

**EXHIBIT "B"**

**ARTICLES OF INCORPORATION**

**OF**

**ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**



FLORIDA DEPARTMENT OF STATE  
Glenda E. Hood  
Secretary of State

August 1, 2003

CAPITOL SERVICES, INC.

The Articles of Incorporation for ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC. were filed on August 1, 2003 and assigned document number N03000006582. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT/UNIFORM BUSINESS REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT/UNIFORM BUSINESS REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT/UNIFORM BUSINESS REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Loria Poole, Document Specialist  
New Filings Section

Letter Number: 503A00044453

08/19/03 11:15 AM

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on August 1, 2003, as shown by the records of this office.

The document number of this corporation is N03000006582.



CR2EO22 (2-03)

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
First day of August, 2003

*Glenda E. Hood*

Glenda E. Hood  
Secretary of State

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**ARTICLES OF INCORPORATION**  
**OF**  
**ROYAL TERRACE TOWNHOMES**  
**HOMEOWNERS ASSOCIATION, INC.,**  
**(a Corporation Not for Profit)**

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REC'D - COUNTY CLERK  
TALLAHASSEE, FLORIDA

1. Pursuant to Section 617.021, Florida Statutes, the undersigned hereby submits these Articles of Incorporation.
2. The name of the corporation is Royal Terrace Townhomes Homeowners Association, Inc.
3. The adopted Articles of Incorporation are as follows:

**ARTICLE I**

**NAME/CORPORATE EXISTENCE**

The name of the corporation shall be ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association", and its duration shall be perpetual; provided, that if it is ever dissolved, its assets shall be conveyed to another association or public agency having a similar purpose.

**ARTICLE II**

**PURPOSE**

The purpose for which the Association is organized is to engage as a non-profit organization in protecting the value of the property of the Members of the Association, to exercise all the powers and privileges and to perform all of the duties and obligations of the Association as defined and set forth in that certain Declaration of Covenants and Restrictions for Royal Terrace Townhomes (the "Declaration"), to be recorded in the office of the Clerk of the Circuit Court in and for Indian River County, Florida, including the establishment and enforcement of payment of charges and Assessments contained therein, and to engage in such other lawful activities as may be to the mutual benefit of the Members and their property. All terms used herein which are defined in the Declaration shall have the same meaning herein as defined therein.

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### ARTICLE III

#### POWERS

The powers of the Association shall include and be governed by the following provisions:

Section 1. Common Law and Statutory Powers. The Association shall have all of the common law and statutory powers of a corporation not-for-profit which are not in conflict with the terms of these Articles and the Declaration.

Section 2. Necessary Powers. The Association shall have all of the powers reasonably necessary to implement its purpose, including, but not limited, to the following:

A. To operate and manage the Common Property and Recreation Facilities in accordance with the purpose and intent contained in the Declaration;

B. To make and collect Assessments against Members to defray the Common Expenses;

C. To levy and collect fines against Members as provided in the Declaration;

D. To use the proceeds of Assessments in the exercise of its powers and duties and to incur debt for the purposes of the Association;

E. To maintain, repair, replace and operate the Common Property, including the Recreation Facilities;

F. To reconstruct Improvements upon the Property after casualty and to further improve the Property;

G. To make and amend By-Laws for the Association and regulations respecting the use of the Property;

H. To pay all taxes and other assessments which are liens against the Common Property, including the Recreation Facilities;

I. To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws and the Rules and Regulations for the use of the Property;

J. To provide for management and maintenance and to authorize a management entity to assist the Association in carrying out its powers and duties by performing such functions as the collection of Assessments, preparation of records, enforcement of rules, and maintenance of the Common Property and Recreation Facilities. The Association shall, however, retain at all times the powers and duties granted it by common law, Florida Statutes and local

ordinances including, but not limited to, the making of Assessments, the promulgation of rules, and the execution of contracts on behalf of the Association.

K. To possess, enjoy and exercise all powers necessary to implement, enforce, and carry into effect the powers above described, including the power to acquire, hold, convey, and deal in real and personal property.

Section 3. Funds and Title to Properties. All funds and title to all properties acquired by the Association and the proceeds thereof shall be held for the benefit of the Members in accordance with the provisions of the Declaration. No part of the income, if any, of the Association shall be distributed to the Members, Directors, or Officers of the Association.

Section 4. Limitations. The powers of the Association shall be subject to and exercised in accordance with the provisions of the Declaration.

#### ARTICLE IV

#### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a member of the Association. Notwithstanding anything else to the contrary set forth in this Section 1, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Developer (as long as the Class B Membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it would otherwise qualify). Class A members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the single vote for such Lot shall be exercised as they among themselves determine but, subject only to the following subsection, in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote entitled to be cast in the aggregate at any time and from time to time by the Class A Members. The Class B membership shall cease and terminate the later of three (3) months after 90 percent of the Lots in Royal Terrace Townhomes have been sold by the Developer or its affiliates, or such date as required to comply with the requirements of any governmental chartered entity with regard to the mortgage financing of Lots sold by the Developer or its affiliates. At the election of the Developer the Class B membership may terminate earlier, whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association.

Section 3. General Matters. When reference is made herein, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members present at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots.

## ARTICLE V

### BOARD OF DIRECTORS

The affairs of the Association shall be managed by an Association consisting of not less than three (3) nor more than nine (9) Directors. Until such time as Developer relinquishes control of the Association, as described in the Declaration, Developer shall have the right to appoint all members of the Board of Directors and to approve the appointment of all Officers of the Association, and no action of the membership of the Association shall be effective unless, and until, approved by Developer. No such Directors or Officers need be Members of the Association. After Turnover of control of the Association, and so long as Developer owns any property within Royal Terrace Townhomes, Developer shall have the right to appoint one (1) member of the Board of Directors; such Director need not be a Member of the Association, however, all other Directors and all Officers elected by the Members of the Association as provided below must be Members of the Association. The number of Directors constituting the initial Board is three (3) and they shall serve until such time as Developer relinquishes control of the Association or until replaced by Developer. Commencing with the first annual meeting of the Association or until replaced by Developer. Commencing with the first annual meeting of the Association, the Directors shall be elected by the Members of the Association at the annual meeting, except that Developer shall have the right to appoint one (1) member of the Board of Directors, as described hereinabove. Developer shall be entitled at any time, and from time to time, to remove or replace any Director originally appointed by Developer. Developer may waive or relinquish in whole or in part any of its rights to appoint any one or more of the Directors it is entitled to appoint. The following persons shall constitute the initial Board of Directors:

<u>Name</u>	<u>Address</u>
Julio Somoza	9400 SW 103 <sup>rd</sup> Street, Miami, FL 33176
Myrna Somoza	9400 SW 103 <sup>rd</sup> Street, Miami, FL 33176
Ira C. hatch, Jr.	1701 A-1-A Highway, Suite 220, Vero Beach, FL 32963

## ARTICLE VI

### OFFICERS

Officers shall be elected by the Board of Directors at the annual meetings of the

Directors, as provided in the By-Laws. Until such time as Developer relinquishes control of the Association, as provided in the Declaration, however, Developer shall have the right to approve all of the Officers so elected. The initial Officers shall consist of a President, Vice President, Secretary and Treasurer. The following persons shall serve as initial Officers until the first election:

<u>Name</u>	<u>Title</u>
Myrna Somoza	President/Treasurer
Julio Somoza	Vice President/Secretary

**ARTICLE VII**

**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every Director and Officer of the Association shall be indemnified by the Association as provided in the Declaration.

**ARTICLE VIII**

**INCORPORATOR**

The names and addresses of the incorporator of the Association is:

<u>Name</u>	<u>Address</u>
Myrna Somoza	9400 SW 103 <sup>rd</sup> Street, Miami, FL 33176

**ARTICLE IX**

**BY-LAWS**

The By-Laws of the Association may be adopted, amended, altered or rescinded as provided therein; provided, however, that at no time shall the By-Laws conflict with these Articles of Incorporation or the Declaration; and provided further that no amendment, alteration or rescission may be made which adversely affects the rights or privileges of Developer, without Developer's prior written approval; and provided further that no amendment, alteration or rescission may be made which adversely affects the rights or privileges of any Institutional Mortgagee, without the prior written consent of the Institutional Mortgagee so affected; and provided further that after the Developer relinquishes control of the Association, no amendment, alteration or rescission of the By-Laws shall be made without the Association's prior written approval. Until such time as Developer relinquishes control of the Association, no amendments to the By-Laws shall be effective unless Developer shall have joined in and consented thereto in writing. Any attempt to amend, alter or rescind contrary to these prohibitions shall be of no force or effect.



**ARTICLE X**

**AMENDMENTS**

These Articles of Incorporation of the Association may be amended, altered or rescinded as provided in the Florida Not For Profit Corporations Act; provided however, that no such amendments shall conflict with the terms of the Declaration or affect the rights of Developer, without Developer's prior written approval; and provided further that no amendment, alteration or rescission may be made which adversely affects the rights or privileges of any Institutional Mortgagee, without the express prior written consent of the Institutional Mortgagee so affected; and provided further that after Developer relinquishes control of the Association, no amendment, alteration or rescission of these Articles shall be made without the Association's prior written approval. Any attempt to amend contrary to these provisions shall be of no force or effect.

**ARTICLE XI**

**PRINCIPAL OFFICE AND MAILING ADDRESS**

The principal office and mailing address of the Association are the same: % Hatch & Doty, P.A., 1701 A-1-A Highway, Suite 220, Vero Beach, Fl 32963.

**ARTICLE XII**

**REGISTERED AGENT AND REGISTERED OFFICE**

The name and address of the initial registered agent of the Association is:

<b><u>Name</u></b>	<b><u>Address</u></b>
Ira C. Hatch, Esq.	1701 A-1-A Highway, Suite 220, Vero Beach, Fl 32963

The Association shall have the right to designate subsequent registered agents without amending these Articles of Incorporation.

**ARTICLE XIII**

**TERMINATION**

The Association may be dissolved by a Two-thirds (2/3) affirmative vote of all Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that acceptance of the dedication is refused, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization devoted to similar purposes. No such disposition of Association assets shall be effective to divest or diminish any right or title of any member vested in him under the Declaration unless made in accordance with the Declaration.

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027 F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

IN WITNESS WHEREOF, the incorporator has executed these Articles of Incorporation at Indian River County, Florida, this 30 day of July, 2003.

Signed, sealed and delivered in the presence of:

Signed, sealed and delivered in the presence of:

**Royal Terrace Townhomes Homeowners Association, Inc., a Florida corporation not-for-profit**

Macy Ennis  
Witness  
Printed Name: Macy Ennis

By: Myrna Somoza

Jareen Foxworth  
Witness  
Printed Name: JAREEN FOXWORTH

Printed Name: Myrna Somoza  
Title: Incorporator

(Corporate Seal)

STATE OF FLORIDA )  
COUNTY OF INDIAN RIVER)

The foregoing Articles of Incorporation were acknowledged before me this 30 day of July, 2002, by Myrna Somoza, the incorporator named therein, who is personally known to me or has produced \_\_\_\_\_ as identification.

(Notarial Seal)

Ira G. Hatch  
Notary Public  
Ira G. Hatch  
Commission # OC 892142  
My Commission Expires 2004  
Bonded Thru  
Atlantic Bonding Co., Inc.

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**EXHIBIT "A"**

**LEGAL DESCRIPTION**

The North 308.5 feet of the West 82.5 feet of the West 5 acres of Lot 1, Block 2, Dr. Richard E. Bullingtons Subdivision according to the Plat thereof, as recorded in Plat Book 2, Page 5, of the Public Records of St. Lucie County (now in Indian River County), Florida, together with

The West 2.5 acres of Lot 1, Block 2 of Richard E. Bullingtons Subdivision according to the Plat thereof, as recorded in Plat Book 2, Page 5, of the Public Records of St. Lucie County (now in Indian River County), Florida

**LESS AND EXCEPT:**

The West 82.5 feet and the East 82.5 feet of the West 165 feet of the South 358.5 feet of Richard E. Bullingtons Subdivision according to the Plat thereof, as recorded in Plat Book 2, Page 5, of the Public Records of St. Lucie County (now in Indian River County), Florida.

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