

Signature: 

Printed Name: GURMANN MEYER

State of Florida at Large
MY COMMISSION EXPIRES:



STATE OF FLORIDA, COUNTY OF OSCEOLA, HEREBY CERTIFY
that the above is a true and correct copy of the
original document as it appears in the public records.
LARRY WHALEY, Clerk Circuit Court

Dated 10/14/02 By K. Caumack a.g.



G M Glaser
My Commission DD077492
Expires March 12, 2008

This Instrument Prepared by
and Return to:
DWIGHT I. COOL, ESQUIRE
Pohl & Short, P.A.
280 West Canton Ave., Suite 410
Post Office Box 3208
Winter Park, Florida 32790

LARRY WHALEY 2p
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT
CL 99145314 OR 1662/1404
AML Date 10/09/1999 Time 08:43:47

**AMENDMENT TO ROLLING HILLS ESTATES
COMMUNITY DECLARATION OF EASEMENTS,
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS AMENDMENT is made as of the 23rd day of September 1999, by
FORMOSA GARDENS HOMES, INC.. a Florida corporation (the "Declarant").

WITNESSETH-

WHEREAS, Declarant is the successor declarant under that certain Rolling Hills Estates Community Declaration of Easements, Covenants, Conditions and Restrictions, dated September 29, 1997, and recorded in Official Records Book 1438, Page 1431, Public Records of Osceola County, Florida, as amended (the "Declaration"), initially pertaining to the Plat of Rolling Hills Estates Unit I at Formosa Gardens, as recorded in Plat Book 10, Pages 29-31, inclusive. Public Records of Osceola County, Florida; and

WHEREAS, Section 94 of the Declaration provides that Declarant shall have the right, in its sole discretion, to amend the Declaration until Declarant sells or conveys the last lot in the subdivision; and

WHEREAS, Declarant has not sold or conveyed the last lot in the subdivision; and

WHEREAS, Declarant desires to amend the Declaration as set forth in this Amendment;

NOW THEREFORE, Declarant hereby declares that the Declaration is amended as follows:

1. Paragraph 40 of the Declaration is hereby deleted in its entirety.
2. Except as amended herein, the Declaration shall remain unmodified.

CL 99145314

OR 1662/1405

IN WITNESS WHEREOF, Declarant has hereunto executed this instrument as of the date first written above.

Signed, sealed and delivered
in the presence of:

FORMOSA GARDENS HOMES, INC., a
Florida corporation

Marjorie Jerde
Printed Name: MARJORIE JERDE

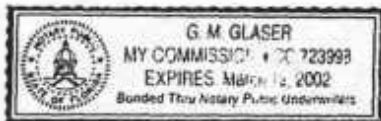
Rita A
Printed Name: Rita A. Anante

By: George Chen
George Chen, President
Address: 7836 W. Highway 192
Kissimmee, FL 34747

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 23rd day of September, 1999, by George Chen, as President of FORMOSA GARDENS HOMES, INC., a Florida corporation, on behalf of the corporation. He is ☒ personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)



NOTARY PUBLIC

Signature: G. M. Glaser
Printed Name: G. M. Glaser
State of Florida at Large
My Commission Expires: 3-12-02

This Instrument Prepared by
and Return to:
DWIGHT I. COOL, ESQUIRE
Pohl & Short, P.A.
280 West Canton Ave., Suite 410
Post Office Box 3208
Winter Park, Florida 32790

LARRY WHALEY ^{2p}
OSCEOLA COUNTY, FLORIDA
CLERK OF CIRCUIT COURT
CL 98116158 OR 1539/ 704
MMK Rec. Date 09/30/98 Time 15:21

**AMENDMENT TO ROLLING HILLS ESTATES
COMMUNITY DECLARATION OF EASEMENTS,
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS AMENDMENT is made as of the 24th day of September 1998, by
FORMOSA GARDENS HOMES, INC., a Florida corporation (the' "Declarant").

WITNESSETH:

WHEREAS, Declarant made and recorded that certain Rolling Hills Estates Community Declaration of Easements, Covenants, Conditions and Restrictions, dated September 29, 1997, and recorded in Official Records Book 1438, Page 1431, Public Records of Osceola County, Florida, as amended (the "Declaration"), initially pertaining to the Plat of ROLLING HILLS ESTATES UNIT I AT FORMOSA GARDENS, recorded in Plat Book 10, Pages 29 through 31, inclusive. Public Records of Osceola County, Florida; and

WHEREAS, Section 94 of the Declaration provides that Declarant shall have the right, in its sole discretion, to amend the Declaration until Declarant sells or conveys the last lot in the subdivision; and

WHEREAS, Declarant has not sold or conveyed the last lot in the subdivision; and

WHEREAS, Declarant desires to amend the Declaration as set forth in this Amendment;

NOW THEREFORE, Declarant hereby declares that the Declaration is amended as follows:

I. Section 25 is hereby deleted and the following is hereby substituted therefor:

25. Use of Lots. All Lots shall be used only for residential purposes. No business or business activity shall be conducted upon any Lot at any time except with the written approval of the Association. Leasing of a Lot for purposes of

human habitation (including long-term and short-term rentals) shall not be considered a business activity and shall be permitted.

2. Except as amended herein, the Declaration shall remain unmodified.

IN WITNESS WHEREOF, Declarant has hereunto executed this instrument as of the date first written above.

Signed, sealed and delivered
in the presence of:

[Signature]
Printed Name: JAMES P. SAUSGURT

Ingrid M. Claudio
Printed Name: Ingrid M Claudio

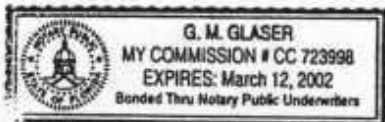
FORMOSA GARDENS HOMES, INC., a
Florida corporation

By: [Signature]
George Chen, President
Address: 7836 W. Irlo Bronson Highway
Kissimmee, FL 34747

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 24 day of September, 1998, by George Chen, as President of FORMOSA GARDENS HOMES, INC., a Florida corporation, on behalf of the corporation. He is [☒] personally known to me or [☐] has produced _____ as identification.

NOTARY PUBLIC



Signature: [Signature]
Printed Name: Gumbryn M Glaser
State of Florida at Large
MY COMMISSION EXPIRES: 3-12-2002

(NOTARY SEAL)

This Instrument Prepared by
and Return to:
DWIGHT 1. COOL, ESQUIRE
Pohl & Short, P.A.
280 West Canton Ave., Suite 410
Post Office Box 3208
Winter Park, Florida 32790

LARRY WHALEY 48P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA
CL 97101121 OR 1438/1431
MMK Rec. Date 10/01/97 Time 15:18

ROLLING HILLS ESTATES COMMUNITY DECLARATION OF EASEMENTS, COVENANTS. CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS is made as of 29th day of September 1997 by FORMOSA GARDENS HOMES, INC., a Florida corporation (the "Declarant").

BACKGROUND

Declarant has the right to impose easements, covenants, conditions, and restrictions on the real property located in Osceola County, Florida that is described in Exhibit "A" attached hereto and made a part hereof by reference (the "Property"). Declarant desires to establish and impose upon the Property a general plan for development and operation of a single-family detached residential subdivision thereon, and for the purpose of enhancing and protecting the value and desirability of the Property for its present and future owners. Declarant is imposing the easements, covenants, conditions, and restrictions that are set out below for these purposes.

NOW THEREFORE, Declarant hereby imposes upon the Property, and subjects the Property to, the easements, covenants, conditions, and restrictions (the "Restrictions") set forth below. Hereafter, the Property and all portions thereof shall be held, and all dispositions of the Property or any portion thereof or interest therein (whether by sale, lease, mortgage, or otherwise) shall be subject to, this Declaration. These Restrictions shall run with the land, shall burden and inure to the benefit of every portion of the Property, and shall apply and be binding upon all parties having or acquiring any right, title, licenses or interest in the Property or any portion thereof.

DEFINITIONS

1. **Definitions.** The following terms when used in this Declaration shall have the definitions ascribed to them below, except where the context clearly indicates a different meaning:

A. "Articles" shall refer to the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit "B", as they be from time to time amended or supplemented.

B. "Assessments" shall refer to charges levied against the Owners and their properties by the Association from time to time as more fully provided below.

C. "Association" shall refer to a Florida not-profit corporation to be formed to enforce this Declaration, to own, manage, and maintain the Common Area, to levy Assessments, and to perform such other functions as may be specified in this Declaration or in another Governing Document.

D. "Board" shall refer to the Board of Directors of the Association.

E. "Bylaws" shall mean the Bylaws of the Association, a copy of which is attached hereto as Exhibit "C", as they may from time to time be amended or supplemented.

F. "Common Areas" shall refer to those easements and areas of land, and improvements thereon, if any, that the Association owns for the common use, benefit, and enjoyment of all Owners and such other areas as may be designated as Common Areas herein or on the plat.

G. "Conservation Areas" shall refer to all portions of the Property designated in this Declaration, on a recorded plat, in the Master Declaration, or in drainage, DRJ, or other permits or order affecting the Property, as wetlands, buffer, conservation easements, and other areas designated as "conservation areas", that must not be developed or improved and that must be maintained in their natural state.

H. "Declarant" shall refer to FORMOSA GARDENS HOMES, INC., a Florida corporation, and successors and assigns.

I. "Declaration" shall refer to this instrument and to all amendments and supplements hereto.

J. "Design Standards" shall refer to documents promulgated (or to be promulgated) by the Declarant and the Master Association, as amended from time to time, setting forth design standards, specifications, and other criteria to be used by the Master Association in approving or disapproving proposed Improvements within Formosa Gardens, for ensuring proper maintenance of properties within Formosa Gardens, and for determining compliance with the Master Declaration. The Design Standards may include guidelines, specifications, and criteria for design of Improvements and landscaping such as site planning, construction, signage, lighting, landscaping, parking, and utilities.

K. "Formosa Gardens", shall refer to the real estate development located in Osceola County, Florida of which the Property is part.

L. "Governing Documents" shall refer to this Declaration, the Master Declaration, the Bylaws, and the Articles. In the event of conflict or inconsistency among the Governing Documents applicable to the Association, to the extent permitted by law, the Master Declaration, the Declaration, the Articles, and the Bylaws, in that order, shall control. In the event of conflict or inconsistency between the Governing Documents for the Master Association and the Association's Governing Documents, to the extent permitted by law, the Governing Documents for the Master Association shall control. One Governing Document's lack of a provision with respect to a matter for which provision is made another Governing Document shall not be deemed a conflict or inconsistency between such Governing Documents.

M. "Improvements" shall refer to all structures of any kind, including without limitation buildings, fences, walls, signs, painting, grating, parking, landscaping, recreational structures, utility and drainage facilities and all other objects placed upon or changes made to, any portion of the Property.

N. "Lot" shall refer to those portions of the Property identified as individual lots on the Plat, and all buildings and Improvements thereon.

O. "Master Association" shall refer to the Formosa Gardens Master Association, Inc., a Florida corporation not-for-profit.

P. "Master Declaration" shall refer to that Master Declaration of Easements, Covenants, Conditions and Restrictions for Formosa Gardens recorded in Official Records Book 1037, page 1864, Public Records of Osceola County, Florida, and all amendments and supplements thereto.

Q. "Member" shall refer to members of the Association as determined pursuant to this Declaration and other Governing Documents.

R. "Owner" shall refer to the record owner of fee simple title for a Lot but excluding those having an interest in a Lot merely as security for the performance of an obligation.

S. "Plat" shall refer to that certain plat entitled ROLLING HILLS ESTATES UNIT 1 AT FORMOSA GARDENS and recorded in Plat Book 10, pages 29-31, inclusive, Public Records of Osceola County, Florida.

T. "Property" shall refer to all real property made subject to this Declaration including such property as may from time to time be annexed under other provisions of this Declaration.

U. "Restrictions" shall refer to all terms, provisions, easements, covenants, conditions, restrictions, and other requirements imposed upon the Property by this Declaration.

The foregoing definitions shall also apply to variations of the defined terms (for example, the definition for a term defined in the singular shall also apply to uses herein of that term in the plural).

MASTER DECLARATION AND USE
OF COMMON AREA

2. Incorporation of Master Declaration. This Declaration supplements the Master Declaration. The Master Declaration is incorporated herein by reference; and the Property is hereby declared subject to all provisions of the Master Declaration. Unless the conflicting provision of this Declaration specifically states that it controls notwithstanding other contrary or conflicting provisions, the provisions of the Master Declaration shall control over conflicting, contradictory, or inconsistent provisions of this Declaration. To the extent possible, the provisions of the Declaration are to be interpreted consistently with the Master Declaration. Except where the particular provision or the context require otherwise, the Property and the Lots shall be deemed "Property" and "Property Units", respectively, within the meaning of the Master Declaration. The Association shall be deemed a "Community Association" under the Master Declaration. All other defined terms in the Master Declaration shall have the same meaning herein as was given in the Master Declaration unless this Declaration prescribes a different definition for that term.

3. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights to use of the Common Area by an Owner for any period during which any Assessments against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of the Association's published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective, and no mortgaging of the Common Area shall be effective, unless an instrument agreeing to such dedication, transfer or mortgaging signed by 2/3rds of each class of Members has been recorded.

- (d) The right of the Association to promulgate rules, regulations, and restrictions upon the use of the Common Area, and subject to conditions and restrictions in this Declaration;
- (e) The restrictions imposed on use of Common Areas in this Declaration and the Master Declaration.

4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association, his right of enjoyment to the Common Area and facilities thereon to the members of his family, his guests, his tenants, or contract purchaser who reside on the Lot. Otherwise, this right of enjoyment may not be delegated, but shall accompany and be appurtenant to ownership of a Lot.

5. Owner's Easement for Ingress and Egress. If ingress or egress to any Lot is through the Common Area, any conveyance or encumbrance of such Common Area is subject to such Lot Owner's easement for ingress and egress.

6. Conveyance of Common Area to the Association. The Common Area shall be conveyed to the Association free and clear of all encumbrances before FHA or VA insure then-first mortgage within the Property.

MEMBERSHIP AND VOTING RIGHTS

7. Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. If additional properties are by annexation made subject to this Declaration, unless the annexation instrument prescribes otherwise, those additional properties shall be subject to the Association's jurisdiction, and the owners of those properties will be Members of the Association.

8. Class A Membership. Each Lot shall be allocated and entitled to one vote in any Association matter requiring a vote of the Members. When a Lot is owned by more than one person or entity, all such persons or entities shall be Members, but in no event shall more than one vote be cast with respect to their Lot. When a Lot is owned by more than one person or entity, those persons or entities shall designate one of them for the purpose of casting the vote that is appurtenant to their Lot. When a Lot is owned by an entity, the entity shall designate in writing a partner, officer, employee or other designee of the entity for the purpose of casting the vote that is appurtenant to the entity's Lot. All such designations shall be in accordance with the terms and provisions of the Bylaws.

9. Class B Membership. Notwithstanding any contrary language in this Declaration, Declarant may appoint all members of the Board and shall otherwise retain control of the Association, until the earlier of the following events:

- (a) Six (6) months after fee title of one hundred percent (100%) of the Lots has been conveyed by Declaration to Owner other than Declarant; or
- (b) Such earlier date as Declarant may determine in Declarant's discretion.

Until one of the foregoing events occurs. Declarant will be deemed to possess no less than all of the votes that may be necessary to allow Declarant to control the outcome of any decision or vote of the Association.

COVENANT FOR MAINTENANCE ASSESSMENTS

10. **Creation of the Lien and Personal Obligations of Assessments.** The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of an Lot by acceptance of a deed therefor (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association: (1) annual assessments or charges ("Annual Assessment") and (2) special assessments ("Special Assessment"), all of such assessment and charges to be established and collected as provided below. The Annual and Special Assessments, together with all interest, cost, reasonable attorney's fees, and other monies for whatever reason owed by an Owner to the Association, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made and upon all other portions of the Property owned by that Owner. Each Assessment, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment fell due. The Annual Assessment shall be allocated and assessed equally among the Owners, except during any guarantee period that may be provided for in any contract for the sale and purchase of a Lot between Declarant and as Owner. Assessments will commence with respect to a Lot after ownership of that Lot has been transferred by the Declarant to a third party or after Declarant constructs a permanent improvement on a Lot and that improvement is occupied.

11. **Purpose of Assessments.** The Assessment levied by the Association shall be used exclusively to promote the recreation, health, safety (including security measures for the subdivision), and welfare of the residents in the Property and of the homes situated upon the Property, for the improvement and maintenance of the Common Areas, and for fulfilling the functions of the Association pursuant to the Governing Documents.

12. **Fund Reserves.** The Annual Assessment shall include reserves for establishing and maintaining an adequate reserve fund for the periodic maintenance, repair, and replacement of Improvements to the Common Area, and for other purposes.

13. **Special Assessments.** In addition to the Annual Assessment, the Association may levy Special Assessments for the purpose of defraying the cost of extraordinary items of expense, emergencies, or other non-recurring expenses, such as the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures, equipment and personal property. Provided, however, that any such Special

Assessment must be consented to by a majority vote of the Board. Special Assessments shall be allocated and assessed equally among the Owners' Special Assessments shall be paid within thirty (30) days after notice of such Assessment sent to the Owner, unless otherwise provided in such notice by the Association.

14. Assessment Obligation of Declarant. Notwithstanding any contrary provision hereof, after the commencement of assessment payments Declarant, on behalf of itself and its successors and assigns, covenants and agrees to pay the full amount of the Assessment provided herein but only for each Lot that Declarant owns containing an occupied residence. Each Lot owned by Declarant which does not contain an occupied residence shall not be subject to assessment. Notwithstanding anything to the contrary in this Declaration, the Declarant may contribute Assessment due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called "in-kind contributions"). The amount by which Assessment shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like material from three (3) independent contractors approved by the Declarant who are in the business of providing those services and materials. If the Association and the Declarant are still unable to agree on the value, the value shall be deemed to be the average of the bids received from the independent contractors.

15. Establishing Annual Assessment. Each year, the Board shall prepare an estimated Annual Operating Budget (hereinafter referred to as the "Budget") not less than thirty (30) days prior to the commencement of the next fiscal year of the Association. Each Budget so prepared by the Board shall reflect the estimated annual expense of the Association for the applicable year and shall be subject to the approval of a majority of the Board present, in person or by proxy, at a meeting of the Board duly called for that purpose at which a quorum is present. Upon rendition of each year's Budget, the Board shall allocate an equal share of the annual expense of the Association to each Lot (except unimproved Lots belonging to Declarant). In the event additional Lots are added to the Property to which a share of the annual expenses of the Association should be allocated, then the Annual Assessment shall be adjusted quarterly to allow for the proper allocation of the annual expenses among those Lots existing as of the date of such adjustment. Upon the adoption of a Budget, the Board shall, not less than thirty (30) days prior to the due date of the applicable Assessment pursuant to the adopted Budget, provide written notice to each Owner, informing the Owner of the amount due and the due date thereof.

16. Working Capital Contributions. The Declarant may, but shall not be obligated to, establish a working capital fund for the initial operation of the Association. Working capital contributions may be collected by the Declarant from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to two (2) months of the Annual Assessment for each Lot. Each Lot's share of the working capital fund shall be collected and transferred to the Association at the time of the closing of the sale of each Lot, and shall be

maintained in a segregated account for the use and benefit of the Association. The purpose of such working capital fund is to ensure that the Association's Board will have sufficient cash available to meet unforeseen expenditures, or to acquire additional equipment, personal property, and services deemed necessary or desirable by the Board. Amounts paid into such fund are not to be considered as advance payments of Annual or Special Assessments.

17. Non-Payment of Assessment: Liens for Assessments. Regardless of how title is acquired, an Owner, including a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the Owner. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessment against the grantor up to the time of conveyance, without regard to any right the grantee may have to recover from the grantor the amount paid by the grantee. The liability for Assessments may not be voided by waiver of the use or enjoyment of any Common Area or other privilege or amenity, or by the abandonment of the Lot against which the Assessments are made, or otherwise.

Assessment, and installments thereof, not paid in full within ten (10) days from the date when they are due, shall bear interest at the highest lawful rate from the due date until paid in full. Additionally, the Board may levy a late fee of twenty-five dollars (\$25.00) for each month the Assessment remains unpaid, beginning with the original due date. Such late charges are not to be considered additional interest on unpaid Assessments. The Association has a lien on each Lot for any unpaid Assessment on such Lot, with interest, and for late charges, reasonable Attorneys' fees at both trial and appellate levels, and costs incurred by the Association incident to collection of the Assessment or enforcement of the lien. The lien is effective from and after the recording of a Claim of Lien in the Public Records of Osceola County, stating the description Lot, the name of the record Owner, the amounts due and due dates. The lien is in effect until all sums secured by it have been fully paid or until barred by law. The person making full payment is entitled to a release of the lien. The Association may bring an action to foreclose a lien for unpaid Assessment in the same manner as a mortgage of a real property is foreclosed, and may also bring an action at law to recover a money judgment for unpaid Assessment without waiving its right under any Claim of Lien. If an Owner shall be in default in the payment of an Assessment or any part thereof, the Board may accelerate the remaining installments for Assessments for the fiscal year, upon notice to Owner, whereupon the unpaid balance of the Assessment due for the remainder of the fiscal year shall become immediately due and payable. The Association's acceptance of any subsequent payment of any Assessment, in whole or in part, shall not be deemed a waiver of the Association's right to enforce its lien against any Lot or to enforce the Owner's obligation to pay any such Assessment as provided in this Declaration.

18. Title Acquired Through or in Lieu of Foreclosure. The lien in favor of the Association for outstanding Assessments shall be subordinate to a bona fide mortgage on any Lot, which mortgage is recorded in the Public Records of Osceola County, Florida, prior to the recording of any Claim of Lien against such Lot. A lien in favor of the Association for outstanding Assessments shall not be affected by the sale or transfer of any Lot, except that in the event a first mortgagee obtains title to a Lot through foreclosure or by deed given in lieu of

foreclosure, or in the event another person or entity acquires title to the Lot at a foreclosure sale, any such acquired of title, and his successors and assigns, shall not be liable for the outstanding Assessment pertaining to such Lot or chargeable against the former Owner which became due prior to such acquirer's acquisition of title. In the event a Claim of Lien has not been recorded by the Association prior to the recording of the foreclosed mortgage or the mortgage for which a deed is given in lieu of foreclosure, the unpaid Assessment shall be deemed to be Assessment collectible from all Owners and may, at the discretion of the Board, be reallocated and assessed against all Lots, including the Lot acquired through foreclosure or deed in lieu of foreclosure. Any foreclosure sale or transfer made in lieu of foreclosure shall not relieve the acquirer of title from the liability for, nor relieve the Lot so acquired from, the lien of any Assessments made after such acquisition of title. Notwithstanding anything contained herein to the contrary, the prior Owner of any Lot sold or transferred pursuant to a foreclosure or deed in lieu of foreclosure shall not be released from liability to the Association for any outstanding Assessment.

19. Distribution of Uncollectible Assessments. If any Assessment is uncollectible from the assessed Owner because of bankruptcy of the Owner, the Association's inability to sue the Owner, foreclosure of the Owner's Lot by prior mortgagee, or if for any other reason the Board considers an Assessment uncollectible from the assessed Owner, the Board may distribute that Assessment equally among all Lots and thereby bind the Lots and their Owners as if the amounts so distributed were assessed against those Owners.

MASTER ASSOCIATION

20. Master Association Assessments. As prescribed in the Master Declaration, the Annual Assessment shall also include assessment levied by the Master Association the collection of which is the Association's responsibility. The Association shall collect and remit to the Master Association all such assessments.

21. Authority of Master Association. Notwithstanding any contrary provision of this Declaration, the Master Association shall retain primary authority to enforce all provisions of the Master Declaration. The Master Association shall have full authority to enforce the provisions of this Declaration. Before enforcing any provision hereof, the Master Association will instruct the Association in writing to do so. If the Association fails to do so within ten (10) days after receipt of the written instructions from the Master Association, then the Master Association may proceed to enforce that provision and shall be entitled with respect thereto to exercise all powers and authority that this Declaration allows to the Association. All costs of the Master Association in enforcing the provisions hereof may be assessed against the Lots in the same manner as this Declaration prescribes for other Assessments. Notwithstanding any contrary provision of this Declaration, neither the Association nor the Owners shall have any right or authority to do any of the following without first obtaining the Master Association's written consent:

- (a) Amend or modify this Declaration or any of the Governing Documents;

- (b) Sell or otherwise transfer or convey any of the Common Areas;
- (c) Demolish Improvements on Common Areas;
- (d) Substantially modify the design or appearance of a Common Area or of Improvements thereon; or
- (e) Waive or otherwise relieve an Owner or Lot from the obligation to comply with any provision or requirement of this Declaration, the Master Declaration, or another Governing Document.

22. Obligations of Association. The Association shall faithfully and timely perform all functions and fulfill all duties and obligations of a Community Association under the Master Declaration. The Master Association shall be entitled to compel the Association's performance hereunder and under the Master Declaration by injunction or otherwise, to enforce against the Association the provisions hereof and of the Master Declaration by one or more of all available remedies at law or in equity.

23. Enforcement of Master Declaration. From time to time, at the request of the Master Association or the Declarant, the Association shall take such action as the Master Association or the Declarant shall direct in order to enforce these Restrictions or the provisions of the Master Declaration against an Owner or Lot in violation thereof, or otherwise in order to enforce these Restrictions or the provisions of the Master Declaration. It shall be the Association's obligation fully to cooperate with the Declarant and the Master Association to ensure that this Declaration and the Master Declaration are fully and timely complied with by all Owners and Residents.

24. Membership in Master Association. Pursuant to the Master Declaration, the Association is a Community Association and is subject to all terms, conditions and provisions of the Master Declaration. As a Community Association, the Association is a member of the Master Association. Also, as a Community Association, the Association has duties and obligations set forth in the Master Declaration, including, but not limited to, the following:

- (a) The Association is the voting representative for all of its Members, pertaining to matters concerning the Master Association. For these purposes, the President of the Association is hereby designated as the Voting Representative and the Vice President of the Association is hereby designated to act as the Alternative Voting Representative. The Secretary of the Association shall certify in writing to the Master Association, from time to time, as to the identity of the persons holding the office of President and Vice President of the Association and their addresses;
- (b) The Association is responsible for the collection and payment to the Master Association of the assessments that are due the Master Association from Owners for their pro-rata share of Common Expenses of Formosa Gardens.

GENERAL RESTRICTIONS

25. Use of Lots. All Lots shall be used only for single-family residential purposes. No business or business activity shall be conducted upon any Lot at any time except with the written approval of the Association. Leasing of a Lot for residential purposes shall not be considered a business activity.

26. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats, birds (kept indoors), and fish in reasonable number, as determined by the Board. Any pets which are permitted to roam free, or, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any adjacent property may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall, whenever they are outside the Owner's Lot, be confined on a leash.

27. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly or disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions on a Lot, shall not be pursued or undertaken in any part of the Property unless conducted out of the view of adjoining property and right-of-ways.

28. Signs and Flags. No sign or flag of any kind shall be erected or placed within the Property without the consent of the Board. Notwithstanding the foregoing, entry and directional signs installed by Declarant, signs placed by the Master Association, and such signs as may be required by legal proceedings shall be permitted. If permission is granted to any person to erect a sign within the Property, the Board reserves the right to restrict the size, color, lettering and placement of the sign. The Declarant shall have the right to erect signs as Declarant, in its discretion, deems appropriate.

29. Driveways and Parking. Each Lot shall have a single driveway. All proposed driveways shall be of concrete, brick, or pavers. No driveway may be constructed unless first approved by the Master Association as required elsewhere in this Declaration. Vehicles shall be parked only in the garages or in the driveways serving the Lots. Overnight parking is prohibited on the streets of the Property.

30. Prohibited Vehicles. Commercial vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or, if approved by the Board, in another location concealed from view from adjacent property and from streets and right-of-ways. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Property except within enclosed garages. For purposes of this provision, a vehicle shall be considered "stored" if it is put up

on blocks or covered with a tarpaulin, or otherwise appears in a state of disrepair, and remains in that condition for seven (7) consecutive days without the prior approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Property during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Areas. Any vehicle parked in violation of this provision or parking rules promulgated by the Board may be removed by the Association.

31. Subdivision of Lot. No lot shall be subdivided or its boundary line changed except with the prior written approval of the Association. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots. Any such division, boundary line change or replatting shall not be in violation of the applicable subdivision and zoning regulations.

32. Guns. The use of firearms in the property is prohibited. The term "firearm" includes "B-B" guns, pellet guns, and firearms of all types.

33. Mailboxes. The design, color, materials, size, location, and other details relating to the placement of a mailbox on any Lot shall conform to the architectural design of the current residence on that Lot, and shall be subject to prior approval as required elsewhere in this Declaration for construction of improvements. Each Owner shall always maintain his or her mailbox in a clean and attractive condition.

34. Sports and Recreational Equipment. Clotheslines. Garbage Cans. Tanks. Etc. All basketball hoops and backboards, trampolines, and other recreational equipment, clotheslines, garbage cans, wood piles, and other similar items on Lots shall conform to the architectural design of the principal residence on that Lot and shall be located or screened so as to be concealed from view of neighboring Lots, streets and property located adjacent to the lot. All rubbish, trash, and garbage shall be stored in appropriate containers approved as required elsewhere herein for construction of Improvements, and shall regularly be removed from the Lot and shall not be allowed to accumulate thereon.

35. Easements for Utilities. Etc. There is hereby reserved unto Declarant, the Association, and the designees of such an easement upon, under, and above all Lots for such purposes and uses as Declarant or the Association deems necessary or desirable (which may include, without limitation, access, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, effluent reuse mains, street lights, signage, and all utilities, including, but not limited to, water, sewer, meter boxes, telephones, gas, and electricity); provided the exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry into any Lot shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Lots and the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes and other necessary water

distribution facilities. Notwithstanding anything to the contrary contained in this provision, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on any Lot except as may be approved by the Board or as provided by the Declarant; nor may such be installed in a manner causing damage to existing Improvements or precluding use of a Lot for the purposes permitted herein.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Declarant or the Board shall have the right to grant such easement over any Lot without conflicting with the terms hereof. The easement provided for in this provision shall in no way adversely affect any other recorded easement on the Property.

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

36. Accessory Buildings. No tool shed, lean-to, or other accessory building or out-building may be placed upon a Lot except in the rear and only after the Owner has obtained Board approval therefor and approval from the Master Association as required elsewhere herein for the construction of Improvements. Any accessory building on a Lot shall be maintained in good repair and attractive condition.

37. Landscaping. All Lots shall be attractively landscaped and well manicured. All Lots shall be fully sodded with St. Augustine grass, except in areas where other attractive landscaping features are placed. The Owner shall promptly resod any area on a Lot where sod has died or been removed. No portion of a Lot may be paved or similarly covered except as may be approved by the Board or its designee and by the Master Association. All Lots at all times must have a minimum of three trees (except for palm trees) at least 2 inches in diameter (measured at 12 inches above the ground). A minimum of two trees must be planted in the front yard. Except for palm trees, the trees planted may be oak, magnolia, holly, etc. Palm trees may be planted in addition to but not as a substitute for the minimum tree planting requirement. The landscaping of all Lots must at all times comply with the landscaping requirements of the Design Standards and meet or exceed the landscaping requirements of Osceola County. All Lots shall be equipped with an underground irrigation system adequate to supply adequate water to all landscaping on the Lot.

38. Garages. All garages shall be designed for a minimum of two automobiles. No garage may be placed on a Lot unless attached to and made an integral part of the dwelling. All garages shall resemble in color, materials, and architecture the dwelling to which they are attached. No garage may be constructed on a Lot unless the plans are first approved by the Master Association as required elsewhere in this Declaration. No garage may be converted to living space. Carports on Lots are prohibited.

39. Sidewalks and Paths. Sidewalks complying with the Design Standards shall be constructed on each Lot. The sidewalks shall extend from the lot-line on each side of the Lot that borders on a street or right-of-way. The sidewalks on each Lot shall connect with the sidewalks on the adjacent Lots. Each Owner shall maintain all sidewalks and paved walks and paths on his Lot in good repair, and shall not allow sidewalks upon his Lot to become obstructed.

~~40. Pumps and Mechanical Equipment. Air conditioning units, pools or irrigation pumps and motors, and other pumps and mechanical equipment on a Lot shall be concealed from view from adjacent property and from all streets and right-of-ways.~~

41. Gardens. No vegetables or other garden for raising produce shall be permitted within the Property unless concealed from view from adjacent properties and right-of-ways.

42. Access to Streets. No more than one driveway may be placed on any Lot. All Lots adjacent to more than one street or right-of-way may directly access only one such street or right-of-way; and the street or right-of-way so accessed, and the design of the access, must be approved by the Master Association.

43. Perimeter Wall. A perimeter wall or fence encircling much of the Property has been constructed or is planned for construction by the Declarant. This perimeter wall lies or may be constructed to lie upon Lots near the boundary of the affected Lots. Declarant hereby reserves an easement across all Lots for the purpose of constructing and maintaining this perimeter wall and for the purpose of providing access to the construction and maintenance thereof. No Owner upon whose Lot a portion of the perimeter wall lies may damage or alter the perimeter wall.

CONSTRUCTION AND BUILDING RESTRICTIONS

44. Architectural Control. No Improvement, alteration, construction, installation, excavation, demolition, erection, or any work or activity that may change the configuration or appearance of a Lot or of Improvements thereon, may be commenced or performed on a Lot until the approval procedures prescribed by the Master Declaration have properly and timely been followed and approval in connection therewith has been given.

45. Declarant's Variances from Design Standards. With respect to particular proposed Improvements, Declarant shall be allowed to grant variances from requirements of the Design Standards, provided that Declarant concludes in its discretion that the variance shall not substantially detract from the appearance or aesthetic quality of Formosa Gardens. A variance so granted by Declarant shall be honored by the Master Association.

46. Vacant Lots. Within ninety (90) days after the conveyance of a Lot by Declarant, the Owner of the Lot shall either submit plans for the construction of a home as required herein and in the Master Declaration, or he shall fully sod that Lot and install thereon the underground

irrigation system required by this Declaration. Each Owner so sodding and irrigating a Lot shall be obligated periodically to pay the Association, in addition to other amounts due the Association hereunder, a maintenance fee fixed by the Association, which maintenance fee shall be a lien on the applicable Lot of the same nature and enforceable in the same manner provided herein for other liens of the Association. The Association will maintain in the condition the Association deems appropriate all Lots so sodded and irrigated. If any Owner fails to comply with this provision, the Association shall have the right to cause the Owner's Lot to be sodded and irrigated, and thereafter to be maintained, and the Owner shall reimburse the Association for the cost of sodding, irrigating, and maintaining immediately on demand, and those costs shall constitute liens on the applicable Lot of the same nature and enforceable in the same manner provided herein for other liens of the Association. The Association shall have no liability whatsoever to the Owner for exercising the right provided in this provision to sod, irrigate, and maintain a Lot.

47. Home Size. The home constructed on each Lot shall have a minimum of ~~1,800~~ 1,300 square feet in living area. For purposes of this provision, the term "living area" refers to air conditioned space, under roof, and does not refer to patios, verandas, porches, and similar areas.

48. Fences. No boundary wall, fence, or fencing-type barrier, including without limitation, shrubs and hedges shall be placed, allowed, or maintained on a Lot without the prior written consent of the Master Association or its designee as required above. The Master Association may issue guidelines detailing acceptable fence styles or specifications, but in no event may chain link fence or hog wire fence be approved. No cages, dog runs, animal pens or similar enclosures shall be permitted on a Lot without prior approval of the Master Association.

49. Pools. No above-ground swimming pools shall be permitted on any Lot. No construction of an in-ground pool shall commence unless prior written approval has been given pursuant to this Declaration. All in-ground pools receiving architectural approval given pursuant this Declaration shall be installed, constructed, and screened in accordance with all applicable County ordinances.

50. Lot Area and Frontage. Every dwelling erected on any Lot shall front or present a good frontage on the street on which the Lot fronts. Dwellings on corner Lots shall have a presentable frontage on all streets on which the particular corner Lot abuts.

51. Roofs. The exterior surface of all roofs shall be installed and maintained in color and design, to the requirements of the Design Standards.

52. Design Standards. The Design Standards contemplated by the Master Declaration shall, where applicable, control Improvements within the Property. All Improvements within the Property shall comply with the Design Standards as well as with this Declaration and the Master Declaration.

STREETS

53. Rules and Regulations. The Association shall have the right from time to time to adopt and enforce reasonable rules and restrictions relating to use of the Streets. All such rules and restrictions promulgated by the Association shall be deemed a part of this Declaration as if fully set forth herein and may be enforced in the same manner as is permitted herein for enforcement of this Declaration.

54. Parking and Obstructions within Street. The parking of vehicles within a Street is prohibited except for momentary parking and for isolated special circumstances such as special gatherings or events of which the affected Owner has given the Association no less than three (3) days prior written notice. No vehicle may be parked within the Streets in a manner that hinders the flow of the traffic, hinders access to private driveways or to other streets, creates a safety hazard, or that the Association in its sole discretion otherwise deems a nuisance or unreasonable inconvenience, obstruction or disturbance. No other obstruction shall be permitted within a Street. The Association shall have the right to tow vehicles or to remove other obstructions within a Street in violation of this provision. Notwithstanding the foregoing, the Declarant and the Association and their designees shall be permitted partially to obstruct Streets in connection with their performance of functions or the exercise of rights provided herein.

55. Prohibited Vehicles. The following vehicles are prohibited within the Streets:

- (a) Heavy equipment, tractor-trailers, and other construction or commercial vehicles.
- (b) Recreational and all-terrain vehicles, and the like.
- (c) Any other vehicle that the Association determines in its discretion is a nuisance or unreasonable inconvenience or disturbance, or likely to cause extra-ordinary damages or pose an unreasonable hazard.

The Association will promulgate rules and restrictions relating to the permitted and prohibited vehicles within the Streets. Those rules and restrictions may allow temporary approval of any vehicle prohibited above under circumstances that the Association deems reasonable.

56. Security Gates and Security Measures. The Declarant or the Association shall have the right in its sole discretion to place security gates across the Streets at intersections with other streets (whether private or public) in order to restrict access to the Property. The Declarant and the Association shall also have the right to take other security measures as may become necessary in the Declarant's or the Association's judgment to ensure safety and security within the Property.

57. Speed Limits. The maximum permitted speed of any vehicle operating upon the Streets is fifteen (15) miles per hour. The Declarant or the Association shall have the right to

reduce or increase the maximum permitted speed limit upon the Streets if the Declarant or the Association deems such necessary in order to protect the peace and safety" of the community. The Declarant or the Association shall also have the right to place bumps and other speed control devices upon the Streets in order to ensure compliance with the maximum permitted speed limits upon the Streets. Notwithstanding the foregoing, the maximum permitted speed limit on the Streets may never be increased to exceed twenty (20) miles per hour, which is the maximum speed for which the Streets were designed.

58 Emergency Vehicles and Utilities. Notwithstanding any other provisions of this Declaration to the contrary, the Declarant hereby reserves, grants, and creates a perpetual nonexclusive easement under, upon, and over the Property for the purpose of providing ingress and egress to the Lots for the police, fire, ambulance, and other emergency vehicles, for providing refuse collection and other utility services to the Lots, and for the installation, 'and operation of utilities equipment and facilities serving the Property. The Association shall have the right to designate a single refuse collection service to enjoy the easement hereby granted. Notwithstanding the foregoing, if in exercising the easement created in this provision the applicable government, quasigovernment, or utility entity damages or disrupts any property belonging to the Association (including without limitation the Streets), that entity at its own expense shall cause the damaged property to be restored or replaced to its previous condition.

59. Sewer and Water Easements. Declarant hereby reserves under, upon, and above the Property a perpetual nonexclusive easement in favor of Declarant, the City of Kissimmee, and their successors and assigns for the purpose of installing, maintaining, repairing, and replacing sanitary sewer collection and potable water distribution equipment and facilities, provided such equipment and facilities are intended for the benefit of the Property or of any other portion of Formosa Gardens. If the City in making use of this easement damages or destroys any property belonging to the Association (including, without limitation, the Streets) the City at its own expense shall restore or replace the damaged property.

60. Construction Vehicles. Notwithstanding any contrary language above, the Streets may be used during daylight hours by construction vehicles being operated in connection with Improvements that have been previously approved as required by this Declaration. The rules and restrictions to be promulgated by the Association relating to use of the Streets may include guidelines on the operation of construction vehicles pursuant to this provision. Any damage to the streets, curbs, gutters, or other common improvements caused by construction vehicles operated upon the Streets shall be repaired or replaced by, and at the expense of, the Owner or Owners for whose benefit the construction vehicles that caused the damage were being operated. In addition, each contractor, subcontractor, or other owner or operator of a construction vehicle upon the Streets shall be obligated to repair or replace all damage within the Property resulting from the operation of construction vehicles upon the Streets. The Association may condition its approval of any proposed improvements within the Property upon the applicable Owner's posting a cash bond of not less than seven hundred fifty dollars (\$750.00) securing the payment of all repairs or replacements of damages resulting from the operation of construction vehicles upon the Streets. Each contractor, subcontractor, materialman, laborer, or other construction related

person or firm, by accepting use of the Streets, does thereby consent to the terms of this provision and agrees to be bound to pay the cost of any construction-related damage within the Property.

61. Rights of Declarant. Declarant hereby reserves unto itself, its successors, and assigns, a perpetual easement upon, beneath, and above the Streets for all reasonable purposes that the Declarant may consider necessary or desirable in its sole discretion.

HOMEOWNERS ASSOCIATION

62. Association Playground. Any playground, play areas or equipment or other recreational facilities furnished by the Association or erected within the Property shall be used at the risk of the user, and neither the Declarant nor the Association shall be held liable to any person for any claim, damage, or injury occurring thereon or related to the use thereof.

63. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area. This maintenance shall include, without limitation, maintenance, repair, and replacement of all landscaping, flora, structures, and Improvements situated on the Common Area. In addition, the Association shall have the right, but not the obligation, to maintain property not owned by the Association where the Board has determined that such maintenance would benefit all Owners. Except as otherwise specifically provided herein, all cost associated with maintenance, repair, and replacement of Common Areas shall be expense allocated among all Lots as part of the Annual and Special Assessments.

64. Maintenance of Conservation Areas. The properties designated on the Plat as "conservation and stormwater management areas", "conservation buffers" or "conservation easements", "drainage easements", and the like are Common Areas and will be maintained by the Association. Those parcels identified as Tracts D,E,F,G,H,I, and L on the Plat will be deemed Common Areas. The Master Association, at its discretion, may assume from the Association control of any responsibility for all Common Areas. Notwithstanding the foregoing, the applicable Owner will be responsible for maintaining in a clean, safe, attractive, and properly-functioning condition all areas on Owner's Lot designated on the Plat as utility or drainage easements. All Owners whose properties are beneath or contiguous to a Conservation Area must not cause or allow any damage to the Conservation Area or violation of restrictions and requirements relating to the Conservation Areas. No Owner whose properties are affected by or contiguous to Conservation Area shall allow drainage from his properties into the Conservation Area in a manner that violates this Declaration or permits or orders relating to the Conservation Areas. All Owners whose properties include Conservation Areas shall maintain those Conservation Areas in their natural state and in accordance with this Declaration and all permits and orders relating to the Conservation Area unless the Association assumes or is given that responsibility. Without limiting the generality of the foregoing restrictions, all Owners and all persons coming upon the Property shall fully comply with all requirements and restrictions

relating to Conservation Areas contained in that certain drainage permit no. 49-00507-S issued for the development by the South Florida Water Management District.

65. Association's Responsibility to Maintain Conservation Areas. The Association at its own expense shall ensure that all Conservation Areas belonging or dedicated to the Association are maintained in their natural state. The Association at its own expense shall also enforce all restrictions and requirements of this Declaration, of the drainage, DRI, and other permits and orders for the development, and of all laws, regulations, codes and ordinances, relating to the Conservation Areas. Without limiting the generality of the foregoing requirements, the Association shall be responsible for implementing the requirements for monitoring the Conservation Areas that are contained in that certain drainage permit no. 49-00507-S issued for the development by the South Florida Water Management District.

66. Enforcement of Restrictions Relating to Conservation Areas. The South Florida Water Management District and Osceola County are expressly authorized to enforce all Restrictions relating to Conservation Areas. The South Florida Water Management District and Osceola County are also authorized to enter upon all easements and exercise such other rights that this Declaration provides for enforcement of the Restrictions relating to the Conservation Areas and for remedying violations of those Restrictions. The Developer, the Association, and all Owners shall also have the right to enforce compliance with all Restrictions relating to Conservation Areas.

67. Creation of Taxing Unit for Maintenance of Conservation Areas. If Developer, the Association, the Master Association, the County, or the South Florida Water Management District deems such necessary or desirable, they, or any of them, may cause a municipal service taxing unit to be created on the Property for the purpose of generating revenues for maintenance and preservation of the Conservation Areas, of street lights, or retention ponds, of roads, for providing sanitation services, and for other reasons. Each Owner takes title subject to this potential for creation of a municipal service taxing unit and consents to the creation thereof. Developer reserves for itself and for the Association and Master Association the right to give written consent on behalf of any Owner to creation of a municipal service taxing unit for maintenance and preservation of Conservation Areas or for any other reason. Owner will be obligated to pay all taxes and assessments levied by any municipal service taxing unit created pursuant to this provision; and title for the properties of each Owner will be subject to liens for failure to pay those levies.

68. Use of Conservation Areas. The Conservation Areas may not be used for any purpose except such limited low-impact purposes that the South Florida Water Management District in its discretion may approve. Without limiting this restriction on the use of the Property, the following uses and activities are expressly prohibited in the Conservation Areas:

A. Construction or placing of buildings or improvements under or upon the Conservation Areas:

B. Dumping or placing soil or other substances or materials (including without limitation trash, waste, and debris) on or under the Conservation Areas;

C. Removal or destruction of trees, shrubs, or other vegetation growing within the Conservation Areas;

D. Excavation, dredging, or removal of soil or materials from the Conservation Areas;

E. Diking or fencing any of the Conservation Areas;

F. Any other activity that is or may be detrimental to drainage, flood control, water conservation, erosion control, or fish and wildlife habitat conservation.

69. Maintenance of Drainage Facilities. The Association shall be responsible for maintaining all drainage facilities on or in the properties within the Association's jurisdiction in good repair, free from debris and obstructions, and in compliance with the requirements of the drainage permit issued by the South Florida Water Management District for construction, operation, and maintenance, of the drainage facilities for the development. The Association shall also operate the drainage facilities in the manner in which they were designed and in accordance with the requirements of the drainage permit referred to above.

70. Dedication of Surface Water Management System. The surface water management system located within the Property is hereby dedicated and conveyed to the Association and declared a Common Area. The assessment and dues that other provisions of the Declaration allow the Association to levy shall be deemed to allow levy of those dues and assessments to cover costs and expenses of operating and maintaining the surface water management system. Notwithstanding any contrary provision of this Declaration, no amendment of this Declaration that affects the surface water management system within the Property will be valid unless first approved by the South Florida Water Management District.

71. Declarant's Exercise of Association Rights. Until formation of the Association, Declarant shall have the right to exercise all right, discretion, and authority granted the Association by this Declaration.

72. Duty to Enforce. It shall be the legal duty and responsibility of the Association to enforce payments of the Assessments hereunder and to require compliance with all other provisions hereof.

73. Use of Common Areas. The Board may promulgate rules and regulations for use and maintenance of Common Areas, and all Owners' rights relating to the Common Area shall be subject to those rules and regulations.

74. Landscape and Wall Easement. The landscape and wall easement delineated and created on the Plat will be for the use and benefit of the Association. The Association will have the right to place and maintain under, upon, and above the property affected by that easement utilities equipment, walls and fences, flora, trees, shrubs, plants, and other landscaping, irrigation systems, signs and entry features, and other objects. The Association and its representatives will also have the right to enter upon the Property affected by this easement and upon surrounding property for the purpose of gaining access to and making use of the landscape and wall easement referred to above.

75. Easement for Access. The Association and the Declarant shall have an easement to enter upon all portions of the Property for the purpose of gaining access to, using, maintaining, repairing, or replacing all easements, licenses, buffers, right-of-ways, and the like owned by, benefitting, controlled by, or maintained by the Association, provided that in such passage no improvements or property are damaged.

76. Enforcement. Each Owner and every occupant of a Lot shall comply strictly with the Bylaws of the Association, and with the covenants, conditions, and restrictions set forth in this Declaration and in the Master Declaration. The Board may impose fines or other sanctions for the violation of these Restrictions, which shall be collected as provided herein for the collection of Assessments. Failure to comply with this Declaration or the Bylaws, or the Master Declaration, shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or, in a proper case, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

77. Self-Help. In addition to any other remedies provided for herein or permitted by law, the Association or its authorized agent shall have the power to enter upon a Lot or any portion of the Common Area to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Bylaws or other applicable restrictions. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days' written notice of its intent to exercise self-help. All cost of self-help, including reasonable attorney's fees actually incurred shall be assessed against the violating Lot Owner and shall be collected as provided for herein for collection of Assessments.

78. Cumulative Remedies. In addition to the remedies specifically allowed herein for a violation of these restrictions, the Association shall be entitled to exercise all other available remedies, whether at law or in equity. The Association's exercise at any time of a particular remedy shall not be deemed an election of remedies; but the Association shall be permitted to exercise such additional or alternative remedies as it may desire in its discretion.

MISCELLANEOUS PROVISIONS

79. Overall Development. The property is a portion of a large development contained in a single development plan. In order to effect that development plan. Declarant may add or

withdraw property from this Declaration by amendment or supplement. Any such amendment or supplement may withdraw Common Area, add Common Area, or require that Common Area be shared with owners of neighboring properties, and may also withdraw, add to, or require sharing of other rights, authority, or obligations of Owners or the Association.

80. Master Declaration Counterpart Provisions. No provision hereof that is less restrictive than its counterpart, if any, in the Master Declaration shall be deemed to relax or abrogate the requirements of that provision of the Maser Declaration. All provisions of the Master Declaration that are more restrictive than counterparts contained herein shall remain enforceable according to their terms.

81. Assignment of Rights and Duties to Association. The Declarant may at any time assign and delegate to the Association all or any portion of the Declarant's rights, title, interest, duties, or obligations created by this Declaration. It is understood that the Association has been formed as a property owners association in order to effectuate the intent of the Declarant for the proper development, operation and management of the Property. Wherever .herein the Declarant or the Association, or both, are given a right, power, authority, discretion, or the like, or a duty or function, such action may be taken by either the Declarant or the Association until such time as the Declarant has recorded in the public records an instrument abrogating that right, power, authority, discretion, or the like, or duty or function. Thereafter, all rights, duties and obligations of the Declarant shall be administered solely by the Association in accordance with procedures set forth herein and in the Governing Documents, unless the Declarant shall specify otherwise.

82. Right of Entry in Favor of the Association. The Association acting through its authorized agents and employees, shall have the right to enter any portion of the Property, including individual Lots, for the purpose of conducting an inspection to determine whether any maintenance, repair or replacement is necessary, or to ascertain an Owner's compliance with the provisions of this Declaration, or in case of an emergency such as fire, flood or hurricane, or for performance of any maintenance, repair or replacement of any portion of the Property, including individual Lots, so long as such entry is made at reasonable time and upon reasonable notice to the Owner of any such Lot. Each Owner hereby appoints the Association as the Owner's agent for the purpose provided in this provision and agrees that the Association shall not be liable for any alleged property damage, injury or theft caused or occurring on account of such entry and inspection by the Association.

83. Late Payment Penalty. In addition to interest accruing pursuant to another provision hereof on delinquent Assessment payments, the Association may levy a late fee of 10% of .the delinquent payment or of \$25.00, whichever is greater, for each month the Assessment remains unpaid, beginning with the original due date of an unpaid Assessment. The Assessment liens created by another provision of this Declaration shall also secure penalties levied pursuant to this provision.

84. Amendment by Declarant. This Declaration may be amended unilaterally at any time and from time to time by Declarant for any reason and in any manner that Declarant may decide in its sole discretion, including without limitation for the following reasons; (a) if amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if amendment is necessary to make this Declaration consistent with the Master Declaration or other Governing Documents of the Master Association; (c) if amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots; (d) if amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable the lender or purchaser to make or purchase mortgage loans on the Lots; (e) if amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; or (f) if amendment is necessary to place the Lots in compliance with the land sales laws of any state or federal government or government agency. Notwithstanding the foregoing, Declarant may not by amendment hereof withdraw a substantial right herein granted to an Owner. Notwithstanding the foregoing, no amendment to this Declaration that affects the surface water management system within the Property will be effective unless first approved by the South Florida Water Management District.

85. Assignment by Declarant. Declarant shall have the right in its discretion to assign or delegate, permanently or temporarily, to any person at any time one or more of Declarant's rights or authority under this Declaration; and for purposes of exercising a right or authority so assigned or delegated, the assignee or delegatee shall be deemed the "Declarant. "

86. Occupants Bound. All provisions of this Declaration which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Lot.

87. Compliance with Laws. All rights granted in this Declaration and all activities permitted herein shall be exercised and performed in compliance with all applicable laws, regulations, codes, and ordinances. No provision hereof shall be construed as permission to violate any applicable laws, regulation, code or ordinances, and violations of such with respect to a Lot may be considered by the Association as a violation of this Declaration. Notwithstanding, the Association shall have no obligation to enforce such laws, regulations, codes, or ordinances.

88. Term. These restrictions shall encumber the Property and bind all owners; their successors and assigns for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each successive period of ten (10) years, agreeing to change these covenants and restrictions, in whole or in part, in which case this Declaration shall be modified or terminated as specified or terminated as specified therein.

89. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member 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. 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, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each officer and director free and harmless against all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if insurance is reasonably available.

90. Severability. All covenants and restrictions of this Declaration are separate and independent. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

91. Covenants Run with Land. All restrictions, reservations, covenants, conditions and assessments contained in this Declaration shall constitute covenants running with the land, and all grantees, devisees, or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of (a) this Declaration and (b) the Articles of Incorporation and Bylaws of the Association.

92. Effect of Waiver of Violation. No waiver of a breach of or violation of any of the terms, provisions and covenants in this Declaration, or in the Articles of Incorporation or Bylaws of the Association shall be construed to be a waiver of any succeeding breach or violation of the same term, provision or covenant.

93. Notice to Owners. Whenever notices are required to be given hereunder, the same shall be sent to the Owner by United States Mail or hand delivered at the address of the dwelling situated upon the Lot. Such notices shall be deemed given when deposited in the United States mail or delivered. Any Owner may change his mailing address by written notice to the Association at the official address of the Association as it may be designated from time to time.

94. Amendments. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed, added to, derogated, or deleted at any time and from time to time upon the approval of a seventy-five percent (75 %) vote of the membership in the Association

at a regular or special meeting called for that purpose. So long as the Declarant is the Owner of any Lot affected by this Declaration, the Declarant's consent to any amendment must be obtained before amending this Declaration. Additionally, the Declarant shall have the right, in its sole discretion, to amend this Declaration until the Declarant sells or conveys the last Lot in the subdivision. For so long as Declarant has the right to amend this Declaration, all subsequent grantees of the Property, hereby grant to Declarant their powers of attorney to effect any changes, amendments or modifications deemed desirable by Declarant in its sole discretion. Notwithstanding the foregoing, no amendment to this Declaration that affects the surface water management system within the Property will be effective unless first approved by the South Florida Water Management District.

95. Attorney's Fees. If the Association brings any judicial action against an Owner in connection with this Declaration, or if the Association is named or joined in any judicial action by an Owner or by reason of an Owner's acts or omissions, and the Association prevails in the action, that Owner shall pay to the Association all attorney's fees and court costs incurred by the Association in connection with that action, including fees and costs incurred in appellate proceedings.

96. Construction and Sale Period. It is understood that this Declaration is intended to proscribe use of the Lots by the occupants thereof after improvement of a Lot is completed and Declarant has sold the Lot. This Declaration is not intended to proscribe or restrict Declarant's efforts to improve or market Lots. Accordingly, no provision of this Declaration shall be construed to preclude activities necessary in Declarant's sole discretion effectively or efficiently to construct any Improvements within the Property or to market any Lot, nor to impose any requirements that Declarant determines in its sole discretion to be unreasonable or inapplicable to Declarant as developer of the Property. Without limiting the generality of the foregoing, no provision of this Declaration shall be construed to:

- (1) preclude operation of a sales office or of sales activities within the Property by Declarant or its agents or assigns;
- (2) preclude Declarant or its agents or assigns from erecting signs, flags, banners, or the like within the Property;
- (3) preclude Declarant or its agents or assigns from maintaining trailers, sheds, or other similar structures on Lot;
- (4) prohibit parking or placing of construction or commercial vehicles within the Property, or operation of any vehicle upon the Streets;
- (5) require landscaping of any Lot before Declarant has sold it.

To the extent any other provision of this Declaration may be subject to construction contrary to this provision, that provision shall be deemed not to apply to Lots owned by Declarant until the Lot is improved and occupied.

97. Declarant's Easement. Notwithstanding any contrary provisions contained in this Declaration, the Bylaws, the Articles, rules and regulations, and any amendments to any of the foregoing, Declarant hereby expressly reserves unto itself and its successors and assigns a non-exclusive, perpetual right, privilege, and easement under, upon and over the Property without obligation and without charges to Declarant, for the purpose of taking all actions related to or connected with construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment, or otherwise dealing with the Property and any other property that may be added to the Property. The reserved easement shall constitute a burden on the title to the Property and specifically includes, but is not limited to:

- (a) the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on, or in the Property; and the right to tie into any portion of the Property with driveways, parking areas, and walkways; and the right to install, maintain and operate effluent reuse mains and equipment; and the right to tie or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under or over the Property;
- (b) the right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, model residences, and sales offices in the Property; and
- (c) the right and easement to enter upon the Lots, Common Areas, and other portions of the Property to perform such operations as in Declarant's sole discretion may be desirable, convenient, or incidental to the construction, lease, and sale of Lots or of portions of the Property or of the property subject to the Master Declaration.
- (d) No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property, including, without limitation, the Lots, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except delivery of a quit-claim deed from Declarant releasing such right, privilege, or easement by express reference thereto.

98. Annexation by Declarant. As the owner thereof or, if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time or any time until seven (7) years after the recording of this Declaration to subject additional properties to the provisions of this Declaration and the jurisdiction of the

Association by filing for record in the public record a Supplementary Declaration in respect to the property being annexed. Any such annexation shall be effective upon the filing for record of such Supplementary Declaration unless otherwise provided therein. The Declarant may unilaterally amend this Declaration to reflect the different character of any such annexed real property.

99. Indemnification. Each Owner agrees to indemnify, defend, and hold the Association and Declarant harmless from all claims, damages, cost, and other obligations and liabilities from or in connection with the activities or omissions of the Owner, his agents, representatives, invitees, or other persons for whom the Owner is responsible within the Property.

100. Discretion of the Board to Interpret Declaration. The Board shall have exclusive authority to interpret the meaning and requirements of each provision of this Declaration. All such interpretations of the Board, absent manifest error or abuse, shall be binding upon all Owners and their Lots.

101. Exercise of Association's Authority. Unless this Declaration, the Master Declaration, or one or more Governing Documents prescribe otherwise, the Board shall be entitled to exercise all rights, authority, and discretion given to the Association herein, without the vote of the Members, and all actions of the Board taken pursuant to such rights, authority, or discretion shall be presumed valid.

102. FHA and VA Approval. As long as there is a Class B membership, any amendments to this Declaration, dedication of Common Area, or annexation of additional land will require the prior approval of the Federal Housing Administration or the Veterans Administration if this Declaration has been previously submitted to and approved by the Federal Housing Administration or the Veterans Administration.

103. Rideshare Program. Notice is hereby given to all owners and all tenants and residents within the Property that the Orlando metropolitan area has an existing rideshare program operated by Tri-County Transit ("the Rideshare Program"). All such Owners, tenants and residents are encouraged to utilize the Rideshare Program. For further information, contact Tri-County Transit.

CL 971011

OR 1438/1458

IN WITNESS WHEREOF, Declarant has executed this instrument on the date first written above.

Signed, sealed and delivered
in the presence of:

"Declarant":
FORMOSA GARDENS HOMES, INC.,
a Florida corporation

Julie M. Day

Printed Name: Julie M. Day

Sharon Lynn Hallock

Printed Name: Sharon Lynn Hallock

By: George Chen

George Chen, President

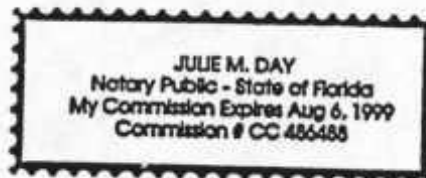
FORMOSA GARDENS HOMES, INC.

STATE OF FLORIDA
COUNTY OF Osceola

The foregoing instrument was acknowledged before me this 25 day of Sept., 1997, by George Chen, as President of FORMOSA GARDENS HOMES, INC., a Florida corporation, on behalf of the corporation. He is [X] personally known to me, or [] has produced _____ as identification.

Julie M. Day
NOTARY PUBLIC

My Commission Expires:

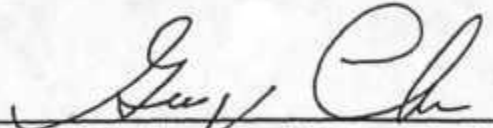


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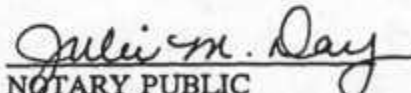
JOINDER

GEORGE CHEN, solely as Trustee under the provision of a certain Land Trust Agreement dated September 18, 1988, as Owner of record of the property made subject to this Declaration, hereby joins in and consents to this Declaration and declares that the Property shall be subject to all of the terms and conditions hereof.


GEORGE CHEN, solely as Trustee under the provisions of a certain Land Trust Agreement dated September 18, 1988

STATE OF FLORIDA
COUNTY OF Brevard

The foregoing Joinder was acknowledged before me this 25 day of Sept., 1997, by GEORGE CHEN, solely as Trustee under the provisions of a certain Land Trust Agreement dated September 18, 1988, who is [☒] personally known to me, or [☐] has produced _____ as identification.


NOTARY PUBLIC
My Commission Expires:

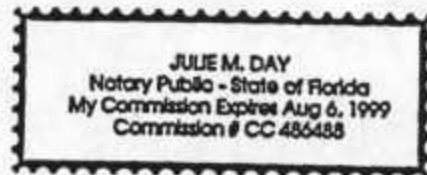


EXHIBIT "A"

DESCRIPTION OF PROPERTY

All of ROLLING HILLS ESTATES UNIT 1 AT FORMOSA GARDENS,
according to the plat thereof as recorded in Plat Book 10, Pages 29-31, inclusive,
Public Records of Osceola County, Florida.

EXHIBIT "B"**ARTICLES OF INCORPORATION OF
ROLLING HILLS ESTATES COMMUNITY OWNERS* ASSOCIATION, INC.****(A Corporation Not For Profit)**

The undersigned incorporator hereby files the Articles of Incorporation of ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC. (the "Corporation"), pursuant to Florida Statutes Chapter 617 as amended.

ARTICLE I

The name of the Corporation shall be: ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC.

ARTICLE II

The Corporation shall be effective on September 26, 1997, provided that these Articles of Incorporation are filed with the Florida Department of State within five (5) business days after such date. If not so filed within said five (5) days, these Articles of Incorporation shall be effective upon filing with the Florida Department of State.

ARTICLE III

The Corporation has authority over properties and responsibility for functions that are outlined in the Declaration (defined below). The Corporation is organized (1) to own, establish, maintain and operate the common areas and recreational facilities within the properties owned by or under the authority of the Corporation, not for profit but solely for the mutual benefit of the members, (2) to present a unified effort to the members in protecting the value of the property of the members, (3) to carry out the duties and fulfill the purposes set forth in the Declaration, and (4) to engage in all other activities and to exercise all other powers, rights and privileges that are permitted under Chapter 617 of the Florida Statutes, as amended. Without limiting the foregoing general statement of the Corporation's purpose and authority, the Corporation is also expressly empowered to do the following:

1. To acquire, own, and convey real and personal property;
2. To operate and maintain common areas belonging to or under authority of the Corporation;
3. To operate and maintain the surface water management system permitted by the South Florida Water Management District within the properties falling under the Corporation's authority, including without limitation all lakes, retention areas, culverts and related appurtenances;
4. To establish rules and regulations governing activities within the properties under the Corporation's authority;

5. To levy dues and assessments against owners, members, and properties of the Corporation or under the Corporation's authority, and to enforce the payment of those dues-and assessments;
6. To sue and be sued;
7. To contract for services, including without limitation services required for operation and maintenance of the surface water management system referred to above and for the fulfillment of other duties of the Corporation;
8. All other powers necessary for the purposes for which the Corporation is organized.

The Corporation is a community association participating in a larger development called Formosa Gardens. As a community association, the Corporation is subject and subordinate to the master association identified in the Declaration. The Corporation will fulfill all duties of a community association under the Declaration, the master declaration identified in the Declaration, and the By-laws, as any of such may be amended. The Corporation will be subject to the restrictions on a community association as those restrictions are from time to time outlined in the Declaration, the master declaration identified in the Declaration, and the By-laws.

ARTICLE IV

The members of the Corporation shall be limited to record owners of Lots (as defined in the Declaration) in Rolling Hills Estates Unit I at Formosa Gardens, according to the Plat thereof as recorded in Plat Book 10, Pages 29-31, inclusive, Public Records of Osceola County, Florida, and the owners of any Lots which may be annexed to that certain Rolling Hills Estates Community Declaration of Easements, Covenants, Conditions and Restrictions as recorded in the Public Records of Osceola County, Florida, as amended from time to time (the "Declaration"), said Declaration being incorporated herein by reference. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Corporation, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Corporation.

If additional properties are by annexation made subject to the Declaration, unless the annexation instrument prescribes otherwise, those additional properties shall be subject to the Corporation's jurisdiction and the owners of those properties will be Members of the Corporation.

The members of the Corporation shall have the following voting rights:

Class A membership: Each Lot shall be allocated and entitled to one vote in any Corporation matter requiring a vote of the members. When a Lot is owned by more than one person or entity, all such persons or entities shall be members, but in no event shall more than one vote be cast with respect to any one Lot. When a Lot is owned by more than one person

or entity, those persons or entities shall designate one of them for the purpose of casting the vote that is appurtenant to their Lot. When a Lot is owned by an entity, the entity shall designate in writing a partner, officer, or employee of the entity for the purpose of casting the vote that is appurtenant to the entity's Lot. All such designations shall be in accordance with the terms and provisions of the By-laws.

Class B membership: Notwithstanding any contrary language in these Articles or the By-laws, "Declarant" may, in Declarant's sole discretion: Appoint and remove all members of the Board of Directors; appoint and remove all officers; otherwise control the Corporation; and Declarant shall otherwise retain control of the Corporation until the earlier of the following events:

1. Six (6) months after fee title for one hundred percent (100%) of the "Lots" has been conveyed by Declarant to an Owner other than Declarant; or
2. Such earlier date as Declarant may determine in Declarant's sole discretion.

Until one of the foregoing events occurs. Declarant will be deemed to possess no less than all of the votes that may be necessary to allow Declarant to control the outcome of any decision or vote of the Corporation. For purposes of this instrument, the term "Declarant" means the declarant of the Declaration and any successors in interest to such declarant. After one of the above described events occurs. Declarant shall be entitled to one vote for each Lot then owned by Declarant.

ARTICLE V

This Corporation shall have perpetual existence. However, if the Corporation is ever dissolved, the surface water management system and other common areas owned by the Corporation will be conveyed to an appropriate agency of local government for proper operation and maintenance. If an agency of local government will not accept the surface water management system or other common areas on dissolution of the Corporation, the surface water management system and other common areas must be dedicated to a non-profit corporation similar to the Corporation that will have responsibility for maintaining and operating the surface water management system and other common areas.

ARTICLE VI

The name and street address of the initial registered office and the initial registered agent are as follows: George Chen, 7836 W. Irlo Bronson Highway, Kissimmee, Florida 34747.

ARTICLE VII

The affairs of the Corporation shall be managed by a Board of Directors of not less than three (3) nor more than seven (7) persons which shall have all the powers and duties permitted by Chapter 617 of the Florida Statutes, as amended. Commencing with the first annual meeting

and at each subsequent annual meeting of the members of the Corporation, the Board of Directors shall be elected by the members of the Corporation and, unless otherwise provided for in the By-laws, shall be elected for one-year terms. Vacancies in the Board of Directors shall be filled by the remaining directors at a special meeting called for that purpose and a director so elected shall serve until the next annual meeting of the Corporation. The Board of Directors shall elect or appoint a President, Vice-President, Secretary, and Treasurer at the first meeting of the Board of Directors following each annual meeting of the members. The duties of the officers shall be prescribed by the By-Laws of the Corporation. Notwithstanding any contrary language in these Articles, the Declarant may appoint all members of the Board until the earlier of the following events:

1. Six (6) months after fee title for one hundred percent (100%) of the Lots has been conveyed by the Declarant to owners other than Declarant; or
2. Such earlier date as Declarant may determine in Declarant's sole discretion.

ARTICLE VIII

The By-Laws of the Corporation shall be adopted by the Board of Directors. Thereafter, the By-Laws may be amended or repealed, at a regular or special meeting of the members or by the Board of Directors, by a vote of a majority of a quorum of members present in person or by proxy, or by the vote of a majority of a quorum of the Board of Directors.

ARTICLE IX

The Corporation shall be responsible for ensuring full compliance with the conditions and requirements of all surface water drainage permits, development orders, and all other permits, approvals, orders, and the like applicable to the properties lying within the Corporation's authority.

The Corporation shall be responsible for maintaining all such drainage facilities in good repair, free from debris and obstructions and in compliance with the requirements of the drainage permit issued by the South Florida Water Management District for construction, operation, and maintenance, of the drainage facilities for the development. The Corporation shall also operate the drainage facilities in the manner in which they were designed and in accordance with the requirements of the drainage permit referred to above.

The plat, the Declaration, or other documents affecting the properties under authority of the Corporation will identify wetlands, buffer zones, and similar conservation areas (the "Conservation Areas") within those properties. These Conservation Areas will be dedicated to the Corporation as common areas. The Corporation shall be responsible for maintaining the Conservation Areas in their natural state and for ensuring that all drainage permits, development orders, and other applicable orders, approvals, permits, and the like are fully complied with. The Conservation Areas may not be altered from their natural state. Activities prohibited within the Conservation Areas include but are not limited to the following:

1. Construction or placing of buildings or other improvements under, on, or above the Conservation Areas;
2. Dumping or placing soil or other substances such as trash or debris under, on, or above the Conservation Areas;
3. Removal or destruction of trees, shrubs, or other vegetation growing within the Conservation Areas (with the exception of exotic vegetation removal);
4. Excavation, dredging, or removal of soil material from the Conservation Areas;
5. Any other activity detrimental to drainage, flood control, water conservation, erosion control, or fish and wildlife habitat conservation and preservation within the Conservation Areas.

ARTICLE X

The names of the persons constituting the first Board of Directors and who will serve until the first election are:

George Chen

7836 W. Irlo Bronson Highway
Kissimmee. Florida 34747

Ronald Diamante

7836 W. Irlo Bronson Highway
Kissimmee. Florida 34747

James Salisbury

7836 W. Irlo Bronson Highway
Kissimmee. Florida 34747

ARTICLE XI

The name and street address of the incorporator of these Articles of Incorporation is George Chen, 7836 W. Irlo Bronson Highway, Kissimmee, Florida 34747.

ARTICLE XII

Amendments to the Articles of Incorporation require the approval of at least two-thirds (2/3) vote of the lot owners.

ARTICLE XIII

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication or conveyance of Common Area, dissolution and amendment of these Articles.

ARTICLE XIV

The Corporation may be dissolved as provided by Florida law. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to a public body, or conveyed to a non-profit organization with similar purposes, in accordance with applicable law. Notwithstanding the foregoing, on dissolution of the Corporation, the surface water management system and other common areas belonging to the Corporation will be conveyed to the entities prescribed in Article V above.

ARTICLE XV

The street address and mailing address of the initial principal office of the Corporation is: 7836 W. Irlo Bronson Highway, Kissimmee, Florida 34747.

ARTICLE XVI

The officers, members, directors, committee members and agents of the Corporation shall be indemnified to the fullest extent provided by law and by the Declaration.

IN EXECUTION HEREOF, the undersigned has signed his name as incorporator to these Articles of Incorporation of ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC., a corporation not for profit organized pursuant to Chapter 617 of the Florida Statutes, as amended, as of this ____ day of _____, 1997.

George Chen.

GEORGE CHEN, Incorporator

**ACCEPTANCE OF APPOINTMENT
BY INITIAL REGISTERED AGENT**

THE UNDERSIGNED, an individual resident of the State of Florida, having been named in Article VI of the foregoing Articles of Incorporation as initial Registered Agent at the office designated therein, hereby accepts such appointment and agrees to act in such capacity. The undersigned hereby states that he is familiar with, and hereby accepts, the obligations set forth in Section 617.0503, Florida Statutes, and the undersigned will further comply with any other provisions of law made applicable to him as Registered Agent of the corporation.

DATED, this ____ day of _____, 1997.

George Chen .

GEORGE CHEN, Registered Agent

Article VI

MEMBERSHIPS

Section I - Qualifications. Only Lot owners shall be members of this Association. When two (2) or more persons are the joint owners of Lots, all such persons shall be members.

Whenever a member shall cease to own a Lot such member shall automatically be dropped from the membership of the Association.

Section 2 - Members. A member shall have no vested right, interest, or privilege of, in or to the assets, functions, affairs or franchises of the Association, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

Section 3 - Manner of Admission. Every person buying a Lot shall become a member of the Association upon the acquisition of his Lot.

Section 4 - Memberships Not Transferable. No membership may be sold, assigned, or transferred, voluntarily or by will or by operation of law.

Section 5 - Termination of Membership. Each membership shall cease when the member sells, assigns, transfers, or otherwise disposes of his Lot.

Section 6 - Annual Maintenance Assessment. Every member shall be required to pay a annual assessment, the amount of which shall be determined by the Board of Directors and may be changed from year to year by the Board of Directors or by the members. Annual assessment for new members shall be pro-rated from the date ownership is acquired to the last day of the year.

Article VII

LOSS OF PROPERTY

Section I - Liability. The Board of Directors shall not be liable or responsible for the destruction of, loss of, or damage to the property of any member or the guest of any member, or visitor, or any other persons.

Article VIII

MAINTENANCE CHARGES

Section I - Fees. Subject to Sections 6 and 7 of Article III, the Board of Directors shall have the right and power to subject the property to an annual assessment which assessment shall

constitute the annual assessment provided for in the Declaration. It shall be the duty of the Board of Directors to enforce and implement the provisions of the Declaration.

Section 2 - Use of Funds. The funds raised by dues and assessments may be used for the following purposes:

(1) For lighting, improving, and maintaining the streets and dedicated right-of-way areas maintained for the general use of the owners and occupants of land included in such subdivision.

(2) For operating and maintaining any storm-water drains now or hereafter constructed in such subdivision that are not or *will* not be under the direct supervision of the State or County.

(3) For collecting and disposing of garbage, ashes and rubbish.

(4) For employing policemen and watchmen.

(5) For doing any other thing necessary or desirable, in the opinion of the Board of Directors, to keep the property neat and in good order and eliminate fire hazards, or which in the opinion of the Board of Directors may be of general benefit to the owners or occupants of the land included in the Properties, or additions brought within the jurisdiction of the Association.

Section 3 - Certificate of Liens. Upon request, the Association shall furnish to any owner or mortgagee, or person interested, a certificate showing the unpaid maintenance charge against any Lot or Lots.

Section I - Notice. Whenever according to these By-Laws, or the Declaration, a notice shall be required to be given to any member, it shall not be construed to mean personal notice, but such notice may be given in writing by depositing the same in a post office in Osceola or Orange County, Florida, in a postpaid, sealed wrapper, addressed to such member at his address as the same appears on the books of the Association, and at the time when such notice is mailed shall be deemed the time of the giving of such notice.

Section 2 - Waiver of Notice. Any notice required to be given by these By-Laws may be waived by the person entitled thereto.

Article X

COMMITTEES

Section I - Committees. The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint such other committees as deemed appropriate in carrying out the Association's purposes.

Article XI

BOOKS AND RECORDS

Section I - Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XII

CORPORATE SEAL

Section I - Corporate Seal. The Association shall have a seal in circular form having, within its circumference the words: ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC., SEAL 1997, CORPORATION NOT FOR PROFIT, FLORIDA.

Article XIII

ASSESSMENTS

Section I - Assessments. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by : continuing lien upon the property against which the assessment is made. Any assessment which is not paid within thirty (30) days after the due date, shall bear interest from the date of delinquency at the highest rate permitted by Florida law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Article XIV

ELECTIONS

Section I - Nomination. Subject to Sections 6 and 7 of Article III, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members or non-members.

Section 2 - Election. Election to the Board of Directors shall be by secret written ballot. Subject to Sections 6 and 7 of Article III, at such 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article .XV

AMENDMENTS

Section 1. These By-Laws may be repealed or amended by either the Board of Directors or the members, but the Board of Directors may not amend or repeal any by-law adopted by members if the members specifically provide such by-law is not subject to amendment or repeal by the Board, at a regular or special meeting. Notwithstanding any other provisions of this document to the contrary, so long as there is a Class B membership, the Federal Housing Administration or the Veterans Administration shall have the right to veto any amendments to these By-laws.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Certification:

The undersigned hereby certifies this copy to be a true and accurate copy of the Bylaws of the Association as adopted by the Board of Directors as of _____, 1997.

By: George Chen.
GEORGE CHEN, Secretary

**BY-LAWS OF
ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC.**

Article I

NAME AND LOCATION

The name of the corporation is ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association" and "corporation". The principal office of the corporation shall be located at 7836 W. Irlo Bronson Highway, Kissimmee, Florida 34747, or at such other place as determined by the Board of Directors; but meetings of members and directors may be held at such places within the State of Florida, County of Osceola, or County of Orange, as may be designated by the Board of Directors.

Article n

DEFINITIONS

Section 1. "Association" shall mean and refer to ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2. "Property" and "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall refer to those easements and areas of land, and improvements thereon, if any, that the Association owns for the common use, benefit and enjoyment of all Owners and such other areas as may be designated as Common Areas in the Declaration or on the Plat.

Section 4. "Lot" shall refer to those portions of the Property identified as individual lots on the Plat, and all buildings and improvements thereon.

Section 5. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Rolling Hills Estates Community Declaration of Easements, Covenants, Conditions and Restrictions applicable to the Properties as recorded in the Public Records of Osceola County, Florida, as amended from time to time.

Section 7. "Declarant" shall mean and refer collectively to the Declarant named in the Declaration and its successors and assigns.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation.

Section 9. "Master Association" shall mean and refer to Formosa Gardens Master Property Owners* Association, Inc., a Florida not-for-profit corporation.

Section 10. "Plat" shall refer to that certain plat entitled Rolling Hills Estates Unit I at Formosa Gardens and recorded in Plat Book 10, Pages 29-31, inclusive. Public Records of Osceola County, Florida.

Section 11. All terms used herein which are defined in the Declaration, shall have the same meaning herein.

Article III

MEETING OF MEMBERS

Section 1 - Annual Meeting. There shall be an annual meeting of the members of the corporation at such place as may be designated, on the first Tuesday in March of each year, if not a legal holiday under the laws of the State of Florida, and if a legal holiday, then on the next succeeding business day, at 7:00 p.m., for the transaction of such business as may come before the meeting.

Section 2 - Special Meetings. Special meetings of the members shall be held whenever called by the Board of Directors or by a written request of the members who are entitled to vote one-fourth (1/4) of all votes.

Section 3 - Notice of Meetings. Written notice of each meeting, stating the time, place, and in general terms purpose or purposes therefor, shall be sent by mail to the last known address of all members at least ten (10) days prior to the meeting, but not more than sixty (60) days prior to the meeting.

Section 4 - Proxy. Each member may cast its vote, either in person or by limited proxy, for each Lot owned in fee simple by that particular member, solely or jointly, or by a corporation owning a Lot or Lots. Any proxy granted is revocable and will automatically cease should the member granting said proxy convey his Lot. All proxies shall be in writing and signed by the member and shall be filed with the Secretary. Any proxy is effective only for the specific meeting for which the proxy is originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. For elections to the Board of Directors, members shall vote in person at a meeting of members or by a ballot that the member personally casts, and not by proxy.

Section 5 - Quorum. At any meeting of the members a quorum shall consist of members holding one-third (1/3) of the votes of members, for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. Proxies may be used to establish a quorum.

Section 6 - Voting Rights. Notwithstanding any contrary language in these By-Laws, Declarant may, in Declarant's sole discretion: Appoint and remove all members of the Board of Directors; appoint and remove all officers; otherwise control the Association; and Declarant shall otherwise retain control of the Association until the earlier of the following events:

1. Six (6) months after fee title for one hundred percent (100%) of the "Lots" has been conveyed by Declarant to an Owner other than Declarant; or
2. Such earlier date as Declarant may determine in Declarant's sole discretion.

Until one of the foregoing events occurs. Declarant will be deemed to possess no less than all of the votes that may be necessary to allow Declarant to control the outcome of any decision or vote of the Association. For purposes of this instrument, the term "Declarant" means the declarant of the Declaration and any successors in interest to such declarant. After one of the above described events occurs, Declarant shall be entitled to one vote for each Lot then owned by Declarant.

Section 7 - Actions of Association that Impair Declarant's Interests. Notwithstanding any contrary provision in the By-Laws, as long as Declarant owns any portion of the Property, Declarant shall have the right to veto any action or decision of the Board or the Association that may in Declarant's opinion impair or adversely affect Declarant's right or interests in development of the Property. Declarant shall at all times have the right to appoint one member of the Board which member shall have authority to exercise the veto power reserved for Declarant under this provision.

Article IV

OFFICERS

Section 1 - Executive Officers. The executive officers of the Association shall be President, Vice-President, Secretary and Treasurer. Subject to Sections 6 and 7 of Article III, the executive officers shall be elected annually by the Board of Directors. They shall take office immediately after the election.

Section 2 - The President. Subject to the direction of the Board of Directors, the President shall be the chief executive officer of the Association, and shall perform such other duties as from time to time may be assigned to him by the Board.

Section 3 - The Vice-President. The Vice-President shall have such power and perform such duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the President, the duties of the President shall be performed by the Vice-President.

Section 4 - The Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and of all committees and the minutes of the members' meetings in books provided for that purpose; he shall have custody of the corporate seal and such books and papers as the Board may direct, and he shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors and the President; and he shall also perform such other duties as may be assigned to him by the President or by the Board.

Section 5 - Treasurer. The Treasurer shall have the custody of all the receipts, disbursements, funds and the securities of the Association and shall perform all duties incident to the office of the Treasurer, subject to the control of the Board of Directors and the President. He shall perform such other duties as may from time to time be assigned to him by the Board or the President. If required by the Board, he shall give a bond, at the expense of the Association, for the faithful discharge of his duties in such sum as the Board may require. He shall cause the annual financial statements of the Association, which are required by law or sound accounting practice, to be promptly prepared after the end of each fiscal year of the Association.

Section 6 - Subordinate Officers. Subject to Sections 6 and 7 of Article III, the President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

Section 7 - Term. Subject to Sections 6 and 7 of Article III, the officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless they sooner resign, or are removed, or otherwise become disqualified to serve by sale of property, death, non-payment of dues or other cause.

Section 8 - Resignation and Removal. Subject to Sections 6 and 7 of Article III, any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9 - Vacancies. Subject to Sections 6 and 7 of Article III, a vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Article V

BOARD OF DIRECTORS

Section 1 - Number of Members. Subject to Sections 6 and 7 of Article III, the business and affairs of this Association shall be managed by a Board of three (3) Directors. Directors need not be members of the Association.

Section 2 - Regular Meetings. The Board may meet at such regular times for the transaction of business as designated by the Board from time to time, at such place as may be designated from time to time.

Section 3 - Special Meetings. Special Meetings of the Board of Directors may be called by the President or by two (2) members of the Board for any time and place, provided reasonable notice of such meeting shall be given to each member of the Board before the time appointed for such meetings.

Section 4 - Quorum. The Directors shall act only as a Board, and the individual Directors shall have no power as such. A majority of the Directors shall constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law.

Section 5 - Meeting Chairman. At all meetings of the Board of Directors, the President, or in his absence, the Vice-President, or in the absence of both, a Chairman chosen by the Directors present, shall preside.

Section 6 - Terms of Members of the Board. The first Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of the members. Subject to Sections 6 and 7 of Article III, at the first annual meeting of members and at each annual meeting thereafter, the members of the Board of Directors shall be elected by the members of the Association for an annual term. Notwithstanding any contrary language in these By-Laws, the Declarant may appoint all members of the Board until the earlier of the following events:

1. Six (6) months after fee title for one hundred percent (100%) of the Lots has been conveyed by the Declarant to owners other than Declarant; or
2. Such earlier date as Declarant may determine in Declarant's sole discretion.

Any directors appointed by the Declarant shall serve at the pleasure of the Declarant and may be removed and substituted by the Declarant, at Declarant's sole option and discretion.

Section 7 - Annual Report. The Board of Directors, after the close of the fiscal year, shall submit to the members a report as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

Section 8 - Vacancies in Board. Subject to Sections 6 and 7 of Article III, whenever a vacancy in the membership of the Board shall occur, the remaining members of the Board, even though not constituting a quorum, shall have the power, by a majority vote, to select a member of the Association to serve the un-expired term of the vacancy.

Section 9 - Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 10 - Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section II - Powers and Duties of the Board of Directors.

A. Powers. Subject to Sections 6 and 7 of Article III, the Board of Directors shall have the power to:

(1) Adopt and publish reasonable rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(2) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(3) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.

(4) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(5) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

B. Duties. It shall be the duty of the Board of Directors to:

(1) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of all votes held by members who are entitled to vote.

(2) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

(3) As more fully provided in the Declaration to:

(a) Fix the amount of annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; which annual assessment may be increased or decreased during each year provided that the total annual assessment per Lot for each year shall not exceed the maximum annual assessment then in effect.

(b) Send written notice of each assessment and adjustment thereto to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period and the effective date of each adjustment, provided, that failure to timely send said notification shall not invalidate any such annual assessment or adjustments thereto.

(c) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(4) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any dues have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states dues have been paid, such certificate shall be conclusive evidence of such payment.

(5) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(7) Cause the common areas to be properly maintained.

Article VI

MEMBERSHIPS

Section 1 - Qualifications. Only Lot owners shall be members of this Association. When two (2) or more persons are the joint owners of Lots, all such persons shall be members. Whenever a member shall cease to own a Lot such member shall automatically be dropped from the membership of the Association.

Section 2 - Members. A member shall have no vested right, interest, or privilege of, in or to the assets, functions, affairs or franchises of the Association, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

Section 3 - Manner of Admission. Every person buying a Lot shall become a member of the Association upon the acquisition of his Lot.

Section 4 - Memberships Not Transferable. No membership may be sold, assigned, or transferred, voluntarily or by will or by operation of law.

Section 5 - Termination of Membership. Each membership shall cease when the member sells, assigns, transfers, or otherwise disposes of his Lot.

Section 6 - Annual Maintenance Assessment. Every member shall be required to pay an annual assessment, the amount of which shall be determined by the Board of Directors and may be changed from year to year by the Board of Directors or by the members. Annual assessments for new members shall be pro-rated from the date ownership is acquired to the last day of the year.

Article VII

LOSS OF PROPERTY

Section I - Liability. The Board of Directors shall not be liable or responsible for the destruction of, loss of, or damage to the property of any member or the guest of any member, or visitor, or any other persons.

Article VIII

MAINTENANCE CHARGES

Section I - Fees. Subject to Sections 6 and 7 of Article III, the Board of Directors shall have the right and power to subject the property to an annual assessment which assessment shall constitute the annual assessment provided for in the Declaration. It shall be the duty of the Board of Directors to enforce and implement the provisions of the Declaration.

Section 2 - Use of Funds. The funds raised by dues and assessments may be used for the following purposes:

(1) For lighting, improving, and maintaining the streets and dedicated right-of-way areas maintained for the general use of the owners and occupants of land included in such subdivision.

(2) For operating and maintaining any storm-water drains now or hereafter constructed in such subdivision that are not or will not be under the direct supervision of the State or County.

(3) For collecting and disposing of garbage, ashes and rubbish.

(4) For employing policemen and watchmen.

(5) For doing any other thing necessary or desirable, in the opinion of the Board of Directors, to keep the property neat and in good order and eliminate fire hazards, or which in the opinion of the Board of Directors may be of general benefit to the owners or occupants of the land included in the Properties, or additions brought within the jurisdiction of the Association.

Section 3 - Certificate of Liens. Upon request, the Association shall furnish to any owner or mortgagee, or person interested, a certificate showing the unpaid maintenance charges against any Lot or Lots.

Article IX

NOTICE

Section I - Notice. Whenever according to these By-Laws, or the Declaration, a notice shall be required to be given to any member, it shall not be construed to mean personal notice, but such notice may be given in writing by depositing the same in a post office in Osceola or Orange County, Florida, in a postpaid, sealed wrapper, addressed to such member at his address as the same appears on the books of the Association, and at the time when such notice is mailed shall be deemed the time of the giving of such notice.

Section 2 - Waiver of Notice. Any notice required to be given by these By-Laws may be waived by the person entitled thereto.

Article X

COMMITTEES

Section I - Committees. The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint such other committees as deemed appropriate in carrying out the Association's purposes.

Article XI

BOOKS AND RECORDS

Section 1 - Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XII

CORPORATE SEAL

Section I - Corporate Seal. The Association shall have a seal in circular form having within its circumference the words: ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC., SEAL 1997, CORPORATION NOT FOR PROFIT, FLORIDA.

Article XIII

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Section I - Nomination. Subject to Sections 6 and 7 of Article III, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members or non-members.

Section 2 - Election. Election to the Board of Directors shall be by secret written ballot. Subject to Sections 6 and 7 of Article III, at such 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article XV

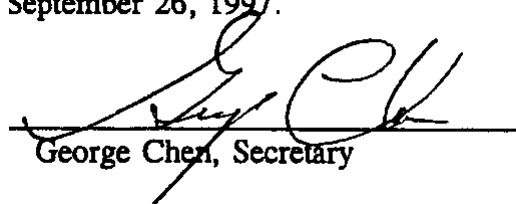
AMENDMENTS

Section 1. These By-Laws may be repealed or amended by either the Board of Directors or the members, but the Board of Directors may not amend or repeal any by-law adopted by members if the members specifically provide such by-law is not subject to amendment or repeal by the Board, at a regular or special meeting. Notwithstanding any other provisions of this document to the contrary, so long as there is a Class B membership, the Federal Housing Administration or the Veterans Administration shall have the right to veto any amendments to these By-laws.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Certification:

The undersigned hereby certifies this copy to be a true and accurate copy of the Bylaws of the Association as adopted by the Board of Directors as of **September 26, 1997.**


George Chen, Secretary

**WRITTEN ACTION OF THE BOARD OF DIRECTORS
OF ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC
IN LIEU OF THE ORGANIZATIONAL MEETING**

The undersigned, being all of the members of the Board of Directors of ROLLING HILLS ESTATES COMMUNITY OWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation ("Corporation"), hereby takes the following Written Actions in lieu of holding a meeting regarding same, pursuant to Section 617.0821, Florida Statutes:

RESOLVED, that the By-Laws, a copy of which is presented to this meeting, be, and the same are hereby adopted and approved as the By-Laws of this Corporation.

FURTHER RESOLVED, the following officers are appointed to hold office until their successors have been duly chosen and qualified, or as otherwise provided in the By-Laws:

| | |
|---------------------|-----------------|
| President | George Chen |
| Vice President | James Salisbury |
| Secretary/Treasurer | Ronald Diamante |

FURTHER RESOLVED, the following resolutions are hereby adopted:

1. A Seal, bearing the words and figures shown by the impression on the margin hereof is adopted as the common corporate seal of the Corporation. The officers of the Corporation are, however, authorized to use such other seal as may, from time to time, be necessary or expedient.
2. The proper officers of the Corporation be, and they hereby are, authorized to open one or more savings accounts and one or more checking accounts in banks of their choosing, on behalf of the Corporation, upon which checks may be drawn or deposits made by any officer of the Corporation, and that the standard form depository resolution of such bank or banks are hereby deemed to be duly approved and adopted when a copy thereof is inserted in the minute book on the pages immediately following this resolution.
3. The Secretary is instructed to purchase records books and books of account, stationery, and office supplies, as may be necessary for administrating the affairs of the Corporation.
4. The President is authorized and directed to retain such legal, accounting and investment counselling assistance as may be required to properly operate the Corporate business.
5. The President of the Corporation is authorized to hire all employees necessary for the operation of the business of the Corporation.
6. Any personal use of automobiles furnished by the Corporation, personal use of any facility furnished or paid for by the Corporation, or any reimbursement for expenses which may ultimately be determined to be personal use in nature shall be considered to be additional compensation to the person using them.

7. That the Registered Agent for the Corporation shall be George Chen and the registered address the above-named Registered Agent shall occupy is located at 7836 W. Irlo Bronson Highway, Kissimmee, Florida 34747.

The undersigned hereby ratify and approve the foregoing actions as of September 26, 1997.

RESOLUTION

A RESOLUTION PROVIDING FOR THE CREATION OF A MUNICIPAL SERVICE TAXING UNIT TO BE KNOWN AS THE ROLLING HILLS ESTATES MUNICIPAL SERVICE TAXING UNIT FOR PURPOSES OF IMPOSING A PROPERTY TAX ON LOTS WITHIN THE ROLLING HILLS SUBDIVISION TO FUND STREET LIGHTING, STORMWATER DRAINAGE SYSTEMS, AND TRASH COLLECTION LOCATED WITHIN THE FORMOSA GARDENS DEVELOPMENT.

WHEREAS, Section 125.01 (1) (q) and (r), Florida Statutes grants the Board of County Commissioners the power to establish a municipal service taxing unit for any part or all of the unincorporated area of the county within which may be provided municipal type services from funds derived from **taxes** within such unit only;

VIB-

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Osceola County, Florida, as follows:

SECTION 1

Pursuant to Florida Statute 125.01 (1) (q), there is hereby created the "THE ROLLING HILLS ESTATES MUNICIPAL SERVICE TAXING UNIT", which is hereinafter referred to as "MSTU". The authorized purposes of the MSTU is and shall be to fund the provision, repair, maintenance, and improvement of street lighting and stormwater management systems within the MSTU. Also, to fund solid waste collection and disposal for each residential unit.

SECTION 2

The MSTU shall embrace and be comprised of the following described real property and as such lots and lands may be from time to time divided, subdivided, platted or replatted:

SEE EXHIBIT "A" WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

SECTION 3

The Board of County Commissioners of Osceola County is hereby designated as the governing body of the MSTU and shall hereinafter be referred to as "governing body".

SECTION 4

The governing body may determine each year the estimated cost of providing the services authorized by this Resolution, including

without limitations and by way of illustration capital and equipment improvements, rentals and acquisitions and operating and maintenance costs and expenses, for the ensuing county fiscal year within the boundaries of said MSTU. The MSTU is authorized to install additional and/or replacement improvements, the purposes of which are authorized in Section I above, subsequent to the sale of 51% of the lots in the MSTU to bona tide purchasers (not a bulk transfer of lots to a developer/speculator).

SECTION 5

The Board of County Commissioners of Osceola County, Florida, hereby authorizes the levy of a millage rate on the assessed valuation of all taxable property within said MSTU. A budget shall be prepared and adopted by the governing body and said millage rate shall be levied by the Board at the same time as said Board prepares and adopts its county annual budget and levies millage rates as provided by law. Said taxes shall be assessed, levied, collected, remitted to and accounted for at the time and in the manner as the other taxes levied by the Board and in the amount the Board shall determine to be necessary to provide such service.

SECTION 6

Those funds obtained from the levy of a tax on all the taxable property within the boundaries of said MSTU shall be maintained in a separate account and used solely for the purpose of providing authorized services within the boundaries of said MSTU and for the costs of administering the MSTU.

SECTION 7

The governing body is authorized to enter into contracts with any and all public or private organizations or persons for the implementation and maintenance of authorized facilities within the MSTU and administration of the MSTU.

SECTION 8

The Governing Body is authorized:

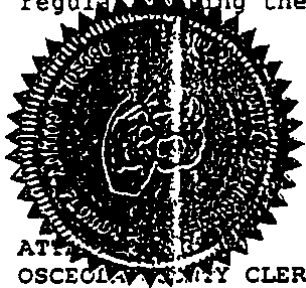
(a) To acquire property, real, personal or mixed, on such terms and conditions as the Governing Body may deem necessary or desirable, provided that the use or ownership of such property is necessary in the furtherance of a designated lawful purpose authorized under the provisions of this Resolution or Florida Statutes, and amendments thereto; and otherwise deal with any of the assets and properties of the MSTU, with or without consideration.

(b) Whenever deemed necessary or desirable by the Governing

Body, to lease, as lessor or lessee, to or from any person, firm, corporation, association or body, public or private, any MSTU facilities or property of any nature for the use of the MSTU and to carry out any of the purposes of the MSTU.

(c) To enter into contracts for the use of the facilities of the MSTU and with respect to the services and facilities furnished or to be furnished by the MSTU, including, but not limited to, service agreements with landowners, power companies, and others within or without the MSTU providing for the furnishing of any of the services and facilities of the MSTU, for such consideration and on such other terms and conditions as the Governing Body may approve. No hearing or notice thereof shall be required prior to the authorization or execution by the Governing Body of any such contract or agreement, and the same shall not be subject to revision except in accordance with their terms. Such contracts or agreements, and revenue or service charges received or to be received by the MSTU thereunder, may be pledged as security for any obligation of the MSTU.

~~regulating~~ SECTION 9



It is declared to be the intent of the Board of County Commissioners that if any section, subsection, sentence, clause, phrase or provision of this Resolution is held invalid or unconstitutional, such invalidity or

unconstitutionality shall not be so construed as to render invalid or unconstitutional the remaining provisions of this Resolution.

SECTION 10

This Resolution shall become effective upon adoption provided, however, no taxes may be levied hereunder prior to January 1, 1997.

PASSED AND ADOPTED by the Board of County Commissioners at its 18th day of November, 1996.

BOARD OF COUNTY COMMISSIONERS
OF OSCEOLA COUNTY, FLORIDA

EXHIBIT "A"

LEGAL DESCRIPTION:

THE WEST 1/2 OF THE SCXJTHWEST 1/4. LESS THE NORTH 25 FEET AND LESS THE WEST 35 FEET FOR ROAD RIGHT OF WAY AND LESS THE FOLLOWING:

THAT PORTION OF LOTS 12.13 AND 14. BLOCK "C" OF THE FLORIDA FRUIT AND TRUCK LAND COMPANY SUBDIVISION OF SECTION 10. TOWNSHIP 25 SOUTH. RANGE 27 EAST. AS RECORDED IN PLAT BOOK "B". PAGE 68 OF THE PUBLIC RECORDS OF OSCEOLA COUNTY. FLORIDA; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTH 233.55 FEET OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 10. . . .
TOWNSHIP 25 SOUTH. RANGE 27 EAST. OSCEOLA COUNTY, FLORIDA; LESS THE SOUTH 15.00
FEET
THEREOF FOR ROAD RIGHT OF WAY