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January 11, 2013

Homeowners
Tusawilla Homeowners'
Association, Inc.

Re: **Department of Community Affairs Ruling on
Marketable Record Title Act (MRTA) Preservation & Revitalization**

Dear Homeowners:

I met with a number of your neighborhoods (Units) regarding the pending expiration of some of the neighborhood (Units) Notices of Restrictions on Real Estate. You may recall my February 20, 2012 letter in which I addressed the effect of Chapter 712, Florida Statutes, which states that the neighborhood (Unit) Notices of Restrictions expire after 30 years unless preserved before the 30 year expiration or restored after the 30 year expiration.

After several meetings and engagement by two of your neighborhoods (Units), I submitted a request to approve the restoration of one of your neighborhood (Unit) Notices of Restriction on Real Estate to Florida's Department of Community Affairs, which governs the restoration (but not preservation) of restrictions that have expired after 30 years. The neighborhood (Unit) restrictions I submitted for restoration did not include a homeowners' association, mandatory membership in an association or the right to assess dues that if unpaid could result in a lien and foreclosure. Without prior precedent, the Department of Community Affairs ruled that it would not approve restoring any Notices of Restriction on Real Estate that did not include a homeowners' association with mandatory membership and lien rights.

The Department's decision is subject to appeal, first to the Department and then to the courts. However, the appeals process is cost prohibitive. Therefore, we did not appeal the Department's unprecedented decision.

Neighborhoods (Units) with Notices of Restriction that include homeowners associations and lien rights are not affected by the Department's decision. However, if your neighborhood (Unit) does not provide for a homeowners' association with mandatory membership and lien rights, the Department will not approve restoring your Notice of Restrictions on Real Estate after it has expired. Consequently, the options for restoring already expired Notices of Restrictions for Unit's without homeowners' associations are limited, depend on the terms of the Unit's

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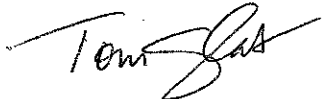
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Notices of Restrictions and may require the consent of all record owners of lots in such a neighborhood (Unit).

It is unfortunate that two of your Units incurred the time and cost of attempting to restore its Notices of Restrictions, with the lone submittal receiving rejection by the Department. The Department's decision effectively bars every Florida deed restricted neighborhood without a homeowners' association from restoring their recorded restrictions. Although it is my opinion that this cannot be the intent of Chapter 712, Florida Statutes, which was really created just to reduce the time period in which title companies had to search for deed restrictions, the Department's broader interpretation bars any neighborhood (Unit) without a homeowners' associations from restoring its deed restrictions through the process in Chapters 712 and 720, Florida Statutes.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Slaten", written in a cursive style.

Thomas R. Slaten, Jr.

TRS/pa