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Prepared by and Return to:  
IRA C. HATCH, ESQ.  
Hatch & Doty, P.A.  
1701 A-1-A Highway  
Suite 220  
Vero Beach, FL 32963

IN THE RECORDS OF  
JEFFREY K. BARTON  
CLERK CIRCUIT COURT  
INDIAN RIVER CO., FLA.

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**DECLARATION OF COVENANTS AND  
RESTRICTIONS  
FOR  
ROYAL TERRACE TOWNHOMES**

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**DECLARATION OF COVENANTS AND RESTRICTIONS**

**FOR**

**ROYAL TERRACE TOWNHOMES**

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**DECLARATION OF COVENANTS AND RESTRICTIONS**

**FOR**

**ROYAL TERRACE TOWNHOMES**

**THIS DECLARATION OF COVENANTS AND RESTRICTIONS**, made and executed this 5 day of August, 2003, by **DYANASTY OF INDIAN RIVER, INC., a Florida corporation**, ("Developer"), joined by **ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit**,

**W I T N E S S E T H:**

WHEREAS, Developer is the owner of that certain real property located in Indian River County, Florida, and legally described in Exhibit "A", attached hereto and made a part hereof (the "Property"); and

WHEREAS, it is the intent of Developer to establish a general plan and uniform scheme of development and improvement of the Property, as hereinafter defined; and

WHEREAS, Developer wishes to provide for the preservation and enhancement of property values, amenities and opportunities within the Property in order to contribute to the personal and general health, safety and welfare of the property owners and residents therein, and to maintain the land and improvements therein, and to this end wishes to subject the Property to the covenants, restrictions, easements, reservations, assessments, charges, liens and other provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, reservations, assessments, charges, liens and other provisions hereinafter set forth in this Declaration of Covenants and Restrictions.

**ARTICLE 1**  
**DEFINITIONS**

The following terms, as used in this Declaration, shall have the following meanings:

1.1 "Architectural Review Board" or "A.R.B." shall mean and refer to that permanent committee of the Association, which may be created for the purpose of establishing and enforcing criteria for the design and construction of Improvements within the Property.

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1.2 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association as they may exist from time to time. The initial Articles are attached hereto and made a part hereof as Exhibit "B".

1.3 "Assessment" shall mean and refer to those charges made by the Association from time to time, against each Lot within the Property for the purposes, and subject to the terms, set forth herein in the Assessment Schedule attached hereto and made a part hereof as Exhibit "D".

1.4 "Association" shall mean and refer to ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, its successors and assigns.

1.5 "Board" or "Board of Directors" shall mean and refer to the board of directors of the Association.

1.6 "By-Laws" shall mean and refer to the By-Laws of the Association as they may exist from time to time. The initial By-Laws are attached hereto and made a part hereof as Exhibit "C".

1.7 "Common Expenses" shall mean and refer to all expenses incurred by the Association in connection with its ownership, maintenance and other obligations set forth herein.

1.8 "Common Property" shall mean and refer to all portions of the Property (other than the Lot and townhouse improvements therein) which are intended for the common use and enjoyment of all Owners and which are conveyed to the Association by deed or which are dedicated to the Association on the Site Plan, as it now exists or as it is amended, or herein, and all real and personal property which may be acquired by the Association for the private common use, benefit and enjoyment of all Owners, and all portions of the Property as Developer may from time to time designate as Common Property hereunder. Without limiting the foregoing, Pool Facility, the Open Space, the Recreation Tract, and the Water Retention Easement as shown on the Site Plan and the Recreation Facilities, as hereinafter defined, are hereby designated as Common Property by Developer, notwithstanding the fact that these properties shall continue to be owned by Developer until Turnover as defined herein.

1.9 "County" shall mean and refer to Indian River County, Florida.

1.10 "Declaration" shall mean and refer to this instrument, and all exhibits hereto, as the same may be amended from time to time.

1.11 "Developer" shall mean and refer to Dynasty of Indian River, Inc., a Florida corporation and its affiliates, successors and assigns.

1.12 "Dwelling" shall mean and refer to a single family townhome residential dwelling on a Lot.

1.13 "Improvements" shall mean and refer to all structures of any kind, including, without limitation, any building, roof, window, wall, fence, sign, paving, grading, swimming pool, patio, or screening of any type, sewer, drain, disposal system, driveway, sidewalk, decorative building, planting, landscaping, landscape device or object or any and all types of structures or improvements, whether or not the purpose thereof is purely decorative or otherwise, and any and all additions, alterations, modifications, or changes thereto or thereof.

1.14 "Institutional Mortgagee" shall mean and refer to any bank, bank holding company, trust company or subsidiary thereof, savings and loan association, Federal National Mortgage Association, insurance company, union pension fund, mortgage company approved by Developer, an agency of the United States Government, or Developer, which holds a first mortgage of public record on any Lot or any portion of the Property, and the holder of any mortgage of public record given or assumed by Developer, whether a first mortgage or otherwise, and their successors and assigns.

1.15 "Limited Common Property" shall mean and refer to any portion of the Property which may be reserved for the exclusive benefit and use of specific Owners, as set forth on the Site Plan or as otherwise established by Developer, the maintenance of which shall be a Common Expense.

1.16 "Lot" shall mean and refer to any tract of land shown on the Site Plan Of the Property and described by a meets and bounds legal description which is intended for use as a site for a Dwelling or Recreation Tract.

1.17 "Member" shall mean and refer to a member of the Association.

1.18 "Owner" and "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, excluding, however, any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.19 "Property" shall mean and refer to the Initial Property and such additional property as may be subjected to and brought within this Declaration by Developer from time to time, pursuant to Section 2.2 of this Declaration.

1.20 "Recreation Facilities" shall mean and refer to those facilities owned by the Association, provided for the common use and benefit of the Members, or to those facilities owned by Developer but otherwise designated by Developer as Recreation Facilities for the common use and benefit of all Owners, including without limitation: swimming pool, pool facilities, deck and such other properties, facilities and Improvements as may now or hereafter be constructed, acquired or designated as "Recreation Facilities" by Developer or the Association.

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1.21 "Recreation Tract" shall mean and refer to that portion of the Property intended for the construction of Recreation Facilities for the common use, benefit and enjoyment of all Owners, as set forth on the Site Plan of the Property, or as designated by Developer from time to time as a Recreation Tract. Without limiting the generality of the foregoing, the area as shown on the Site Plan is hereby designated a Recreation Tract by Developer, subject however to Developer's right as specified herein to substitute any Lot or other portion of the Property as a Recreation Tract.

1.22 "Royal Terrace Townhomes" shall mean and refer to that residential planned development located in Indian River County, Florida as legally described in the Site Plan together with any additional lands which may hereafter be submitted to this Declaration, in accordance with the terms hereof.

1.23 "Rules and Regulations" shall mean and refer to all restrictions, conditions or limitations which may be promulgated by Developer or the Association relating to the use by Members of the Common Property, Recreation Tract or Recreation Facilities, as further set forth in this Declaration.

1.24 "Site Plan" shall mean the site plan for the Royal Terrace Townhomes prepared by Joseph B. Kaler & Associates, P.A. dated October 28, 2002, under Job Number PROJ 00-94E.

1.25 "Street" shall mean and refer to any street, highway or other thoroughfare which is constructed by Developer within the Property and is dedicated to the Association, or to any easement for ingress and egress reserved over, upon or across any Lot, whether the same is designated as street, avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, walk, or other similar designation.

1.26 "Traffic Regulations" shall mean and refer to the speed limits and other traffic regulations which may be promulgated by Developer or the Association for use of any Street, as further set forth in this Declaration, through agreement with the Town or other applicable governmental authority.

1.27 "Town" shall mean and refer to the City of Vero Beach, Florida.

1.28 "Turnover" shall mean and refer to the relinquishment of control of the Association by Developer in accordance with Florida law and this Declaration.

1.29 "Water Retention Easement" shall mean and refer to the said area as shown on the Site Plan subject to the requirements of the Town and the St. Johns Water Management District as modified by Developer or the applicable governmental authority.

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**ARTICLE 2**  
**PROPERTY SUBJECT TO THIS DECLARATION**

2.1 Property. The Property subject to this Declaration upon the recordation hereof in the County Public Records is the property described in Exhibit "A" attached hereto and made a part hereof.

2.2 Additional Property. Developer may, at any time and from time to time in its sole discretion, subject additional property to and bring additional property within this Declaration, including without limitation, platted subdivisions, Lots, Common Property, phases, condominium property, Recreation Facilities, and other amenities, by recording in the public records of the County an amendment to this Declaration, describing such additional property and setting forth any use restrictions, voting rights, maintenance requirements, user fees, dues or other provisions pertaining to such property. Notwithstanding the fact that Developer's submission of additional property to this Declaration may result in an overall increase or decrease in Assessments attributable to each Lot, or may result in an overall increase or decrease in the total number of votes or Members in the Association, such an amendment by Developer shall not require the joinder or consent of the Association, other Owners, Institutional Mortgagees or other mortgagees of any portion of Royal Terrace Townhomes, or any other person or entity. Any property submitted to the Declaration pursuant to the terms hereof shall be included in the term "Property" and may be in Developer's discretion part of Royal Terrace Townhomes, regardless of where such property is located.

2.3 Site Plan Designations. The Water Retention Easement and the Recreation Tract, as shown on the Site plan, are hereby reserved by Developer for such purposes as Developer may from time to time designate. The designations of these tracts on the Site Plan are for identification purposes only, and shall not be deemed to limit or restrict the uses to which the tracts may be put by Developer, nor shall they, without more, be deemed to constitute a transfer of title to such tracts to the Association, or constitute a dedication of such tracts to the Association, or create any ownership or other interest to such tracts in the Association or the Members. Without limiting the foregoing, Developer may elect to construct improvements upon certain of the tracts which may be for the benefit of the Association and the Members.

**ARTICLE 3**  
**ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

3.1 Formation. Developer has caused the Association to be formed by filing the Articles of Incorporation therefore in the office of the Secretary of State of Florida. The Association is formed to operate, maintain and may ultimately own the Common Property; to operate and maintain the surface water management system, if any, as permitted by the St. Johns Water Management District, including all lakes, retention areas, culverts and related appurtenances; to enforce the covenants, conditions, restrictions, and other provisions set forth in this Declaration; and to have such other specific rights, obligations, duties and functions as are set forth in this Declaration and in the Articles of Incorporation

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and the By-Laws of the Association. Subject to the additional limitations provided herein and in the Articles of Incorporation and the By-Laws of the Association, the Association shall have all of the powers and be subject to all the limitations of a not-for-profit corporation as contained in Florida Statutes, Chapter 617 (2001) (the "Florida Not for Profit Corporation Act"), in existence as of the date of recording this Declaration in the public records of the County.

3.2 Membership. A person or entity shall automatically become a Member of the Association upon acquisition of fee simple title to any Lot, by filing a deed therefore in the public records of the County. Membership shall continue until such time as the Member transfers or conveys his interest of record or the interest is transferred or conveyed by operation of law, at which time membership, with respect to the Lot conveyed, shall automatically be conferred upon the transferee. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot subject to this Declaration. No person or entity holding an interest of any type or nature whatsoever in a Lot only as security for the performance of an obligation shall be a Member. Developer, by bringing additional property within this Declaration, may thereby cause additional membership in the Association and may designate the voting rights and Assessments for the additional Members attributable to such additional property.

3.3 Voting. Membership and voting rights are described in the Articles of Incorporation, Article IV, attached hereto and made a part hereof as Exhibit "B" to this Declaration. Any Member who owns more than one (1) Lot shall be entitled to exercise or cast one (1) vote for each such Lot. When more than one (1) person owns a Lot, all such persons shall be Members of the Association; provided, however, in no event shall more than one (1) vote be cast with respect to each Lot. If more than one (1) person, a corporation, or other entity owns a Lot, they shall file a certificate with the Secretary of the Association naming the person authorized to cast votes for said Lot. If said certificate is not on file, the Owner(s) shall not be qualified to vote and the vote of such Owner(s) shall not be considered nor shall the presence of such Owner(s) at a meeting be considered in determining whether a quorum is present. If a Lot is owned by husband and wife as tenants by the entirety, no certificate need be filed with the Secretary naming the person authorized to cast votes for said Lot, and either spouse, but not both, may vote in person or by proxy and be considered in determining whether a quorum is present at any meeting of the Members, unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the Lot at the meeting, in which case the certificate requirements set forth above shall apply. Developer, by including additional property within the imposition of this Declaration, may designate the voting rights appurtenant to such additional property. Voting is subject to control by Developer under paragraph 3.6 within.

3.4 Administration of the Association. The affairs of the Association shall be administered by the Board of Directors in accordance with this Declaration, the Articles of Incorporation and the By-Laws of the Association. The Articles of Incorporation and the By-Laws may be amended in the manner set forth therein; provided, however, that no such amendment shall conflict with the terms of this Declaration or adversely affect the rights of



Developer under this Declaration, without Developer's prior written approval, or adversely affect or diminish the obligation of the Association with regard to the surface water management plan, if any, without the express prior written consent of the St. Johns Water Management District; and provided further that no amendment, alteration or rescission may be made which adversely affects or prejudices the rights or privileges of any Institutional Mortgagee, without the express prior written consent of the Institutional Mortgagee so affected, and provided further that no amendment, alteration or rescission of the Articles of Incorporation or the By-Laws shall be made without the Association's prior written approval. Any attempt to amend the Articles of Incorporation or By-Laws contrary to these prohibitions shall be of no force or effect.

3.5 Suspension of Membership Rights. No Member shall have any vested right, interest or privilege in or to the assets, functions, affairs or franchises of the Association, or any right, interest or privilege which may be transferable separate and apart from the Lot or Dwelling, or which shall continue after his membership ceases, or while he is not in good standing. A Member shall be considered "not in good standing" during any period of time in which he is delinquent in the payment of any Assessment or fine, or in violation of any provision of this Declaration or of any rules or regulations promulgated by Developer or the Association. While not in good standing, the Member shall not be entitled to vote or exercise any other right or privilege of a Member of the Association, except for access to and from the Member's Lot or Dwelling.

3.6 Control By Developer. Anything contained herein to the contrary notwithstanding, Developer shall have the right to retain control of the Association until such time as is determined by the provisions of Florida Statutes §720.307 (2002) as may be amended from time to time. At the time of Turnover of control of the Association, the Association shall record a Notice of Turnover in the public records of the County. So long as Developer retains control of the Association, Developer shall have the right to appoint all members of the Board of Directors and of the Architectural Review Board and to approve the appointment of all officers of the Association. In the event that Developer shall enter into any contracts or other agreements for the benefit of Owners, or the Association, that are within the normal course of development of the Property, Developer may, at its option, assign its obligations under these agreements to the Association, and in such event the Association shall be required to accept such obligations.

After Turnover of control of the Association, no action shall be taken or decision adopted by the Board which would adversely impact on the construction, development, sale or marketing of the Property, or on the condition or appearance of the Property without the prior written consent of Developer for a period of six (6) months following recording of the Notice of Turnover. The Board shall submit such decisions and actions to Developer for approval. Developer shall approve or disapprove such decisions and actions in writing within twenty (20) days after receipt thereof. In the event Developer fails to act within such time period, such failure shall be deemed an approval by Developer of such action.

**ARTICLE 4**  
**COMMON PROPERTY**

4.1 Title to Common Property. Title to all property heretofore designated by Developer as Common Property shall remain vested at all times in Developer or its successors or assigns, unless and until Developer, in its sole and absolute discretion, elects to convey the Common Property to the Association, in which event Developer shall convey all of its right, title and interest in the Common Property to the Association. Notwithstanding any other provisions of this Declaration, Developer shall in no event be required to convey, dedicate or otherwise transfer title to any or all of the Common Property to the Association, and Developer may at any time and from time to time designate additional property as Common Property, or relocate property previously designated as Common Property, or otherwise add to, subtract from or replace Common Property. Notwithstanding the manner in which fee simple title to the Common Property is held, the Association shall be responsible for the management, maintenance and operation of the Common Property from and after the date of recordation of this Declaration. Anything herein contained to the contrary notwithstanding, certain portions of the Common Property may be reserved by Developer, in its sole and absolute discretion, as Limited Common Property for the exclusive benefit and use of specific Owners.

4.2 Acquisition and Conveyance of Property. The Association shall have the power and authority to acquire and convey such interests in real and personal property as it may deem beneficial to its Members. Such interests may include fee simple or other absolute ownership interests, leaseholds, easements, licenses or such other possessory use interests as the Association may determine to be beneficial to its Members. Any property acquired pursuant to this section shall be deemed Common Property.

4.3 Rules and Regulations Governing Use of Common Property. Developer and the Association, through its Board of Directors, shall regulate the use of the Common Property by Members and Owners, and may from time to time promulgate such Rules and Regulations consistent with this Declaration, governing the use thereof as Developer or the Association may deem to be in the best interests of its Members; provided, however, that any conflict between Developer and the Association relating to such Rules and Regulations shall at all times be resolved in favor of Developer. A copy of all Rules and Regulations established hereunder and any amendments thereto shall be made available to all Members at the office of the Association. Such Rules and Regulations and all provisions, restrictions and covenants as now or hereafter provided, including, without limitation, all architectural and use restrictions contained in this Declaration, may be enforced through legal or equitable action by Developer or the Association. Without limiting the foregoing, the Association shall have the right to assess fines against Owners who violate the Rules and Regulations of the Association and against Owners whose family members, guests, employees, agents, lessees, licensees or invitees violate the Rules and Regulations, which fines shall be collected as an Individual Assessment from such Owners, and to suspend such Owners' rights and easements of enjoyment with respect to the Common Area.

4.4 Traffic Regulations. Developer and the Association, through its Board of Directors, shall have the right to post motor vehicle speed limits throughout Royal Terrace Townhomes and to promulgate Traffic Regulations for Royal Terrace Townhomes. A copy of all Traffic Regulations established hereunder and any amendments thereto shall be made available to all Members at the office of the Association. Developer and the Association shall also have the right to establish enforcement mechanisms for violations of the Traffic Regulations, including without limitation, the removal of vehicles from the Property, the assessment of fines against Owners who violate the Traffic Regulations and against Owners whose family members, guests, employees, agents, lessees, licensees or invitees violate the Traffic Regulations, which fines shall be collected as an Individual Assessment from such Owners, and the suspension of an Owner's rights and easements of enjoyment, as provided hereinbelow. Owners who violate the Rules and Regulations or the Traffic Regulations, and Owners whose family members, guests, employees, agents, lessees, licensees or invitees violate the Rules and Regulations or the Traffic Regulations shall be entitled to notice and an opportunity for a hearing before the Board of Directors of the Association, prior to the imposition of any fine, the removal of any vehicle, the deprivation of any rights, or the enforcement of any other penalty for violation of the Rules and Regulations or the Traffic Regulations.

4.5 Owner's Easement of Enjoyment. Subject to the provisions hereof, each Owner shall have a right and non-exclusive easement of enjoyment in common with all other Owners, their family members, guests, employees, agents, lessees, licensees and invitees, in and to the Common Property, which easement shall be appurtenant to, and shall pass with, title to each Lot owned by the Owner.

4.6 Extent of Owner's Easement. The rights and easements of enjoyment created hereby shall be subject to the following terms and conditions:

4.6.1 The right of Developer at any time and from time to time to designate additional property as Common Property, or remove property previously designated as Common Property, or otherwise add to, subtract from or replace Common Property.

4.6.2 The right of Developer and the Association to borrow money for the purpose of improving the Common Property and, in connection therewith, to mortgage or otherwise pledge the Common Property as security for the repayment of any such loan.

4.6.3 The right of Developer and the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure or any proceeding in lieu of foreclosure.

4.6.4 The right of the Association to suspend the enjoyment rights and easements of any Owner for any period during which an Assessment remains unpaid by the Owner and for any period during which such Owner is in violation of this Declaration, or any Rules and Regulations or Traffic Regulations promulgated by the Developer or the Association.

4.6.5 The right of the Association to properly maintain the Common Property.

4.6.6 The right of the Association, its agents and employees, and any management entity under contract with the Association, to have access to the Lots for purposes of maintaining those portions of the Lots to be maintained by the Association, as provided in this Declaration.

4.6.7 The Rules and Regulations governing the use and enjoyment of the Common Property, as promulgated by Developer and the Association.

4.6.8 The right of other Owners in good standing with the Association to use the Common Property as set forth herein.

4.6.9 The right of Developer or the Association to dedicate or transfer all or any part of the Common Property to any governmental or quasi-governmental agency, authority, utility, water management or water control district.

4.6.10 Restrictions contained in document or instrument filed separately of record with respect to all or any portion of the Property.

4.6.11 All of the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association and all exhibits thereto, as well as all Rules and Regulations and Traffic Regulations promulgated by Developer or the Association, as the same may be amended from time to time.

4.6.12 Such easements as may be granted or reserved on the Site Plan; such easements as may be granted or reserved separately by Developer or the Association and filed of record and such other easements as may be granted or reserved pursuant to the provisions of this Declaration; and such easements as may be necessary to provide utilities and heating and air conditioning to units located in the same building, regardless of whether not they are recorded.

4.6.13 In case of any emergency originating on or threatening any Lot, regardless of whether the Lot Owner is present at the time of such emergency, Developer, the Board of Directors of the Association or any other person authorized by the Association, or any management agent under a management agreement with the Association, shall have the right to enter such Lot and the Improvements located thereon for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate and shall continue for the duration of such emergency.

4.6.14 The rights reserved by Developer for future development of the Property. As a material condition for ownership of a Lot, each Owner, by accepting a deed to a Lot, releases Developer from any claim for interference with the Owner's quiet enjoyment of his Lot or the Common Property due to the development of Royal Terrace Townhomes, whether or not the construction operations are performed on the Common

Property, the Lots or elsewhere within Royal Terrace Townhomes, and each Owner acknowledges and agrees that Developer or its affiliates, successors or assigns shall have the sole right of design, construction, development and improvement of the Common Property including but not limited to additional phases.

4.7 Continual Maintenance. In the event of a permanent dissolution of the Association, the Members shall immediately thereupon hold title, as tenants in common, to any Common Property then owned by the Association, and shall collectively provide for the continued maintenance and upkeep thereof.

## ARTICLE 5 EASEMENTS

5.1 Easement Grants. The following easements are hereby granted or reserved over, under, across and through the Property, as the case may be:

5.1.1 Easements for the installation and maintenance of utilities are granted as shown on the Site plan, as it now exists or as it may be amended, or as granted in any document or instrument filed separately of record with respect to all or any portion of the Property. Within these easement areas, no structure, Improvement, landscaping, planting or other material (other than sod), which may interfere with the installation and maintenance of underground utility facilities, shall be installed, placed or permitted to remain, unless such structure, Improvement, landscaping, planting or other material was installed by Developer or approved in writing by Developer, for so long as Developer owns any portion of the Property and thereafter by the Association, prior to such installation. The Association (or such other entity as is indicated on the Site Plan) is hereby granted access to all easements within which such underground facilities are located for the purposes of operating, maintaining and replacing such underground facilities, subject to any required approval of any governmental or quasi-governmental entity. An easement is granted in favor of each Dwelling of a Townhouse building underneath and across the other Dwellings within such building and their Lots for underground connection of utilities including, but not limited to, water, sewer, electric, HVAC, and cable television or internet connections.

5.1.2 Easements for the installation and maintenance of drainage facilities and water retention are granted to the Association or other entities as shown on the Site Plan, as it now exists or as it may amended, or as granted in any document or instrument filed separately of record with respect to all or any portion of the Property. Within these easement areas, no structure, Improvement, landscaping, planting or other material (other than sod), which may interfere with such installation and maintenance, or which may obstruct or retard the flow of water through such drainage facilities and water retention shall be installed, placed or permitted to remain unless such structure, Improvement, landscaping, planting or other material was installed by Developer or approved in writing by Developer, for so long as Developer owns any portion of the Property and thereafter by the Association, prior to such installation. The Association (or such other entity as is indicated on the Site Plan) shall have

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access to all such drainage and water retention easements for the purposes of operating and maintaining said drainage facilities and water retention.

5.1.3 The Common Property, for so long as it is designated as Common Property as set forth herein, is hereby declared to be subject to a non-exclusive easement in favor of the Association, employees and agents of the Association, and of any management entity or agent under contract with the Association, in order that such employees, management entities or agents may carry out their respective duties with respect to, and may have access over, the Common Property.

5.1.4 A non-exclusive easement is hereby granted for ingress and egress for pedestrian and vehicular traffic over, through and across the Streets shown on the Site Plan, as it now exists, or as it is amended, as well as all walks, parking areas, other rights-of-way, and such other portions of the Common Property as may from time to time be intended and designated for such uses and purposes, for the use and benefit of all other Owners, their family members, guests, employees, agents, lessees, licensees and invitees, for the purpose of obtaining reasonable access to and from the Lots to and from the nearest public way.

5.1.5 A non-exclusive easement is hereby granted for ingress and egress for pedestrian and vehicular traffic over the Streets to each Institutional Mortgagee, for the purpose of access to the property subject to its mortgage, which easement shall be exercised in the manner as set forth in such mortgages.

5.1.6 Easements are hereby reserved by Developer throughout the Common Property, including without limitation, the Streets and other easements shown on the Site plan, as it now exists or as it may be amended, for Developer's use and the use of its guests, agents, employees, lessees, licensees and invitees, for all purposes in connection with development and sales of property throughout Royal Terrace Townhomes. Developer retains the right to maintain an office and a sales office on the Property, in a location to be selected by Developer in Developer's sole and absolute discretion, and to post and display signs on any Lots owned by Developer and on the Common Property, for so long as Developer owns any portion of the Property.

5.1.7 A non-exclusive easement is hereby granted unto Developer, all Owners and all family members, guests, lessees, licensees and invitees of the Owners, for ingress and egress over, across and through the Streets to and from the Recreation Tract and Recreation Facilities. This easement is subject to all Rules and Regulations promulgated by Developer and the Association from time to time relating to the use of the Recreation Tract and Recreation Facilities.

5.1.8 An easement for encroachments is hereby granted in the event that a Dwelling or any part of a Dwelling or any other Improvement now or hereafter constructed encroaches upon another Lot or upon the Common Property due to minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement. The encroaching Improvement shall remain undisturbed for so long as the encroachment exists. This

easement for encroachments shall also include an easement for the repair, maintenance and use of the encroaching Improvements.

5.1.9 Easements are hereby dedicated across each Lot for utility purposes so as to allow utility service of every kind and nature to be provided to every other Lot located in the same building of the subservient Lot.

5.1.10 Easements are hereby dedicated across each end Lot of each building for heating and air conditioning purposes so as to allow access for heating and air conditioning pipes and connections to the adjoining interior Lot of each subservient end Lot.

5.2 Road Easement. Without limiting the generality of the foregoing, a non-exclusive, perpetual and irrevocable easement is hereby granted and reserved unto Developer, its employees, agents, successors and assigns, the Association, its employees, agents, and any management entity under contract with the Association, all Owners and all family members, guests, employees, agents, lessees, licensees and invitees of the Owners, all Institutional Mortgagees, all other mortgagees with respect to any portion of the Property, and all governmental or quasi-governmental authorities, for ingress and egress for pedestrian and vehicular traffic over, through and across the roadways comprising part of the Common Property as shown on the Site Plan, as it now exists or as it is amended, for the purpose of obtaining reasonable access to and from the Lots or any other portion of the Property to and from the nearest public way. Within the Road Easement, no structure, Improvement, landscaping, planting or other material, which may interfere with the use of such easement as granted herein, shall be installed, placed or permitted to remain unless such structure, Improvement, landscaping, planting or other material was installed by Developer or approved in writing by Developer, for so long as Developer owns any portion of the Property and thereafter by the Association, prior to such installation.

5.3 Additional Easements. Developer and the Association shall have the right to grant such additional easements, or to relocate existing easements throughout the Property, as Developer or the Association may deem necessary or desirable for the proper operation and maintenance of the Property, or any portion thereof, provided that such additional easements or relocated easements do not prevent or unreasonably interfere with the Owners' use or enjoyment of their Lots or of the Property or any part thereof. For so long as the Developer is the owner of a Lot, in the ordinary course of business, Developer, its licensees, employees and agents shall have an easement over and across all the Lots and common Areas for the purpose of constructing units and appurtenances, and any facilities on the Common Areas the Developer elects to construct. Provided, however, that any damage to landscaping, pavement, driveways, drainage structures or other structures caused by Developer, its licensees, employees or agents during such construction shall be restored and repaired by the Developer, its licensees, employees or agents causing such damage after completion of construction within a reasonable time.

5.4 Restriction on Owner Easements. Except as specifically provided in Section 5.3 with regard to Developer or the Association, no Owner shall grant any easement upon

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any portion of the Property to any person or entity without the prior written consent of the A.R.B. as required by this Declaration.

5.5 Intended Creation of Easements. Should the intended creation of any easement fail by reason of the fact that at the time of creation, there is no grantee in being having the capacity to take and hold such easement, any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Association for the purpose of allowing the original party or parties to whom the easements were originally granted the benefit of such easements; the Owners hereby designate Developer and/or the Association as their lawful attorney in fact to execute any instrument on their behalf as may hereafter be required or deemed necessary for the purpose of creating such an easement.

## **ARTICLE 6** **ASSESSMENTS AND FINES**

6.1 Authority of Association. The Association, through its Board of Directors, shall have the power and authority to make and collect Assessments and to impose and collect fines as hereinafter set forth.

6.2 General Assessments. General Assessments shall be determined annually for Common Expenses for the purposes of maintenance and management of the Association, Dwellings and the Common Property, as provided in this Declaration, and for the purpose of promoting the safety and welfare of the Owners. Without limiting the foregoing, General Assessments shall be used for: operation, maintenance and management of the Association and the Common Property and the Dwelling Roofs; painting of the exterior of each Dwelling and maintaining the landscaping of each Lot, as provided hereinbelow; insurance coverage for the Common Property; legal and accounting fees; maintenance of the Streets; management fees; emergency services; repair and replacement of property required to be maintained by the Association pursuant to the terms of this Declaration; utility service for the Common Property; cleaning services for such property required to be maintained by the Association pursuant to the terms of this Declaration; expenses and liabilities incurred by the Association in the enforcement of its rights and duties under this Declaration; maintenance of vacant property; creation of reasonable reserves; and all other expenses deemed by the Board of Directors of the Association to be necessary or proper to carry out the Association's management, maintenance, repair, operation and enforcement responsibilities.

6.3 Collection of General Assessments. The Association shall annually estimate the Common Expenses it expects to incur for the coming year and shall assess its Members sufficient monies to meet this estimate. All Lots shall be assessed at a rate in accordance with the Assessment Schedule attached hereto as Exhibit "D" and made a part hereof. Should the Association at any time determine that the Assessments made are insufficient to pay the Common Expenses, the Board of Directors shall have the authority to levy and collect additional General Assessments to meet such needs. General Assessments shall be collectible in advance monthly, quarterly, semi-annually or annually, as the Board of



Directors shall determine in its sole and absolute discretion. As additional property is brought within this Declaration by amendment to this Declaration, Developer, in its sole and absolute discretion, may designate in such amendment the basis on which such property shall be assessed and shall have the right to designate different levels of Assessments for the Lots located within such additional property.

6.4 Special Assessments. The Association shall have the power and authority to levy and collect Special Assessments from each Member for the following purposes: acquisition of property by the Association; construction of Improvements to the Common Property; construction, reconstruction, unexpected repair or replacement of Improvements to the Common Property, including the necessary fixtures and personal property related thereto, or exterior and roofs of the Dwellings; and the expense of indemnification of each director and officer of the Association. Special Assessments shall be levied equally against all Lots subject to a Special Assessment, so that all such Lots shall be assessed equally. Special Assessments shall be collectible in advance monthly, quarterly, semi-annually or annually, as the Board of Directors shall determine in its sole and absolute discretion.

6.5 Emergency Special Assessments. The Association may levy an Emergency Special Assessment when, in the sole and absolute determination of the Board of Directors, there is potential danger of damage to persons or property. Emergency Special Assessments may be utilized for preventative, protective or remedial construction, reconstruction, repairs or replacements. Events justifying Emergency Special Assessments include, but are not limited to, hurricanes, floods, fires, and freezing temperatures. Emergency Special Assessments shall be levied on an equitable basis as determined by the number of Lots in the Property, and shall be collectible in such manner as the Board of Directors shall determine in its sole and absolute discretion.

6.6 Individual Assessments. The Association shall have the power and authority to levy and collect an Individual Assessment against a particular Lot for the cost of maintenance, repairs or replacements within or without the Lot, which the Owner thereof has failed or refused to perform, and which failure or refusal has, in the opinion of the Association, endangered or impaired the use or value of other portions of the Property. The Association shall have a right of entry onto each Lot to perform any necessary maintenance, repairs and replacements, including the right to abate or eliminate any nuisance. The Individual Assessment may include an administrative fee charged by the Association in an amount to be determined by the Board of Directors in its sole and absolute discretion from time to time. All Individual Assessments shall be collectible in such manner as the Association shall determine in its sole and absolute discretion.

6.7 Fines. The Association may levy reasonable fines against an Owner for violations by the Owner or by the Owner's family members, guests, employees, agents, lessees, licensees or invitees of the provisions contained in this Declaration, the Articles of Incorporation, the By-Laws, and the Rules and Regulations and Traffic Regulations promulgated by Developer and the Association from time to time subject to the provisions of Chapter 720 Florida Statutes. The Association may levy fines according to a schedule of fines to be adopted by the Board of Directors. Any Owner who violates any of the

foregoing documents or rules shall be entitled to notice and a hearing before the Board of Directors of the Association, prior to the imposition of any fine. Fines are Individual Assessments and shall be collectible as such, and upon any delinquency in the payment of any fine the Association shall have all rights as set forth in this Article, including, without limitation, lien rights against the Owner.

6.8 Effect of Non-Payment of Assessments or Fines. All notices of Assessments or fines from the Association to an Owner shall designate when the Assessment or fine is due and payable. If an Assessment or fine is not paid on the date when due, it shall then become delinquent and shall bear interest at the maximum rate allowed by the civil usury laws of the State of Florida, from the date when due until paid. The Assessment or fine, together with interest thereon and the costs of collection thereof, including attorneys' fees, shall be a continuing lien against the Lot against which the Assessment or fine is made, and shall also be a continuing personal obligation of the Owner thereof. The Association may also record a claim of lien in the public records of the County, designating the Lot against which the lien is filed, the Owner of record of the Lot against which the lien is filed, the amount of the unpaid Assessment or fine, the rate of interest due thereon, and the total amount claimed to be due, including interest, attorneys' fees and costs of collection. If any Assessment or fine, or any installment thereof, shall not be paid within thirty (30) days following the due date, the Association may declare the entire Assessment or fine immediately due and payable. The Association may at any time thereafter bring an action to foreclose the lien provided herein against the Lot in the manner in which mortgages on real property are foreclosed, and may also institute any action on the personal obligation of the Owner. There shall be added to the amount of the Assessment or fine the costs of any such action, including attorneys' fees incurred by the Association in prosecuting such action (including, without limitation, costs and fees incident to any appeals). Regardless of the date of recordation of any claim of lien as specified herein, the effective date thereof shall relate back, and it shall take priority, as of the date of recordation of this Declaration. Any successor in title to a Lot shall be held to have constructive notice of the records of the Association to determine the existence of any delinquency in the payment of Assessments or fines and shall be held liable and responsible for the payment of any delinquent Assessments or fines on the Lot.

6.9 Certificate of Assessments. The Association shall prepare a roster of the Lots and Assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by all Members. At the request of an Owner, the Board of Directors shall prepare a Certificate of Assessments signed by an officer of the Association, setting forth whether the Owner's Assessments have been paid or the amount of any Assessments which are due and payable as of the date of the Certificate. As to parties without knowledge of error who rely thereon, such certificate shall be presumptive evidence of payment or partial payment of any Assessment therein stated as having been paid or partially paid.

6.10 Subordination of Lien to Institutional Mortgages. Regardless of the effective date, as provided herein, of the lien of any Assessments or fines made by the Association, the lien of such Assessments or fines shall be superior to all liens, including

homestead rights, but shall be subordinate and inferior to the lien of the mortgage of any Institutional Mortgagee recorded prior to the actual date of recordation of the claim of lien. Such subordination shall, however, apply only to the Assessments or fines which have become due and payable prior to a final sale or transfer of the mortgaged Lot pursuant to a decree of foreclosure, or pursuant to any other proceeding or conveyance in lieu of foreclosure. No sale or other transfer shall relieve any Lot from liability for any Assessment or fine becoming due thereafter, nor from the lien of any such subsequent Assessments or fines. Any delinquent Assessments or fines which are extinguished pursuant to a sale or transfer in connection with the foreclosure of a mortgage, or any proceeding or deed in lieu of foreclosure, shall be reallocated and assessed to all Owners as a Common Expense. The written opinion of the Association or Developer that the lien for an Assessment or fine is subordinate to a mortgage lien shall be dispositive of any question of priority or subordination.

6.11 Developer's Assessments. Notwithstanding anything herein to the contrary, Developer shall have the option, in its sole discretion to (i) pay assessments on the Lots owned by it, (ii) pay assessments only on certain designated Lots (e.g., those under construction or those containing a Unit for which a certificate of occupancy has been issued) or (iii) not pay assessments on any Lots and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by assessments receivable from Owners other than Developer and any other income receivable by the Association. The deficit to be paid under option (iii), above, shall be the difference between (a) actual operating expenses of the Association (exclusive of capital improvements costs and reserves) and (b) the sum of all monies receivable by the Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Developer may from time to time change the option under which Developer is making payments to the Association by written notice to such effect to the Association. If Developer at any time elects option (ii), above, it shall not be deemed to have necessarily elected option (i) or (iii) as to the Lots which are not designated under option (ii). When all Lots within the Properties are sold and conveyed to purchasers, neither the Developer, nor its affiliates shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

6.12 Exempt Property. The following property shall be permanently exempt from the payment of all Assessments:

6.12.1 All property dedicated to, or owned by, the Association.

6.12.2 Any portion of the Property dedicated to any governmental agency or unit.

6.12.3 Any portion of the Property exempted from ad valorem taxation by the laws of the State of Florida.

6.12.4 Any portion of the Property owned by Developer; Developer shall

pay those amounts stated above in that subsection entitled "Payments by Developer", in lieu of the payment of Assessments.

6.12.5 The Water Retention Easement Tract as shown on the Site Plan.

6.12.6 The Recreation Tract as shown on the Site Plan, or any portion of the Property Developer may from time to time designate as a Recreation Tract, for so long as such Tracts are used for Recreation Facilities.

6.12.7 The Common Property.

6.13 Capital Contribution. In addition to the foregoing Assessments, each Owner other than Developer shall also pay to the Association, at the time of the closing of the purchase of his Lot, an amount equal to the current quarterly Assessment as an initial contribution to the working capital of the Association. This initial contribution shall not relieve an Owner of the Owner's responsibility to pay all installments of the General Assessment or any other Assessments against the Owner's Lot. The contribution shall be a one-time contribution to be made by the initial purchasers of Lots from Developer. The contribution shall not be refundable to an Owner upon the sale or transfer of his Lot. All capital contributions received by the Association shall be maintained in an account for the use and benefit of the Association. In its sole and absolute discretion, the Board of Directors of the Association or Developer for so long as Developer shall own any portion of the Property, may waive collection of the capital contribution from any Owner.

## ARTICLE 7 MAINTENANCE AND INSURANCE OF PROPERTY

7.1 Lot Owner Responsibility. The Owner of each Dwelling shall be responsible for maintenance of all interior areas of his Dwelling, and for all other Improvements which may be designated by the Association from time to time, such as, without limitation, the driveway. The expense of any maintenance, repair or construction of the Common Property necessitated by the negligent or willful acts of an Owner, or of his family members, guests, employees, agents, lessees, licensees or invitees, shall be borne solely by such Owner, and such Owner's Lot shall be subject to an Individual Assessment for such expense.

7.1.1 Dwelling Party Walls Each wall built as a part of the original construction of the dwellings within the Property and placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this article, the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use as determined by the Association.

If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration in proportion to use. This right of contribution shall be without prejudice to any right to call for a larger contribution or indemnification under any rule of law regarding liability for negligent or willful acts or omissions.

7.1.2 Construction/Arbitration Notwithstanding any other provisions in this article, an owner who, by his negligent or willful acts causes a party wall to be exposed to the elements or to breach privacy between Lots shall bear the whole cost of furnishing the necessary protection against such elements or breach of privacy.

The right of any owner to contribution or indemnification from any other owner under this article shall run with the land, and shall pass to such owner's successors in title.

In the event of any dispute arising concerning a party wall, such dispute shall be submitted to arbitration by the Association. If the Association is unable to resolve the dispute, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator. The decision of a majority of all the arbitrators shall bind the parties

7.1.3 Lot Owner Responsibility for Insurance

To the extent available, the Owner of each Dwelling shall be responsible for obtaining insurance coverages for his and/or her respective Dwelling for the following types of insurance coverage, minimum amounts of coverage and maximum amounts for deductible:

<u>Insurance Type</u>	<u>Minimum Coverage</u>	<u>Maximum Deductible</u>
Property (excluding land)	100% Appraised Value	As determined by the Association
Liability	\$300,000.00	As determined by the Association
Flood	The Maximum allowable under the National Flood Insurance Act of 1968 42 USC §4001et seq.	As determined by the Association
Windstorm	Appraised Value (excluding land)	As determined by the Association

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Coverage may include such additional types of coverage as the Association may determine from time to time and promulgate in writing to the Lot Owners.

Each Owner shall provide a certificate of insurance to the Association and Developer upon closing on the Lot and annually thereafter showing the Owner as insured for the above described minimum coverages and maximum deductibles. In the event that the aforescribed certificate is not provided within fifteen (15) days of written request therefore, Association and Developer shall have the right and obligation to obtain similar insurance coverage with similar deductible and such Owner's Lot shall be subject to an Individual Assessment for such expense in accordance with Article 6 of the Declaration.

7.2 Association Responsibility. The Association shall, either by appointing a real estate management agent, or through its own personnel, be responsible for the maintenance of all Common Property, including Mail Boxes, Entrance Gate, Pool Facility, the Open Space, the Recreation Tract and Recreation Facilities and the Water Retention Easement; provided, however, that the expense of any maintenance, repair or reconstruction of any portion of the Common Property, the Pool Facility, the Open Space, Recreation Tracts or Recreation Facilities and the Water Retention Easement; necessitated by the negligent or willful acts of an Owner, or of his family members, guests, employees, agents, lessees, licensees or invitees, shall be borne solely by such Owner, and such Owner's Lot shall be subject to an Individual Assessment for such expense. The Association shall also be responsible for the maintenance and repair of exterior portions of his Dwelling including the roof, and structure; provided, however, that no change to the quality or color of any exterior portion of the Dwelling may be made by the Association without the prior written consent of the Architectural Review Board. The Association shall also be responsible for the painting of the exterior of all Dwellings (except those areas which are specifically the responsibility of the Owner as described in the immediately preceding section), and the maintenance of all sod, landscaping and trees upon each Lot. The Association shall have a right of access to all Lots to perform its maintenance obligations and to do other work reasonably necessary for the proper maintenance and operation of the Property, and such access shall not constitute a trespass.

7.2.1 The Association may undertake to be responsible for the maintenance of a Lot when it is determined by the Association in its sole and absolute discretion, that the Owner thereof has failed or refused to perform said maintenance, the expense of which will be borne by the Owner of said Lot as a Individual Assessment.

7.2.2 Without limiting the foregoing, the Association shall be responsible for maintenance of all water management or retention tracts within the Property, if any.

7.2.3 Developer, its parents, subsidiaries, affiliates, and their successors and assigns, may be the management agent for the Association and may hire such employees, including but not limited to, attorneys, accountants, bookkeepers, brokers, gardeners and laborers, as Developer may deem necessary or appropriate in order to

maintain the property described herein. No management agreement between the Association and Developer, its parents, subsidiaries, affiliates, or their successors and assigns shall be held invalid solely for the reason that at the time of entering into the management agreement, the employees, officers or agents of Developer, or its parents, subsidiaries, affiliates, or their successors and assigns are officers, directors or employees of the Association.

7.3 Maintenance of Additional Property. As additional property, including without Limitation, additional Lots and Common Property, is made subject to this Declaration, Developer shall have the absolute right to change, amend, or alter the maintenance provisions set forth in this Article 7, and to add additional maintenance provisions for such additional property as deemed appropriate by Developer in its sole and absolute discretion.

## ARTICLE 8 USE RESTRICTIONS

### 8.1 Restrictions on Use of Lots and Common Property.

8.1.1 Residential Use. Except as provided below in this Declaration, all Lots, other than Lots designated as Recreation Tracts, if any, shall be used only for single family, private, residential Dwellings as defined by the ordinances of the City of Vero Beach, Florida and for no other purpose. No business or commercial building may be erected on any Lot and no business may be conducted on any part thereof; provided, however, that nothing contained herein shall be construed to prohibit or limit the operation of the Recreation Facilities.

8.1.2 Commercial Activities. No drilling, mining, manufacturing, trade, business, commerce, industry, profession or other occupation whatsoever shall be conducted or carried on upon any Lot or in any Dwelling or any part thereof, except for those uses made by Developer and the operation of the Recreation Facilities.

8.1.3 Pets. Lot Owners may keep as pets only dogs and cats for a combined weight of fifty (50) pounds, and ornamental fish; provided, however, that no such pets are kept, bred or maintained for any commercial purpose. No Lot shall have more than two pets, which together shall not weigh more than fifty (50) pounds. No breeds of dogs such as pit-bulls, Great Danes, German Shepherds, Mastiffs, Saint Bernards, Doberman Pinschers, or Rottweilers are permitted and no wild cats are permitted, nor are exotic species, amphibians, reptiles and birds. All pets shall be kept on a leash under the control of a responsible person at all times when the pet is outside of a Dwelling. The pet owner shall be responsible at all times for cleaning up after the pet and no pet may soil outside without immediate clean up. The Board of Directors shall have the right to order the removal of any pet which is considered a nuisance, in the Board's sole and absolute discretion. In such event, the Board of Directors shall give written notice thereof to the pet owner, and the pet shall immediately thereafter be permanently removed from the Property.

#### 8.1.4 Vehicle Parking

8.1.4.1 Recreational and Commercial Vehicles. No boats, trailers, recreational vehicles, trucks (except for sport utility vehicles and pick up trucks), commercial vehicles, including vehicles with lettered signs, motor homes, motorcycles, mobile homes or other habitable motor vehicles, except four-wheel passenger vehicles, may be placed, parked or stored upon any portion of a Lot or the Property except within a building which is totally removed from public view and then only in accordance with Section 8.1.4.2 hereof, nor shall any maintenance or repair be performed upon any boat or motor vehicle upon any Lot except within a building which is totally removed from public view. No washing of any vehicle or boat shall be allowed on the property at any time. Notwithstanding the foregoing, service and delivery vehicles may park in the driveway of a Lot, or on the Streets during regular business hours, as needed for providing services or deliveries to the Lot. In the event of a dispute concerning the type of vehicle, the manufacturer's classification of the vehicle shall control. No loud or obnoxious vehicles shall be permitted within Royal Terrace Townhomes at any time.

8.1.4.2 Passenger Automobiles. Automobiles or sport utility vehicles of Owners may be parked, placed or stored only in the garage or driveway of the Owner's Lot. Family members, guests, employees, agents, lessees, licensees and invitees of Lot Owners may park their automobiles, on a temporary basis in the garage or driveway of the Owner's Lot or, with written permission of the Association, in the streets. No vehicle of any kind shall be placed, parked, or stored on the lawn of any Lot, or on any portion of the Common Property other than the Streets.

8.1.4.3 Enforcement of Violations. The Association shall have the right to levy reasonable fines against Lot Owners for parking violations by the Owners or their family members, guests, employees, agents, lessees, licensees or invitees, and such fines shall be treated as Individual Assessments and shall be collectible as such. Upon any delinquency in the payment of any parking violation fine, the Association shall have all rights as set forth in Article 6 of this Declaration for non-payment of Assessments or fines, including, without limitation, lien rights against the Owner. In addition, the Association will have the right to have any vehicle which is in violation of a parking regulation towed at the Owner's expense.

8.1.5 Temporary Structures. No structure or object of a temporary character such as, but not limited to, house trailers, commercial vans, tents, shacks, sheds, or temporary or accessory buildings or structures, shall be erected, kept or maintained on the Property, or any part thereof.

8.1.6 Insurance. No Owner shall permit or suffer anything to be done or kept on his Lot or make any use of the Common Property which will increase the rate of insurance on any portion of the Property, including adjoining Lots.

8.1.7 Nuisances. No use or practice which is either an annoyance to other Owners or an interference with the peaceful possession and proper use of the



Property by the Lot Owners shall be allowed. No Owner shall commit or permit any nuisance or any immoral or illegal activity in or about the Property. For greater clarification, no Owner shall knowingly or willfully make or create any unnecessary, excessive or offensive noise or disturbance which destroys the peace, quiet or comfort of the Owners, or allow any such noise or disturbance to be made on his Lot or in his Dwelling.

8.1.8 Access to Lots. Whenever the Association is permitted or required by this Declaration to enter upon any Lot for the purpose of correction, repair, cleaning, clearing, mowing, or in the event of an emergency, or for any other required or permitted activity, such entrance shall not be deemed a trespass.

8.1.9 Signs. Except in connection with the development or sales of property throughout Royal Terrace Townhomes by Developer, no signs, advertisements or notices of any kind, including, without limitation, "For Sale" or "For Rent" signs, shall be displayed to the public view on any Lot, on the Common Property, or on the Recreation Facilities.

8.1.10 Easements. No Dwelling or other structure, Improvement, or any tree, bush, shrub, landscaping or any other planting of any kind shall be built or maintained upon any easement or right-of-way, including, but not limited to road easements as shown on the Site Plan, and said easements and rights-of-way shall at all times be open and accessible to the persons entitled to the use thereof.

8.1.11 Refuse Containers. No Lot shall be used or maintained as a dumping ground for rubbish. Except for hours of collection, trash, garbage and other waste shall be kept in sanitary refuse containers, which shall be placed inside the garage area, so they are not visible from the Streets, from adjoining Lots, from the Common Property, or from the Recreation Facilities. During construction upon a Lot, the Developer may maintain a dumpster thereon for disposal of construction debris, subject to approval by the A.R.B. of the type and location of the dumpster.

8.1.12 Laundry. No portion of a Lot shall be used for the drying or hanging of laundry, unless such laundry is adequately screened from public view, so that the laundry is not visible from any Street, from adjoining Lots, or from the Common Property.

8.1.13 Air Conditioners/ Water Purifiers, Etc.. All window or wall air conditioning units are prohibited. All air conditioner compressors shall be hidden from view from the Streets, from adjacent Lots, from the Common Property, and shall be insulated by a fence, wall or shrubbery as provided by the Developer or approved by the A.R.B. so as to minimize the transmittal of noise. No water purifiers shall be placed outside the dwelling nor shall any other device be placed outside the dwelling without the written permission of the A.R.B.

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8.1.14 Emergencies. Dwellings may be boarded up only when there is an imminent threat of a storm. In no event shall any Dwelling be boarded up for any period of time after the imminent threat of a storm has passed. No hurricane or storm shutters shall be installed or maintained unless they are first approved, in writing, by the A.R.B. as provided herein.

8.1.15 Wheeled Vehicles. Bicycles, tricycles, scooters, baby carriages, or other similar vehicles or toys shall be stored only within the Dwellings. In the event such vehicles or toys are left unattended on the Streets, the Common Property or the Recreation Tract (in other than a designated area), they may be impounded by the Association, and shall be released to the Owner only upon payment of an administrative fee established by the Association. Such administration fee shall be an Individual Assessment enforceable pursuant to the procedures set forth in Article 6 of this Declaration. No skateboards shall be permitted within the Project at anytime.

8.1.16 Additional Protective Covenants. Developer may include in any contract or deed for any Lot additional protective covenants and restrictions not inconsistent with those contained herein.

8.1.17 Developer. The foregoing use restrictions set forth in this Section 8.1 shall not apply to any Improvements constructed by Developer.

8.2 Rules and Regulations. No person shall use the Common Property or any Lot in any manner contrary to, or not in accordance with, the Rules and Regulations or Traffic Regulations which may be promulgated by Developer or the Association or the A.R.B., whether or not such Rules and Regulations are restated herein in whole or in part.

8.3 Restrictions on Use of Additional Property. The Developer, for as long as it shall own any of the Property, shall have the absolute and unconditional right to change, amend, or alter the use restrictions set forth in this Article 8 and to add additional use restrictions for such additional property as deemed necessary or appropriate by Developer, in its sole and absolute discretion.

8.4 Leasing. A Lot Owner may lease his Lot and the Dwelling thereon, provided that each lease term shall be for a minimum of ninety (90) days, and no Lot or Dwelling may be leased in excess of two (2) times in any twelve (12) month period from November 1st of one year to October 31st of the subsequent year.

**ARTICLE 9**  
**ARCHITECTURAL AND LANDSCAPE CONTROLS**

9.1 Architectural Review Board. It is the intent of Developer to create a general plan and uniform scheme of development of the Property with detailed attention to the environmental characteristics of the property and to create within the Property a residential community of high quality and harmonious Improvements. Accordingly, the Developer and, after turnover, the Association shall have the right to create an A.R.B. that shall have

the right to approve or disapprove all architectural plans, landscaping plans and the location of any proposed Improvements, as well as the general plan for development of all Lots within the Property. The A.R.B. may, in its sole and absolute discretion, impose standards for construction and development which may be greater or more stringent than standards prescribed in any applicable building, zoning or other local governmental codes. The procedures of the A.R.B. shall be as set forth below.

9.1.1 The A.R.B. shall be a permanent committee of the Association and shall administer and perform the architectural and landscape review and control functions of the Association. The A.R.B. shall consist of three (3) voting members, all of whom shall initially be named by Developer and who shall hold office at the pleasure of Developer. Until Turnover of control of the Association, as defined in this Declaration, Developer shall have the right to (a) change the number of members on the A.R.B.; provided, however, that the A.R.B. shall at all times consist of at least three (3) members; (b) to appoint all members of the A.R.B.; and (c) to remove and replace all members appointed to the A.R.B. Developer shall determine which member of the A.R.B. shall serve as its chairman, or which members shall serve as co-chairmen. In the event of the failure, refusal or inability to act of any of the members appointed by Developer, and in the event that Developer fails to fill any such vacancy within thirty (30) days of its occurrence, the remaining members of the A.R.B. shall fill such vacancy by appointment. At such time as Developer no longer owns any property within Royal Terrace Townhomes, or at such earlier date as Developer may determine in its sole and absolute discretion, the Developer shall assign to the Association the rights, powers, duties and obligations of the A.R.B., whereupon the Board of Directors shall (a) determine how many persons shall serve on the A.R.B.; provided, however, that the A.R.B. shall at all times consist of no less than three (3) members; (b) appoint the members of the A.R.B.; (c) provide for the terms of the members of the A.R.B.; and (d) determine which member of the A.R.B. shall serve as its chairman, or which members shall serve as co-chairmen. There shall be no requirement that any of the members of the A.R.B. be a member of either the Association or an Owner within Royal Terrace Townhomes. A majority of the A.R.B. shall constitute a quorum to transact business at any meeting, and the action of a majority of those members present shall constitute the action of the A.R.B.

9.1.2 No Improvement shall be constructed, erected, removed, planted or maintained, nor shall any addition to or any change, replacement or alteration thereof be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, landscaping, landscape lighting and the location of same shall have been submitted to and approved in writing by the A.R.B. As part of the application process, two (2) complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person found to be qualified by the A.R.B. shall be submitted for approval by written application on such form or forms as may be provided or required by the A.R.B. The A.R.B. may also require submission of samples of building materials and colors proposed to be used. All construction shall be done by a licensed general contractor approved in writing by the A.R.B.

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9.1.3 In the event the information submitted to the A.R.B. is, in the A.R.B.'s opinion, incomplete or insufficient in any manner, the A.R.B. may request and require additional or supplemental information before considering the information submitted for approval.

9.1.4 The A.R.B. shall have a period of thirty (30) days from the date upon which it receives all requested information, within which to review such information and to either approve or disapprove the proposed construction. The A.R.B. shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole and absolute discretion, for conservation, aesthetic or any other reasons. In approving or disapproving such plans and applications, the A.R.B. shall consider the suitability of the proposed Improvements, and the materials of which the same are to be built, the site upon which such Improvements are proposed to be erected, the harmony thereof with the surrounding area, and the effect thereof on adjacent or neighboring property.

9.1.5 Construction of all Improvements for which the approval of the A.R.B. is required under this Declaration shall be completed within the time period specified by the A.R.B.

9.1.6 Upon approval by the A.R.B. of any plans and specifications submitted to the A.R.B., it shall notify the applicant in writing, which notification shall set forth any qualifications or conditions of approval. In the event that the A.R.B. disapproves any plans and specifications, it shall so notify the applicant in writing, stating the grounds upon which such disapproval is based. Any applicant may appeal the decision of the A.R.B. to the Board of Directors of the Association within thirty (30) days of the A.R.B.'s decision. The determination of the Board of Directors shall be final and binding upon the applicant; provided, however, that no Improvements shall be erected or shall be allowed to remain which violate any of the covenants, conditions or restrictions contained in this Declaration, or which violate any environmental, zoning or building ordinance or regulation.

9.1.7 Prior to the occupancy or use of any Improvements constructed or erected on a Lot, the prospective occupants thereof shall obtain a Certificate of Compliance from the A.R.B., certifying that the construction of the Improvements has been completed in accordance with the plans and specifications thereof as previously approved by the A.R.B. The A.R.B. may, from time to time, delegate to a member or to multiple members of the A.R.B. the responsibility for issuing such Certificates of Compliance.

9.1.8 There is specifically reserved unto the A.R.B., and to any agent or member of the A.R.B., the right of entry and inspection upon any portion of the Property for the purpose of determining whether there exists any construction or any Improvement which violates the terms of any approval granted by the A.R.B., or the terms of this Declaration or any amendments thereto, or of any other covenants, conditions and restrictions to which any deed or other instrument of conveyance relating to that portion of

the Property makes reference. If any Improvements of any nature are constructed or altered without the prior written approval of the A.R.B., the Owner shall, upon demand of the Association, cause such Improvements to be removed, and/or restored in order to comply with the plans and specifications originally approved by the A.R.B. The Owner shall be liable for the payment of all costs of such removal or restoration, including all costs and attorneys' fees incurred by the Association in enforcing the provisions of this Declaration with respect to such Improvements. Such costs may also be the basis for an Individual Assessment. The A.R.B., Association and Developer are specifically empowered to enforce the architectural and landscaping provisions of this Declaration by any legal or equitable remedy, and in the event that it becomes necessary to resort to litigation to determine the propriety of any constructed Improvements, or to remove any unapproved Improvements, the Association or Developer, as the case may be, shall be entitled to recover all court costs, expenses and attorneys' fees incurred in connection therewith, including all such costs, expenses and fees incident to any appellate proceedings. All costs, expenses, and attorneys' fees of the A.R.B., including those incurred in connection with its enforcement or other powers, as provided herein, shall be borne by the Association; provided, however, that nothing contained herein shall be deemed to negate the Association's right to recover the Association's and the A.R.B.'s attorneys' fees and costs if the Association is the prevailing party in any administrative or judicial proceeding. In the event that any Owner fails to comply with the architectural and landscape provisions contained herein or with any other Rules and Regulations promulgated by Developer, the Association or the A.R.B., the A.R.B. may, in addition to all other remedies contained herein, record against that Owner's Lot in the public records of the County a Certificate of Non-Compliance stating that the Improvements on the Lot fail to meet the requirements of the A.R.B.

9.1.9 The A.R.B. has promulgated the ROYAL TERRACE CONSTRUCTION GUIDELINES (the "Construction Guidelines"), which shall be kept on file in the office of the Association, and which are incorporated into this Declaration by reference (the "Construction Guidelines"). Except as otherwise specifically provided herein, all improvements within Royal Terrace Townhomes must be constructed in accordance with the Construction Guidelines, as amended from time to time by the A.R.B. The A.R.B. is empowered to modify the design and development standards contained within the Construction Guidelines for all or any portion of Royal Terrace Townhomes, as it may from time to time deem necessary or appropriate in A.R.B.'s sole and absolute discretion.

9.1.10 The A.R.B. may grant variances from the requirements contained herein or as elsewhere promulgated by the A.R.B., on a case by case basis; provided, however, that the variance sought is reasonable and does not otherwise impose a hardship upon other Owners or disturb or interfere with the quiet enjoyment of other Owners. The granting of such a variance by the A.R.B. shall not nullify or otherwise affect the A.R.B.'s right to require strict compliance with the requirements set forth herein on any other occasion.

9.1.11 Notwithstanding anything contained herein to the contrary, any

Improvements of any nature made or to be made by Developer, including, without limitation, Improvements made or to be made to the Recreation Tract and the other Common Property, shall not be subject to review by the A.R.B.

9.1.12 The A.R.B. may adopt a schedule of reasonable fees for processing requests for approval. Such fees, if any, shall be payable to the Association at the time that the plans and specifications and other documents are submitted to the A.R.B. The payment of such fees, as well as other expenses of the A.R.B. required to be paid by Owners, shall be deemed to be an Individual Assessment, enforceable against the Owner and the Lot as provided hereinabove in Article 6.

9.1.13 Neither Developer, the directors or officers of the Association, the members of the A.R.B., nor any person acting on behalf of any of them, shall be liable for any costs or damages incurred by any Owner within Royal Terrace Townhomes or any other party whatsoever, due to any mistakes in judgment, negligence or any action of the A.R.B. in connection with the approval or disapproval of plans and specifications. Each Owner and occupant of any property within Royal Terrace Townhomes agrees, as do their successors and assigns by acquiring title thereto or an interest therein, or by assuming possession thereof, that they shall not bring any action or suit against Developer, the directors or officers of the Association, the members of the A.R.B., or their respective employees, agents, successors or assigns, in order to recover any damages caused by the actions of the A.R.B. The Association shall indemnify, defend and hold harmless the A.R.B. and each of its members from all costs, expenses and liabilities, including attorneys' fees, of all nature resulting by virtue of the acts of the A.R.B. or its members. Neither Developer, the directors or officers of the Association, the members of the A.R.B., nor any person acting on behalf of any of them, shall be responsible for any defects in any plans or specifications, nor for any defects in any Improvements constructed pursuant thereto, regardless of whether such plans are approved or disapproved by the A.R.B. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

## **ARTICLE 10** **RECREATION FACILITIES**

In addition to the covenants, restrictions and limitations relating to the use of the Common Property set forth in Article 4 hereof, the following provisions shall apply to any Recreation Tract and Recreation Facilities.

10.1 Recreation Tract. The Recreation Tract on the Site Plan is initially designated by Developer as a Recreation Tract. Developer reserves the right, however, at any time and from time to time to designate any other Lot or other portion of the Property, or of any additional property subjected to this Declaration by Developer, as an additional or substitute Recreation Tract. Title to any Recreation Tract designated by Developer shall remain vested at all times in Developer or its successors or assigns, unless and until Developer elects to convey the Recreation Tract to the Association in accordance with

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Chapter 720 Florida Statutes, in which event Developer shall convey all of its right, title and interest in the Recreation Tract to the Association. Notwithstanding the manner in which fee simple title to any Recreation Tract is held, the Association shall be responsible for the management, maintenance and operation of the Recreation Tract from and after the date of recordation of this Declaration, the costs of which shall constitute Common Expenses subject to levy and collection of Assessments by the Association as set forth in Article 6 hereof.

10.2 Recreation Facilities. The Recreation Facilities to be provided by Developer may include, without limitation, a pool facility and such other properties, facilities or Improvements as Developer may from time to time designate as Recreation Facilities for the common use, benefit and enjoyment of all Owners and the family members, guests, lessees, licensees and invitees of the Owners. Title to any Recreation Facilities constructed by Developer shall remain vested at all times in Developer or its successors or assigns, unless and until Developer elects to convey the Recreation Facilities to the Association, in which event Developer shall convey all of its right, title and interest in the Recreation Facilities to the Association. Notwithstanding the manner in which fee simple title to any Recreation Facilities is held, the Association shall be responsible for the management, maintenance and operation of the Recreation Facilities from and after the date of recordation of this Declaration, the costs of which shall constitute Common Expenses subject to levy and collection of Assessments by the Association as set forth in Article 6 hereof.

10.3 Completion of Initial Recreation Facilities. Provided all applicable governmental approvals are obtained, completion of construction of the pool facility to be constructed by Developer on the Recreation Tract (the "Initial Recreation Facilities") shall occur no later than two (2) years from completion of the town house on the last Lot. For purposes of this Section, "completion of construction" shall be deemed to mean, with respect to the Initial Recreation Facilities, receipt of a certificate of occupancy from the Town and with respect to Dwellings, final completion of the Dwelling in accordance with the requirements of the A.R.B. and the Town (including, without limitation, the installation of all landscaping and other Improvements approved by the A.R.B.) and receipt of a certificate of occupancy from the Town.

## ARTICLE 11 INSURANCE

The Association is hereby authorized to purchase insurance on the Dwellings and Common Property in such amounts, with such deductibles, and with such companies as the Board of Directors shall deem appropriate; provided, however, that all insurance policies providing coverage for the Recreation Facilities shall be subject to the prior written approval of Developer, which may be withheld in the sole discretion of Developer. All insurance policies obtained by the Association shall name the Developer as an additional insured so long as the Developer owns at least one Lot within the Project.

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**ARTICLE 12**  
**INDEMNIFICATION OF DIRECTORS, OFFICERS**  
**AND COMMITTEE MEMBERS**

By acceptance of a deed to a Lot, each Owner acknowledges and agrees that every director and officer of the Association, and any committee member appointed by Developer or the Board, shall be indemnified by the Association against all expenses and liability, including attorneys' fees, incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director, officer or committee member of the Association, whether or not he is a director, officer or committee member of the Association at the time such expenses are incurred, except in such cases where the director, officer or committee member of the Association is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director, officer or committee member of the Association seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement in advance as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such officer, director or committee member of the Association may be entitled. Further, by acceptance of a deed to a Lot, each Owner acknowledges and agrees that directors of the Association appointed by Developer, officers of the Association elected by the Board of Directors appointed by Developer, and committee members appointed by said Board of Directors or by said officers shall act solely on behalf of Developer and the Association, and shall have no fiduciary or other obligation to act on behalf of the Owners. Further, by acceptance of a deed to a Lot, each Owner acknowledges and agrees that although directors, officers and committee members may be appointed, directly or indirectly by Developer and be acting solely on behalf of Developer and not on behalf of the Owners, nonetheless, such directors, officers and committee members shall be indemnified by the Association pursuant to the provisions of this Article.

**ARTICLE 13**  
**GENERAL PROVISIONS**

13.1 Assignment.

13.1.1 All of the rights, powers, obligations, easements and estates reserved by, or granted to, Developer or the Association may be assigned by Developer or the Association, as the case may be. After such assignment, the assignee shall have the same rights and powers, and be subject to the same obligations and duties as were Developer or the Association prior to the assignment, and Developer or the Association shall be relieved and

released of all obligations with respect to such rights, powers, obligations, easements or estates.



13.1.2 Any of the rights, powers, obligations, easements and estates reserved by, or granted to, Developer may be partially assigned by Developer. After such partial assignment, the assignee shall have such rights, powers, obligations, easements and estates as were specifically assigned to the assignee, and Developer shall be relieved and released of those rights, powers, obligations, easements or estates which were specifically assigned to the assignee.

13.2 Amendment. This Declaration may be amended upon the recordation of an appropriate instrument in the public records of the County, subject however, to the following provisions:

13.2.1 Except as provided hereinbelow, an amendment initiated by any party other than Developer must obtain the approval of at least sixty-seven (67%) of the votes of Members; provided, however, that until such time as Developer relinquishes control of the Association, as described hereinabove, all such amendments must include the approval and joinder of Developer.

13.2.2 So long as Developer owns any property within Royal Terrace Townhomes, Developer shall have the right to make modifications, changes or cancellations to any or all of the provisions pertaining to the development of Royal Terrace Townhomes contained in this Declaration including, but not limited to, provisions relating to the addition of property subject to this Declaration, use restrictions and Assessments, without the joinder or consent of the Owners, the Association, Institutional Mortgagees or any other individual or entity, and the foregoing parties hereby waive any right to consent to such changes. Such changes may affect the entire Property or only specific portions of the Property, but shall be subject to applicable governmental approvals and Florida statutory requirements for Homeowners' Associations.

13.2.3 Any duly adopted amendment to this Declaration shall run with and bind the Property for the same period and to the same extent as do the covenants and restrictions specifically set forth herein.

13.3 Duration. All of the covenants, restrictions and other provisions of this Declaration shall run with and bind the Property for a term of fifty (50) years from the date of recordation of this Declaration, after which time they shall be automatically extended for successive periods of ten (10) years each, unless an instrument executed by at least seventy-five percent (75%) of the votes of all Members then existing, and by all Institutional Mortgagees, has been recorded, agreeing to change or terminate these covenants and restrictions.

13.4 Covenants Run with the Property. The agreements, covenants, conditions, restrictions, obligations, easements, reservations, rights, powers, Assessments, fines, liens and other provisions contained herein shall constitute a servitude upon the Property and each portion thereof, shall run with the Property, shall be binding upon the Owners of any portion thereof, and shall inure to the benefit of Developer, the

Association, and the Owners.

13.5 Enforcement. Compliance with the agreements, covenants, conditions, restrictions, obligations, easements, reservations, rights, powers, Assessments, fines, liens and other provisions contained herein may be enforced by any proceeding at law or in equity against any persons or entities violating or attempting to violate the same, or against the Property subject hereto to enforce any lien created by this Declaration. In the event that Developer and the Association fail to enforce the terms of this Declaration, then any Member may do so. The failure or refusal of Developer, the Association, or any Member to enforce any of the provisions of this Declaration shall in no event be deemed to constitute a waiver of the right to do so thereafter.

13.6 Developer's Rights. Notwithstanding any other provision in this Declaration to the contrary, Developer, its agents, employees, officers, successors and assigns, including without limitation, any management and marketing agents, are irrevocably empowered to sell or lease Lots on any terms to any purchasers or lessees, for so long as Developer owns any portion of the Property. Also, for so long as Developer owns or has any use rights to any portion of the Property, Developer, its agents, employees, officers, successors and assigns, including without limitation, any management and marketing agents, shall have the right to transact any business necessary to consummate sales of property throughout Royal Terrace Townhomes, including but not limited to, (a) the right to maintain office(s) on the Property in location(s) to be selected by Developer; (b) to have employees in such offices; (c) to construct and maintain sales agency offices, and such other structures or appurtenances which are necessary or desirable for the development and sale of property throughout Royal Terrace Townhomes, including, without limitation, sales models and parking lots; (d) to post and display a sign or signs on any Lots owned by Developer or on the Common Property; (e) to use the Common Property; and (f) to show Lots to prospective purchasers. Sales office signs and all other structures and appurtenances pertaining to the sale or development of property within Royal Terrace Townhomes shall not be considered Common Property and shall remain the property of Developer.

13.7 Non-Condominium.

13.7.1 The Association created pursuant to this Declaration and the Articles of Incorporation and By-Laws of the Association is expressly not intended to be a condominium association and is not created in accordance with, and is not subject to, Florida Statutes, Chapter 718, in existence as of the date of recording this Declaration or as amended at any time.

13.7.2 The Common Property is not intended to be condominium property under, and is not subject to, Florida Statutes, Chapter 718, in existence as of the date of recording this Declaration, and is not intended to be part of the common elements of any condominium.

13.8 Notice. Any notice required or permitted to be given by this Declaration

shall be given or made in writing by personal delivery or by certified mail addressed:  
to Developer at:

Dynasty of Indian River County, Inc.  
% Hatch & Doty, P.A.  
1701 A-1-A Highway  
Suite 220  
Vero Beach, Fl 32963  
Attn: Ira Hatch

or to Owner at:

the last known address of Owner as it appears on the records of the  
Association at the time of such delivery or mailing.

or to the Association at:

Royal Terrace Townhomes Homeowners Association, Inc.  
% Hatch & Doty, P.A.  
1701 A-1-A Highway  
Suite 220  
Vero Beach, Fl 32963  
Attn: Ira Hatch,

or such other address as the Association may designate  
in writing to the Developer and Owners

Any notice given in accordance with the provisions of this subsection shall be deemed to be effective, if personally delivered, on the date of such delivery, or if mailed by registered or certified mail, on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be. Each party may give notice to each of the other parties of a change of its address for the purposes of giving notice under this subsection, which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Declaration.

13.9 Developer Payments. Upon demand of the Developer, the Association shall refund to the Developer any refundable payments or deposits made by Developer to third parties in connection with the development of the Property. For example, and not by way of limitation, the Developer shall, upon demand, be reimbursed by the Association for refundable payments made to Florida Power and Light Company or prepaid insurance premiums.

13.10 Gender and Number. The use of the singular herein shall include the plural, and the use of any gender shall include all genders.

13.11 Severability. Invalidation of any one of the covenants or restrictions contained herein by judgment or court order shall in no way affect any other provision

hereof, which shall remain in full force and effect.

13.12 Captions. The captions used in this Declaration and any exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon or used in construing the text of this Declaration or any exhibits hereto or amendments thereof.

13.13 Effective Date. This Declaration shall become effective upon its recordation in the public records of the County.

#### **ARTICLE 14 ST. JOHNS WATER MANAGEMENT DISTRICT**

14.1 Operation of Surface Water or Storm Water System. The Association shall be responsible for the maintenance, operation, and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Surface or Stormwater Management System shall be permitted, or if modified as approved by the St. Johns River Water Management District.

14.2 Surface Water and Stormwater System Easement. The Association shall have a perpetual, non-exclusive easement over all areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the System. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual, non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

14.3 Approval of Amendment. Any amendment to the Covenants and Restrictions which alter the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the St. Johns River Water Management District.

14.4 Enforcement. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

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IN WITNESS WHEREOF, Developer has caused this Declaration to be executed this 5 day of August, 2003.

Signed, sealed and delivered in the presence of:

Dynasty of Indian River, Inc.,  
a Florida corporation,

Mary Ennis  
Witness

By: Myrna Somoza  
Myrna Somoza

Printed Name: Mary Ennis

Title: **President**

Jareen Foxworth  
Witness

Printed Name: JAREEN FOXWORTH

(Corporate Seal)

STATE OF FLORIDA )  
COUNTY OF INDIAN RIVER)

The foregoing instrument was acknowledged before me this 5 day of August, 2003 by Myrna Somoza, the President of Dynasty of Indian River, Inc., a Florida corporation. The above-named individual (check one)  is personally known to me or \_\_\_ has produced the following identification which is current or has been issued within the past five years and bears a serial or other identifying number and did not take an oath:

- \_\_\_ the sworn written statement of a credible witness (who is presently known to the Notary) that the signer is personally known to the witness;
- \_\_\_ a driver's license or non-driver's ID issued by Florida or any other U.S. state;
- \_\_\_ a U.S. passport or a foreign passport stamped by the U.S. Immigration and Naturalization Service;

(Notarial Seal)

Ira C. Hatch  
 Notary Public      Ira C. Hatch  
 My Commission Expires: # CG 892142  
 Expires Jan. 20, 2004  
 Bonded Thru  
 Atlantic Bonding Co., Inc.

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**JOINDER OF ASSOCIATION**

ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, hereby joins in this Declaration of Covenants and Restrictions for Royal Terrace Townhomes for the sole purpose of agreeing to perform its obligations as contained herein.

Signed, sealed and delivered in the presence of:

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

Mary Ennis

By: Myrna Somaza

Witness  
Printed Name: Mary Ennis

Printed Name MYRNA SOMAZA  
Title: President

Jareen Foxworth

Witness  
Printed Name: JAREEN FOXWORTH

(Corporate Seal)

STATE OF FLORIDA )  
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of August, 2003 by MYRNA SOMAZA the Pres. Secy of **ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**, a Florida corporation not-for-profit, on behalf of the corporation. The above-named individual (check one)  is personally known to me or \_\_\_ has produced the following identification which is current or has been issued within the past five years and bears a serial or other identifying number and did not take an oath:

- \_\_\_ the sworn written statement of a credible witness (who is presently known to the Notary) that the signer is personally known to the witness;
- \_\_\_ a driver's license or non-driver's ID issued by Florida or any other U.S. state;
- \_\_\_ a U.S. passport or a foreign passport stamped by the U.S. Immigration and Naturalization Service;

(Notarial Seal)

Ira C. Hatch  
**Notary Public**  
 Commission # CC 892142  
 My Commission Expires Jan. 20, 2004  
 Bonded Thru  
 Atlantic Bonding Co., Inc.

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