

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
ROYAL OAK VILLAGE PATIO HOMES ASSOCIATION, INC.

This Declaration, made on the date hereinafter set forth, by the membership of Royal Oak Village Patio Homes Association, Inc., hereinafter referred to as "Declarants" is a complete revision of the original tenets recorded in the official records of Okaloosa County, Florida, book 1525, pages 596 through 609, all of which designated property was subsequently transferred by Bluewater Development Company Limited to this Declarant Association.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Royal Oak Village Patio Homes Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean a member of the declarant Association and refer to the record Owner, whether one or more entities, of a fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners and includes all real property which is now or hereafter owned or leased by the Association or dedicated for the use or maintenance by the Association or its members, regardless of whether title has been conveyed to the Association

Section 5. "Unit" shall mean and refer to any plot of land shown upon the recorded subdivision plat of the Properties with the exception of the Common Area, said plat being recorded in the Official Records of Okaloosa County.

Section 6. "Voting Interest" means the voting rights distributed to the members of the Association in this Declaration.

Section 7. "Board of Directors" means the guiding Board of members elected by the voting interests of the Association to manage the affairs of the Association.

Section 8. "Officer" means any person, including a member of the Board of Directors, appointed by the Board to be responsible for carrying out the policies and administrative functions of the Association.

ARTICLE II
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) the right of the Association to relinquish title and transfer to private ownership of a member, upon application by that owner-member, a portion of the Common Area adjacent to that already owned by the member subject to conditions as the Association may approve including payment of an appropriate fee or sale price and that the member is responsible for all attendant fees and costs (e.g. attorney, survey, deed preparation and recording fees and property taxes) provided, however, that an instrument signed by two-thirds (2/3) of the voting interests, present or by proxy voting at a duly noticed meeting of the Association at which a majority of the voting interests (51%) has been established agreeing to such sale and transfer has been recorded.

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as the Association may approve; provided, however, that an instrument signed by two-thirds (2/3) of the voting interests, present or by proxy voting at a duly noticed meeting of the Association at which a majority of the voting interests (51%) has been established agreeing to such transfer has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his/her right of enjoyment to the Common Area to the members of his/her family, his tenants or contract purchasers who reside in the property.

Section 3. Parking Rights. In addition to the garage, carport or driveway located at each lot, ownership of each lot shall entitle the Owner or Owners thereof to the use of guest parking spaces in accordance with the rules promulgated by the Association.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment.

Section 2. Voting Rights. All owners shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit.

Section 3. Suspension of Voting Rights. The Association shall have the right to suspend the voting rights of a member for the nonpayment of assessments that are delinquent in excess of ninety (90) days until those assessments are paid in full.

Section 4. Other Rights. Owners have the right to peaceably assemble, to invite public officers and candidates for office to speak and to be free of strategic lawsuits against public participation.

Section 5. Roster. The Association shall maintain a roster of all members, their addresses, contact information and parcel identifications. Owners may provide electronic addresses but have the right to revoke such consent whereupon the electronic addresses shall be purged from the roster. Where Units are managed by agents or rented, names and contact information shall also be provided.

Section 6. No Authority. A member does not have the authority to act for the Association by virtue of being a member.

ARTICLE IV
COVENANT FOR ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. Each Owner of any Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association:

- (a) annual assessments or charges,
- (b) special assessments to be established and collected as is hereinafter provided.

(c) annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the health, safety and welfare of the residents in the Properties; for insuring the buildings and the common area for general liability, and for director and officer liability; for maintenance and improvement; and for other purposes consistent with the responsibilities of the Association except that the Association is not responsible for personal and utility services to the owners and private properties other than for regulation of such services as they may transit Association property and Common Area.

Section 3. Annual Assessment: The Association shall determine an annual assessment which shall be established, noticed and approved by the members as may be required. The total amount cannot be exceeded without separate notification and approval by the members.

(a) Budget: As a basis for the annual assessment, the Association shall prepare an annual budget that sets out the annual operating expenses.

(b) Reserve Accounts: The budget shall include reserve accounts for capital improvements to roads, roofs and driveways and for deferred maintenance. The amount to be reserved shall be computed by means of a formula incorporating useful life, replacement cost or deferred expense and may include adjustments for inflation and earnings on investments. This formula may be adjusted each year for changes. Borrowing from reserve accounts may be authorized by a majority vote at a membership meeting at which a quorum of members is present.

(c) Annual Assessment Increase. The annual assessment may be increased:

(1) Each year by the Directors not more than five percent (5%) above the annual assessment for the previous year without a vote of the membership.

(2) Above five percent (5%) by a vote of two-thirds (2/3) of the voting interests who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Special Assessments. The Association may levy, in any year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, replacement, improvement, insurance (see

Section 9 for casualty insurance), settlement or other charge affecting the members which cannot otherwise be provided within its responsibilities provided that such assessments shall have the assent of two-thirds (2/3) of the voting interests who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. The By-Laws provide for giving notice to members and for all meetings and requirements for quorums.

Section 6. Rate of Assessment. Annual assessments must be fixed at a uniform and equal rate for all Units. Special assessments, except for casualty insurance, shall also be fixed at the same uniform and equal rate for all Units. All assessments may be collected on a monthly basis unless otherwise stated. The Board of Directors shall set the assessment period, establish the due dates and fix the amount of the assessment against each Unit at least thirty (30) days in advance of each assessment period. Written notice of the assessment shall be sent to every Owner subject thereto in accordance with requirements in the By-Laws. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether assessments on a given Unit have been paid.

Section 7. Effect of Nonpayment of Assessments. An Owner, regardless of how title to property has been acquired, is liable for all assessments that come due while an Owner and may not be avoided by any means. Assessments and installments on assessments that are not paid when due and within the time allotted are deemed late and bear interest from the date late. Interest accrues at the rate of eighteen percent (18%) per year. An administrative late fee is also payable not to exceed the greater of \$25.00 or 5% of the amount of each installment that is paid past the date late. Any payment received by the Association and accepted shall be first applied to any interest accrued, then to the administrative late fee, then to any costs and reasonable attorney fees incurred in the collection and then to the delinquent assessment. A late fee is not a fine. The Association may suspend the voting rights of a member for nonpayment of regular annual assessments for delinquencies in excess of ninety (90) days until paid. The Association may bring an action at law or file a claim of lien against the Owner for past-due assessments as well as any other amounts owed to the Association pursuant to the governing documents following Florida's statutory provisions including written notification and times allowing for payment.

Section 8. Settlement of Lien. The Association may bring an action in its name to foreclose a lien for unpaid assessments secured by a lien in the same manner that a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for

unpaid assessments without waiving any claim of lien. The Owner will be notified in writing and provided statutory notice of the intent to foreclose and collect the unpaid assessment. If, after service of a summons on a complaint to foreclose a lien, the Unit is not the subject of a mortgage foreclosure or a notice of tax certificate sale or the Owner is not a debtor in bankruptcy proceedings, the Owner may serve and file with the court a qualifying offer for consideration by the Association.

Section 9. Casualty Insurance. The Association shall carry casualty insurance on each Unit's structure or a part thereof with each individual Owner named as an insured for his/her Unit. The Association shall assess each Owner his/her pro-rata share of the total cost of building casualty insurance based on the square footage of each Unit as recorded on Okaloosa County Property Appraiser records and collect the same as a special assessment which must be paid in one lump sum to meet insurance company requirements. This amount shall be the actual cost of said insurance. The membership shall vote on the type and composition of that insurance.

ARTICLE V PROTECTIVE COVENANTS

The Association shall be charged with the enforcement of the following Protective Covenants which are hereby imposed upon each Owner and Occupant of each Unit and upon the management of the Association. The Association may appoint an Architectural Control Committee as provided in the By-Laws for the enforcement of these covenants.

Section 1. Nuisance and Sanitation. No nuisance shall be allowed upon the property nor any use or practice which may be a menace to health, safety or general welfare including but not limited to offensive odor (e.g. decay, pungent, gaseous), boisterous behavior (e.g. argument, fighting, vandalism) and unreasonably loud noise (e.g. above conversational human voice between 10:00 PM and 7:00 AM), which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of private property and the common area shall be kept in a clean and sanitary condition, and no fire hazard shall be allowed to exist.

Section 2. Offensive and Unlawful Use of Property. No offensive or unlawful use shall be made of the property or any part thereof. All laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 3. Signs and Flags. No sign of any kind shall be displayed at any time to the public view on the structures, fences or adjacent grounds of any Unit or on the common area without prior written consent of the Association except:

(a) One (1) "For Sale" or "For Rent" sign not exceeding six (6) square feet in size at the Unit front and the entrance to the block area where the Unit is located,

(b) A small security service or alarm sign within ten (10) feet of an entrance to the Unit,

(c) Any Owner may display a United States flag or official flag of the State of Florida in a respectful manner and on Armed forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day may display in a respectful manner portable, removable official flags which represent the United States Armed Forces and Coast Guard.

Section 4. Architectural Control. No building, fence, wall or other structure shall be commenced, erected, moved or kept upon the Properties nor detrimentally cause or affect the maintenance of the Properties, 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 and location of the same shall have been submitted to and approved in writing as to harmony of the design, location, materials, finish and conforming practices in relating to the surrounding structures and topography by the Board of Directors or by an Architectural Control Committee composed of three (3) or more members appointed by the Board. In the event said Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Approved submissions shall include requirements for commencement and completion of work within a designated period of time and shall be explained by the Board of Directors or its designated committee.

Section 5. Refuse, Litter and Graffiti. There shall be no littering or graffiti and no trash, garbage or refuse shall be deposited or be permitted to stand on the common area or exterior of any Unit. Refuse shall be bagged or stacked neatly and garbage shall be placed in contractor-supplied containers. All materials shall be kept out of public view except for a reasonable period before and after scheduled pick-up.

Section 6. Prohibited Items and Practices. Harmony of design and decorum shall be maintained in public view. This includes no:

(a) bed sheets, paper or other such window covering except temporarily, not to exceed ninety (90) days, for new residents to obtain and install acceptable window coverings or during periods of painting and repair. Drapes, blinds, shutters or similar window treatments of a neutral color viewed from the outside are required.

- (b) clothes lines, laundry, rags, rugs, hoses, cans, buckets, or similar articles,
- (c) major vehicle repair or refurbishing or abandoned cars,
- (d) outside storage.

Section 7. External Antennas. No antenna, satellite dish or similar electronic reception device or any wiring for any purpose may be installed on the structures, premises or common area without written application and approval of the Architectural Committee or Board of Directors.

Section 8. Pets. No animals except dogs, cats, birds, fish, and similar small domestic house pets and assistance animals for the physically handicapped shall be permitted upon the properties. Animals shall not be permitted to run free or otherwise constitute a nuisance, either willfully or through failure to exercise due care and control. Animals being walked or exercised on the common area shall be restrained, leashed or under voice control and obedient to a present owner's command or properly confined to the owner's property. No animal shall be permitted to continue or incessantly make unprovoked noise. Animal owners or custodians shall immediately remove and properly dispose and not simply disperse animal waste upon common area and private property. Damage by any animal shall be repaired at the expense of the Owner of the animal.

Section 9. Vehicles. All vehicles, golf carts, bicycles and other wheeled items (e.g. scooters and skateboards) shall be operated safely at all times. Drivers are expected to obey traffic rules and extend courtesy to other drivers and pedestrians. Residents shall park in the garages, carports or on the driveway serving their Unit. Parking on the streets and common area, other than guest parking in the spaces provided is prohibited except infrequently and temporarily for short duration events and then not restricting traffic. No vehicle may be parked on any area likely to result in damage to water and sprinkler systems. Additionally:

(a) commercial vehicles are permitted only as necessary for the conduct of business and shall not remain overnight unless garaged out-of-sight or permission has been granted by the Board.

(b) cargo trucks, recreational vehicles (self-contained or not) and all trailers (boat or otherwise) are allowed only temporarily for cleaning, loading and minor maintenance and shall not remain overnight unless garaged out-of-sight or permission has been granted by the Board,

Section 10. Soliciting. No soliciting, peddling or canvassing is permitted except as may be incidental to the conduct of Association business. No commercial, private or associated business activity that interferes with the residential purpose and enjoyment of the residents or adds to noise and traffic in any way shall be conducted.

Section 11. Landscaping. No plantings may be installed, removed or altered on the Common Area without written approval of the Board of Directors. However, Owners are encouraged to beautify the area adjacent to their properties within the landscape guidelines of the Association (copies are available from the Board of Directors). Drainage alteration and control actions require written request and approval. Visible above ground damming, piping or pumping is prohibited unless surface contouring, plantings or French drains are not feasible.

ARTICLE VI
MAINTENANCE, IMPROVEMENT AND PARTY WALLS

Section 1. Maintenance and Improvement. The Common Area and the exterior of all Units shall be maintained in design, materials, colors, finishes and decor consistent and harmonious with the overall architectural plan and nothing inconsistent therewith shall be permitted to exist. The Association is not responsible for personal and utility services to the owners and private properties other than for regulation of such services as they may transit Association property and Common Area.

(a) Association: The Association provides for:

(1) repair of normal 'wear and tear' in maintenance of Association buildings and property and of Unit fences and building exterior 'skin' (exterior panels, stucco, trim and roof) as a common operating expense in materials, colors, finishes and decor consistent and harmonious with the overall community architectural design,

(2) common area maintenance and improvement as a common operating expense.

(3) replacement and improvement of roofs, roads and driveways as a common capital fund expense.

(b) Owners: Owners are responsible for:

(1) maintenance, repair and replacement of Unit interiors and 'structural' components (e.g. framing, windows, doors, arbors) and attachments (e.g. gutters, trellises, hurricane shutters). Owners are also responsible for preventive maintenance as outlined in Rules, Policies, and Procedures and for prompt reporting of concerns so as not to create or allow maintenance problems to continue.

(2) hurricane shutters which are permitted upon approval in compliance with Association guidelines.

Section 2. Party Walls.

(a) General Rules of Law to Apply. Certain of the walls which are built as a part of the original construction of the homes and placed on the dividing lines between Units shall constitute party walls. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damages due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners abutting said wall.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner abutting the wall may restore it and the cost of restoration thereof shall be paid in equal portions by each Owner abutting the wall; without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs with Land. The right of any Owner to the contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VII
GENERAL PROVISIONS

Section 1. Exceptions. The Board of Directors may issue exceptions to the Protective Covenants within its authority and governing law upon written application and written approval. The Board of Directors shall issue standard operating practices and procedures for the consistent application of its governing documents and rules for the use of the Common Area as may be appropriate.

Section 2. Emergency. Nothing shall preclude necessary actions to preserve safety, health and property in the event of natural disasters, catastrophes or other major emergencies.

Section 3. Enforcement. The Association and each member and the member's tenants, guests and invitees are governed by and must comply with the governing documents and rules of the Association.

(a) **Actions at law or in equity,** or both, to redress alleged failure or refusal to comply with the governing documents may be brought by the Association or by any member against the Association, a member, any Director or Officer and any tenants, guests or invitees occupying a Unit or using the Common Area.

(b) **Reasonable fines** not to exceed \$100 per violation may be levied by the Association against any member, tenant, guest or invitee or against the member who is responsible for the actions and conduct of his tenants, guests and invites. A fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing except that no such fine shall exceed \$1,00.00 in the aggregate. Intent to fine will be provided with notice of at least fourteen (14) days to the person to be fined and an opportunity for a hearing before a committee of at least three (3) persons appointed by the Board who are not Officers, Directors or relatives of the same. If the committee, by majority vote, upholds the fine, it may be imposed.

(c) **Suspension of voting rights** may be invoked for nonpayment of assessments that are delinquent in excess of 90 days until such assessments are paid in full.

(d) **Failure to enforce** any covenants or restrictions of the governing documents shall in no way be deemed a waiver of those covenants or restrictions or the right to enforce for any violation at any time within the applicable statute of limitations or for similar instances in the future.

Section 4. Severability. Invalidation of any one covenant or restriction of the governing documents by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Dispute Resolution. Disputes between the Association and a Unit Owner shall be the subject of a demand for pre-suit mediation, according to statute, served by an aggrieved party before the dispute is filed in court. However, either party may petition for immediate binding arbitration.

Section 6. Disclosure. A prospective Unit Owner must be presented with a disclosure summary by the current Unit Owner before executing a contract for sale of a Unit. The summary must inform prospective buyer of Association obligations, assessments, requirements and governing documents according to statute.

Section 7. Amendment. The Declaration of Covenants, Conditions and Restrictions is recorded after which time they shall be automatically extended for successive periods of ten

(10) years. This Declaration may be amended by the affirmative vote of two-thirds (2/3) of the voting interests present in person or by proxy and voting at a duly noticed meeting of the Association at which a majority of the voting interests (51%) has been established. The vote of each voting interest must be in writing. Any amendment must be recorded.

IN WITNESS WHEREOF, we, being all of the Directors of Royal Oak Village Patio Homes Association, Inc. have hereunto set our hands this 23rd day of July, 2010.

<u>[Signature]</u>	President
<u>[Signature]</u>	Vice-President
<u>[Signature]</u>	Secretary
<u>[Signature]</u>	Treasurer

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Royal Oak Village Patio Homes Association, Inc. a Florida Corporation, and

That the foregoing Declaration of Covenants constitute the amended Declaration of Covenants, Conditions and Restrictions of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 13th day of March, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 23rd day of July, 2010.

<u>[Signature]</u>	Secretary
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