

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 first day of December 2026 by Royal Terrace Townhomes Homeowners Association, Inc., a Florida corporation not-for-profit,

WITNESSETH:

WHEREAS, the Royal Terrace Townhomes Homeowners Association, Inc. 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 the Royal Terrace Townhomes Homeowners Association, Inc. to establish a general plan and uniform scheme of development and Improvement of the Property, as hereinafter defined; and

WHEREAS the Royal Terrace Townhomes Homeowners Association, Inc. 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, the Royal Terrace Townhomes Homeowners Association, Inc. 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

"Architectural Review Board" or "A.R.B." shall mean and refer to that permanent committee of the Association, for the purpose of establishing and enforcing criteria for the design and construction of Improvements within the Property. Since we have only ten (10) Lots, the Members of the Board of Directors will be Members of the A.R.B., unless the Board hears of interest to join the A.R.B. from another party.

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

"Assessment" or "General 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".

"Association" shall mean and refer to Royal Terrace Townhomes Homeowners Association, Inc. a Florida corporation not-for-profit, its successors and assigns.

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

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

"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.

"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 Members and 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 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 the Association may from time to time designate as Common Property hereunder. Without limiting the foregoing, pool facility, the open space, the Recreation Tract and the Stormwater Tract (Water Retention Easement) as shown on the Site Plan and the Recreation Facilities, as herein defined, are hereby designated as Common Property.

"County" shall mean Indian River County, Florida.

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

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

"Emergency Special Assessments" shall be as defined in ARTICLE 6.

"Individual Assessments" shall be as defined in ARTICLE 6.

"Institutional Mortgagee" shall mean and refer to any bank, bank holding company, trust company or subsidiary thereof, savings and loan, Federal National Mortgage Association, insurance company, union pension fund, mortgage company, or an agency of the United States government which holds a first mortgage of public record on any Lot or any portion of the Property.

"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.

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

“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.

“Property” shall mean and refer to the entire Property identified on the Site Plan.

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

“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 Members. The Recreation Tract is located on the South end of the Property. Its northern boundary is the South side of Lots 473 and 477, with a small northerly bump between Lots 473 and 477 to the South end of the Street. The Recreation Tract extends to the width of the Property (east to west), and then South to the fence defining the southern end of the Property.

“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.

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

“Site Plan” shall mean the Site Plan for the Royal Terrace Townhomes prepared by Todd N. Smith, P.E. dated February 5, 2001 titled “Samoza Villas Site Plan”, attached hereto as Exhibit “E”.

“Special Assessments” shall be as defined in ARTICLE 6.

“Stormwater Tract” as shown on the Site Plan is referred to as either the Stormwater Tract or the Water Retention Easement herein.

“Street” shall mean and refer to the street within the Property and is dedicated to the Association.

“Surface Water or Stormwater Management System” shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events , incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental

degradation, and water pollution or otherwise affect the quantity and quality of discharges , as further described in ARTICLE 7, paragraph 7.3.

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

“Town” shall mean and refer to the City of Vero Beach, Florida.

“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 River Water Management District or the applicable government authority.

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 Site Plan Designations.

The Water Retention Easement as shown on the Site Plan and the Recreation Tract are hereby reserved by the Association for such purposes as the Association may from time to time designate.

3.1 Formation.

The Association was formed by filing the Articles of Incorporation thereof in the office of the Secretary of State of Florida. The Association is formed to operate, maintain and own the Common Property; to operate and maintain the Surface Water Management System, as permitted by the St. Johns River Water Management District, including all swales, retention areas, culverts and related appurtenances; to enforce the covenants, conditions, restrictions and other provisions set forth in this Declaration and in the Articles of Incorporation 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, 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.

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 Owners 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.

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 or diminish the obligation of the Association with regard to the Surface Water Management System, without the express prior written consent of the Saint Johns River Water Management District; and provided further that no amendment, alteration or rescission may be made which adversely effects 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 affect.

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 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.

ARTICLE 4 COMMON PROPERTY

4.1 Title to Common Property.

Title to all Property heretofore designated as Common Property shall remain vested at all times in the Association. 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.

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 other such possessory use interests as the Association determined 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.

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 the Association may deem to be in the best interests of its Members. 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 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 Owner's rights and easements of enjoyment with respect to the Common Area.

4.4 Traffic Regulations.

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. 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 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.
- 4.6.2 The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure or any proceeding in lieu of foreclosure.
- 4.6.3 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 Association.
- 4.6.4 The right of the Association to properly maintain the Common Property.

- 4.6.5 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.
- 4.6.6 The Rules and Regulations governing the use and enjoyment of the Common Property, as promulgated by the Association.
- 4.6.7 The right of other Owners in good standing with the Association to use the Common Property as set forth herein.
- 4.6.8 The right of 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.
- 4.6.9 Restrictions contained in document or instrument filed separately of record with respect to any portion of the Property.
- 4.6.10 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 the Association, as the same may be amended from time to time.
- 4.6.11 Search easements as may be granted or reserved on the Site Plan; such easements as may be granted or reserved separately by 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 or not they are recorded.
- 4.6.12 In the case of any emergency originating on or threatening any Lot, regardless of whether the Lot Owner is present at the time of such emergency, 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.
- 4.6.13 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.

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 and, in the case of utilities located under the Street, asphalt) which may interfere with the installation and maintenance of underground utility facilities shall be installed placed or permitted to remain. The Association (or such other entity as is indicated on this 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 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 such installation and maintenance, or which might 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 the Association. The Association (or such other entity as is indicated on the Site Plan) shall have 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 Street shown on the Site Plan, as it now exists, or as it is amended, as well as 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, leasees, 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 Street 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 A non-exclusive easement is hereby granted unto all Owners and all family members, guests, leasees, licensees and invitees of the Owners for ingress and egress over, across and through the Street to and from the Recreation Tract and Recreation Facilities. This easement is subject to all the Rules and Regulations promulgated by the Association from time to time relating to the use of the Recreation Tract and Recreation Facilities.
- 5.1.7 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.
- 5.1.8 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.

5.2 Road Easement.

Without limiting the generality of the foregoing, a non-exclusive, perpetual and irrevocable easement is hereby granted and reserved unto 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 Street 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 the Association prior to such installation.

5.3 Additional Easements.

The Association shall have the right to grant such additional easements, or to relocate existing easements, throughout the Property as 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, not prevent or unreasonably interfere with the Owners' use or enjoyment of their Lots or of the Property or any part thereof.

5.4 Restriction on Owner Easements.

Except as specifically provided in Section 5.3 with regard to the Association, no Owner shall grant any easement upon 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 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 Street; 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 Owners 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, semiannually or annually as the Board of Directors shall determine in its sole and absolute discretion.

6.4 Special Assessments.

The Association shall have the power and authority to levy and collect Special Assessments from each Owner 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 a 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. Individual Assessments shall be collectible in such manner as the Association shall determine in its soul 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 the Association from time to time subject to the provisions of chapter 720 Florida statutes. The Association may level 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 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 attorneys' fees and costs of collection, 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 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 Mortgagees.

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 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 Exempt Property.

The following Property shall be permanently exempt from the payment of all Assessments:

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

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

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

6.11.4 The Stormwater Tract as shown on the Site Plan.

6.11.5 The Recreation Tract as shown on the Site Plan, for so long as such tracts are used for Recreation Facilities.

6.11.6 The Common Property

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 born solely by such Owner and such Owners Lot shall be subject to an Individual Assessment for each expense.

7.1.1 Dwelling Unit Walls. Each wall built as 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 of 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 rate 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 contribute or indemnification from any other Owner under this article shall run with the land and shall pass to such Owners 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 arbitrators shall bind the properties.

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:

Insurance Type	Minimum Coverage	Maximum Deductible
Property (excluding land)	100% Appraised Value	As determined by the Association
Liability	\$300,000	As determined by the Association
Flood	The maximum available under the National Flood Insurance Act of 1968 42 USC 4001 et seq.	As determined by the Association

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 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 thereof, Association shall have the right and obligation to obtain similar insurance coverage with similar deductible and such Owners

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, by either appointing a real estate management agent or through its own personnel, be responsible for the maintenance of all Common Property including mailboxes, entrance gate, pool facility, the open space, the Recreation Tract and the 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 tracks 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, lessees, licensees, or invitees shall be born solely by such Owner and Owner's Lot shall be subject to an Individual Assessment for such expense. 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 an individual Assessment.

7.2.2 Without limiting the foregoing, the Association shall be responsible for maintenance of all Surface Water Management Plans or Water Retention Easements within the Property.

7.3 Storm Water Permit and Operation and Maintenance Responsibility.

This paragraph is adopted to comply with St. Johns River Water Management District's requirement to obtain a permit to operate and maintain the Surface Water and Stormwater Management System.

- 7.3.1 Duties of Association. 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 shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the Saint Johns River Water Management District. Any repair or reconstruction of the Surface Water or Storm Water Management System shall be as permitted or, if modified, as approved by the Saint Johns River Water Management District.
- 7.3.2 Covenant for Maintenance Assessments for Association. Assessments shall also be used for the maintenance and repair of the Surface Water or Stormwater Management System, including, but not limited to, work within retention areas, drainage structures and drainage easements.
- 7.3.3 Easement for Access and Drainage. 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 Saint Johns River Water Management District.
- 7.3.4 Amendment. Any amendment to this Declaration which alters any provision relating to 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 Saint Johns River Water Management District.
- 7.3.5 Enforcement. The Saint Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.
- 7.3.6 Swale Maintenance. Royal Terrace Townhomes has swales on the Common Property for the purpose of managing and containing the flow of excess surface

water and stormwater. As such, the Association is responsible for the maintenance, operation and repair of the swales. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the Saint Johns River Water Management District. Lot Owners may not fill, excavate, construct fences or otherwise obstruct the surface water and stormwater flow in the swales. No alteration of the drainage swale shall be authorized and any damage to any drainage swale, whether caused by natural or human induced phenomena, shall be repaired and returned to its former condition as soon as possible by the Association, if it is responsible for the alteration, or by a Lot Owner if he is responsible for the alteration.

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, shall be used only for single family, private, residential dwellings as defined by the ordinances of the City of Vero Beach, FL 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 or in any Dwelling or any part thereof.
- 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, St. Bernards, Doberman Pinchers or Rottweilers are permitted. No wild cats are permitted unless they have been properly immunized and neutered by a licensed veterinarian, No exotic species, amphibians, reptiles and birds are permitted. 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 cleanup. 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 pickup 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 Street 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, sport utility vehicles and pickup trucks 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 street. 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 Street.

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 sale of Property throughout Royal Terrace Townhomes, no signs, advertisements or notices of any kind shall be displayed to the public view on any Lot or 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 Street, from adjoining Lots, from the Common Property, or from the Recreation Facilities.
- 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 the 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 Street. Air conditioner compressors may be insulated to minimize the transmittal of noise, provided the A.R.B. has provided written permission as to the design of the insulation. Water purifiers shall not be placed outside the Dwelling nor shall any other device be placed outside the Dwelling without the written permission of the A.R.B.

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. Existing hurricane or storm shutters as of the date of this Declaration are approved. New hurricane or storm shutters must be approved by the A.R.B.

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 Street, 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 any time.

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

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 the Association or the A.R.B., whether or not such Rules and Regulations are restated here in in whole or in part.

8.3 Leasing.

A Lot Owner may lease his Lot and the Dwelling there on, 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.

9.1 Architectural Review Board (A.R.B.).

Royal Terrace Townhomes have a general plan and uniform scheme of development of the Property with detailed attention to the environmental characteristics of the Property. Royal Terrace Townhomes is a residential community of high quality and harmonious Improvements. Accordingly, 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 government 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 be named by the Board of Directors of the Association. The Board of Directors shall (a) determine how many persons shall serve on the A.R.B., provided 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-chairman. 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 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.

- 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 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 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 specification 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 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 ARB, 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. Search costs may also be the basis for an Individual Assessment. The A.R.B. and Association 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 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 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 noncompliance stating that the Improvements on the Lot fail to meet the requirements of the A.R.B.

- 9.1.9 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.
- 9.1.10 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.

9.1.11 Neither 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 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 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 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 cost of which shall constitute Common Expenses subject to a levy and collection of Assessments by the Association as set forth in ARTICLE 6 hereof.

10.2 Recreation Facilities.

The Recreation Facilities include, without limitation, a pool facility, two (2) gazebos and such other properties, facilities or Improvements as the Association 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 shall remain vested at all times in the Association. Notwithstanding the manner in which the 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.

ARTICLE 11 INSURANCE

The Association is hereby authorized to purchase insurance on the Common Property in such amounts, with such deductibles, and with such companies as the Board of Directors shall deem appropriate.

ARTICLE 12 INDEMN. 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 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.

ARTICLE 13 GENERAL PROVISIONS

13.1 Assignment.

All of the rights, powers, obligations, easements and estates reserved by, or granted to, the Association may be assigned by 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 the Association prior to the assignment, and the Association shall be relieved and released of all obligations with respect to such rights, powers, obligations, easements or estates.

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 must obtain the approval of at least sixty-seven percent (67%) of the votes of Members.

13.2.2 Any duly adopted amendment to this declaration shall run with and bind the Property for 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 thirty (30) 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 mortgages, 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 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 the Association fails to enforce the terms of this Declaration, then any Member may do so. The failure or refusal of 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 Non-Condominium.

13.6.1 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.

13.6.2 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.

13.7 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 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:

487 18th St.

Vero Beach, FL 32960

or other such address as the Association may designate in writing to the 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.

13.8 Gender and Number.

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

13.9 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.

13.10 Captions.

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

13.11 Effective Date.

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

IN WITNESS WHEREOF, ROYAL TERRACE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Florida Corporation not-for-profit, has caused this Amended Declaration of Covenants and Restrictions to be executed this ____ day of _____, 2026

Signed, sealed and delivered in the presence of:

Royal Terrace Townhomes Homeowners Association, Inc.

Witness
Printed Name:

By: _____
Craig Schlitt, President

(Corporate Seal)

Witness
Printed Name:

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this ____ day of _____, 2026
By Craig Schlitt, The President of the Royal Terrace Townhomes Homeowners Association, Inc. a Florida Not-for-Profit Corporation