

11/11/84
11/11/84

DECLARATION OF RESTRICTIVE COVENANTS

FOR

ROYAL FOREST

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made this 12th day of September, 1984, by FERRINEL DEVELOPMENT CORPORATION, a Delaware corporation, hereinafter called the "Developer", and by the ROYAL FOREST HOME OWNERS' ASSOCIATION, INC., a Florida Corporation not for profit, hereinafter called the "Association".

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property described in Exhibit A to this Declaration; and the Developer desires to create thereon a planned community of dwelling units with permanent open spaces, and traffic and parking areas for the benefit of the community; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of the properties and improvements thereon, and to this end desires to subject the real property described in Exhibit A to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of owning, maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, convenience, safety and welfare of the residents; and

WHEREAS, Developer has incorporated under the laws of the State of Florida the Royal Forest Home Owners' Association, Inc. as a non-profit corporation for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer hereby declares that the real property described in Exhibit A is and shall be held, transferred, sold, conveyed and occupied subject to the terms, conditions, covenants, provisions, restrictions, easements, servitudes, and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth, which shall be binding on all persons, their heirs, successors and assigns having any right, title or interest in or to the real property, and shall enure to the benefit of each dwelling unit owner.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean the Articles of Incorporation of the Association.
2. "Association" shall mean and refer to the Royal Forest Home Owners' Association, Inc., its successors and assigns.
3. "Association Expenses" shall mean the expenses payable by owners to the Association as shall be set forth in this Declaration.
4. "Association Property" shall mean all real and personal property transferred to the Association for the benefit of all members.
5. "Board" shall mean the Board of Directors of the Association.
6. "Common Area" shall mean those areas of real property shown on the subdivision plat of Royal Forest, as recorded in Official Record Book 49, Page 24, Public Records of Palm Beach County, Florida, together with all improvements thereto, which are dedicated to the common use and enjoyment of the members of the Association. The term "Common Area" may sometimes be used interchangeably with the term "Association Property."

7. "Declaration" shall mean the covenants, conditions, restrictions, easements, and all other terms set forth in this document; and as may be amended from time to time.

8. "Developer" shall mean and refer to FERRINEL DEVELOPMENT CORPORATION, a Delaware corporation, its successors and assigns.

9. "General Plan for Development" shall mean the subdivision plat of Royal Forest, which shall hereinafter be referred to as Royal Forest, as approved by the appropriate governmental agencies, and which shall represent the development plan and general uses of the real property. A copy of the general plan of development is attached hereto, and made a part hereof, and marked Exhibit B.

10. "Institutional Mortgagee" shall mean any lending institution holding a construction mortgage lien on any portion of the general plan of development or having a first lien on a dwelling unit, including any of the following institutions; an insurance company or subsidiary thereof, a Federal or State Savings and Loan Association, a Federal or State Building and Loan Association, a Federal or State Banking Association, a real estate investment trust, or any mortgage banking company authorized to do business in the State of Florida.

11. "Occupant" shall mean the occupant of a dwelling unit who shall be the owner, the lessee, or their respective guest.

12. "Owner" shall mean the fee simple title holder of any dwelling unit, whether one or more persons or entities.

13. "Property" shall mean all of the real and personal property subject to this Declaration. The real property is described in Exhibit A attached hereto and made a part hereof.

14. "Rules and Regulations" shall mean the rules, regulations, and policies which are attached to and incorporated into this Declaration; and as may be adopted by the Board from time to time by resolution duly made and carried.

15. "Dwelling Unit" shall mean the structure, together with the real property conveyed with it to the purchaser in fee simple. Each dwelling unit is designed and intended for use and occupancy solely as a single family residence.

16. "Transfer Date" shall mean the date that the Developer relinquishes the right to appoint a majority of the directors to the Board of Directors of the Association and conveys legal title to the common area to the Association. The transfer date shall occur not later than thirty (30) days after the date of the closing of the last dwelling unit to be sold by the Developer in Royal Forest.

17. The use of gender is deemed to include all genders; the use of the singular includes the plural and the use of the plural includes the use of the singular.

ARTICLE II

GENERAL PLAN OF DEVELOPMENT

1. Developer intends to build one hundred fifteen (115) dwelling units as shown on the site plan attached hereto and marked Exhibit B.

2. Those portions of the common areas shown as roadways on Exhibit B shall be kept and maintained by the Association as private roadways for ingress to and egress from dwelling units, other areas of Royal Forest, and the privately and publicly dedicated roadways of Royal Forest.

3. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Palm Beach County, Florida, and is described in Exhibit A.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

1. The owner of the fee simple title of record of each dwelling unit shall be a mandatory member of the Association.

2. Each dwelling unit owner shall become a member of the Association upon acceptance of the warranty deed to his dwelling unit. As a member of the Association, the owner shall be governed by the Articles of Incorporation and the By-Laws of the Association; and shall be entitled to one (1) vote for each dwelling unit owned. Provided, however, the Developer shall retain the right to appoint a majority of the directors to the Board of Directors of the Association until the Transfer Date, or until it has elected to divest itself of control of the Association, whichever shall first occur.

ARTICLE IV

USE OF PROPERTY

1. The dwelling units shall be used solely as single family residences. Nothing herein shall be deemed to prevent an owner from leasing a dwelling to a single family, subject to all of the terms, conditions and covenants contained in this Declaration.

2. The dwelling unit owner shall not permit any nuisance to exist upon his property so as to be detrimental to any other property or to its owners.

3. The dwelling unit shall not be further subdivided or separated by any owner; and no portion less than all of any such dwelling unit, nor any easement or other interest granted herein, shall be conveyed or transferred to an owner; provided, however, that this shall not prevent corrective deeds, deeds to resolve boundary disputes, and other similar corrective instruments.

4. The dwelling unit shall not be used in any trade, business, professional or commercial capacity, except that the dwelling unit may be leased as a single family residence. Nothing contained herein shall prohibit the Developer from carrying on any and all types of construction activity necessary to accomplish the general plan of development, including the construction and operation of a sales model and office by the Developer until all of the dwelling units in Royal Forest have been sold.

✓5. Pets shall be permitted. A pet shall be defined as a domestic or household dog, cat, fish or bird. Pets shall not be permitted in any of the common areas of unless under leash. Each pet owner shall be required to clean up after the pet in order to properly maintain the common areas. Each dwelling unit owner shall indemnify the Association, and hold it harmless against any loss or liability resulting from his, his family member's, or lessee's ownership of a pet at Royal Forest. If a dog or any other animal becomes obnoxious to other dwelling unit owners by barking or otherwise, the dwelling unit owner shall remedy the problem or upon written notice from the Association, he will be required to dispose of the pet.

✓6. Dwelling unit owners shall not permit any vehicle, boat or boat trailer to become an eyesore or a nuisance to other owners. No assembling or repairing of any vehicle, boat or boat trailer will be permitted except for minor repair or service. The Association shall have the right to authorize the towing away of any vehicle, boat or boat trailer in violation of this rule with the cost to be borne by the owner. Commercial vehicles shall not be permitted.

7. The dwelling unit owners shall abide by each and every rule and regulation promulgated from time to time by the Board. The initial Rules and Regulations of the Association are attached hereto, made a part hereof and marked Exhibit C.

8. Should the Association be required to seek enforcement of any provision of the Declaration or the Rules and Regulations for Royal Forest, then, and in that event, the offending dwelling unit owner (for himself or for his family, guests, invitees, or lessees) shall be liable to the Association for all costs incurred in

the enforcement action, including reasonable attorney fees, whether incurred in trial or appellate proceedings or otherwise.

ARTICLE V

EASEMENTS

1. The Developer hereby grants a perpetual non-exclusive easement to the Association and to the dwelling unit owners, their families, guests, and lessees upon, over, and across the sidewalks, walkways, and right-of-ways and other common areas of Royal Forest.

2. The Developer hereby also grants a perpetual nonexclusive easement to all utility or service companies servicing Royal Forest upon, over, across, through, and under the common areas for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to water, irrigation, sewer, gas, telephone, electricity, television cable or communication lines and systems. It shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of the dwelling units, providing such company restores any disturbed area to the condition existing prior to their activity. Provided, however, that no utility service line or system may be installed or relocated within the common areas without the consent of the Association.

3. The Developer hereby grants an easement for encroachment in the event any improvements upon the common areas now or hereafter encroaches upon a dwelling unit, or in the event that any dwelling unit now or hereafter encroaches upon the common area, as a result of minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement or otherwise. The encroaching improvements shall remain undisturbed as long as the encroachment exists. This easement for encroachment shall also include an easement for the maintenance and use of the encroaching improvements.

ARTICLE VI

UTILITY EASEMENTS

1. Each dwelling unit owner grants to all other owners owning a dwelling unit in the same building a perpetual utility easement for water, sewer, power, telephone and other utility and service company lines and systems installed beneath the dwelling unit.

2. Any expense caused by the necessary access of authorized personnel of the utility or service company to service lines located beneath or within the dwelling unit building shall be shared equally by each of the dwelling unit owners in the building affected; provided, however, that where the necessary access by authorized personnel of the utility or service company is required because of the intentional or negligent misuse of the utility or service company line or system by a dwelling unit owner, any expense arising therefrom shall be borne solely by the wrongdoer. Any expense caused by the necessary access of authorized personnel of the utility or service company to service lines located within the common areas shall be borne by the Association.

3. There is an express easement created for the connection of utility lines on the exterior of each building which easement is specifically described and located on the Plat of Royal Forest.

ARTICLE VII

COMMON WALLS AND ROOF

1. The dwelling units comprising each building are residential units with common walls, known as "Party Wall", between each unit that adjoins another unit. The center line of a party wall is the common boundary of the adjoining unit.

2. Each common wall in a dwelling unit shall be a party wall, and any party to said wall, his heirs, successors, and assigns shall have the right to use same jointly with the other party to said wall as herein set forth. The term "use" shall and does include normal interior usage such as paneling, plastering, decoration, erection of tangent walls and shelving but prohibits any form of alteration which would cause an aperture, hole, conduit, break or other displacement of the original concrete block forming said party wall.

3. The entire roof of the dwelling unit building, any and all roof structure support, and any and all appurtenances to such structures, including without limitation, the roof covering, roof trim, and roof drainage fixtures, shall be collectively referred to as "common roofing".

4. If a dwelling unit is damaged through an act of God or other casualty, the affected unit owner shall promptly have his unit repaired and rebuilt substantially in accordance with the architectural plans and specifications of the dwelling units building. The association shall have the right to specially assess all of the unit owners of Royal Forest if insurance proceeds are insufficient to repair or rebuild the affected dwelling units in accordance with this paragraph. The assessment and collection of any special assessment authorized pursuant to this paragraph shall be made in accordance with the assessment powers and lien rights of the Association for Association expenses.

In the event such damage or destruction of a party wall or common roof is caused solely by the neglect or wilful misconduct of a dwelling unit owner, any expense incidental to the repair or reconstruction of such wall or common roof shall be borne solely by such wrongdoer. If the dwelling unit owner refuses or fails to pay the cost of such repair or reconstruction, the Association shall have the right to complete such repair and reconstruction substantially in accordance with the original plans and specifications of the affected building, and the Association shall thereafter have the right to specially assess said dwelling unit owner for the costs of such repair and reconstruction. The assessment and collection of such assessment authorized pursuant to this paragraph shall be made in accordance with the assessment powers and lien rights of the Association for Association expenses.

5. The cost of maintaining each side of a party wall shall be borne by the dwelling unit owner using said side, except as otherwise provided herein.

ARTICLE VIII

MAINTENANCE OF EXTERIOR OF THE DWELLING UNIT

1. The dwelling unit owners shall at all times be responsible for the maintenance and care of the exterior surfaces of the dwelling units. The term exterior of the dwelling unit shall include, but not be limited to, the exterior walls, fences, patio lights, windows, sliding glass doors and screens. The Association shall not be responsible for the repair or replacement of any screens on any dwelling unit. Repair and replacement of any screens or glass and the maintenance of any landscaping or shrubbery located within the courtyard of a dwelling unit shall be the responsibility of a dwelling unit owner.

The painting, maintenance or refurbishing of the exterior surfaces of a dwelling unit will be done jointly by the two unit owners of the building and such work shall be done uniformly at the same time for the entire dwelling unit building. All such work shall be performed in order to maintain the improvements in their original color and condition. Should the dwelling unit owners fail to properly maintain the improvements, the Association shall be empowered to do so. All costs of such maintenance shall be assessed against the dwelling unit owners of that building, and shall constitute an assessment for "Association Expenses" collectible under Article VIII herein. The determination of whether the improvements are being properly maintained shall be at the sole discretion of the Association.

2. The assessment and collection of any special assessments required to maintain the exterior of the dwelling units by the Association in accordance with this paragraph shall be made pursuant to the assessment powers and lien rights of the Association for Association expenses, and shall be payable to the Association on an equal basis by all dwelling unit owners.

ARTICLE IX

MAINTENANCE OF COMMON AREAS

The Association shall maintain the common areas as are shown on the plat for Royal Forest. The cost to the Association of maintaining the common areas shall be assessed equally among the dwelling unit owners, as part of the Association expenses pursuant to the provisions of this Declaration. The determination of any expenses shall not lie solely within an individual dwelling unit owners' discretion, but shall rest on the determination of the Board of Directors of the Association.

ARTICLE X

ARCHITECTURAL CONTROL

No residence, fence, wall or other structure shall be commenced, erected or maintained upon the common area or dwelling unit property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, location, and costs of the same have been submitted to and approved in writing as to harmony of external design and location in relation to the surrounding structures and topograph by the Board. In the event the Board fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications are submitted to it, then approval shall be deemed granted and this article shall be deemed to have been fully complied with; provided the size and location of the residence, fence, wall or structure are not in violation of any other of the covenants and provisions of this Declaration. Further, the Board does not have the right to approve of plans that are in violation of any county ordinances and/or regulations and/or the South Florida Building Code. Further, should said municipalities, county, and/or the South Florida Building Code require as a condition precedent, approval of a municipality, county, and/or a regional commission, said shall be a condition precedent to submission to the Board. The Architectural Board shall be the Board of Directors of the Royal Forest Home Owners' Association, Inc.

ARTICLE XI

ASSOCIATION EXPENSES, METHOD OF DETERMINING
ASSESSMENTS, AND MAINTENANCE OF EXTERIOR AREAS

1. The costs and expenses incurred by the Association with regard to the ownership, operation, maintenance and repair of the common area shall be Association expenses. Common area expenses shall be payable to the Association on an equal basis by all dwelling unit owners.

2. To defray the Association expenses, there is hereby imposed upon each dwelling unit and its owner, the affirmative covenant and obligation to pay to the Association; and upon the Association the obligation to assess, collect and expend, the Association's expenses and those expenses hereinafter set forth.

A. Taxes. All taxes levied or assessed upon the common areas, by any and all taxing authorities, including all taxes, charges as assessments, imposition and liens for public improvements, special charges and assessments; and, in general all taxes on personal property and improvements which are now and which hereinafter may be placed in the common area, including any interest penalties and other charges which may accrue on such taxes.

B. Utility Charges. All charges levied for utility services to the common areas, whether supplied by a private or public firm including without limitation all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge.

C. Insurance. The premiums on any policy or policies of insurance required under Article XII hereof, together with the costs of such other policies of insurance, as the Board, with the consent of the unit owners at any meeting thereof, shall determine to be in the best interest of the Association; provided, however, that fire and extended coverage on common areas shall be maintained on a current replacement cost basis in an amount not less than 100% of the insurable value based

on a current replacement cost.

D. Insurance Trustee. All expenses necessary to retain and continue to retain a lending institution in Palm Beach County, Florida, having a trust department to act as "Insurance Trustee". The functions of the Insurance Trustee shall include holding all original policies purchased by the Association, being named as loss payee, distributing proceeds of such insurance, assisting in the reconstruction of improvements from insurance premiums and performing such other functions as shall be agreed upon.

E. Fidelity Coverage. The cost to the Association of purchasing adequate fidelity insurance or bonds to protect against dishonest acts on the part of officers, directors, trustees, agents and employees of the Association and all other persons who handle or are responsible for handling of the Association. Such fidelity insurance shall meet the following requirements:

(i) All such fidelity insurance or bonds shall name the Association as an obligee; and

(ii) Such fidelity insurance or bonds shall be written in the amount equal to at least 150% of the estimated annual operating expenses of the Association including the capital contribution hereinafter described; and

(iii) Such fidelity insurance or bonds shall contain waivers of any defense based upon the execution of persons who serve without compensation from any definition of "employee" or a similar expression; and

(iv) Such insurance or bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days prior written notice of the servicer or the insured.

F. Reconstruction of Building and Improvements. All sums necessary to repair, replace, construct or reconstruct ("repair") any buildings or improvements located in the common areas damaged by any casualty to the extent insurance proceeds are insufficient for repair. Any difference between the amount of insurance proceeds received on behalf of the Association with respect to repair and the actual cost of the repair ("repair sums") shall be an Association expense for which the Association shall levy a special assessment against all owners, if any, to obtain the funds necessary to pay for such repair sums within ninety (90) days from the date such damage was incurred. The Association shall establish an account with a Federal or State Savings and Loan Association located in Palm Beach County, Florida, and deposit into such account all repair sums and all insurance proceeds collected by the "insurance trustee", if any, so that the amounts on deposit will equal the costs of repair. The Association shall proceed so that repairs shall be completed within one (1) year from the date of damage, if possible.

G. Maintenance, Repair and Replacement. All expenses necessary to (a) maintain and preserve the exterior of the unit buildings (including roofs, landscaping and exterior walls) and common areas, including such expenses as grass cutting, trimming, sprinkling and the like, and (b) keep, maintain, repair and replace any and all building improvements, fixtures and equipment upon such areas in a manner consistent with the structure and improvements contained therein, the covenants, restrictions contained herein, and all orders, ordinances, rules and regulations of any and all federal, state and city governments having jurisdiction thereof, as well as the Statutes and laws of the State of Florida and the United States.

H. Optional Expenses. The costs of administration for the Association, including any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association under the Declaration, notwithstanding the fact that some of these services may be expanded in providing services to collecting sums owed by a particular unit. In addition, the Association may retain a managing company or contractors to assist in the operation of Royal Forest and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Association's expense.

I. Indemnification. The costs to the Association to indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property in or about the common areas, if any, from and against all costs, counsel fees, expenses, liabilities occurring in and about such claim, the investigation

thereof, or the defense at any level of any action or proceeding brought which may enter therein. Included in the foregoing provisions for indemnification are any expenses the developer may be compelled to incur and bring suit for the purposes of enforcing rights thereunder, or for the purpose of compelling this specific enforcement of the provisions, conditions, covenants and restrictions, contained in the Declaration to be kept and performed by the Association and/or the owners, including the payment of Association expenses.

Further, the cost of the Association indemnifying its officers and members of the Board for all costs and expenses whatsoever incurred in pursuance of their duties, obligations, and functions hereunder.

Nothing in the provisions of this subparagraph shall require institutional mortgagee to pay any Association expenses or portion thereof attributable to costs of the Association to indemnify and save harmless Developer in accordance with such paragraph. Any such Association expense shall be reallocated amongst the owners other than the institutional mortgagees.

J. Reserve Funds. The costs to establish an adequate reserve fund for replacement an/or capital refurbishment of the common areas (the "capital contributions") in the amounts determined proper and sufficient by the Board. Each owner acknowledges, understands and consents that capital contributions are the exclusive property of the Association as a whole, and that no owner shall have any interest, claim or right to any such capital contributions or funds composed of the same. The Association shall be responsible for maintaining the capital contribution in a separate reserve account and to use such funds only for capital costs and expenses as aforesaid.

K. Special Assessments. Any special assessment that shall be levied to defray (a) extraordinary items of Association expense other than those contemplated by capital contribution; and (b) such other Association expenses determined by the Board to be payable by the Association and which are not inconsistent with the terms of this Declaration, the Articles of Incorporation or the By-Laws.

L. First Mortgagees. First mortgagees of dwelling units may, jointly or singularly, pay taxes or other charges which are in default, and which may or have become a charge or encumbrance against the common areas, and may pay overdue premiums on hazard insurance policies or new hazard coverage upon lapse of a policy with respect to the common areas, with a right of immediate reimbursement from the Association.

3. Method of Determining Assessments. The "assessments" (as hereinafter defined) for Association expenses shall be levied and paid for as follows:

A. It is hereby declared and all owners and the Association agree that the Association expenses shall be paid by the Association unit owners, provided, however, that the Developer shall not be required to contribute any amounts for Association expenses on units owned by the Developer until no remaining units are being sold in the ordinary course of business. Each individual unit owner other than Developer shall be required to pay the Association expenses.

B. As provided in the By-Laws of the Association the Board shall prepare an estimated annual budget which shall reflect the estimated annual budget which shall reflect the estimated Association expenses. Thereupon the Board shall allocate an equal share of the Association expenses to all dwelling units.

C. The assessments may be adjusted as necessary to allow for any change in the amount of Association expenses. The adjustment may be made by dividing the total anticipated Association expenses for the remainder of the calendar year by the number of units which have been submitted to this Declaration.

D. The assessments shall be payable no less frequently than monthly on the first day of each month or otherwise as the Board may determine.

ARTICLE XII

INSURANCE

1. Casualty. The Association shall maintain a master policy or policies to

insure all unit buildings and improvements on the Real Property. This coverage shall be in such amounts so that the insured will not be a co-insurer except under deductible clauses required to obtain coverages at a reasonable cost.

A. The coverages will EXCLUDE the following:

(i) Foundation and Excavation costs.

(ii) Any increase in the value of a unit as a result of special improvements, alterations and betterments not common to comparable units.

B. The coverage will INCLUDE the following:

(i) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement; and

(ii) The bailee liability, if any, of the Association to unit owners.

C. The policies shall state whether the following items are included as THE UNIT OWNERS MAY INSURE THEMSELVES FOR SUCH ITEMS if the master policy excludes them:

(i) Cooling and heating equipment,

(ii) Appliances, such as dishwasher, washer, dryer, refrigerator, oven, range, water heater, etc., whether or not those items are built in.

(iii) Carpets and other floor coverings except the floor slab,

(iv) Inside paint and other inside wall finishes,

(v) Non-load-bearing interior walls,

(vi) Glass windows and doors.

D. When appropriate and possible, the policies shall waive the insurer's right to:

(i) Subrogation against the Association and against the unit owners, individually and as a group;

(ii) The prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and

(iii) Avoid liability for a loss that is caused by an act of the Board, or by a member of the Board or by one or more unit owners.

2. Reconstruction and Repair after Casualty.

A. Under ordinary circumstances units which are damaged by casualty shall be reconstructed and repaired. If a dispute arises as to whether a unit should be repaired or reconstructed, the Board of Directors, with approval of the oldest unsatisfied mortgagee having an effective lien thereon, shall make the determination to repair or reconstruct. The adjoining owners shall be bound by this determination.

B. Although it is impossible to anticipate all problems which may arise from a casualty the intent is to try to assure that the overall plan of a quality development of Royal Forest is maintained by requiring damaged units to be rebuilt or repaired and that unsightly and dangerous conditions are remedied as soon as possible. Any reconstruction and repair must be substantially in accordance with the plans and specifications for such property as originally constructed, or if none, then according to plans and specifications approved by the Board, and if the damaged property is a dwelling unit building, by the owners of not less than seventy-five per cent (75%) of such building. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair for which the Association is responsible, or if at any time during that work or upon completion of the work the funds available for payment of the costs are insufficient, assessments shall be made by the Association against all unit owners in sufficient amounts to provide funds for the payment of those costs. The Assessments shall be made as for an Association Expense, except that the cost of construction, reconstruction and

repair occasioned by special improvement made at the request of the owner and not common to other units shall be assessed to such unit owner.

3. Public Liability Coverage. The Association shall obtain Public Liability coverage insuring the Association against any and all claims and demands made by any person or persons for injuries received in connection with the operation and maintenance of the Common Areas and improvements located thereon, or for any other risk insured against by such policies which the Association, in its sole discretion, determines to insure against. Each policy purchased by the Association shall have limits of not less than \$1,000,000.00 covering all claims for personal injury and property damage arising out of a single occurrence. The liability coverage shall include protection against water damage hazards related to usage, and liability for property of others. All such policies will name the Association (and the Developer until the Transfer Date), as their respective interests may appear, as insured parties under such policy or policies. The original of each policy shall be held by the Board or in the office of the "Insurance Trustee" (as hereinafter defined).

4. All insurance shall be issued by a company authorized to do business in the State of Florida.

5. The named insured shall be the Association individually and as trustee for the unit owners covered by the policy without naming them, and shall include Institutional Mortgagees who hold mortgages upon units covered by the policy whether or not the mortgagees are named. The Board may authorize an "Insurance Trustee" to maintain the policies and receive any proceeds of such policies.

6. Premiums on policies purchased by the Association shall be paid as an Association Expense. However, if the amount of a premium is increased because a unit or its appurtenances is misused or abandoned then the owner of such unit is liable for the amount of such increase. The Association will furnish evidence of premium payment to each mortgagee upon request.

7. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as trustee or to such bank in Florida with trust powers as may be designated as Insurance Trustee by the Board. The Trustee shall hold the proceeds for the benefit of the unit owners and their mortgagees in the following shares:

A. An undivided share for each dwelling unit owner, that share being the same as such unit owner's undivided share in the Association Expense.

B. If a mortgagee endorsement of an insurance policy has been issued as to a dwelling unit, the share of the unit owner shall be held in trust for the mortgagee and such owner, as their interest may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any dwelling unit shall be reconstructed or repaired, and unless provided by the terms of the mortgage no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution of proceeds made to the unit owner and the mortgagee.

8. This Article is additionally for the benefit of first mortgagees of dwelling units and may not be amended without the consent of all such mortgagees.

9. The Association is irrevocably appointed agent for each dwelling unit owner and for each mortgagee or other lienor of a dwelling unit, and for each owner of any other interest in the property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

ARTICLE XIII

ESTABLISHMENT AND ENFORCEMENT OF LIENS

1. All assessments for Association Expenses, including special assessments for same, and all installments thereof, (collectively, the "assessments") with interest thereon and costs of collections, including reasonable attorney's fees at trial level, appellate level, or otherwise, are hereby declared to be a charge and a continuing lien upon the dwelling unit against which such assessments are made. Each

assessment against a dwelling unit, together with such interest thereon at the highest rate allowed by law and costs of collection thereof, including attorney's fees, shall be the personal obligation of the person, persons or entity owning the unit assessed. Said lien shall be effective only from and after the time of recordation amongst the Public Records of Palm Beach County, Florida, of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien and costs and fees accrued, the party making payment shall be entitled to a recordable Satisfaction of Lien. When an institutional mortgagee obtains title to a unit as a result of foreclosure of its mortgage or deed (or assignment) is given in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of assessments pertaining to such unit or chargeable to the former owner which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless such share is secured by a Claim of Lien for assessments and recorded prior to the recordation of a mortgage. Such unpaid share of assessments for which a Claim of Lien has not been recorded prior to the recording of the foreclosed mortgage or deed given in lieu of foreclosure shall be deemed to be assessments collectible from all other units, as the necessity may arise in the discretion of the Board.

2. In the event any owner shall fail to pay assessments or any installment thereof charged to his unit within fifteen (15) days after the same becomes due the Association, through its Board shall have all of the following remedies to the extent permitted by law.

A. To accelerate the entire amount of any assessments for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

B. To advance on behalf of said owner funds to accomplish the needs of the Association and the amount or amounts of money so advanced, including reasonable attorney's fees and expenses which might have been reasonably incurred because of or in connection with such advance, including costs and expenses of the Association if it must borrow to pay expenses because of said owner, together with interest at the highest rate allowable by law, may thereupon be collected or enforced by the Association and such advance or loan by the Association shall not waive the default.

C. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in a like manner as the foreclosure of a mortgage on real property.

D. To file an action at law to collect said assessments, plus interest at the highest rate allowable by law plus court costs, without waiving any lien rights and/or rights of foreclosure by the Association.

ARTICLE XIV

ENFORCEMENT OF DECLARATION

The enforcement of this Declaration may be by proceeding at law for damages or in equity to compel compliance with its terms or to prevent violation or breach of any of the covenants or terms herein. Enforcement may be sought by the Developer, the Association, or any individual and should the party seeking enforcement be the prevailing party then the person against whom enforcement has been sought shall pay all costs and reasonable attorney's fees at all trial and appellate levels to the prevailing party.

ARTICLE XV

AMENDMENTS

1. Until the closing of the first conveyance of a dwelling unit by Developer to an owner, other than Developer, (Amendment Date), any amendment may be made by Developer with consent of any mortgagee who has advanced funds for construction or who is under contract to advance construction funds.

2. This Declaration may be amended only by consent of fifty-one per cent (51%) of all dwelling unit owners together with the consent of the institutional mortgagee

with the highest aggregate mortgage indebtedness on the dwelling units and the consent of Barnett Bank of South Florida, N.A., a national banking association, the Developer's construction lender, until such time as Barnett Bank of South Florida, N.A.'s mortgage, recorded in Official Records Book 4255, at Page 1427, of the Public Records of Palm Beach County, Florida, is satisfied of record. The aforementioned consent shall be in writing and affixed to the Amendment to this Declaration.

3. Notwithstanding the foregoing, no amendment to Articles XI or XII, and no other amendment shall be effective which shall, in a material fashion impair or prejudice the rights or priorities of any owner, the Developer, or any institutional mortgagee under this Declaration without the specific written approval of the owner, the Developer or institutional mortgagee affected thereby.

4. Prior to the transfer date, the Developer may amend this Declaration in order to correct a scrivener's error or other defect or omission without the consent of the owners or the Board; provided that such amendment does not materially, adversely affect an owner's property rights. This amendment shall be signed by the Developer alone and a copy of the amendment shall be furnished to each owner, the Association and all institutional mortgagees as soon after recording thereof amongst the Public Records of Palm Beach County, Florida, as is practicable.

5. An amendment to the Declaration shall become effective upon the recordation amongst the Public Records of Palm Beach County, Florida.

6. Provided, any amendment which would affect the surface water management system, including the water management portions of the common areas, must have the prior approval of the South Florida Water Management District.

ARTICLE XVI

PARKING SPACES

Each two and three bedroom unit will contain either a garage and one parking space driveway, or a two parking space driveway. One bedroom units will have one parking space driveway. Parking for all dwelling unit owners will be restricted to their own garage and/or driveway.

ARTICLE XVII

CONVEYANCES

In order to assure a community of congenial residents and thus protect the value of the dwellings and to further the continuous development of the Royal Forest community, the sale or lease of dwelling units shall be subject to the following provisions:

1. The dwelling unit owner shall notify the Association in writing of his intention to sell or lease his dwelling unit and furnish with such notification a copy of the contract for sale or lease, whichever is applicable.

2. Any and all lease agreements between an owner and a lessee of such owner's unit shall be in writing, shall provide for a term of not less than ninety (90) days, and must provide that the lessee shall be subject in all respects to the terms and provisions of this Declaration and that any failure by the lessee under such lease agreement to comply with such terms and conditions shall be a material default and breach of the lease agreement. The lease agreement shall also state who will be responsible for the assessments as stated above, and it shall be the obligation of all unit owners to supply the Board with a copy of said written agreement prior to the lessee occupying the premises. Unless provided to the contrary in a lease agreement, a dwelling unit owner, by leasing his dwelling unit, automatically delegates his right of use and enjoyment of the common area and facilities to his lessee; and in so doing, said dwelling unit owner relinquishes said rights during the term of the lease agreement.

3. Upon receipt of a copy of the contract for sale or lease the Association shall within ten (10) business days issue a Certificate indicating the Association's approval of the transaction. In the event of a sale it shall then be the responsibility of the purchaser of the dwelling unit to furnish the Association with a recorded copy of the deed of conveyance indicating the owner's mailing address for all future maintenance bills and other correspondence from the Homeowners' Association. Provided, however, prior to the issuance by the Association of a Certificate indicating the Association's approval of the transaction, the purchaser or lessee

shall be required to execute a copy of the rules and regulations of Royal Forest acknowledging that he takes title subject to those rules and regulations which he agrees to abide by. The Association shall then retain one signed copy in the Association's records, and furnish one copy to the purchaser or lessee.

4. Except as provided in paragraph 5 below it is not the intention of this article to grant to the Association a right of approval or disapproval of purchasers or lessees. It is, however, the intent of this paragraph to impose an affirmative duty on the dwelling unit owners to keep the Homeowners' Association fully advised of any changes in occupancy or ownership for the purposes of facilitating the management of the Association's membership records. As this Article is a portion of the Declaration of Covenants which run with the land, any transaction which is conducted without compliance with this Article may be voidable by the Association.

5. Notwithstanding the provisions of Article XVII, paragraph 3 above, in the event that a dwelling unit owner is delinquent in paying any assessment, and/or the dwelling unit owner or his buyer, family, guests, agents, licensees or invitees are in non-compliance with any provisions of the Declaration of Covenants and Restrictions for Royal Forest, the Association has the right to disapprove of any sale; and in the case of a lease, the right to disapprove of and to void any lease at any time prior to or during the leasehold tenancy until any delinquent assessment is paid and/or until any violation of any provisions of said Declaration of Covenants and restrictions is corrected.

ARTICLE XVIII

TERMINATION

1. This Declaration may be terminated upon the affirmative written consent of eighty per cent (80%) of all dwelling unit owners, and upon the affirmative written consent of all institutional mortgagees holding mortgages encumbering dwelling unit.

2. If this Declaration is terminated in accordance herewith, it is hereby declared by the Developer, and each and every owner of a dwelling unit by acquiring title to his unit covenants and agrees, that the termination documents shall require:

A. That all dwelling units shall continue to be used solely as single family residences.

B. All common areas shall be owned and held in equal shares by the dwelling unit owners as tenants in common.

3. The dwelling unit owners and their grantees, successors, and assigns by acquiring title to a unit covenant and agree that no termination of this Declaration shall be made for a period of twenty-five (25) years from the date of recordation of this Declaration.

ARTICLE XIX

MISCELLANEOUS

1. The failure of the Developer, the Association, or any owner to object to an owner's or other person's failure to comply with the covenants or restrictions contained herein shall in no event be deemed a waiver of any right to object to same and to seek compliance therewith in accordance with the provisions herein.

2. Articles and paragraph captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit or in any way affect any of the terms and provisions of this Declaration.

3. Whenever the context requires any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns or pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

4. In the event any one of the provisions of this Declaration shall be deemed

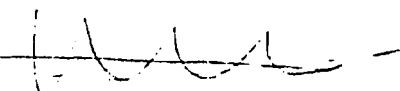
invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

5. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the subject property and inure to the benefit of Developer, the Association, the owners, institutional mortgagees and their respective legal representatives, heirs, successors and assigns for a term of thirty-five (35) years from the date of recording of this Declaration amongst the Public Records of Palm Beach County, Florida. After which time, this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such thirty-five (35) year term or any such ten (10) year extension there is recorded amongst the Public Records of Palm Beach County, Florida, an instrument which is signed by at least eighty per cent (80%) of all owners and at least eighty per cent (80%) of all institutional mortgagees holding mortgages encumbering dwelling units agreeing to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of thirty-five (35) years or the ten (10) year extension thereof during which the termination instrument is recorded. Notwithstanding such termination, owners shall continue to remain obligated to pay their prorata share of Association expenses in order to continually maintain the common areas.

6. The Association may not convey, encumber, abandon, partition or subdivide any of the common areas without the approval of all Institutional Mortgagees. All first mortgagees, upon request, shall be entitled to written notification from the Association of any default by an individual dwelling unit owner of any obligation hereunder not cured within sixty (60) days.

IN WITNESS WHEREOF, the Declaration of Covenants and Restrictions of Royal Forest has been signed by the Developer on the day and year first above set forth. The Developer has caused these presents to be executed in its name by its proper officer thereunto duly authorized.

FERRINEL DEVELOPMENT CORPORATION, a Delaware Corporation

By 
Bernard Arnault, President

(CORPORATE SEAL)

ROYAL FOREST HOME OWNERS' ASSOCIATION, INC., a Florida corporation not for profit

By 
Bernard Arnault, President

(CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF PALM BEACH

I HEREBY CERTIFY, that on this day before me, an officer duly qualified to take acknowledgments, personally appeared Bernard Arnault, President of FERRINEL DEVELOPMENT CORPORATION, a Delaware corporation, to me known to be the officer described in and who executed the foregoing instrument and acknowledged before me that he executed same.

WITNESS my hand and official seal in the County and State aforesaid this 12th day of September, 1984.

Virginia L. Roberts
Notary Public, State of Florida at Large
Notary Public, State of Florida
My Commission Expires: My Commission Expires June 21, 1987.

(NOTARY SEAL)

STATE OF FLORIDA

COUNTY OF PALM BEACH

I HEREBY CERTIFY, that on this day before me, an officer duly qualified to take acknowledgments, personally appeared Bernard Arnault, President of Royal Forest Home Owners' Association, Inc., a Florida corporation, to me known to be the officer described in and who executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State aforesaid this 12th day of September, 1984.

Virginia L. Roberts
Notary Public, State of Florida at Large
Notary Public, State of Florida
My Commission Expires: My Commission Expires June 21, 1987.

(NOTARY SEAL)