

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

PALO VERDE

THIS DECLARATION, is made this 8th day of December 1995, by Reddick Development Group, Inc., a Florida Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property located in Collier County, Florida, which is located within the real property particularly described in "Exhibit A" attached hereto, and Declarant desires to create a residential community on platted Lots which shall contain single family residences, known as Palo Verde, and

WHEREAS, Declarant wishes to provide for the preservation and maintenance of the appearances, values and amenities of Palo Verde and to this end, desires to subject the real property described in Exhibit "A" to the terms, conditions, rights and obligations of this Declaration of Covenants, Conditions and Restrictions for Palo Verde, herein called the "Declaration" and herein created a non-profit membership corporation, Palo Verde Residents' Association, Inc., herein called the "Association" to be given the power and duty of maintaining and administering the Common Areas and enforcing this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the properties in Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of such Owner thereof.

PLAN OF DEVELOPMENT

Palo Verde, is located within a Planned Unit Development project known as The Vineyards. All of the property located in The Vineyards is subject to certain restrictions and regulations as provided in the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Vineyards, Inc. recorded in O.R. Book 1763, Page 1228, Public Records, Collier County, Florida, as amended, herein referred to as the "Master Declaration".

The Master Declaration was created by The Vineyards, Inc., the developer of The Vineyards, to provide for the preservation and maintenance of the appearance, values and amenities of The Vineyards. The Master Declaration provides for separately developed and designated residential and commercial areas. These areas are governed by The Vineyards Master Association, Inc. (the "Master Association"). Lot Owners in Palo Verde, are

After recording return to:
Patricia Arnold
Kelly Price, President, et al
2840 Golden Gate Pkwy #315
Naples, FL 33942

obligated to pay assessments to the Master Association for the operation of the Master Association and maintenance, replacement, and repair of the common areas and recreational facilities located in The Vineyards, provided, however, such obligation does not include The Vineyards Golf Course and Clubhouse which is governed by a separate membership entity.

ARTICLE I

DEFINITIONS

- 1.1 "Assessments" shall mean assessments for common expenses provided for herein or by any subsequent amendment which shall be used for the purposes of promoting the recreation, common benefit, and enjoyment of the Owners and Occupants of Palo Verde and of maintaining the Properties or Common Areas within Palo Verde, all as may be specifically authorized from time to time by the Board of Directors of the Palo Verde Residents' Association or the Master Association.
- 1.2 "Association" shall mean and refer to the Palo Verde Residents' Association, Inc., its successors and assigns.
- 1.3 "Board of Directors's or "Board" shall mean and refer to the representative body which is responsible for the administration of the Association.
- 1.4 "Common Areas" shall mean all real property to be owned by the Association for the common use and enjoyment of the Owners, their agents, assigns, employees and invitees. The Common Areas include all land which is subject to this Declaration less and excepting the platted Lots which have been reserved by Declarant for sale to Owners and are shown as easements dedicated to the Association on the Plat of Palo Verde to be recorded in the Public Records. The said Common Areas shall be deeded by Declarant to the Association as hereafter provided.
- 1.5 "Declarant" shall mean and refer to Reddick Development Group, Inc., its successors and assigns. It shall not include any person or entity who purchases a Lot from Reddick Development Group, Inc. unless such purchaser is specifically assigned some or all rights of Reddick Development Group, Inc. by a separate recorded instrument.
- 1.6 "Dwelling" shall mean and refer to a single family residence and ancillary structures such as garages, decks, swimming pools, screen enclosures and outbuildings.
- 1.7 "Master Association" shall mean and refer to The Vineyards Master Association, Inc.
- 1.8 "Guest" means any person who is physically present in, or occupies a Lot at the invitation of the Owner without the payment of consideration or rent.

1.9 "Institutional Mortgagee" shall mean and refer to the holder of a first mortgage against a Lot which holder is a bank, savings and loan association, real estate or mortgage investment trust, pension or profit sharing trust, the Federal Housing Administration, the Veterans Administration or any agency of the United States of America, and their successors and assigns, or any entity recognized in the community as an institutional lender. The mortgage may be placed through and closed in the name of a mortgage broker.

1.10 "Lease" means the grant by a Lot Owner of a temporary right of use of the Owner's Lot for valuable consideration.

1.11 "Lot" shall mean a platted residential Lot as shown on the Plat of Palo Verde, to be recorded in the Public Records of Collier County, Florida.

1.12 "Master Declaration" shall mean and refer to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Vineyards recorded in O.R. Book ____, Page __, of the Public Records of Collier County, Florida, as amended.

1.13 "Member" shall mean and refer to all those Owners who are members of the Association.

1.14 "Occupant" when used in connection with a Lot, means any person who is physically present in a Lot on two (2) or more consecutive days, including staying overnight.

1.15 "Owner or 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 situated upon the Properties but shall not mean or refer to any mortgagee unless and until any such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.16 "Primary Occupant" shall mean the natural person approved for occupancy when title to the Lot is held in the name of a trustee or a corporation or other entity which is not a natural person.

1.17 "Properties" or "Property" shall mean and refer to that certain real property described in "Exhibit A", known as Palo Verde and such additions thereto as may hereafter be brought within the jurisdiction of the Association and submitted to this Declaration.

1.18 "Single Family" shall mean a family unit comprised of the Owner, spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting with the Owner as or together with the Owner as a primary occupant.

ARTICLE II

PROPERTY RIGHTS

2.1 Every Owner shall have a right and easement of enjoyment in and to the Common Areas together with a nonexclusive easement of ingress and egress over the roadways in the Properties which right and easement of enjoyment shall be appurtenant to and shall pass with title to every Lot subject to the following provisions:

A. The right of the Association to charge all Owners reasonable fees for the upkeep, maintenance and repair of the Common Areas, equipment or structures situated upon the Common Areas.

B. The right of the Association to dedicate, transfer or grant an easement or property rights to all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members.

C. The right of the Board to promulgate, modify, amend and enforce reasonable rules and regulations relating to the use and enjoyment of the Common Areas.

D. Ownership of each Lot shall entitle the Owner or Owners thereof to an easement over any portion of their driveway located beyond their Lot line.

E. Utility easements are hereby reserved throughout the properties as may be required to adequately serve the Properties.

F. Easements for ingress and egress and right-of-way are reserved for pedestrian traffic over, through, on and across all Common Areas and upon all sidewalks, paths, walkways, lanes, streets and avenues, as the same from time to time exist upon the Common Areas; and for vehicular traffic over, through and across such portions of the Common Areas as from time to time may be installed for such purposes.

G. There shall be an easement for encroachment in favor of the Declarant, Owners and the Association where any portion of the Common Areas encroaches upon any portion of the Properties or any Lot therein.

2.2 Any Owner may delegate, in accordance with and subject to the By-Laws and this Declaration, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, invitees or contract purchasers who reside on the Property.

2.3 The Declarant shall not be required to convey the legal and equitable title and ownership to the Common Areas or any part thereof until the time the Declarant no longer owns any Lot in the Properties. Declarant may convey title, and the Association shall accept

title, at any time prior to the Declarant's conveyance of the last Lot owned by the Declarant, at Declarant's sole option.

2.4 There shall be no judicial partition of the Common Areas, nor shall Declarant, or any Owner or any other person acquiring any interest in the Properties, or any part thereof, seek judicial partition thereof.

2.5 Within the easements for installation and maintenance of utilities and any drainage facilities, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 Every person or entity who is a record fee simple Owner of a Lot, including Declarant at all times so long as it owns all or any part of the Property, shall be a Member of the Association provided, however, that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a Member. If any such Owner is not a natural person, the subject entity shall designate a natural person who shall be the Primary Occupant and such natural person shall exercise the Lot's membership rights. Membership shall be appurtenant to, and may not be separated from ownership of any Lot which is subject to assessment. When any Lot is owned of record by two or more persons or other legal entity, all such persons or entities shall be Members.

3.2 The Members of the Association shall be entitled to one (1) vote for each Lot owned by them. The total votes shall not exceed the total number of Lots. The vote of a Lot shall not be divisible. If a Lot is owned by one natural person, his right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two or more natural persons, that Lot's vote may be cast by any Owner present at the meeting at which the vote is taken. If two or more Owners of a Lot are present and cannot agree among themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the Owner of a Lot is not a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant designated as set forth above.

3.3 In matters pertaining to the Master Association as more fully provided in the Amended and Restated By-Laws of the Master Association, the Board of Palo Verde Residents' Association shall elect a delegate to represent the Association at all member meetings of the Master Association and to vote on behalf of the Association the number of votes as provided in the said Amended and Restated By-Laws of the Master Association.

ARTICLE IV**COVENANTS FOR MAINTENANCE ASSESSMENT**

4.1 Subject to the provisions of Article IV, Section 4.12 herein, the Declarant, for each Lot owned by it within the Properties hereby covenants and agrees, and each Owner of any Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association maintenance assessments or charges, and any special assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from thirty (30) days after the due date at the highest rate as allowed by law, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment, or otherwise. The Association shall collect all assessments and other sums due the Master Association if required of it by the Master Association. The Association shall remit the assessments to the Master Association pursuant to such procedures as may be adopted by the Master Association. If so required by the Master Association, assessments due the Master Association by the Association shall be a common expense of the Association.

4.2 The annual and special assessments levied by the Association shall be collected by the Board and shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents in the Properties including but not limited to the following:

A. Improvements, maintenance and repair of the Common Areas, including but not limited to the cost of maintaining:

a. Streets, driveways, parking areas and sidewalks, to the extent that such improvements are a part of the Common Areas;

b. Landscaped areas including lawns, shrubs, trees and other planting located on Common Areas;

c. Equipment and facilities owned by or acquired by the Association located on the Common Areas or recreation areas, if any;

d. Fences, signs, street lights and fountains located on the Common Areas;

e. Maintenance and repair of all storm drains, drainage courses, drainage easements, sprinkler systems in the Common Areas and utility easements;

f. **Painting of fences and entry gates that are part of or appurtenant to improvements constructed on the Common Areas;**

g. **Electrical lighting, and other necessary utility services for the Common Areas and non-potable water to service the sprinkler system in the Common Areas;**

B. **Hiring professional advisors, management companies and payment of management fees and charges;**

C. **Fire insurance covering the full insurable replacement value of the Common Areas with extended coverage;**

D. **Liability insurance insuring the Association against any and all liability to the public, to any Owner, or to the invitees, or tenants of any Owner arising out of their occupation and/or use of the Common Areas. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased in the discretion of the Association;**

E. **Workmen's compensation insurance to the extent necessary to comply with the Florida Statutes, and any other insurance deemed necessary by the Board;**

F. **Acquisition of equipment for the Common Areas as may be determined by the Association, including without limitation, all equipment and personnel necessary or proper for use or maintenance of the Common Areas;**

G. **Any other materials, supplies, equipment, labor, management, supervision, services, personnel, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay pursuant to the terms of this Declaration or by law, or which shall be necessary or proper in the opinion of the Board for the operation of the Common Areas, for the benefit of the Owners, or for the enforcement of these restrictions;**

H. **Establishment of reserve accounts for capital expenditures and deferred maintenance for the Common Areas;**

I. **Payment of real property taxes, personal property taxes and other assessments levied against the Common Areas.**

4.3 **All regular and special assessments for items pertaining to the Common Areas shall be at a uniform rate for each Lot in the Properties, except as set forth in Article V Section 5.2 below.**

4.4 **In addition to the annual assessments, the Association may levy in any assessment year a special assessment applicable to that year only, for reconstruction.**

unexpected repair or replacement of a capital improvement as approved by the Board, including the necessary fixtures and personal property related thereto, or for any other expenditure approved by the Board.

4.5 The annual assessment for which provision is herein made shall be paid quarterly, in advance. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year.

4.6 The Association shall collect all assessments and other sums due the Master Association if required of it by the Master Association. The Association shall remit the assessments to the Master Association pursuant to such procedures as may be adopted by the Master Association.

4.7 The Board shall fix the date of commencement, and the amount of the assessments against each Lot for each assessment at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lot Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member. Not later than fourteen (14) days after fixing the date of commencement and amount of assessments, the Association shall notify Lot Owners by sending written notice of such commencement date and amount to said Lot Owners at the address as shown on the current roster of members, which notice shall be conclusive as to delivery to Lot Owners. The Association shall, on demand, and for a reasonable charge, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

4.8 If any assessment is not paid within thirty (30) days from its due date as determined by the Board pursuant to this Declaration, the Association may, at any time thereafter, record a lien against said Lot in the Public Records of Collier County, Florida, and bring an action to foreclose the lien in a like manner as a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the Owner(s), and there shall be added to the amount of such assessment the cost of any such action (including a reasonable attorneys' fee), and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the Court, together with costs of the action.

4.9 Liens for delinquent assessments shall be recorded in the Public Records of Collier County, Florida, and shall be prior to and superior to the creation of any homestead status on the property and any subsequently recorded liens or encumbrances.

4.10 The lien of the assessment for which provision is herein made as well as in any other Article of this Declaration shall be subordinate to the lien of any first mortgage to an Institutional Mortgagee unless the claim of lien is recorded prior to the mortgage. Such subordination shall apply only to the assessments which have become due and payable prior

to a sale or transfer of such Lot(s) pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure and shall relieve any Lot(s) neither from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

4.11 The following property subject to this Declaration shall be exempted from the assessments charges and liens created herein:

A. All properties to the extent of any easement or other interest therein dedicated and accepted by Collier County and devoted to public use.

B. All Common Areas as defined in Article I, Section 1.4.

4.12 Notwithstanding any provision of this Declaration or the Association's Articles or By-Laws to the contrary, the Declarant shall not be obligated for, nor subject to, any annual assessment for any Lot which it may own, provided the Declarant shall be responsible for paying the difference between the Association's expenses of operation otherwise to be funded by annual assessments and the amount received from Owners, other than the Declarant, in payment of the annual assessments levied against their respective Lots. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. The Declarant shall not be responsible for any of said reserves.

The Declarant may at any time give 60 days written notice to the Association of its intention to terminate its responsibility for the deficiency, and waiving its right to exclusion from annual assessments. Upon the conclusion of the 60 day period, each Lot owned by the Declarant shall thereafter be assessed at twenty-five percent (25%) of the annual assessment established for Lots owned by members other than the Declarant. Upon transfer of title of a Lot owned by the Declarant, the Lot shall be assessed in the amount established for Lots owned by Owners other than the Declarant, prorated as of and commencing with the date of transfer of title.

ARTICLE V

MAINTENANCE OF LOTS

5.1 In addition to maintenance of the Common Areas, the Lot Owners shall be assessed by the Association for the maintenance of the lawn and landscaping on their Lots and for exterior regular maintenance of the residences on the Lots under the following provisions: The Association shall provide upon any Lot requiring same when necessary in the opinion of the Board of Directors, to preserve the beauty, quality, and value of the properties, regular maintenance, including painting and repair of roof (excluding roof leaks and structural portions of the roof), gutters, down spouts, and exterior building surfaces (including walls, columns, trellises, doors and fences). The exterior regular maintenance

assessments shall be considered a part of the annual or special assessments and shall be a lien on each such Lot and the personal obligation of the Owner thereof and shall become due and payable in all respects together with interest, reasonable attorneys' fees and costs of collection in the same manner and under the same conditions as provided for the other assessments of the Association. Also included in the assessments of the Association shall be assessments for minor repair and maintenance of driveways on each Lot from each residence to the roadway providing access to such residence.

5.2 Lot Owners shall be responsible for the maintenance of the interior of their residence. Lot Owners shall also be responsible for maintenance of the swimming pool, if any, on their Lot and any pool enclosures, decks, patios, planters or walkways of their Lot. Lot Owners shall be responsible for maintenance, repair and replacement of their front walks. Lot Owners shall also be responsible for non-routine or extraordinary maintenance of their residence, including, but not limited to roof replacement, replacement of damaged or destroyed portions of their residence, broken glass or torn screens. Lot Owners shall also be responsible for non-routine or extraordinary maintenance, repair or replacement of their driveway from their residence to the roadway providing access to such residence.

5.3 In addition to maintenance of the Common Areas, the Association may provide upon any Lot requiring same, when necessary in the opinion of the Board of Directors, to preserve the beauty, quality and value of the neighborhood, any maintenance, repair or replacement that is otherwise the responsibility of the Lot Owner hereunder and such Lot Owner fails to replace, restore, repair or perform the required maintenance after ten (10) days written notice to the Owner of any such Lot of the need of such replacement, restoration, repair or maintenance.

The cost of such maintenance shall be assessed against the Lot upon which such maintenance is performed, or, at the option of the Board of Directors, against the Lot or Lots benefiting from the maintenance. The assessment shall be apportioned among the Lots involved in the manner determined to be appropriate by the Board. Any such maintenance assessments shall not be considered a part of the annual or special assessment. Any such maintenance assessment shall be a lien on the Lots affected and the personal obligation of the Owners and shall become due and payable in all respects, together with interest, reasonable attorneys' fees, and cost of collection, in the same manner and under the same conditions as provided for the other assessments of the Association.

5.4 In the event that any of the improvements located on any Lot are destroyed or damaged as a result of any cause, including, but not limited to aging, fire, windstorm, flood or tornado, the Owner of such improvements shall cause repair or replacement of such improvements to be commenced within thirty (30) days from the date of insurance settlement, and to complete the repair or replacement within one (1) year thereafter.

All such repairs or replacement must be performed in accordance with standards promulgated pursuant to Article VI below.

5.5 In the event that the Owner of any Lot fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for herein, then in that event, the Association shall be deemed to have been granted the right by the Owner to commence and/or complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements.

5.6 In the event that the Association exercises the rights afforded to it in this section, the Owner of the subject Lot shall be deemed to have assigned to the Association any right the Owner may have to insurance proceeds that may be available to the Owner arising from the damage or destruction of the improvements.

For this purpose, the Owners of the Lots agree to provide for the Association to be named as an additional insured under any hazard and flood insurance policies relating to their Lots and the improvements constructed thereon. Further, the Association may require that all such policies be in an amount sufficient to finance the repair or replacement of the improvements provided for above, taking into account local construction costs and property values as they may, from time to time, exist. In the event that an Owner refuses to increase such insurance coverage deemed reasonably necessary to replace the residence by the Association, or if the Owner allows the required insurance coverage to lapse, or for some other reason, causes the same to become null and void, the Association may purchase whatever coverage it deems reasonably necessary for the Association's benefit. The costs so incurred by the Association shall become due and payable in all respects, together with interest, reasonable attorneys' fees and cost of collection, as provided for in connection with and under the same terms and conditions as the other assessments of the Association.

5.7 Any and all costs incurred by the Association in effectuating the repair or replacement of damaged or destroyed improvements shall become due and payable in all respects, together with interest, reasonable attorneys' fees and costs of collection, as provided for in connection with and under the same terms and conditions as other assessments of the Association.

ARTICLE VI

ARCHITECTURAL CONTROL AND RECONSTRUCTION

6.1 No improvement, addition or deletion of structure of any kind, including without limitation, any building, fence, wall, screen enclosure, awning, drain, disposal system, or other improvement shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change, alteration, repair or replacement therein or thereof be made, unless and until the plans, specifications and location of the same shall have been submitted to, and approved in writing by The Vineyards, Inc. or the Master Association pursuant to the procedures established in Section 9 of the Master Declaration so long as The Vineyards, Inc. or the Master Association elects to exercise this right. If The Vineyards,

Inc. or the Master Association no longer exercises this right, the Association shall exercise these functions as more fully provided in the guidelines set forth below. All plans and specifications shall be evaluated as to harmony of external design and location in relation to surrounding structures and topography.

6.2 At such time as The Vineyards, Inc. or the Master Association declines or fails to exercise architectural review rights, the architectural review and control functions of the Association shall be administered and performed by the Architectural Review Board (the "ARB"), which shall consist of at least three (3) members, who need not be Members of the Association. The Declarant shall have the right to appoint all of the members of the ARB, or such lesser number as it may choose, as long as it owns at least one Lot in the Properties. Members of the ARB as to whom Declarant may relinquish the right to appoint and all members of the ARB after Declarant no longer owns at least one Lot in the Properties shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association. A majority of the ARB shall constitute a quorum to transact business at any meeting of the ARB, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARB.

6.3 Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof, shall be filled by the Board of Directors; except that Declarant, to the exclusion of the Board, shall fill any vacancy created by the death, resignation, removal or other termination of services of any member of the ARB appointed by Declarant, so long as the Declarant retains title to at least one Lot in the Properties.

6.4 If The Vineyards, Inc. or the Master Association no longer exercises architectural review rights, the ARB shall have the following powers and duties:

A. To recommend, from time to time, to the Board of Directors of the Association the creation of or modification and/or amendment of any architectural planning criteria promulgated by the Board. Any architectural planning criteria or modifications or amendment thereto shall be consistent with the provisions of this Declaration and the Master Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association at a meeting duly called and noticed and at which a quorum is present. Notice of the adoption, modification or amendment to the architectural planning criteria, including a verbatim copy of such adoption, change or modification, shall be delivered to each Member of the Association; provided that, the delivery to each Member of the Association of notice and a copy of any adoption of or modification or amendment to the architectural planning criteria shall not constitute a condition precedent to the effectiveness or validity of such change or modification;

B. To require submission to the ARB of two complete sets of all plans and specifications for any improvement or structure of any kind, including without limitation, any building, fence, wall, swimming pool, enclosure, sewer, drain, disposal system, decorative

building, landscape device, object or other improvement, the construction or placement of which is proposed upon any Lot in the Properties. The ARB may require such additional information as may reasonably be necessary for the ARB to completely evaluate the proposed structure or improvement in accordance with this Declaration and the architectural planning criteria;

C. To approve or disapprove any improvement or structure of any kind, including without limitation, any building, fence, wall, swimming pool, screen enclosure, drain or disposal system or other improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Lot in the Properties, and which is visible from the outside of any Lot. All decisions of the ARB shall be submitted in writing to the Board of Directors of the Association and evidence thereof may be made by a certificate, in recordable form, executed under seal by any officer of the Association. Any party aggrieved by a decision of the ARB shall have the right to make a written request to the Board of Directors of the Association within thirty (30) days of such decision for a review thereof. The determination of the Board upon reviewing any such decision shall in all events be dispositive; and

D. To adopt a schedule of reasonable fees for processing requests for the ARB approval of proposed improvements. Such fees, if any, shall be payable to the Association in cash, at the time that plans and specifications are submitted to the ARB.

ARTICLE VII

USE RESTRICTIONS

In addition to any restrictions imposed upon the Property by the Master Association as provided in the Master Declaration, the use of the Lots shall be in accordance with the following provisions:

7.1 The Property may be used for single-family residential living and for no other purpose. No trade, business, profession or other type of commercial activity may be conducted on any part thereof.

7.2 No tents, trailers, shacks, tanks or temporary or accessory buildings or structures shall be erected or permitted to remain on any Lot or the Common Areas without the written consent of the Declarant or of the Association after Declarant has conveyed the last Lot which Declarant owns in the Property.

7.3 No aerial, antenna, antenna poles, antenna masts, citizen band or amateur band antennas, or satellite dish shall be placed or erected upon any Lot, or affixed in any manner to the exterior of any building in the Property.

7.4 No boats, trucks, commercial vehicles, trailers, recreational vehicles or other motor vehicles, except four-wheel passenger automobiles or vans, as determined by the Board, shall be placed, parked or stored upon any Lot (except in the garage) or in the Common Areas for a period of more than eight hours unless such vehicle is necessary in the actual construction or repair of a structure or for ground maintenance, nor shall any maintenance or repair be performed upon any boat or motor vehicle not owned or controlled by the Association or the Declarant in the properties, except within a building where totally isolated from public view. All garage doors must remain closed except upon entering or exiting the garage.

7.5 All areas not covered by structures, walkways, or paved parking facilities shall be maintained as a lawn or landscape areas with underground sprinkler systems to the pavement edge of any abutting streets and to the waterline of any abutting lakes or water management areas. No stones, gravel or paving of any types shall be used as a lawn.

7.6 Nothing shall be done or maintained on any Lot, or the Common Areas which may be or become unsightly or a nuisance to Palo Verde. In the event of a dispute or question as to what may be or become unsightly or a nuisance, such dispute or question shall be submitted in writing to the Board whose decision shall be dispositive of such dispute or question.

7.7 No sign of any kind shall be displayed to public view on any Lot or Common Area, except a sign identifying Palo Verde, street or traffic control signs, or except as placed by the Declarant or approved by The Vineyards, Inc., the ARB or the Master Association as the case may be. After Declarant no longer owns any portion of the Properties, Lot Owners may maintain one wooden-framed "For Sale" sign which meets The Vineyards, Inc., the ARB or the Master Association guidelines as the case may be.

7.8 No weed underbrush or other unsightly growth shall be permitted to grow or remain upon any Lot and no refuse or unsightly object shall be placed or allowed to remain on any Lot. Any property, structure, improvements and appurtenances shall be kept in a safe, clean, orderly and attractive condition and all structures shall be maintained in a finished, painted and attractive condition. All lawns, landscaping and sprinkler systems shall be installed and maintained in a neat and orderly condition.

7.9 The sale, rental or other disposition of Lots in the Property is essential to the establishment and welfare of the Properties as an on-going residential community. In order that the development of the Properties be completed and the Property established as a fully occupied residential community as soon as possible, nothing in this Declaration shall be understood or construed to prevent the Declarant, Declarant's transferees or employees, agents and assigns, contractor or subcontractors of Declarant, or of Declarant's transferees, from doing whatever they may determine to be reasonable, necessary or advisable for the completion of the work and the sale and establishment of the Properties as a residential community including, but not limited to, constructing, maintaining and operating a

construction office and a sales facility or model homes, together with appropriate signage. As used in this section, the words "its transferees" specifically exclude purchasers of Lots.

7.10 No automobile garage shall be permanently enclosed or converted to other use without the written permission of the Board of Directors.

7.11 No rubbish, trash, garbage or other waste materials shall be kept or permitted at the driveway area of any Lot. Waste shall be kept in sanitary containers which shall be kept in a neat condition and screened from view of neighboring Lots. Sanitary containers may not be placed outside the driveway area of any Lot except for a reasonable period for refuse pickup to be accomplished.

7.12 All gas tanks for swimming pool heaters must be stored below ground.

7.13 No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot. The Owner(s) of each Lot may keep pets of a normal domesticated household type such as a cat or dog on the Lot. The pets must be leashed at all times while on any of the Common Areas outside the Lot. No pets are permitted in the recreation areas, if any. Each pet owner shall be responsible for the removal and disposal of their pet's body waste. The Board of Directors is empowered to order and enforce the removal of any pet which becomes a reasonable source of annoyance to other residents in the Property.

7.14 No Lot shall be increased in size by filling in any water retention or drainage area on which it abuts. Lot Owners shall not fill, dike, rip rap, block, divert or change the established water retention and drainage areas that have been or may be created by easement.

7.15 In order to insure the health, safety and general welfare of all members of the Association, the Declarant for itself and for the Association reserves the right to enter upon any Lot on which a residence has not been built, for the purpose of mowing, clearing or cutting underbrush, or removing trash which has accumulated. However, this provision shall not create an obligation on the part of the Declarant and the Association to provide such service.

7.16 No septic tank shall be installed, used, or maintained, on any Lot.

7.17 All utility lines and lead-in wires, including but not limited to, electrical lines, cable television lines, telephone lines, water and sewerage located within the confines of any Lot or Lots shall be located underground. No television or other antenna shall be installed.

ARTICLE VIII

EASEMENTS FOR MAINTENANCE, CONSTRUCTION AND REPAIR

8.1 The Declarant hereby reserves unto itself and, its agents, employees, invitees

and assigns, and for the benefit of the Association, and the Association's agents, employees, invitees and assigns, a non-exclusive easement for ingress and egress over any Lot located in the Properties in order to gain access to the Common Areas or any other Lot for the Association to discharge its duties to construct, maintain and repair the Common Areas and for the purpose of maintaining the Properties and the Lots by the Association in a manner consistent with the Association's maintenance obligations of the Common Areas and Lots or rights provided herein, together with an easement for the maintenance of sprinkler systems owned by the Association.

8.2 Each Lot and the Common Areas shall be and hereby are made subject to easements for construction, development, repair and maintenance of utilities systems and facilities (including, but not limited to, fire and police protection, garbage and trash removal, water and sewage system, electric and gas service, drainage and telephone), and roadways and driveways and the utilities and applicable governmental agencies having jurisdiction thereover and their employees and agents shall have the right of access to any Lot or the Common Areas in furtherance of such easements. No structure, planting, fill or other material shall be placed or permitted to remain which may damage or interfere with the use of such easements.

8.3 The Declarant reserves the right, for the Declarant and its designee (so long as Declarant or said designee owns any Lot) and for the Board, without joinder or consent of any person or entity whatsoever, to create and/or grant such additional easements of construction, maintenance, repair and use of, as an illustration, but not limited to, irrigation, wells and pumps, cable television, television antennas, electric, gas, water drainage or other utility easement, or to relocate any easement in any portion of the property as the Declarant, its designee, or the said Board shall deem necessary or desirable for the proper development, operation and maintenance of the Properties, or any portion thereof, or for the general health or welfare of the Lot, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Lot for permitted Purposes.

ARTICLE IX

ENFORCEMENT OF COVENANTS

9.1 Every Lot Owner and his tenants, guests, invitees and agents shall comply with any and all rules and regulations as same exist and as may be adopted in the future by the Board of Directors of the Association.

9.2 Failure to comply herewith or with such rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums for damages, an action for injunctive relief, or any combination thereof.

ARTICLE X**TRANSFER OF OWNERSHIP AND LEASING OF LOTS**

10.1 In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the Lots and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of Ownership and leasing of a Lot by an Owner shall be subject to the following provisions, which provisions each Owner covenants to observe.

10.2 Forms of Ownership.

A. A Lot may be owned by an individual person.

B. Co-Ownership of Lots is permitted, but all Owners must be members of a single family or living together as a single family housekeeping unit. If co-ownership is to be by more than two persons, Owner shall designate one natural person as "Primary Occupant," and the use of the Lot by other persons shall be as if the Primary Occupant is the actual Owner.

C. A Lot may be owned in trust or by a corporation, partnership, or other entity which is not a natural person. However, the intent of this provision is to allow flexibility in estate or tax planning, and not to create circumstances in which the Lot may be used as short term transient accommodations for several individuals or families. Said corporation, trustee or any entity which is not a natural person shall designate one natural person to be the Primary Occupant, and the use of the Lot by other persons shall be as lessee's and as if the Primary Occupant is the only actual Owner.

D. A Lot may become subject to a life estate, either by operation of law or by approved voluntary conveyance. In that event, during said life estate the life tenant shall be the only member in the Association from such Lot and occupancy of the Lot shall be as if the life tenant was the only Owner. The life tenant and remaindermen shall be jointly and severally liable for all assessment and charges against the Lot. The life tenant may, by signed agreement, transfer the right to vote in all Association matters to any one remainderman, subject to approval by the Association of such arrangement. If there is more than one life tenant, they shall be treated as if they were co-Owners for purposes of voting and occupancy rights.

10.3 Transfers.

A. There shall be no restrictions on transfers of Lots, however, the Association must be notified of any transfer of title to a Unit as provided in the By-Laws.

B. There shall be no restrictions on the mortgaging of Lots. All mortgages, other than a first mortgage of record, shall be subject to and inferior to the Association lien for assessments as hereafter provided, regardless of when recorded.

10.4 Leases.

A. All leases of Lots must be in writing and a copy of any lease shall be delivered to the Board upon commencement of the said Lease.

B. No Lot may be leased for a period of less than thirty (30) days nor more than three (3) times per year. No subleasing or assignment of lease rights is allowed unless approved by the Board. No individual rooms may be rented and no transient tenants may be accommodated.

C. No one but the lessee, his family within the first degree of relationship by blood, adoption or marriage, and their guests may occupy the Lot.

ARTICLE XIGENERAL PROVISIONS

11.1 The covenants and restrictions of this Declaration shall run with and bind the properties, and shall inure to the benefit of and be enforceable by the Declarant, the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants and restrictions shall automatically be extended for successive periods of ten (10) years unless an instrument signed by the then Owners of two-thirds (2/3) of the Lots has been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part. Violation or breach of any conditions, covenants or restrictions herein contained shall give the Declarant and/or Association and/or Owner(s), in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, covenants or restrictions and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject property, provided such proceeding results in a finding that such Owner was in violation of said covenants or restrictions. Expenses of litigation shall include reasonable attorneys' fees incurred by Declarant and/or the Association in seeking such enforcement.

11.2 Any awards for the taking of all or any part of the Association Common Areas by condemnation or eminent domain shall be used to make the remaining portion of the Common Areas usable in the manner approved by Board of Directors. The balance of such awards, if any, shall be distributed to the Lot Owners equally.

11.3 Any notices required to be sent under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the address of the party to which the notice is directed.

11.4 Invalidation of any one or more of these covenants and restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

11.5 Declarant reserves the right unilaterally to amend this Declaration and to do so at any time or times upon such conditions, in such form and for such purposes as it shall in its sole discretion deem appropriate by preparing and recording amendments hereto, provided however, that this right of unilateral amendment shall expire after all of the Lots covered by this Declaration have been sold. Declarant's rights shall include, without limitation the right to amend this instrument at any time prior to the conveyance of the last Lot in the Properties in order to correct any errors or omissions, or the dimensions of any Lots, or Common Areas not previously conveyed, so long as any such amendment(s) does not purport to limit or alter the rights afforded any Owners then holding title to Lots in the Properties, purport to change the dimensions of any Lot, or Common Areas previously conveyed or purport to restrict the integrity of the lien of any institutional lender who holds a mortgage on any previously conveyed Lot. Any amendment(s) shall relate back to and become effective as of the date of recording of this Declaration.

After the last Lot has been sold, this Declaration may be amended at any time upon the execution and recordation of an instrument executed by Owners holding not less than two-thirds (2/3) of the voting interest of the membership.

11.6 Notwithstanding any of the provisions contained in this Declaration, neither Declarant, their successors or assigns, shall be obligated to develop all of the property submitted to this Declaration, and as described in Exhibit "A", and Declarant may add to or release any of the property submitted in this Declaration from the terms and conditions hereof, except any properties conveyed to the Association or Owners. Such deletions shall be made by the Declarant by filing in the Public Records of Collier County, an amendment to this Declaration providing for the release of the property from this Declaration. Such amendment need only to be executed by the Declarant and shall not require the joinder or the consent of the Association or its members.

11.7 So long as the Declarant owns any portion of the Properties, Declarant shall have the exclusive right to maintain a sales center, model homes or signs on the Properties.

11.8 Whenever the singular is used it shall include the plural and the singular, and the use of any gender shall include all genders.

11.9 This Declaration shall become effective upon its recording in the Public Records of Collier County, Florida.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed as of this 27th day of December, 1995.

Witnesses:

Patti K. Arnold
PATTI K. ARNOLD
Cardace S. Sweet
Cardace S. Sweet

REDDICK DEVELOPMENT GROUP, INC.
By: William R. Reddick, Jr.
WILLIAM R. REDDICK, JR.

STATE OF FLORIDA
COUNTY OF COLLIER

SWORN TO AND SUBSCRIBED BEFORE ME this 8th day of December, 1995,
by WILLIAM R. REDDICK, JR., who is personally known to me or who has produced his
driver's license as identification and who did/did not take an oath.

Patricia K. Arnold

Notary Public

Print Name:

My Commission Expires



This instrument was prepared by:

R. Scott Price, Esquire
Kelly, Price, Passidomo & Siket
2640 Golden Gate Parkway, Suite 315
Naples, Florida 33942
(941) 261-3453

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EXHIBIT "A"

Lots 39, 40, 41, and 42, WEDGEWOOD SUBDIVISION, according to the plat thereof recorded in Plat Book 24, Pages 11 through 19, inclusive, of the Public Records of Collier County, Florida.

FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALO VERDE

THIS AMENDMENT, is made this 29th day of MARCH, 1996,
by REDDICK DEVELOPMENT GROUP, INC., a Florida corporation,
hereinafter called "Declarant".

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and
Restrictions for Palo Verde (the "Declaration") was recorded in
Official Records Book 2129, Page 0062, et. seq., in Public Records
in Collier County, Florida, and

WHEREAS, the provisions of Section 11.5 gives the Declarant
the right to amend the Declaration, and

WHEREAS, Declarant desires to amend Exhibit "A" Legal
Description in order to submit additional property to be subject to
the terms and conditions of the Declaration.

NOW THEREFORE, Declarant amends the Declaration as follows.

The following property shall be submitted and be subject to
the terms and provisions contained in the Declaration:

Lot 38, WEDGEWOOD SUBDIVISION, according to the plat thereof
recorded in Plat Book 24, Pages 11 through 19, inclusive,
Public Records of Collier County, Florida.

In all other respects the Declaration, as amended, is ratified
and confirmed.

Signed and delivered
in our presence:

REDDICK DEVELOPMENT GROUP, INC.,
a Florida corporation

Janet L. Nickerson
Witness

JANET L. NICKERSON
Print Name

Wendy W. Phillips
Witness

Wendy W. Phillips
Print Name

By: William R. Reddick, Jr.
William R. Reddick, Jr.
President

(CORPORATE SEAL)

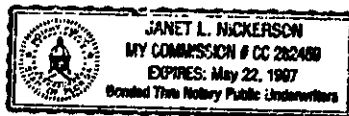
STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day, before me, an officer duly
authorized in the State aforesaid and in the County aforesaid to
take acknowledgments, personally appeared WILLIAM R. REDDICK, JR.,
President of Reddick Development Group, Inc. on behalf of the
corporation who is personally known to me to be the person
described in and who executed the foregoing instrument and he
acknowledged before me that he executed the same.

Dated this 29th day of MARCH, 1996.

Janet L. Nickerson
Notary Public
My Commission Expires:

THIS INSTRUMENT WAS PREPARED BY:
R. Scott Price, Esquire
Kelly, Price, Passidomo & Siket
2640 Golden Gate Parkway, Suite 315
Naples, Florida 33942
(813) 261-3453



Date:
KELLY PRICE ET AL
2640 GOLDEN GATE PKWY #315
NAPLES FL 34105

*** 2089612 OR: 2219 PG: 0125 *** REC 108 6.00
RECORDED in the OFFICIAL RECORDS of COLLIER COUNTY, FL
08/20/96 at 09:10AM DWIGHT S. BROCK, CLERK

AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALO VERDE

THIS AMENDMENT, is made this 13th day of August, 1996,
by REDDICK DEVELOPMENT GROUP, INC., a Florida corporation,
hereinafter called "Declarant".

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and
Restrictions for Palo Verde (the "Declaration") was recorded in
Official Records Book 2129, Page 0062, et. seq., in Public Records
in Collier County, Florida, and

WHEREAS, the provisions of Section 11.5 gives the Declarant
the right to amend the Declaration, and

WHEREAS, Declarant desires to amend Exhibit "A" Legal
Description in order to submit additional property to be subject to
the terms and conditions of the Declaration.

NOW THEREFORE, Declarant amends the Declaration as follows.

The following property shall be submitted and be subject to
the terms and provisions contained in the Declaration:

Lot 24, WEDGEWOOD SUBDIVISION, according to the plat thereof
recorded in Plat Book 24, Pages 11 through 19, inclusive,
Public Records of Collier County, Florida.

In all other respects the Declaration, as amended, is ratified
and confirmed.

Signed and delivered
in our presence:

REDDICK DEVELOPMENT GROUP, INC.,
a Florida corporation

Doreen D. Phillips
Witness
Doreen D. Phillips
Print Name
Micki McCall McDougall
Witness
Micki McCall Mc Dougall
Print Name

By:

William R. Reddick, Jr.
William R. Reddick, Jr.
President

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF COLLIER

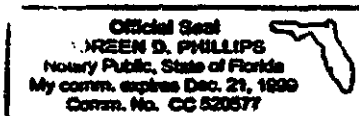
I HEREBY CERTIFY that on this day, before me, an officer duly
authorized in the State aforesaid and in the County aforesaid to
take acknowledgments, personally appeared WILLIAM R. REDDICK, JR.,
President of Reddick Development Group, Inc., on behalf of the
corporation, who is personally known to me to be the person
described in and who executed the foregoing instrument and he
acknowledged before me that he executed the same.

Dated this 13th day of August, 1996.

Doreen D. Phillips
Notary Public

My Commission Expires:

THIS INSTRUMENT WAS PREPARED BY:
R. Scott Price, Esquire
Kelly, Price, Passidomo & Siket
2640 Golden Gate Parkway, Suite 315
Naples, Florida 34105
(813) 261-3453



FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALO VERDE

THIS AMENDMENT, is made this 24th day of Dec., 1996,
by REDDICK DEVELOPMENT GROUP, INC., a Florida corporation,
hereinafter called "Declarant".

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and
Restrictions for Palo Verde (the "Declaration") was recorded in
Official Records Book 2129, Page 0062, et. seq., in Public Records
in Collier County, Florida, and

WHEREAS, the provisions of Section 11.5 gives the Declarant
the right to amend the Declaration, and

WHEREAS, Declarant desires to amend Exhibit "A" Legal
Description in order to submit additional property to be subject to
the terms and conditions of the Declaration.

NOW THEREFORE, Declarant amends the Declaration as follows.

The following property shall be submitted and be subject to
the terms and provisions contained in the Declaration:

Lot 23, WEDGEWOOD SUBDIVISION, according to the plat thereof
recorded in Plat Book 24, Pages 11 through 19, inclusive,
Public Records of Collier County, Florida.

In all other respects the Declaration, as amended, is ratified
and confirmed.

Signed and delivered
in our presence:

REDDICK DEVELOPMENT GROUP, INC.,
a Florida corporation

Barbara L. Phillips
Witness
Doreen D. Phillips
Print Name
Theresa L. Shackley
Witness
Nadine L. Shackley
Print Name

By: Sean C. Reddick
~~XXXXXXXXXXXXXXXXXXXX~~ J. Sean C.
Vice President Reddick

(CORPORATE SEAL)

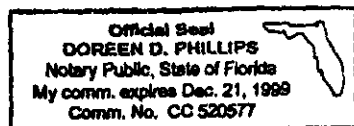
STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day, before me, an officer duly
authorized in the State aforesaid and in the County aforesaid to
take acknowledgments, personally appeared Sean C. Reddick, Vice
President of Reddick Development Group, Inc., on behalf of the
corporation, who is personally known to me to be the person
described in and who executed the foregoing instrument and he
acknowledged before me that he executed the same.

Dated this 24th day of Dec., 1996.

Barbara L. Phillips
Notary Public
My Commission Expires:

THIS INSTRUMENT WAS PREPARED BY:
R. Scott Price, Esquire
Kelly, Price, Passidomo & Siket
2640 Golden Gate Parkway, Suite 315
Naples, Florida 34105
(941) 261-3453



Retn:
KELLY PRICE BY AL
2640 GOLDEN GATE PKWY #315
NAPLES FL 34105

*** 2141398 OR: 2275 PG: 1677 ***
RECORDED in the OFFICIAL RECORDS of COLLIER COUNTY, FL
01/24/97 at 09:27AM DWIGHT H. BROCK, CLERK

REC FEE

6.00

FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALO VERDE

THIS AMENDMENT, is made this 17th day of January, 1997,
by REDDICK DEVELOPMENT GROUP, INC., a Florida corporation,
hereinafter called "Declarant".

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and
Restrictions for Palo Verde (the "Declaration") was recorded in
Official Records Book 2129, Page 0062, et. seq., in Public Records
in Collier County, Florida, and

WHEREAS, the provisions of Section 11.5 gives the Declarant
the right to amend the Declaration, and

WHEREAS, Declarant desires to amend Exhibit "A" Legal
Description in order to submit additional property to be subject to
the terms and conditions of the Declaration.

NOW THEREFORE, Declarant amends the Declaration as follows.

The following property shall be submitted and be subject to
the terms and provisions contained in the Declaration:

Lot 6, WEDGEWOOD SUBDIVISION, according to the plat thereof
recorded in Plat Book 24, Pages 11 through 19, inclusive,
Public Records of Collier County, Florida.

In all other respects the Declaration, as amended, is ratified
and confirmed.

Signed and delivered
in our presence:

REDDICK DEVELOPMENT GROUP, INC.,
a Florida corporation

Terry DePasquale
Witness

Terry DePasquale
Print Name

Doreen D. Phillips
Witness

Doreen D. Phillips
Print Name

By: Sean C. Reddick
Sean C. Reddick, Vice President

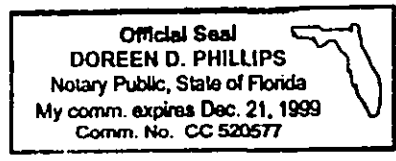
(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day, before me, an officer duly
authorized in the State aforesaid and in the County aforesaid to
take acknowledgments, personally appeared Sean C. Reddick
as Vice President of Reddick Development Group, Inc., on behalf
of the corporation, who is personally known to me to be the person
described in and who executed the foregoing instrument and he
acknowledged before me that he executed the same.

Dated this 17th day of January, 1997.
Doreen D. Phillips
Notary Public
My Commission Expires:

THIS INSTRUMENT WAS PREPARED BY:
R. Scott Price, Esquire
Kelly, Price, Passidomo & Siket
2640 Golden Gate Parkway, Suite 315
Naples, Florida 34105
(941) 261-3453



Retn:
 ROBERT F ROGERS
 98 VINEYARDS BLVD
 NAPLES FL 34119

RECORDED in the OFFICIAL RECORDS of COLLIER COUNTY, FL
 03/13/98 at 03:44PM DWIGHT B. BROCK, CLERK

RFC FEE	19.50
COPIES	4.00
MISC	1.00

**ASSIGNMENT AND ASSUMPTION OF DECLARANT RIGHTS AND
 AMENDMENT TO THE DECLARATION OF COVENANTS,
 CONDITIONS, AND RESTRICTIONS FOR
 PALO VERDE**

RECITALS

WHEREAS, Reddick Development Group, Inc., a Florida corporation, is the "Declarant" named in the Declaration of Covenants, Conditions and Restrictions for Palo Verde of record in O.R. Book 2129, Page 62, of the Public Records of Collier County, Florida (the "Declaration"); and

WHEREAS, subject to the terms hereof, Reddick Development Group, Inc., a Florida corporation, desires to and hereby assigns all of its rights as Declarant under the Declaration to Vineyards Development Corporation, a Florida corporation which is hereinafter referred to as the "Declarant"; and

WHEREAS, the Declarant continues to own through its development entity one or more Lots covered by the Declaration and pursuant to Section 11.5 of the Declaration has the right to unilaterally amend the Declaration as hereinafter set forth.

NOW, THEREFORE, said Declarant rights are hereby assigned and the Declaration is hereby amended in accordance with the following terms and conditions:

1. Reddick Development Group, Inc. hereby assigns to Vineyards Development Corporation, all of its rights, privileges, and benefits, and all of its duties and obligations accruing prior to the date hereof as Declarant under the Declaration. Vineyards Development Corporation, hereby accepts said assignment and assumes and agrees to pay and perform all obligations of the Declarant under the Declaration accruing from and after the date hereof.

2. A new Section 8.4 is added to Article VIII of the Declaration as follows:

"8.4 Each Lot and the Common Areas shall be subject to an exclusive easement for the unintentional encroachment by any Dwelling and its improvements upon any other Lot or Common Area, or vice versa, for any reason not caused by or resulting from the willful act of the Declarant or the willful or negligent act of any Lot Owner or Owners, including encroachment caused by or resulting from the original construction of the Dwelling or its improvements, including but not limited to, screen enclosures and privacy walls, which exclusive easement shall exist at all times during the continuance of the encroachment, as an easement appurtenant to the encroaching Dwelling or Lot or its improvement, to the extent of such encroachment."

3. A new Section 8.5 is hereby added to Article VIII of the Declaration as follows:

"8.5 Each Lot and Dwelling shall be subject to an exclusive easement to each Lot Owner to attach a screen enclosure to the adjoining Dwelling when necessary for the support of the screen enclosure. Any screen enclosure attached to the

adjoining Dwelling must be attached below the adjoining Dwelling's clerestory windows, if any."

4. A new Section 11.10 is hereby added to Article XI of the Declaration as follows:

"11.10 The Declarant reserves the right to locate all privacy walls on a Lot which shall create a courtyard for the Dwelling. All Lots must contain a privacy wall unless such requirement is waived by the Declarant."

5. A new Section 11.11 is hereby added to Article XI of the Declaration as follows:


"11.11 Declarant shall undertake the work of developing the Lots included within the Property encumbered by the Declaration. The completion of that work and the sale, rent, or other disposition of the Dwellings is essential to the establishment and welfare of the Property as an ongoing residential community. In order that such work may be completed and the Properties established as a fully occupied residential community as soon as possible, nothing in this Declaration shall be understood or construed to prevent the Declarant or the employees, contractors, or subcontractors of Declarant, or of Declarant's transferees, from doing whatever they may determine to be reasonable, necessary or advisable for the completion of the work and the establishment of the Properties as a residential community. As used in this paragraph, the words, "its transferees" specifically excludes purchasers of Lots improved with completed Dwellings, unless otherwise expressly stated in a separate instrument of transfer."

IN WITNESS WHEREOF, the undersigned have executed or caused these presents to be executed as of this 12 day of MARCH, 1998.

Signed, sealed and delivered
in the presence of:

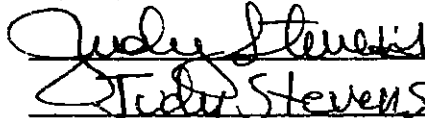
Witnesses:

REDDICK DEVELOPMENT GROUP, INC.,
a Florida corporation



R. SCOTT PRICE
Print Name

By: 



Judy Stevens
Print Name

VINEYARDS DEVELOPMENT CORPORATION,
a Florida corporation

[Signature]

Robert Rogers
Print Name

By: [Signature]

[Signature]

LARRY H. FOWELL
Print Name

STATE OF FLORIDA)
) ss.
COUNTY OF COLLIER)

I HEREBY CERTIFY, that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared William K. Reddick as President of REDDICK DEVELOPMENT GROUP, INC., a Florida corporation, on behalf of the corporation, who is personally known to me or has produced _____ as identification and who did/did not take an oath.

(Seal)

[Signature]

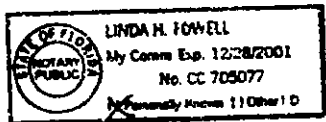
Notary Public
[Signature]

Judith L. Stevens
Print Name
My Commission Expires:

STATE OF FLORIDA)
)
) ss.
COUNTY OF COLLIER)

I HEREBY CERTIFY, that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHEL SAADAH as PRESIDENT of VINEYARDS DEVELOPMENT CORPORATION, a Florida corporation, on behalf of the corporation, who is personally known to me or has produced N/A as identification and who did/did not take an oath.

(Seal)



Linda H. Powell
Notary Public

LINDA H. POWELL
Print Name
My Commission Expires:

This Instrument Prepared By:

R. Scott Price, Esq.
KELLY, PRICE, PASSIDOMO & SIKET
2640 Golden Gate Parkway, Suite 315
Naples, Florida 34105
(941) 261-3453

develop.18.164g(viccyards)Declaration.AMD

AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALO VERDE

THIS AMENDMENT, is made this 12TH day of MARCH, 1998,
by REDDICK DEVELOPMENT GROUP, INC., a Florida corporation,
hereinafter called "Declarant".

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and
Restrictions for Palo Verde (the "Declaration") was recorded in
Official Records Book 2129, Page 0062, et. seq., in Public Records
in Collier County, Florida, and

WHEREAS, the provisions of Section 11.5 gives the Declarant
the right to amend the Declaration, and

WHEREAS, Declarant desires to amend Exhibit "A" Legal
Description in order to submit additional property to be subject to
the terms and conditions of the Declaration.

NOW THEREFORE, Declarant amends the Declaration as follows.

The following property shall be submitted and be subject to
the terms and provisions contained in the Declaration:

Lots 25 and 43, WEDGEWOOD SUBDIVISION, according to the plat
thereof recorded in Plat Book 24, Pages 11 through 19,
inclusive, Public Records of Collier County, Florida.

In all other respects the Declaration, as amended, is ratified
and confirmed.

Signed and delivered
in our presence:

REDDICK DEVELOPMENT GROUP, INC.,
a Florida corporation

[Signature]
Witness
[Signature]
Print Name
[Signature]
Witness
[Signature]
Print Name

By: [Signature]
William R. Reddick, Jr.,
President

(CORPORATE SEAL)

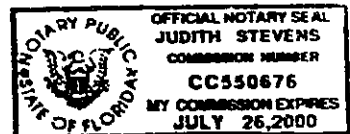
STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day, before me, an officer duly
authorized in the State aforesaid and in the County aforesaid to
take acknowledgments, personally appeared William R. Reddick, Jr.,
as President of Reddick Development Group, Inc., on behalf of the
corporation, who is personally known to me to be the person
described in and who executed the foregoing instrument and he
acknowledged before me that he executed the same.

Dated this 12th day of March, 1998

[Signature]
Notary Public
My Commission Expires:

THIS INSTRUMENT WAS PREPARED BY:
R. Scott Price, Esquire
Kelly, Price, Passidomo & Siket
2640 Golden Gate Parkway, Suite 315
Naples, Florida 34105
(941) 261-3453



RECORDED in OFFICIAL RECORDS of COLLIER COUNTY, FL
03/20/98 at 04:08PM DWIGHT B. BROCK, CLERK

RBC FEE	10.50
COPIES	2.00
MISC	1.00

Prepared By:
Robert F. Rogers, Esq.
98 Vineyards Blvd.
Naples, FL 34119
(941) 353-1973

Retn:
ROBERT F ROGERS
98 VINEYARDS BLVD
NAPLES FL 34119

AMENDMENT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS FOR PALO VERDE

WHEREAS, Reddick Development Group, Inc., a Florida corporation, assigned all of its rights as Declarant under the Declaration of Covenants, Conditions and Restrictions for Palo Verde recorded in Official Records Book 2129, Page 0062 of the Public Records of Collier County, Florida (the "Declaration") via that certain Assignment and Assumption of Declarant Rights and Amendment to the Declaration of Covenants, Conditions, and Restrictions for Palo Verde in O.R. Book 2398, Page 0872, in the Public Records of Collier County, Florida;

WHEREAS, pursuant to Section 11.05 of the Declaration the Declarant has the right to unilaterally amend the Declaration as hereinafter set forth;

WHEREAS, the Declarant wishes to subject all of the lots in the Palo Verde Subdivision to the Declaration as was the original intent of the original Declarant;

WHEREAS, the original Declarant was unable to subject all of the Lots to the Declaration because the initial Declarant did not own all of the Lots in the Palo Verde Subdivision and thus was unable to subject them in their entirety to the Declaration and therefore subjected them to the Declaration as each individual lot was purchased by the original Declarant;

WHEREAS, Vineyards Development Corporation, as the new Declarant, does have ownership of the Lots and, thereby, can subject all of the Lots to the Declaration; and

WHEREAS, the Declarant wishes to subject all of the Lots to the Declaration.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. Exhibit A to the Declaration is hereby revised to include lots 1 through 43, WEDGEWOOD SUBDIVISION, according to the Plat thereof recorded in Plat Book 24, Pages 11-19, inclusive, of the Public Record of Collier County, Florida.
2. Paragraph 4.12 is revised such that the first sentence shall read as follows:

Notwithstanding any provision of this Declaration or the Association's Articles or Bylaws to the contrary, neither the Declarant nor the Declarant's approved builders, as determined in Declarant's sole discretion, shall be obligated for, nor subject to, any annual assessment for any Lot which they may own, provided the Declarant or the approved builders shall be responsible for paying the difference between the Association's expense of operation otherwise to be funded by annual assessments and the amounts received from Owners, other than the Declarant, in payment of the annual assessments levied against their respective Lot.

The remainder of paragraph 4.12 shall remain as presently stated.

2. All other terms and conditions shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Amendment this 19th day of March, 1998.

WITNESSES:

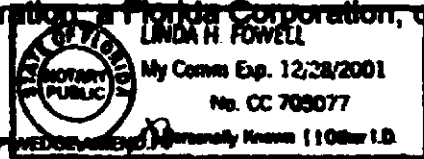
VINEYARDS DEVELOPMENT CORPORATION

RR
Robert Rogers
Deborah Ferris
Deborah FERRIS

By: Michel Saadeh
Michel Saadeh, President & CEO

STATE OF FLORIDA
COUNTY OF COLLIER

THE FOREGOING INSTRUMENT was acknowledged before me this 19th day of MARCH, 1998 by Michel Saadeh, who is personally known to me or who has produced a current driver's license as identification and who did take an Oath, as President and CEO of the Vineyards Development Corporation, a Florida Corporation, on behalf of said corporation.



Linda H. Powell
Notary Signature

**AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALO VERDE**

THIS AMENDMENT, is made this 9th day of JULY, 1998 by VINEYARDS DEVELOPMENT CORPORATION, a Florida corporation, hereinafter called "Declarant."

RECITALS

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Palo Verde (the "Declaration") was recorded in Official Records Book 2129, Page 0082, et. seq., in Public Records in Collier County, Florida, and

WHEREAS, Reddick Development Group, Inc., the original Declarant, assigned all of its rights as Declarant to Vineyards Development Corporation in an Assignment and Assumption recorded in O.R. Book 2398, Page 0872, of the Public Records of Collier County, Florida; and

WHEREAS, the provisions of Section 11.5 give the Declarant the right to amend the Declaration, and

WHEREAS, the Declarant wishes to subject the property listed below to the terms and conditions of the Declaration and all amendments thereto; and

WHEREAS, the present owner, Versatile Development Company, Inc., of the property described below agrees to subject the property to the Declaration.

NOW, THEREFORE, Declarant amends the Declaration as follows:

The following property shall be submitted and be subject to the terms and provisions contained in the Declaration:

Lots 28 and 27, WEDGEWOOD SUBDIVISION, according to the plat thereof recorded in Plat Book 24, Pages 11 through 19, inclusive, Public Records of Collier County, Florida.

In all other respects the Declaration, as amended, is ratified and confirmed.

Signed and delivered
in our presence:

[Signature]
Witness

Robert Rogers
Print Name

[Signature]
Witness

LINDA S. LAIRS
Print Name

VINEYARDS DEVELOPMENT CORPORATION
a Florida corporation

By: [Signature]
Michel Saadeh
President & CEO

(CORPORATE SEAL)

Re: ROBERT ROGERS
98 VINEYARDS BLVD
NAPLES FL 34119

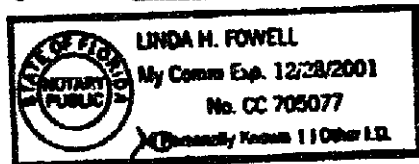
2344727 OR: 2439 PG: 3206
RECORDED IN THE OFFICIAL RECORDS OF COLLIER COUNTY, FL
07/10/98 at 03:24PM DWIGHT E. BROCK, CLERK

RHC FEE 10.50
COPIES 2.00
MISC 1.00

STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared MICHEL SAADEN, President of Vineyards Development Corporation, on behalf of the corporation, who is personally known to me to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

Dated this 9th day of JULY, 1998.



Linda H. Powell
Notary Public

My Commission Expires:

Signed and delivered
in our presence:

VERSATILE DEVELOPMENT COMPANY, INC.
an Illinois corporation

[Signature]
Witness

By: *Terrence M. Brown*
Print Name: TERRENCE M. BROWN
Its: PRESIDENT

THOMAS LAKEWELL
Print Name

(CORPORATE SEAL)

[Signature]
Witness

CAROL A. MCKENZIE
Print Name

STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared Terrence M. Brown, President of Versatile Development Company, Inc., on behalf of the corporation, who is personally known to me to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

Dated this 30th day of June, 1998.

Barbara P. Milburn
Notary Public

My Commission Expires:

THIS INSTRUMENT WAS PREPARED BY:
Robert F. Rogers, Esquire
50 Vineyards Boulevard
Naples, FL 34119
(841) 353-1873



Barbara P. Milburn
MY COMMISSION # CC503988 EXPIRES
November 8, 1999
BONDED THRU TROY FAIR INSURANCE, INC.

*** OR: 2439 PG: 3207 ***

Retn:
JAMIE B GREUSEL
1104 N COLLIER BLVD
MARCO ISLAND FL 34145

4136741 OR: 4336 PG: 2374
RECORDED in the OFFICIAL RECORDS of COLLIER COUNTY, FL
03/07/2008 at 09:28AM DWIGHT B. BROCK, CLERK RBC FBB

375.50

CERTIFICATE OF AMENDMENT TO
DECLARATION OF COVENANT, CONDITIONS AND RESTRICTIONS
FOR
PALO VERDE

NOTICE IS HEREBY GIVEN that at a duly called meeting of the Palo Verde Homeowners Association, Inc. held on February 18, 2008, the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions of Palo Verde, as originally recorded in the Public Records of Collier County, Florida at O.R. Book 2129, Page 0062 et. seq., of the Public Records of Collier County, Florida and Bylaws were amended as follows:

1. The Declaration of Covenants, Conditions and Restrictions of Palo Verde and Bylaws are hereby amended in accordance with the Exhibit A attached hereto and incorporated herein.

IN WITNESS WHEREOF, Palo Verde Homeowners Association, Inc. has caused this Certificate of Amendment to be executed this 3rd day of March, 2008.

PALO VERDE HOMEOWNERS ASSOCIATION, INC.
a Florida not-for-profit corporation

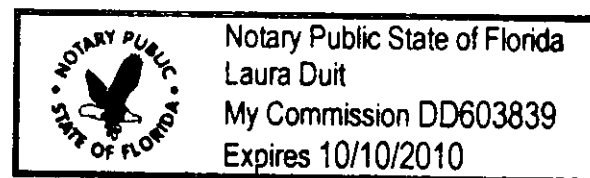
(corporate seal)

By: Douglas Munson
PRESIDENT

Gail E. Weiss
Witness #1: Gail E. Weiss
(print name)

Attest:
John W. Montani
Secretary

Jerry Santowski
Witness #2: JERRY SANTOWSKI
(print name)



COUNTY OF Collier
STATE OF Florida

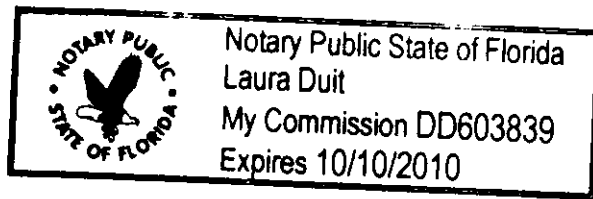
The foregoing instrument was acknowledged before me this 3 day of March, 2008 by Douglas Munson, President of Palo Verde Homeowners Association, Inc., who is personally known to me or who has produced D-L (type of identification) as identification and who did not take an oath.

L. Duit
Notary Public Laura Duit
10/10/10

State of Florida
County of Collier

The foregoing instrument was acknowledged before me on this 3rd
day of March, 2008 by John Montani, Secretary of Palo
Verde Homeowners Association, Inc., who is personally known to me or who
provided _____ (type of identification) as identification.

(SEAL)



[Signature]
Notary Public
Print name Laura Duit
My commission expires: 10/10/10

PALO VERDE RULES & PROCEDURES

This publication is a summary of some of the most common and applicable rules, regulations and procedures for the Palo Verde Homeowners Association and the Vineyards Community Association (Master Association). It has been prepared and approved by the Board of Directors to simplify the process of finding such information without having to search all of the Palo Verde and Master Association documents.

This listing is arranged by category, with references to the specific articles of the Master Association (MA) Declaration of Covenants, Conditions and Restrictions (CC&R), the Palo Verde Homeowners Association (PV) Declaration of Covenants, Conditions and Restrictions (CC&R) and By Laws, as well as certain Florida Statutes and Collier County Ordinances.

IMPROVEMENTS AND ADDITIONS

No exterior alteration or modification of any kind (including color) to existing improvements, including buildings, fences, walls, screen enclosures, awnings, drains, disposal systems, and also including plantings or removal of plantings, trees or shrubs shall take place without first obtaining approval from PV and the MA. (MACC&R Article IX, 9.02(B) & 9.04 and PVCC&R Article VI). Existing vegetation on the exterior of existing structures, fences, walls and screen enclosures on each Lot shall not be destroyed, removed or altered without the written approval of the Board of Directors. No owners or their agents shall be authorized to direct the PV landscape company to perform any services, including but not limited to, selective trimming, removal, or alteration of any vegetation within the boundaries of Palo Verde. Excessive or non approved trimming is illegal and may be subject to fine by Collier County. Sample forms are attached and must be submitted to and approved by the Palo Verde Architectural Review Committee, or Landscape Committee, which ever is appropriate, by the Board of Directors and by the Vineyards Master Association prior to commencement of any work.

USE RESTRICTIONS

SIGNS: No signs, freestanding or otherwise shall be erected or displayed without permission. (MACC&R Article IX, 9.18 and PVCC&R Article VII, 7.7.)

FLAG DISPLAYS: Per Florida State Law, as amended in 2004, any homeowner may display one portable, removable 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, not larger than 41/2 feet by 6 feet, which represents the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration rules or requirements dealing with flags or decorations.

WALLS & FENCES: No wall or fence shall be erected without prior approval of location, length, height, type and materials. (MACC&R Article IX, 9.19.)

LIGHTS, SOUNDS & ODORS: No light, sound or odor shall be emitted from any unit which is obnoxious or unreasonably offensive to others. No exterior speakers, horns, whistles, bells or other sound devices or lights, other than devices used exclusively for security, fire prevention or fire control purposes shall be permitted. (MACC&R Article IX, 9.20.)

VEHICLES & PARKING: No boats, trucks, commercial vehicles, trailers, recreation vehicle or other vehicles, except four wheel passenger automobiles or vans, as determined by the Board shall be placed, parked or stored upon any Lot (except in the garage) or in the Common Areas for a period of more than eight hours. (PVCC&R Article VII, 7.4.) No overnight parking is permitted on Palo Verde Drive. (By vote of the Board of Directors.)

GARAGES: All garage doors must remain closed except upon entering or exiting the garage or working in the area. No automobile garage shall be permanently enclosed or converted to other use without the written permission of the Board of Directors. (MACC&R Article IX, 9.13. and PVCC&R Article VII, 7.4 & 7.10)

TEMPORARY STRUCTURES: No tents, trailers, shacks, tanks or temporary or accessory buildings or structures shall be erected or permitted to remain on any lot or common area without written permission. (PVCC&R Article VII, 7.2.)

PETS: Commonly accepted household pets such as dogs, cats and birds may be kept in reasonable numbers. Pets must be leashed at all times while on any area outside the owner's lot. Each pet owner shall be responsible for the removal and disposal of their pet's body waste. The Board of Directors is empowered to order and enforce the removal of any pet which becomes

a reasonable source of annoyance to other residents. (MACC&R Article IX, 9.24. and PVCC&R Article VII, 7.13.)

EASEMENTS AND ENTRY RIGHTS: Each owner shall permit the Association's officers, agents, employees, emergency personnel and other owners' agents to enter upon the owner's or Association's premises at reasonable times, to perform routine, preventative or corrective maintenance on the owner's property. Each lot and the common areas shall be and hereby are made subject to easements for construction, development, repair and maintenance of utilities systems and facilities. No owner shall restrict such access by means of structures, walls, fences or plantings. Any structure, wall, fence or plantings removed to gain required access shall be replaced at the owner's expense and shall not be the obligation of the Association, its agents and employees, emergency personnel, or other Owners or their agents. No fill or other material shall be placed or permitted to remain which may damage or interfere with the use of such easements. Gates on approved fences shall not be locked at any time. (MACC&R Article X, 10.07 and PVCC&R Article VIII.)

"0" LOT LINE EASEMENTS: Where the nature of the construction of a residence has provided for zero (0) side yard, footings and roof overhang encroachments may be permitted onto the adjoining lot. A roof drainage system shall be put in place to prevent roof drainage from falling onto the abutting property adjacent the walls of the residence with the zero (0) side yard tolerance. Furthermore, provision shall be made for a three (3) foot easement on the abutting property, which shall be recorded running with the land with the residence enjoying the zero (0) lot side yard, for maintenance purposes. (Collier County Land Development Code)

ATTENDANCE & SPEAKING AT BOARD MEETINGS: Members have the right to attend all meetings of the board and to speak on any matter placed on the agenda by petition of the voting interests for at least 3 minutes. The association may adopt written reasonable rules expanding the right of members to speak and governing the frequency, duration, and other manner of member statements, which rules must be consistent with this paragraph and may include a sign-up sheet for members wishing to speak. Notwithstanding any other law, the requirement that board meetings and committee meetings be open to the members is inapplicable to meetings between the board or a committee and the association's attorney, with respect to meetings of the board held for the purpose of discussing personnel matters. Notices of all board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. (Florida Statute 720.303 as amended in 2004) The Palo Verde Notice Board is located on the east side of Palo Verde Drive, just South of the exit gate, opposite #415.

ATTENDANCE & SPEAKING AT MEMBERSHIP MEETINGS: Members have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda. Notwithstanding any provision to the contrary in the governing documents or any rules adopted by the board or by the membership, a member has the right to speak for at least 3 minutes on any item, provided the member submits a written request to speak prior to the meeting. The association may adopt written reasonable rules governing the frequency, duration, and other manner of member statements, which rules must be consistent with this subsection. The association shall give all members actual notice of all membership meetings, which shall be mailed, delivered, or electronically transmitted to the members not less than 14 days prior to the meeting. (Florida Statute 720.3.06 as amended in 2004)

OTHER RULES & COUNTY ORDINANCES

TRASH COLLECTIONS: Trash collection days are Wednesday and Saturday (recycles on Wednesday only). There is a third collection on Wednesday for heavy or misc. trash and

vegetation. Trash and recycle bins should NOT be placed at the curb until 6:00 PM the night before collection and brought in as soon as possible after collection. Vegetation should NOT be placed at the curb or on common ground until the day of collection.

IRRIGATION: By County ordinance, irrigation is permitted only between the hours of midnight and 8:00 AM as follows: Addresses ending in an odd number on Monday, Wednesday and Saturday. Addresses ending in even numbers on Tuesday, Thursday and Sunday. NO irrigation is permitted on Friday. Our landscapers set irrigation timers and enforce the rules with periodic inspections and testing of the systems. (Collier County Irrigation Ordinance 2002-17)

ENTRANCE GATE OPERATION: Our gates are open from 7:00 AM to 7:00 PM Monday through Saturday to facilitate deliveries and service personnel. When closed at night or on Sunday, residents can use their remotes to gain entrance and visitors can call you from the keypad. To open the gate for visitor press "9" on your telephone. The exit gate always opens automatically. When entering the neighborhood when the gates are closed (nights and Sundays) please take special care to stay in the right hand lane until around the turn after entering. If you cross the center line before you clear the paver area, you trip the sensor that opens the exit gate, creating unnecessary wear and tear on the motor.

AMENDED DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
PALO VERDE

THIS AMENDED DECLARATION amends that certain Declaration made on the 8th day of December 1995, by Reddick Development Group, Inc., a Florida Corporation, hereinafter referred to as "Declarant", as follows:

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property located in Collier County, Florida, which is located within the real property particularly described in "Exhibit A" attached to the original Declaration of Covenants recorded at Official Records Book 2129, Page 0062, in the Public Records of Collier County, Florida and incorporated herein by reference and Declarant desires to create a residential community on platted Lots which shall contain single family residences, known as Palo Verde, and

WHEREAS, Declarant wishes to provide for the preservation and maintenance of the appearances, values and amenities of Palo Verde and to this end, desires to subject the real property described in Exhibit "A" to the terms, conditions, rights and obligations of this Declaration of Covenants, Conditions, and Restrictions for Palo Verde, herein called the "Declaration" and herein created a non-profit membership corporation, Palo Verde Homeowner's Association, Inc., herein called the "Association" to be given the power and duty of maintaining and administering the Common Areas and enforcing this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the properties in Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of such Owner thereof.

PLAN OF DEVELOPMENT

Palo Verde, is located within a Planned Unit Development project known as The Vineyards. All of the property located in The Vineyards is subject to certain restrictions and regulations as provided in the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Vineyards, Inc. recorded in O.R. Book 1763, Page 1228, Public Records, Collier County, Florida, is amended, herein referred to as the "Master Declaration".

The Master Declaration was created by The Vineyards, Inc., the developer of The Vineyards, to provide for the preservation and maintenance of the appearance, values,

and amenities of The Vineyards. The Master Declaration provides for separately developed and designated residential and commercial areas. These areas are governed by The Vineyards Master Association, Inc. (the "Master Association"). Lot Owners in Palo Verde, are obligated to pay assessments to the Master Association for the operation of the Master Association and maintenance, replacement, and repair of the common areas and recreational facilities located in The Vineyards, provided, however, such obligation does not include The Vineyards Golf Course and Clubhouse which is governed by a separate membership entity.

ARTICLE I

DEFINITIONS

1.1 "Assessments" shall mean assessments for common expenses provided for herein or by any subsequent which shall be used for the purposes of promoting the recreation, common benefit and enjoyment of the Owners and Occupants of Palo Verde and of maintaining the Properties or Common Areas within Palo Verde, all as may be specifically authorized from time to time by the Board of Directors of the Palo Verde Residents' Association or the Master Association.

1.2 "Association" shall-mean and refer to the Palo Verde Homeowner's Association, Inc., its successors and assigns.

1.3 "Board of Director's or "Board" shall mean and refer to the representative body which is responsible for the administration of the Association.

1.4 "Common Areas" shall mean, all real property to be owned by the Association for the common use and enjoyment of the Owners, their agents, assigns, employees and invitees. The Common Areas include all land which is subject to this Declaration less and excepting the platted Lots which have been reserved by Declarant for sale to Owners and are shown as easements dedicated to the Association on the Plat of Palo Verde to be recorded in the Public Records. The said Common Areas shall be deeded by Declarant to the Association as hereafter provided.

1.5 "Declarant" shall mean and refer to Reddick Development Group, Inc., its successors and assigns. It shall not include any person or entity who purchases a Lot from Reddick Development Group, Inc., unless such purchaser is specifically assigned some or all rights of Reddick Development Group, Inc. by a separate recorded instrument.

1.6 "Dwelling" shall mean and refer to a single family residence and ancillary structures such as garages, decks, swimming pools, screen enclosures and outbuildings.

1.7 "Master Association" shall mean and refer to The Vineyards Master Association, Inc.

1.8 "Guest" means any person who is physically present in, or occupies a Lot at the invitation of the Owner without the payment of consideration or rent.

1.9 "Institutional Mortgagee" shall mean and refer to the holder of a first mortgage against a Lot which holder is a bank, savings and loan association, real estate or mortgage investment trust, pension or profit sharing trust, the Federal Housing Administration, the Veterans Administration or any agency of the United States of America, and their successors and assigns, or any entity recognized in the community as an institutional lender. The mortgage may be placed through and closed in the name of a mortgage broker.

1.10 "Lease" means the grant by a Lot Owner of a temporary right of use of the Owner's Lot for valuable consideration.

1.11 "Lot" shall mean a platted residential Lot as shown on the Plat of Palo Verde, to be recorded in the Public Records of Collier County, Florida.

1.12 "Master Declaration" shall mean and refer to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Vineyards recorded in O.R. Book 1763, Page 1228, of the Public Records of Collier County, Florida, as amended.

1.13 "Member" shall mean and refer to all those Owners who are members of the Association.

1.14 "Occupant" when used in connection with Lot, means any person who is physically present in a Lot on two (2) or more consecutive days, including staying overnight.

1.15 "Owner or 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 situated upon the Properties but shall not mean or refer to any mortgagee unless and until any such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.16 "Primary Occupant" shall mean the natural person approved for occupancy when title to the Lot is held in the name of a trustee or a corporation or other entity which is not a natural person.

1.17 "Properties" or "Property" shall mean and refer to that certain real property described in Exhibit "A", known as Palo Verde and such additions thereto as may hereafter be brought within the jurisdiction of the Association and submitted to this Declaration.

1.18 "Single Family" shall mean a family unit comprised of the Owner, spouse, children, parents, brothers, sisters, grandchildren and other persons

permanently cohabiting with the Owner as or together with the Owner as a primary occupant.

ARTICLE II

PROPERTY RIGHTS

2.1 Every Owner shall have a right and easement of enjoyment in and to the Common Areas together with a nonexclusive easement of ingress and egress over the roadways in the Properties which right and easement of enjoyment shall be appurtenant to and shall pass with title to every Lot subject to the following provisions:

A. The right of the Association to charge all Owners reasonable fees for the upkeep, maintenance and repair of the Common Areas, equipment or structures situated upon the Common Areas.

B. The right of the Association to dedicate, transfer or grant an easement or property rights to all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members.

C. The right of the Board to promulgate, modify, amend, and enforce reasonable rules and regulations relating to the use and enjoyment of the Common Areas.

D. Ownership of each Lot shall entitle the Owner or Owners thereof to an easement over any portion of their driveway located beyond their Lot line.

E. Utility easements are hereby reserved throughout the properties as may be required to adequately serve the Properties.

F. Easements for ingress and egress and right-of-way are reserved for pedestrian traffic over, through, on and across all Common Areas and upon all sidewalks, paths, walkways, lanes, streets, and avenues, as the same from time to time exist upon the Common Areas; and for vehicular traffic over, through and across such portions of the Common Areas as from time to time may be installed for such purposes.

G. There shall be an easement for encroachment in favor of the Declarant, Owners and the Association where any portion of the Common Areas encroaches upon any portion of the Properties or any Lot therein.

2.2 Any Owner may delegate, in accordance with and subject to the By-Laws and this Declaration, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, invitees or contract purchasers who reside on the Property.

2.3 The Declarant shall not be required to convey the legal and equitable title and ownership to the Common Areas or any part thereof until the time the Declarant no longer owns any Lot in the Properties. Declarant may convey title, and the Association shall accept title, at any time prior to the Declarant's conveyance of the last Lot owned by the Declarant, at Declarant's sole option.

2.4 There shall be no judicial partition of the Common Areas, nor shall Declarant, or any Owner or any other person acquiring any interest in the Properties, or any part thereof, seek judicial partition thereof.

2.5 Within the easements for installation and maintenance of utilities and any drainage facilities, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements.

2.6 Any homeowner may display one portable, removable United States flag or official flag of the State of Florida in a respectful manner. On Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, removable official flags not larger than 4 ½ feet by 6 feet, which represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard may be displayed.

2.7 A Member's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in the common areas and recreational facilities may not be unreasonably restricted.

2.8 Gutters and downspouts may overhang the adjacent lot.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 Every person or entity who is a record fee simple Owner of a Lot, shall be a Member of the Association provided, however, that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a Member. If any such Owner is not a natural person, the subject entity shall designate a natural person who shall be the Primary Occupant and such natural person shall exercise the Lot's membership rights. Membership shall be appurtenant to, and may not be separated from ownership of any Lot which is subject to assessment. When any Lot is owned of record by two or more persons or other legal entity, all such persons or entities shall be Members.

3.2 The Members of the Association shall be entitled to one (1) vote for each Lot owned by them. The total votes shall not exceed the total number of Lots. The vote of a Lot shall not be divisible. If a Lot is owned by one natural person, his right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two or more natural persons, that Lot's vote may be cast by any Owner present at the meeting at which the vote is taken. If two or more Owners of a Lot are present and cannot agree among themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the Owner of a Lot is not a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant designated as set forth above.

3.3 In matters pertaining to the Master Association as more fully provided in the Amended and Restated By-Laws of the Master Association, the Board of Palo Verde Homeowners' Association, Inc. shall elect a delegate to represent the Association at all member meetings of the Master Association and to vote on behalf of the Association the number of votes as provided in the said Amended and Restated By-Laws of the Master Association.

3.4 Owners/ Members wishing to speak before the Board shall submit a written request to the Board at least three days before any scheduled Board meeting. They shall identify the listed agenda and be limited to three minutes.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENT

4.1 Subject to the provisions of Article IV, Section 4.12 herein, the Declarant, for each Lot owned by it within the Properties hereby covenants and agrees, and each Owner of any Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association maintenance assessments or charges, and any special assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from thirty (30) days after the due date at the highest rate as allowed by law, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment, or otherwise. The Association shall collect all assessments and other sums due the Master Association if required of it by the Master Association. The Association shall remit the assessments to the Master Association pursuant to such procedures as may be adopted by the Master Association by the Association shall be a common expense of the Association.

4.2 The annual and special assessments levied by the Association shall be collected by the Board and shall be used exclusively for the purpose of promoting the

health, safety and welfare of the residents in the Properties including but not limited to the following:

A. Improvements, maintenance and repair of the Common Areas, including but no limited to the cost of maintaining:

a. Streets, driveways, parking areas and sidewalks, to the extent that such improvements are a part of the Common Areas;

b. Landscaped areas including lawns, shrubs, trees and other planting located on Common Areas;

c. Equipment and facilities owned by or acquired by the Association located on the Common Areas or recreation areas, if any;

d. Fences, signs, street lights and fountains located on the Common Areas, and gates with equipment necessary to operate said gates.

e. Maintenance and repair of all storm drains, drainage courses, drainage easements and utility easements.

f. Painting of fences and entry gates that are part of or appurtenant to improvements constructed on the Common Areas;

g. Electrical lighting, and other necessary utility services for the Common Areas and non-potable water to service the sprinkler system in the Common Areas;

B. Hiring professional advisors, management companies and payment of management fees and charges;

C. Fire insurance covering the full insurable replacement value of the Common Areas with extended coverage;

D. Liability insurance insuring the Association against any and all liability to the public, to any Owner, or to the invitees, or tenants of any Owner arising out of their occupation and/or use of the Common Areas. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased in the discretion of the Association;

E. Workmen's compensation insurance to the extent necessary to comply with the Florida Statutes, and any other insurance deemed necessary by the Board, including Directors and Officers insurance.

F. Acquisition of equipment for the Common Areas as may be determined by the Association, including without limitation, all equipment and personnel necessary or proper for use or maintenance of Common Areas;

G. Any other materials, supplies, equipment, labor, management, supervision, services, personnel, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay pursuant to the terms of this Declaration or by law, or which shall be necessary or proper in the opinion of the Board for the operation of the Common Areas, for the benefit of the Owners, or for the enforcement of these restrictions;

H. Establishment of reserve accounts for capital expenditures and deferred maintenance for the Common Areas;

I. Payment of real property taxes, personal property taxes and other assessments levied against the Common Areas.

4.3 All regular and special assessments for items pertaining to the Common Areas shall be at a uniform rate for each Lot in the Properties, except as set forth in Article V Section 5.2 below.

4.4 In addition to the annual assessments, the Association may levy in any assessment year a special assessment applicable to that year only, for reconstruction, unexpected repair or replacements of a capital improvement as approved by the Board, including the necessary fixtures and personal property related thereto, or for any other expenditure approved by the Board.

4.5 The annual assessment for which provision is herein made shall be paid quarterly, in advance. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year.

4.6 The Association shall collect all assessments and other sums due the Master Association if required of it by the Master Association. The Association shall remit the assessments to the Master Association pursuant to such procedures as may be adopted by the Master Association.

4.7 The Board shall fix the date of commencement, and the amount of the assessments against each Lot for each assessment at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lot Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member. Not later than fourteen (14) days after fixing the date of commencement and amount of assessments, the Association shall notify Lot Owners by sending written notice of such commencement date and amount to said Lot Owners at the address as shown on the current roster of members, which notice shall be conclusive as to delivery to Lot Owners. The Association shall, on demand, and for a reasonable charge, furnish to any Owner liable for said assessment a certificate in writing

signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

4.8 If any assessment is not paid within thirty (30) days from its due date as determined by the Board pursuant to this Declaration, the Association may, at any time thereafter, record a lien against said Lot in the Public Records of Collier County, Florida, and bring an action to foreclose the lien in a like manner as a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the Owner(s), and there shall be added to the amount of such assessment the cost of any such action (including a reasonable attorney's fee), and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with costs of the action.

4.9 Liens for delinquent assessments shall be recorded in the Public Records of Collier County, Florida, and shall be prior to and superior to the creation of any homestead status on the property and any subsequently recorded liens or encumbrances.

4.10 The lien of the assessment for which provision is herein made as well as in any other Article of this Declaration shall be subordinate to the lien of any first mortgage to an Institutional Mortgagee unless the claim of lien is recorded prior to the mortgage. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Lot(s) pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure and shall relieve any Lot(s) neither from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessments.

4.11 The following property subject to this Declaration shall be exempted from the assessments charges and liens created herein:

A. All properties to the extent of any easement or other interests therein dedicated and accepted by Collier County and devoted to public use.

B. All Common Areas as defined in Article I, Section 1.4.

4.12 The Association may suspend the voting rights of a member for nonpayment of regular annual assessments that are delinquent in excess of 90 days.

ARTICLE V

MAINTENANCE OF LOTS

5.1 The Association shall be responsible for the maintenance of the lawn and landscaping on all lots, with the costs therefore being equally borne by all Lot Owners and paid as part of the maintenance assessments routinely assessed. Each Lot Owner is responsible for all maintenance, repair and replacement of all structures erected on their

respective lots. The Association shall have the power, if the Board of Directors deems it necessary to preserve the aesthetic nature and integrity of Palo Verde, to have routine maintenance performed on structures on the properties, such as painting, roof repair (excluding roof leaks and structural portions of the roof, gutters, downspouts and exterior building surfaces) repairs to walls, columns, trellises, doors and fences, and minor repair and maintenance of driveways from each residence to the roadway providing access to such residence. The cost of this maintenance shall be assessed against the respective Lot Owner, and the Association shall have the right to place a lien against any Lot whose Lot Owner fails to pay any such assessment and may otherwise collect on such sums in the same manner as any other routine or special assessment, and shall include the right to recovery of interest, attorney's fees and costs.

5.2 Lot Owners shall be responsible for the maintenance of the interior of their residence. Lot Owners shall also be responsible for maintenance of the swimming pool, if any, on their Lot and any pool enclosures, decks, patios, planters or walkways on their Lot. Lot Owners shall be responsible for maintenance, repair and replacement of their front walks. Lot Owners shall also be responsible for non-routine or extraordinary maintenance of their residence, including, but not limited to roof replacement, replacement of damaged or destroyed portions of their residence, broken glass or torn screens. Lot Owners shall also be responsible for non-routine or extraordinary maintenance, repair or replacement of their driveway from their residence to the roadway providing access to such residence.

5.3 In addition to maintenance of the Common Areas, the Association may provide upon any Lot requiring same, when necessary in the opinion of the Board of Directors, to preserve the beauty, quality and value of the neighborhood, any maintenance, repair or replacement that is otherwise the responsibility of the Lot Owner hereunder and such Lot Owner fails to replace, restore, repair or perform the required maintenance after ten (10) days written notice to the Owner of any such Lot of the need of such replacement, restoration, repair or maintenance.

The cost of such maintenance shall be assessed against the Lot upon which such maintenance is performed, or, at the option of the Board of Directors, against the Lot or Lots benefiting from the maintenance. The assessment shall be apportioned among the Lots involved in the manner determined to be appropriate by the Board. Any such maintenance assessments shall not be considered a part of the annual or special assessment. Any such maintenance assessment shall be a lien on the Lots affected and the personal obligation of the Owners and shall become due and payable in all respects, together with interest, reasonable attorney's fees, and cost of collection, in the same manner and under the same conditions as provided for the other assessments of the Association.

5.4 In the event that any of the improvements located on any Lot are destroyed or damaged as a result of any cause, including, but not limited to aging, fire, windstorm, flood, tornado, or hurricane, the Owner of such improvements shall cause repair or replacement of such improvements to be commenced within thirty (30) days

from the date of insurance settlement, and to complete the repair or replacement within one (1) year thereafter.

All such repairs or replacement must be performed in accordance with standards promulgated pursuant to Article VI below.

5.5 In the event that the Owner of any Lot fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for herein, then in that event, the Association shall be deemed to have been granted the right by the Owner to commence and/or complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements.

5.6 In the event that the Association exercises the rights afforded to it in this section, the Owner of the subject Lot shall be deemed to have assigned to the Association any right the Owner may have to insurance proceeds that may be available to the Owner arising from the damage or destruction of the improvements.

For this purpose, the Owners of the Lots agree to provide for the Association to be named as an additional insured under any hazard and flood insurance policies related to their Lots and the improvements constructed thereon. Further, the Association may require that all such policies be in an amount sufficient to finance the repair or replacement of the improvements provided for above, taking into account local construction costs and property values as they may, from time to time, exist. In the event that an Owner refuses to increase such insurance coverage deemed reasonably necessary to replace the residence by the such insurance coverage deemed reasonably necessary to replace the residence by the Association, or if the Owner allows the required insurance coverage to lapse, or for some other reason causes the same to become null and void, the Association may purchase whatever coverage it deems reasonably necessary for the Association's benefit. The costs so incurred by the Association shall become due and payable in all respects, together with interest, reasonable attorney's fees and cost of collection, as provided for in connection with and under the same terms and conditions as the other assessments of the Association.

5.7 Any and all costs incurred by the Association in effectuating the repair or replacement of damaged or destroyed improvements shall become due and payable in all respects, together with interest, reasonable attorney's fees and costs of collection, as provided for in connection with and under the same terms and conditions as other assessments of the Association.

5.8 Owners shall not instruct the landscape company contracted by the Board to do any selective trimming, removal, or alternation of the landscaping on the Owner's lot without written Board permission.

5.9 The existing vegetation of each lot shall not be destroyed or removed except as approved in writing by the Board.

ARTICLE VIARCHITECTURAL CONTROL AND RECONSTRUCTION

6.1 No improvement, addition or deletion or structure of any kind, including without limitation, any building, fence, wall, screen enclosure, awning, drain, disposal system, or other improvement shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change, alteration, repair or replacement therein or thereof be made, unless and until the plans, specifications and location of the same shall have been submitted to, and approved in writing by The Vineyards, Inc. or the Master Association (and the Palo Verde Architectural Review Committee) pursuant to the procedures established in Section 9 of the Master Declaration so long as The Vineyards, Inc. or the Master Association elects to exercise this right.

If The Vineyards Inc. or the Master Association no longer exercises this right, the Association shall exercise these functions as more fully provided in the guidelines set forth below. All plans and specifications shall be evaluated as to harmony of external design, paint color, and location in relation to surrounding structures and topography.

6.2 At such time as The Vineyards, Inc. or the Master Association declines or fails to exercise architectural review rights, the architectural review and control functions of the Association shall be administered and performed by the Architectural Review Committee (the "ARC"), which shall consist of at least three (3) members, who need not be Members of the Association. The Palo Verde Board of Directors shall have the right to appoint all of the members of the ARC. Members of the ARC shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association. A majority of the ARC shall constitute a quorum to transact business at any meeting of the ARC, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARC.

6.3 Any vacancy occurring on the ARC because of death, resignation, or other termination of service of any member thereof, shall be filled by the Board of Directors.

6.4 If the Vineyards, Inc. or the Master Association no longer exercises architectural review rights, the ARC shall have the following powers and duties:

A. To recommend, from time to time, to the Board of Directors of the Association the creation of or modification and/or amendment of any architectural planning criteria promulgated by the Board. Any architectural planning criteria or modifications or amendment thereto shall be consistent with the provisions of this Declaration and the Master Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association at a meeting duly called and noticed and at which a quorum is present. Notice of the adoption, modification or amendment to the architectural planning criteria, including a verbatim copy of such adoption, change or modification shall be delivered to each Member of the Association; provided that, the delivery to each Member of the Association of notice and a copy of any such adoption or modification or amendment to the architectural planning

criteria shall not constitute a condition precedent to the effectiveness or validity of such change or modification.

B. To require admission to the ARC of two complete sets of all plans and specifications for any improvement or structure of any kind, including without limitation, any building, fence, wall, swimming pool, enclosure, sewer, drain, disposal system, decorative building, landscape device, exterior paint color, object or other improvement, the construction or placement of which is proposed upon any Lot in the Properties. The ARC may require such additional information as may reasonably be necessary for the ARC to completely evaluate the proposed structure or improvement in accordance with this Declaration and the architectural planning and criteria;

C. To approve or disapprove any improvement or structure of any kind, including without limitation, any building, fence, wall, swimming pool, screen enclosure, drain or disposal system or other improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Lot in the Properties, and which is visible from the outside of any Lot. All decisions of the ARC shall be submitted in writing to the Board of Directors of the Association and evidence thereof may be made by a certificate, in recordable form, executed under seal by any officer of the Association. Any party aggrieved by a decision of the ARC shall have the right to make a written request to the Board of Directors of the Association within thirty (30) days of such decision for a review thereof. The determination of the Board upon reviewing any such decision shall in all events be dispositive; and

D. To adopt a schedule of reasonable fees for processing requests for the ARC approval of proposed improvements. Such fees, if any, shall be payable to the Association in cash, at the time that plans and specifications are submitted to the ARC.

6.5 Owners are expressly forbidden to erect any permanent, temporary, or portable basketball pole and/or backboard for use on any lot.

ARTICLE VII

USE RESTRICTIONS

In addition to any restrictions imposed upon the Property by the Master Association as provided in the Master Declaration, the use of the Lots shall be in accordance with the following provisions:

7.1 The Property may be used for single-family residential living and for no other purpose. No trade, business, profession or other type of commercial activity may be conducted on any part thereof.

7.2 No tents, trailers, shacks, tanks or temporary accessory buildings or

structures shall be erected or permitted to remain on any Lot or the Common Areas without the written consent of the Association.

7.3 Satellite dishes not larger than eighteen (18) inches in diameter shall be permitted to be installed by the Owner of a Unit only with the prior written consent of the Board of Governors, subject to the following restrictions:

(a) Satellite dishes must be confined to the property of the Owner and shall not be permitted on any common areas or limited common areas, except as set forth below in the case of a condominium unit;

(b) In the case of condominium units, satellite dishes may be installed on a lanai, subject to the provisions of this section, and subject to the rules and regulations of the applicable condominium association; and

(c) All satellite dishes must be reasonably buffered by shrubs, plants, or trees so as not to be openly visible from the street or from neighboring properties, and such buffering shall also be subject to the review and approval of the ARC.

7.4 No boats, trucks, commercial vehicles, trailers, recreational vehicles or other motor vehicles, except four-wheel passenger automobiles or vans, as determined by the Board, shall be placed, parked or stored upon any Lot (except in the garage) or in the Common Areas for a period of more than eight hours unless such vehicle is necessary in the actual construction or repair of a structure or for ground maintenance, nor shall any maintenance or repair be performed upon any boat or motor vehicle not owned or controlled by the Association in the properties, except within a building where totally isolated from public view. All garage doors must remain closed except upon entering or exiting the garage.

7.5 All areas not covered by structures, walkways, or paved parking facilities shall be maintained as a lawn or landscape areas with underground sprinkler systems to the pavement edge of any abutting streets and to the waterline of any abutting lakes or water management areas. No stones, gravel or paving of any types shall be used as a lawn.

7.6 Nothing shall be done or maintained on any Lot, or the Common Areas which may be or become unsightly or a nuisance to Palo Verde. In the event of a dispute or question as to what may be or become unsightly or a nuisance, such dispute or questions shall be submitted in writing to the Board whose decision shall be dispositive of such dispute or question.

7.7 No sign of any kind shall be displayed to public view on any Lot or Common Area, except a sign identifying Palo Verde, street or traffic control signs, or except as approved by The Vineyards, Inc., the ARC or the Master Association as the case may be. Lot Owners may maintain one wooden-framed "For Sale" sign which meets The Vineyards, Inc., the ARC or the Master Association guidelines as the case may be.

7.8 No weed underbrush or other unsightly growth shall be permitted to grow or remain upon any Lot and no refuse or unsightly object shall be placed or allowed to remain on any Lot. No trees or bushes may be excessively trimmed or removed without prior Board approval. Any property, structure, improvements and appurtenances shall be kept in a safe, clean, orderly and attractive conditions and all structures shall be maintained in a finished, painted and attractive condition. All lawns, landscaping and sprinkler systems shall be installed and maintained in a neat and orderly condition.

7.9 The sale, rental or other disposition of Lots in the Property is essential to the establishment and welfare of the Properties as an on-going residential community.

7.10 No automobile garage shall be permanently enclosed or converted to other use without the written permission of the Board of Directors.

7.11 No rubbish, trash, garbage or other waste materials shall be kept or permitted at the driveway area of any Lot. Waste shall be kept in sanitary containers which shall be kept in a neat condition and screened from view of neighboring Lots. Sanitary containers may not be placed outside the driveway area of any Lot except for a reasonable period for refuse pickup to be accomplished.

7.12 All gas tanks for swimming pool heater, furnaces, and stoves must be stored below ground.

7.13 No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot. The Owner(s) of each Lot may keep pets of a normal domesticated household type such as a cat or dog on the Lot. The pets must be leashed at all time while on any of the Common Areas outside the Lot. No pets are permitted in the recreation areas, if any. Each pet owner shall be responsible for the removal and disposal of their pet's body waste. The Board of Directors is empowered to order and enforce the removal of any pet which becomes a reasonable source of annoyance to other residents in the Property.

7.14 No Lot shall be increased in size by filling in any water retention or drainage areas on which it abuts. Lot Owners shall not fill, dike, rip rap, block, divert or change the established water retention and drainage areas that have been or may be created by easement.

7.15 No septic tank shall be installed, used or maintained on any Lot.

7.16 All utility lines and lead-in wires, including but not limited to, electrical lines, cable television lines, telephone lines, water and sewerage located within the confines of any Lot or Lots shall be located underground,. No television or other antenna shall be installed.

ARTICLE VIIIEASEMENTSW FOR MAINTENANCE, CONSTRUCTION AND REPAIR

8.1 The Declarant hereby reserves unto itself and, its agents, employees, invitees and assigns, and for the benefit of the Association, and the Association's agents, employees, invitees and assigns, a non-exclusive easement for ingress and egress over any Lot located in the Properties in order to gain access to the Common Areas or any other Lot for the Association to discharge its duties to construct, maintain and repair the Common Areas and for the purpose of maintaining the Properties and the Lots by the Association in a manner consistent with the Association's maintenance obligations of the Common Areas and Lots or rights provided herein, together with an easement for the maintenance of sprinkler systems owned by the Association.

8.2 Each Lot and the Common Areas shall be and hereby are made subject to easements for construction, development, repair and maintenance of utilities systems and facilities (including, but not limited to, fire and police protection, garbage and trash removal, water and sewage system, electric and gas service, drainage and telephone), and roadways and driveways and the utilities and applicable governmental agencies having jurisdiction thereover and their employees and agents shall have the right of access to any Lot or the Common Areas in furtherance of such easements. No structure, planting, fill or other material shall be placed or permitted to remain which may damage or interfere with the use of such easements.

8.3 The Declarant reserves the right, for the Declarant and its designee (so long as Declarant or said designee owns any Lot) and for the Board, without joinder or consent of any person or entity whatsoever, to create and/or grant such additional easements of construction, maintenance, repair and use of , as an illustration, but no limited to, irrigation, wells and pumps, cable television, television antennas, electric, gas water drainage or other utility easement, or to relocated any easement in any portion of the property as the Declarant, its designee, or the said Board shall deem necessary or desirable for the property development, operation and maintenance of the Properties, or any portion thereof, or for the general health or welfare of the Lot, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Lot for permitted purpose.

8.4 Where the nature of the construction of a residence has provided for a zero (0) side yard, footing and roof overhangs and encroachment may be permitted onto the adjoining lot. A roof drainage system shall be put in place to prevent roof drainage from falling onto abutting property adjacent walls of the residence with the zero (0) side yard. Furthermore, provision shall be made for a three (3) foot easement on the abutting property which shall be recorded running with the residence enjoying zero (0) lot side yard for maintenance purposes,

8.5 Access shall be permitted around and across all yards and common areas for Owners and agents hired by Owners and all emergency personal to perform all necessary

duties associated with the maintenance of the Owners' property. No Owner shall restrict said access by means of planting, walls, or fences. Gates on approved fences shall not be locked a any time.

ARTICLE IX

ENFORCEMENT OF COVENANTS

9.1 Every Lot Owner and his tenants, guests, invitees and agents shall comply with any and all rules and regulations as same exist and as may be adopted in the future by the Board of Directors of the Association.

9.2 Failure to comply with this Declaration of Covenants, the Association Bylaws, the Master Covenants or with Palo Verde rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums for damages, an action for injunctive relief, the imposition of fines, or any combination thereof, subject to the arbitration and/or mediation requirements detailed herein.

9.3 The Association, by and through its Board of Directors, may suspend for a reasonable time, the rights of a member or member's tenants, guests and/or invitees to use common areas and facilities for violation of this Declaration of Covenants, the Association Bylaws, the Master Covenants, and/or rules and regulations, provided, however, the suspension of rights shall not impair the right of an owner or tenant of a property to have vehicular and pedestrian ingress and egress to his property, including, but not limited to, the right to park.

9.4 The Association may levy reasonable fines up to the maximum amount permissible under Florida law, against any member or tenant, guest and/or invitee for violation of this Declaration of Covenants, the Association Bylaws, the Master Covenants, and/or rules and regulations. In any action to recover a fine, the prevailing party is entitled to collect its reasonable attorney's fees and costs from the nonprevailing party.

9.5 Prior to suspension of rights or imposition of a fine, at least 14 days prior notice to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the Board who are not officers, directors or employees of the association, or the spouse, parent, child, brother or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

9.6 Disputes between the Association and an owner regarding the use of or changes to the owner's Lot or the common areas or other covenant enforcement disputes, disputes regarding amendments to the Association documents, disputes regarding the meetings of the Board and Committees appointed by the Board, membership meetings (not including election members), and access to the official records of the Association

shall be filed with the Florida Department of Business and Professional Regulation for mandatory mediation before the dispute is filed in court, in accordance with the provisions of Fla. Stat. 720.311, as amended. The parties shall bear the cost of mediation equally. If the mediation is not successful in resolving all issues between the parties, the parties may file the unresolved dispute in a court of competent jurisdiction, or if both parties agree, elect to enter into binding or nonbinding arbitration.

9.7 Neither election disputes and recall disputes are eligible for mediation; these disputes are required to be arbitrated by the Florida Department of Business and Professional Regulation (the "Department"). The Department shall charge the parties in an amount adequate to cover all costs and expense incurred by the department in conducting the proceeding, and the prevailing party in the proceeding shall recover its reasonable costs and attorney's fees in an amount determined by the Arbitrator.

ARTICLE X

TRANSFER OF OWNERSHIP AND LEASING OF LOTS

10.1 In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the Lots and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of Ownership and leasing of a Lot by an Owner shall be subject to the following provisions, which provisions each Owner covenants to observe.

10.2 Forms of Ownership.

- A. A Lot may be owned by an individual person.
- B. Co-Ownership of Lots is permitted but all Owners must be members of a single family or living together as a single family housekeeping unit. If co-ownership is to be by more than two persons, Owner shall designate one natural person as "Primary Occupant," and the use of the Lot by other persons shall be as if the Primary Occupant is the actual Owner.
- C. A Lot may be owned in trust or by a corporation, partnership, or other entity which is not a natural person. However, the intent of this provision is to allow flexibility in estate or tax planning, and not to create circumstances in which the Lot may be used as short term transient accommodations for several individuals or families. Said corporation, trustee or any entity which is not a natural person shall designate one natural person to be the Primary Occupant, and the use of the Lot by other persons shall be as lessee's and as if the Primary Occupant is the only actual Owner.
- D. A Lot may become subject to a life estate, either by operation of law

or by approved voluntary conveyance. In that event, during said life estate the life tenant shall be the only member in the Association from such Lot and occupancy of the Lot shall be as if the life tenant was the only Owner. The life tenant and remaindermen shall be jointly and severally liable for all assessment and charges against the Lot. The life tenant may, by signed agreement, transfer the right to vote in all Association matters to any one remainderman, subject to approval by the Association by such arrangement. If there is more than one life tenant, they shall be treated as if they were co-Owners for purposes of voting and occupancy rights.

10.3 Transfers.

A. There shall be no restrictions on transfers of Lots, however, the Association must be notified of any transfer of title to a Unit as provided in the By-Laws.

B. There shall be no restrictions on the mortgaging of Lots. All mortgages, other than a first mortgage of record, shall be subject to and inferior to the Association lien for assessments as hereafter provided, regardless of when recorded.

10.4 Leases.

A. All leases of Lots must be in writing and a copy of any lease shall be delivered to the Board upon commencement of said Lease.

B. No Lot may be leased for a period of less than thirty (30) days nor more than three (3) times per year. No subleasing or assignment of lease rights is allowed unless approved by the Board. No individual rooms may be rented and no transient tenants may be accommodated.

C. No one but the lessee, his family within the first degree of relationship by blood, adoption or marriage, and their guests may occupy the Lot.

ARTICLE XI

GENERAL PROVISIONS

11.1 The covenants and restrictions of this Declaration shall run with and bind the properties, and shall inure to the benefit of and be enforceable by the Association or the Owner or any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants and restrictions shall automatically be extended for successive periods of ten (10) years unless an instrument signed by the then Owners of two-thirds ($2/3$) of the Lots has been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part. Violation or breach of any conditions, covenants or restrictions herein contained shall give the

Association and/or Owner(s), in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, covenants or restrictions and to prevent the then Owner or Owners of the subject property, provided such proceeding results in a finding that such Owner was in violation of said covenants or restrictions. Expenses of litigation shall include reasonable attorney's fees incurred by the Association in seeking such enforcement.

11.2 Any awards for the taking of all or any part of the Association Common Areas by condemnation or eminent domain shall be used to make the remaining portion of the Common Areas usable in the manner approved by the Board of Directors. The balance of such awards, if any, shall be distributed to the Lot Owners equally.

11.3 Any notices required to be sent under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the address of the party to which the notice is directed.

11.4 Invalidation of any one or more of these covenants and restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

11.5 This Declaration may be amended at any time upon the execution and recordation of an instrument executed by Owners holding not less than two-thirds (2/3) of the voting interest of the membership.

11.6 Whenever the singular is used it shall include the plural and the singular and the use of any gender shall include all genders.

11.7 The requirement to file notice for any meetings of the Association, any special meetings, and Board meetings, any meetings for assessments or any notices required to be posted under the requirements of Florida Statutes, Section 720, are considered posted when posted on the Official Notice Board located inside the entrance gate to Palo Verde, by electronic notice, e mail, or by written mailed notice to the residents mailing address listed on the current roster of the Association.

11.8 This Declaration shall become effective upon its recording in the Public Records of Collier County, Florida,

BY-LAWS
OF
PALO VERDE HOMEOWNERS' ASSOCIATION, INC.
A NOT FOR PROFIT FLORIDA CORPORATION

Article I

The name of the corporation is Palo Verde Homeowners' Association, Inc., a Florida Corporation, not for profit, hereafter referred to as the "Association". The principal office of the corporation shall be located at 2685 Horseshoe Dr. S. #215, Naples, Florida 34104, but meetings of members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors from time to time.

Article II
Definitions

Section 1. "ASSOCIATION" shall mean and refer to Palo Verde Homeowners' Association, Inc., a Florida Corporation, not for profit, its successors and assigns.

Section 2. "COMMON AREAS" shall mean all real property and any improvements constructed thereon owned by the Association for the use and enjoyment of the owners.

Section 3. "LOT" shall mean any residential lot shown on the recorded subdivision plat of Palo Verde.

Section 4. "UNIT" shall mean any individual residential structure located on a residential lot including the garage appurtenant thereto.

Section 5. "MAINTENANCE OF ASSOCIATION PROPERTY OR COMMON AREAS" shall mean the exercise of reasonable care to keep, landscaping, lighting and other related improvements and fixtures, if any, in a condition comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping shall further mean the exercise of generally accepted garden-management practices necessary to promote a healthy, weed-free environment for optimum plant growth.

Section 6. "MEMBER" shall mean every person or entity who holds membership in the Association as provided in the Articles of Incorporation of Palo Verde Homeowners' Association, Inc.

Section 7. "OWNER" shall mean the record Owner, whether one or more persons, or entities, of a free simple title to any unit or residential lot which allows membership in the Association but shall not include those holding title merely as security for performance of any obligation.

Section 8. "ARTICLES" shall mean the Articles of Incorporation of Palo Verde Homeowners' Association, Inc.

Article III
Meetings of Members

Section 1. Annual Meetings. The annual meetings of the members shall be held on the 3rd Monday in February. The time of the meeting to be determined by the Board of Directors. The organizational meeting of the Board of Directors shall be held as provided for in Article VI, Section 1.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or by written request of a majority of the members who are entitled to vote.

Section 3. Notice of Meeting. Written notice of each meeting of members shall be given, by or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the members' addresses last appearing on the books of the Association, or supplied by such member to the Association for the purposes of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of special meeting, the purpose of the meeting. Notice may also be posted on the Official Notice Board at the gate entrance to Palo Verde.

Section 4. Written Response. The Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Member or duly waived in accordance with the provisions of these By-Laws. Unless some greater number is required under the Articles, and except as to the election of Directors which shall be accomplished by plurality vote, a decision of a majority of votes cast by Members as to the matter or matters to be agreed or voted upon shall be binding on the Members

provided a quorum is either present at such Meeting or submits a response in action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written response must be received by the Association.

Section 5. Quorum. The presence at the meeting of the members entitled to cast votes, or, of proxies entitled to cast votes, equal to fifty-one percent (51%) of all the members, notwithstanding the provisions of Article III hereof, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Restrictions, or these By-Laws. If, however, such quorum shall not be present or represented at the meeting, the members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as foresaid shall be present or represented.

Section 6. Proxies. At all meetings of members, each member may vote in person, or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of the Meeting in order to be effective. Every proxy shall be revocable prior to the time a vote is cast according to such proxy and shall automatically cease upon conveyance by the member of his lot or unit.

Section 7. Vote Required. AT every meeting of the members, the Owner or Owners of each lot or unit, either in person or by proxy, shall have the right to cast one vote, as set forth in the Articles. The vote of the majority of those present, in person or by proxy, shall decide any questions brought before such meeting, unless the question is one upon which, by express provision of the Articles of Incorporation, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control.

The voting on any matter at a Meeting shall be by secret ballot upon the request of the holders of ten percent (10%) of the votes represented at such Meeting and entitled to be cast on such matter if such request is made prior to the vote in question. The presiding officer of the Meeting shall call for nominations for Inspectors of Election to collect and tally written ballots upon the completion of balloting upon the matter.

Section 8. Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- A. Roll Call
- B. Proof of notice of meeting or waiver of notice
- C. Reading of minutes of previous meeting
- D. Reports of officers
- E. Reports of committees
- F. Election of officers or directors (if election to be held)
- G. Unfinished business
- H. New business
- I. Adjournment

Section 9. Minutes. Minutes of all meetings shall be kept in a businesslike manner and be available for inspection by the members and Directors at all reasonable times.

Article IV

Board of Directors: Selection – Terms of Office

Section 1. Number. The affairs of this Association shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than five (5) members. The first Board of Directors shall have three (3) members. At the Annual Meeting first occurring after the termination of Developer control, five (5) members shall be elected to the Board.

Section 2. Term of Office. At the Annual meeting first occurring after the termination of Developer control, one (1) director shall be elected for a term of three (3) years, two (2) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each elected member of the Board of Directors, and at each Annual meeting thereafter, successors shall be elected to serve for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board with or without cause, by a majority of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board of Directors and he shall serve for the unexpired term of his predecessor. Board directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The agreement or ballots shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 48 of the Fla. Rules of Civ. Procedure. The Board

shall notice and hold a meeting of the Board within five full businesses after receipt of the agreement or ballots. At the meeting the Board shall either certify the written ballots or written agreement to recall the Director, in which case the recall is effective immediately or the Board shall within five full business days after the meeting file a Petition for Arbitration pursuant to Fla. Stat. Chapter 720.303.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Article V Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Chairman shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving a majority of the votes cast for that office shall be elected. Cumulative voting is not permitted.

Article VI
Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time the next day that is not a legal holiday. The annual organizational meeting of the Board of Directors shall be held immediately succeeding the annual meeting or within ten (10) days following the annual meeting at such place and time as shall be fixed by the Directors. No further notice of the organizational meeting shall be necessary.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A director may join in the action of a meeting of the Board by signing the minutes thereof, and such signing shall constitute the presence of such Directors for the purposes of determining a quorum. If at any meetings of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

Section 4. Open Meetings. Meetings of the Board may be open to all members on such terms as the Board may determine, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege and for meeting of the Board held for the purpose of discussing personal matters. Members have the right to speak on any item placed on the agenda by petition of the voting interests for at least three (3) minutes. The Board may adopt reasonable rules and regulation regarding the frequency, duration and

other manner on Member statements, which may included a sign-up sheet for Members wishing to speak.

Section 5. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of Directors.

Section 6. Member Petition. If twenty (20) percent of the total voting interests petition the Board to address an item of business, the Board shall at its next regular Board meeting or at a special meeting of the Board, but not later than sixty (60) days after the receipt of the Petition, take the petitioned item up on as agenda. The Board shall give all members notice of the meeting at which the petitioned items shall be addressed at least fourteen (14) says in advance of the meeting via mailing or hand delivery.

Section 7. Consideration of Assessments/ Rules Regarding Lot Use. An assessment may not be levied at a Board meeting unless the notice of the meeting included a statement that assessment will be considered and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding Lot use will be considered must be mailed or hand delivered to the Members and posted conspicuously on the property not less than fourteen (14) days before the meeting.

Article VII Powers of Directors

Section 1. Powers. The Board of Directors shall have the power to:

A. Adopt and publish rules and regulations governing the use of the common areas and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

B. Suspend the voting rights and right to use of the common areas by a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such right to the use of the common areas may also

be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

C. Exercise for the Association all powers, duties and authority invested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Article of Incorporation, or the Restrictions.

D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

E. Employ a manager, management company, an independent contractor or such other employees as the Board deems necessary and to prescribe the duties to be undertaken and the compensation therefore, and authorized the purchase of necessary supplies and equipment and to enter into contracts with regard to the foregoing items or services.

F. Accept such other functions or duties with respect to the property hereunder, including Architectural Control, in addition to maintenance responsibilities, as are determined from time to time to be proper by the majority of the Board of Directors.

G. Delegate to and contract with a financial institution for collection of the assessments of the Association.

Section 2. Duties. It shall be the duty of the Board of Directors:

A. To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is required in writing by fifty-one percent (51%) of all members, notwithstanding the provisions of Article III hereof;

B. To supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

C. To fix the amount of the annual assessment against each lot or unit at least thirty (30) days in advance of each annual assessment period and to send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance

of each annual assessment period; and in relation thereto, to establish the Annual Budget;

D. To foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same, at the election of the Board of Directors;

E. To issue or cause to be issued by an appropriate officer, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

F. To procure and maintain adequate liability insurance on property owned by the Association, and such other insurance which in the opinion of the majority of the Directors may be necessary or desirable for the Association in addition to the insurance required to be carried by the Association as set forth in the Declaration as the same may be amended from time to time, the policies and limits are to be reviewed at least annually and increased and decreased at the discretion of the majority of the members of the Board of Directors;

G. To cause the common areas to be maintained.

H. To fix and determine the amount of special assessments for capital improvements as set forth in the Restrictions described hereinabove, to send written notice of special assessment to every Owner subject thereto at least thirty (30) days in advance of the due date thereof, and to collect or cause to be collected such sum or sums as are deemed to be due by virtue of said special assessment.

Section 3. Special Appointments and Committees.

A. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine in its discretion.

B. Committees. The Board shall appoint such standing committees as are required under the Articles or these By-Laws, as well as such other committees as are necessary or desirable from time to time, which committees shall exist for such a period of time, have such authority, and perform such duties as the Board may, from time to time, determine, in its direction.

Section 4. Restrictions. The Board of Directors may not initiate litigation against any party in the name of the Association involving amounts in controversy in excess of \$100,000.00 without first obtaining the affirmative vote of a majority of the voting interest at a meeting of the membership at which a quorum has been obtained.

Article VIII Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the organizational meeting of the Board of Directors as provided for in Article VI, Section 1.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by a majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The office of president and secretary may not be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

A. President: The President shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes, and shall have all the powers and duties which are usually vested in the office of the President of a corporation.

B. Vice President: The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

C. Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as may be required by the Board of Directors.

D. Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disperse such funds as directed by resolution of the Board of Directors; shall co-sign all checks with the management company, sign all checks and promissory notes of the Association along with the president; keep proper books of account; cause a financial report of the Association books at the completion of each fiscal year; and shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

E. Compensation. The compensation, if any, of the officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Association or preclude the contracting with a Director or a party affiliated with a Director for the management or performance of contract services for all or any part of Palo Verde Homeowners' Association, Inc.

Article IX
Accounting Records, Fiscal Management

Section 1. The Association shall use the cash basis method of accounting and shall maintain accounting records in accordance with good accounting practices, which shall be open to inspection by members and Institutional Mortgagees or their respective authorized representatives at reasonable times. Such authorization as a representative of a member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Written summaries of the accounting records shall be available at least annually to the Members. Such records shall include, but not be limited to, (i) a record of all receipts and expenditures; and (ii) an account for each unit which shall designate the name and address of the unit Owner thereof, the amount of the assessments charged to the Unit, the amounts and due dates for payment for same, the amounts paid upon the account and the balance due.

Section 2. The Board shall adopt a Budget of the anticipated Operating Expenses of the Association for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the first two weeks of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to each member and each Unit Owner shall be given notice of the Assessment applied to his Unit(s). The copy of the Budget shall be deemed given upon its delivery or upon its being mailed to the Member or Unit Owner shown on the records of the Association at his last known address as shown on the records of the Association.

Section 3. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar

year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for the Operating Expenses which cover more than such calendar year; (iv) Assessments shall be made quarterly in amounts no less than are required to provide funds in advance for payment of all the anticipated current Operating Expenses and for all unpaid Operating Expenses previously incurred; and (v) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

Section 4. The Assessment shall be payable as provided for in the Restrictions.

Section 5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not Budgeted or which shall exceed Budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of an adjustment to the applicable Assessment (e.g. Unit Assessment or Special Assessment).

Section 6. The depository of the Association shall be such bank as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

Section 7. The Association shall prepare an annual financial report within 60 days after the close of the fiscal year and a copy of the report or a written notice that a copy is available upon request at no charge shall be furnished to each member and Owner. The report shall be deemed to be furnished to the member or Owner upon its delivery or mailing to the member or Owner shown on the records of the Association at his last know address shown on records of the Association. The holder, insurer, or guarantor of first mortgage upon any unit in Palo Verde shall be entitled,

upon written request therefore, to receive financial statements of the Association for the prior fiscal year without charge. If the total annual Association revenues are \$100,000 or more, but less than \$250,000, the Association shall prepare compiled financial statements. If the total Association revenues are \$250,000 or more, but less than \$400,000, the Association shall prepare reviewed financial statements. If the total annual Association revenues are \$400,000 or more, the Association shall prepare audited financial statements. If 20 percent of the Members petition the Board for a level of financial reporting higher than that required herein based upon revenue, the Association shall duly notice and hold a meeting of member within 30 days of receipt of the petition for the purpose of voting on raising the level of reporting. Upon approval of a majority of the total voting interest of the Members, the Association shall prepare or cause to be prepared the level of financial report one step higher than is required above. For example, if a compilation is required due to revenues, and the Owners petition for a vote, and a majority of the total voting interests so vote, than a review of the financial records shall be prepared.

Section 8. All contracts for the provision of services, and all contracts that are not to be fully performed within 1 year after the making thereof for the purchase, lease or renting of materials or equipment to be used by the Association, shall be in writing. If a contract for the purchase, lease or renting of materials or equipment or for the provisions of services, requires payment by the Association that exceeds ten percent (10%) of the total annual budget of the Association (including reserves), the Association must obtain competitive bids for the material, equipment or services. Excluded from this requirement are contracts under a local government franchise agreement by a franchise holder, contracts for employees of the Association, and contract for attorney, accountant, architects, community association manager, engineering and landscape architect services, as well as any contracts executed prior to October 1, 2004 and any renewal thereof. If a contract is awarded under competitive bid, any renewal thereof is not subject to competitive bid if it contains a provision that allows the Board to cancel the contract on thirty (30) days notice. Competitive bidding is not requirement in the event of an emergency, nor where there is only one source of supply within Collier County as to the material, service, or equipment in question.

Article X
Records

The official records of the Association shall at all times, during reasonable times and places within 10 business days after receipt of a written request for access be subject to inspection and copying by any member or the authorized agents. The official records shall include:

- A. A copy of the plans, specifications permits, warranties related to improvements construction on the common areas or other property that the Association is obligated to maintain, repair or replace.
- B. A copy of the Bylaws and all amendments thereto.
- C. A copy of the Articles of Incorporation and all amendments thereto.
- D. A copy of the declaration of covenants and all amendments thereto.
- E. A copy of the current rules of the Association.
- F. The minutes of all meetings of the Board of Directors and of the Members, which minutes shall be retained for a period of not less than seven years.
- G. A current roster of all Members and their mailing addresses and parcel identifications.
- H. All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven years.

Article XI
Assessments

As more fully provided in the herein, each member is obligated to pay to the Association annual and special assessments.

Article XII
Corporate Seal

The Association shall have a seal in circular form, having within its circumference the words: Palo Verde Homeowners' Association, Inc., a Florida Corporate not for profit, 1994. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise. The words "corporate seal" or their equivalent may be used as a facsimile of or as the seal.

Article XIII
Amendments

Section 1. Requirements to Amend. These By-Laws may be amended at a regular special meeting of the members by a vote of fifty-one percent (51%) of the members present in person or by proxy, notwithstanding the provisions of Article III hereof.

Section 2. Control of Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

Article XIV
Rules and Regulations

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation and use of any of the Association Property. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members and Owners shown on the records of the Association at the time of such delivery or mailing at the last known address for such Members and Owners shown on the records of the Association and shall not take effect until forty-eight (48) hours after such delivery or mailing. Notwithstanding the foregoing, where rules and regulations are to regulate the use of specific portions of the Association Property as, but not limited to, tennis courts or a swimming pool (the recitation of such facilities being only illustrative and not a representation that such facilities shall exist), same shall be conspicuously posted at such facility and such rules and regulation shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view towards

protection from weather and the elements. Posted rules and regulations which are torn or lost shall be properly replaced.

Article XV
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December each year, except that the first fiscal year shall begin on the date of Incorporation of the Association.

Section 2. Indemnification. Every director and officer of the Association, and every member of the Association serving the Association at its request, shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of 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 or officer of the Association or by reason of his serving or having served the Association at its request, whether or not he is director or officer or is serving at the time the expenses or liabilities are incurred; provided that in the event of a settlement before entry of judgment, and also when the person is adjudged guilty or willful misfeasance of malfeasance in the performance of his duties, the indemnification shall apply only when the Board of Directors approves the settlement and reimbursement as being for the best interest of the Association.

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Section 3. Insurance. The Board of Directors may, but is not required to, elect to carry a policy of officers' and directors' liability insurance, insuring the officers and directors against any claims made against them whatsoever, except claims of willful negligence of office.