

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PALISADES
(REVISED2020)**

AMENDED AS OF November 9, 2020

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**AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
PALISADES
LAKE COUNTY, FLORIDA**

THIS IS THE AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR PALISADES (hereinafter referred to as the "Declaration"). This Declaration sets forth rules and restrictions for the benefits and enjoyment of Owners of Lots within the Property, as those terms will be defined herein.

WITNESSETH:

WHEREAS the original Declaration of Covenants and subsequent documents related to the Palisades Development and/or amending and/or supplementing the Original Declaration have been recorded in the Lake County, Florida Public Records and are referenced in appendix number one to this document (hereinafter, the "Original Declaration"); and

WHEREAS the Lot Owners may amend the Original Declaration pursuant to the provisions of Article XII, Section 3 of the Original Declaration as amended in the first amendment by an instrument signed by not less than $\frac{3}{4}$ of the Lot Owners; and

WHEREAS The Lot Owners desire to amend and restate, in its entirety, the Original Declaration in accordance with the terms and conditions contained herein; and

WHEREAS, The Planned Unit Development that is defined in the zoning ordinance #29-90 of Lake County Florida (hereinafter "PUD"), and the associated homeowners association that is incorporated in Florida as the Palisades Homeowner's Association, Inc., was turned over to its Members as of January 22, 2015, who are owners of the Lots as defined herein; and

WHEREAS, the planned development PUD is, as of, 2014, seventy-five percent built-out, more or less, and the Members support the continued build out by the "Developer" who is known to us as CanAm Palisades, Ltd.; and

WHEREAS, the Developer intends to complete the Build Out in accordance with the provisions of Lake County Ordinance 29-90 and the regulations of all applicable permits and legal requirements as more particularly provided in this Declaration; and

WHEREAS, Palisades FL, LLC, Delaware limited liability company (hereinafter referred to as the "Golf Course Property Owner," which term shall include its successor and assigns), is the owner of certain real property (hereinafter referred to as "Golf Course Property") which is adjacent to the property subject to this Declaration and which has been developed into a golf course; and

WHEREAS, the Members and Developer desire to provide for the preservation of the values and amenities in Palisades and for the maintenance of entryway features, perimeter fencing, perimeter landscaping, recreation areas, common landscaping, storm water management system areas as described on the Master Plan, drainage areas and other common facilities as may be specifically designated on the above referenced plat and any subsequent plat of the property and, to this end, desires to subject the Property and Waterfront Lots to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and Waterfront Lots and each subsequent owner of all or part thereof; and

WHEREAS, the Developer deemed it desirable for the efficient preservation of the values and amenities in Palisades to create a homeowner's association to which should be delegated and assigned the powers of maintaining and administering the common area properties and facilities, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Developer has incorporated under the laws of the State of Florida, a non-profit corporation called Palisades Homeowner's Association, Inc. (hereinafter referred to as the "Association") which Association is not intended to be a "Condominium Association" as such term is defined and described in the Florida Condominium Act (Chapter 718 of the Florida Statutes), for the purpose of exercising the functions aforesaid, but is instead to be considered a homeowners association in accordance with Chapter 720 of the Florida Statutes;

NOW, THEREFORE, The Association hereby declares that all of the residential properties described above shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the following easements, restrictions, covenants and conditions, which are for the purpose of enhancing and protecting the value and desirability of, and which shall run with, said real property and be binding on all parties having and/or acquiring any right, title or interest in the Property and Waterfront Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

The following words and terms when used in this Declaration or any supplemental declaration hereto (unless the context shall clearly indicate otherwise) shall have the following meaning:

- A. Intentionally Left Blank
- B. "Architectural Review Committee" or "ARC" shall mean and refer to the committee established by the Board of Directors of Palisades Homeowner's Association, Inc. and described in Article VII hereof.
- C. "Articles" shall mean and refer to the Articles of Incorporation filed with the office of the Secretary of State of the State of Florida for Palisades Homeowner's Association, Inc., as the same may be amended from time to time.
- D. "Assessments" shall mean those assessments levied by the Association pursuant to Article V of this Declaration. "Annual Assessments" shall mean those assessments levied by the Association pursuant to Article V, including Sections 5, 6, and 7 of this Declaration. "Special Assessments" shall mean those assessments levied by the Association pursuant to Article V, including Section 6 of this Declaration. "Initial Assessment" shall mean those assessments levied by the Association pursuant to Article V, including Section 3 of this Declaration. "New Owner Initiation Assessment" shall mean such assessment levied by the Association pursuant to Article V, Section 4 of this Declaration.
- E. "Association" shall mean and refer to Palisades Homeowner's Association, Inc., a Florida non-profit corporation, its successors and assigns.
- F. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- G. "Build Out" shall mean the complete development of Phase 3 and the construction of Residential Units on all Lots owned by Developer, in phases, and including approximately 155 more Lots within Phase 3, including the selection, sizing and location of streets, drainage facilities, sidewalks, utilities, easements, Residential Units and other improvements, landscaping, lighting and irrigation, all as determined by Developer in its sole discretion, subject only to applicable Law(s) and to setbacks and minimum sizes of Residential Units as set forth in this Declaration.
- H. "Builder" shall mean construction entity for Residential Units approved by Developer.
- I. "By-Laws" shall mean and refer to the By-Laws of the Association, as the same may be amended from time to time.

J. "Common Area" or "Common Property" shall mean and refer to all real property (including any improvements thereto) owned by the Association for the use and enjoyment of the Owners (as the term is hereinafter defined).

K. "Conservation Easements" shall mean and refer to easements or dedications granted by the Developer pursuant to and in compliance with chapter 17D(h) of the Internal Revenue Code of 1986, and as required by Lake County code as amended from time to time.

L. "Cottage Lot" shall mean and refer to Lots 72-113 of Palisades Phase I, according to the Plat thereof, recorded in Plat Book 32, Pages 55 through 57 of the Public Records of Lake County Florida.

M. "Developer" shall mean and refer to CanAm Palisades, Ltd., a Florida limited partnership and its successors and assigns.

N. "Declaration" shall mean and refer to this Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Palisades, as it may from time to time be amended, which amends, restates, replaces, and supersedes the Original Declaration.

O. "Drain Field Agreement" shall mean and refer to that certain Septic Tank Drain Field Ingress and Egress Easement Agreement dated October 10, 1990 by and between Palisades Golf Partners and Developer.

P. "Eligible Member" shall mean and refer to a member of Association who is in good standing, is entitled to vote, is not delinquent in payments of association dues, and has no action pending against them for delinquent dues or violations of the provisions of this Declaration, the requirements of the Architectural Review Manual, or any other rules and regulations promulgated by the Association.

Q. "Estate Lot" shall mean and refer to Lots 1-26 inclusive of Palisades Phase I, according to the Plat thereof, recorded in Plat Book 32 Pages 55 through 57 of the Public Records of Lake County, Florida.

R. "Executive Lot" shall mean and refer to Lots 27-76 inclusive and Lots 114-127 inclusive of Palisades Phase I, according to the plat thereof as recorded in Plat Book 32 Pages 55 through 57 of the Public Records of Lake County, Florida.

S. "Law" shall mean each law, statute, ordinance, order, regulation, permit, and other requirement of legal authorities, including without limitation courts and tribunals, applicable to the context in which this defined term is used.

T. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or plat of any portion of the Property upon which is located, or is intended to be located, a single family residential dwelling. The reference to a Lot shall also include the residential unit once constructed.

U. "Maintenance" shall mean and refer to, but shall not be limited to, the following: clean-up, landscaping and grounds care, dredging, chemical treatment and other services as related to retention/detention ponds and drainage ditches septic tank drain fields, Surface Water Management System, potable water wells and water utility plant as necessary, painting and structural upkeep of improved properties, recreational facilities, Common Area, sidewalks, bicycle paths and rights of way, upkeep of landscaping, decorative walls in the median of the entrance way into the development and other Common Area; and repair and all other such functions incidental to the services of the Association.

V. "Master Plan" shall mean and refer to the most recent land use plan from time to time approved by Lake County, Florida for the development of the Property and the Additional Lands as a unified community.

W. "Member" or "Membership" shall mean and refer to all those Owners who are Members of the Association, as provided in Article III hereof.

X. "Open Space" shall mean and refer to an exterior open area from the ground and upward devoid of residential and commercial buildings, accessory structures and impervious areas; except, however, those buildings, structures or areas used exclusively for recreational purposes by the Members may be included as Open Space.

Y. "Owner" shall mean and refer to the owner shown by the records of the Association (whether it be the Developer, one or more persons, firms or legal entities) of fee simple title to any Lot located within the Property. Owner shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired fee simple title pursuant to foreclosure or a similar proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an owner.

Z. "Palisades" shall mean and refer to the residential community developed on the Property pursuant to the Master Plan.

AA. "Phase 3" shall mean all of the land described in the PUD, less those portions previously made a part of the Palisades by the Original Declaration.

BB. "Plat" shall mean and refer to the following plats of the Association, and such other subdivision plats and replats of portions of the Property and of the Additional Lands as may be recorded from time to time"

PALISADES – PHASE 1, as recorded in Plat Book 32, Pages 55-57;

PALISADES PHASE 2A, as recorded in Plat Book 37, Pages 80-81;

PALISADES PHASE 2B, as recorded in Plat Book 43, Pages 90-91;

PALISADES PHASE 2C, as recorded in Plat Book 52, Pages 18-20;

PALISADES PHASE 2D, as recorded in Plat Book 52, Pages 21-23; and

PALISADES PHASE 2E, as recorded in Plat Book 46, Pages 64-66, all of the Public Records of Lake County, Florida.

CC. "Property" or "Properties" shall mean and refer to that certain real property described more fully in the Original Declaration and incorporated herein, and such additions thereto as may hereafter be brought within the jurisdiction of the Association,

DD. "Residential Unit" shall mean and refer to a dwelling unit constructed on a Lot for which a certificate of occupancy has been issued by the applicable governmental authorities, and which dwelling unit is intended to be used and occupied as a residence by not more than one family.

EE. "Surface Water Management System" or "Master Storm Water Management System" shall mean that portion of the Open space located within the Property or the Golf Course Property as shown on the Master Plan which consists of swales, inlets, culverts, lakes, outfalls, storm drains and the like, including retention/detention ponds and all connecting pipes and easements, used in connection with the retention, drainage and control of surface water.

FF. "Waterfront Lots" shall mean or refer to Lots 1 through 23 of Palisades Country Club Phase 1A according to the plat thereof, as recorded in Plat Book 31, Pages 38 through 39 of the Public Records of Lake County, Florida.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. The right of the Association to charge reasonable admission fees for the use of any recreational facility situated upon the Common Area;

B. The right of the Association to suspend an Owner's voting rights, disconnect the Owner's bulk cable service provided through the Association, and suspend an Owner's right to use the recreational facilities located on the Common Area, for the period of time during which an Assessment against such Owner's Lot remains unpaid, and for a period not to exceed ninety (90) days from the time such Owner is determined by the Board of Directors to be in violation of any of the Association's published rules or regulations;

provided, however, that before the Association shall have the right to disconnect an Owner's bulk cable service for non-payment of Assessments, the Association shall have first recorded a lien against the Owner's Lot for the Assessments due, and further provided, that the cable service shall not be restored until the Owner has satisfied the lien and paid all Assessments having come due since the lien was recorded, and paid all charges and fees associated with reconnecting the cable service. Notwithstanding the foregoing, a suspension may only be imposed for violations of Association rules or regulations upon compliance with the applicable notice and hearing requirements of Section 720.305, Florida Statutes.

C. The right of the Association to dedicate or convey all or any part of the Common Area to any public or private agency, authority, or utility or any party for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or conveyance shall be effective unless an instrument authorizing such dedication or conveyance has been approved by not less than 66% of all Lot Owners within the Association with applicable voting rights, who are voting in person or by proxy at a meeting of the Members of the Association duly called and noticed for this purpose, and has been recorded in the Public Records of Lake County, Florida.

D. Recognizing that the full use and enjoyment of any Lot or Residential Unit located upon the Property is dependent upon the right to the use and enjoyment of the Common Areas and the improvements made thereto, and that it is in the interests of all the Owners that the right to the use and enjoyment of the Common Area be retained by the Owners of Lots and Residential Units, it is therefore declared that the right to the use and enjoyment by any Owner in the Common Area shall remain undivided. However, the Association may develop rules and regulations regarding use of recreational facilities or Common Area for private parties or functions by Owners. In addition, there shall exist no right to transfer the right to the use and enjoyment of the Common Area in any manner other than as an appurtenance to and in the same transaction with a transfer of title to a Lot or Residential Unit within the Property provided, however, that nothing here shall preclude a conveyance by the Association herein of any undivided interest in the Common Area to the Owners of Lots or Residential Units within the Property for the purpose of effectuating the intent of this Declaration. Any conveyance or transfer of a Lot or Residential Unit within the Property shall include the right to the use and enjoyment of the Common Area appurtenant to such Lot or Residential Unit, subject to reasonable rules and regulations promulgated by the Developer or the Association for such use and enjoyment, whether or not which rights shall have been described or referred to in the deed by which said Lot or Residential Unit is conveyed.

Section 2. Delegation of Use. Any Owner may delegate, in writing to the Board, in accordance with the By-Laws of the Association, his right of enjoyment to the Common Area and facilities located thereon to any member of his family, his tenants, or contract purchasers who reside in the Residential Unit located on his Lot.

Section 3. Damage or Destruction of Common Area by Owner. In the event any part of the Common Area is damaged or destroyed by an Owner or any of its guests, tenants, licensees, agents, or members of its family, such Owner does hereby authorize the

Association to repair said damaged area at the Owner's expense. The Association shall repair said damaged area in a good workmanlike manner and in conformance with the original plans and specifications as they may have been altered or modified by the Association pertaining to the damaged area. The cost of said repairs shall be deemed a special assessment against the Owner due and payable upon being assessed against the Owner, and in the event said special assessment is not paid when due, the Association shall have the right to place a lien on the Owner's Lot for payment of such assessment and to otherwise proceed to collect same in accordance with Florida statutes. Enforcement of any assessment lien against an Owner shall be consistent with the enforcement of these covenants and restrictions as set forth herein.

Section 4. Title to Common Area. Developer shall convey legal title to the Common Area to the Association free and clear of encumbrances and such conveyance shall be subject to the terms of this Declaration and any Supplemental Declaration pertaining to the Property, including any easements and licenses set out therein and easements for such utility services as the Developer deems appropriate, and may be subject to the terms of a mortgage. Developer, in the conveyance of the Common Area to the Association, shall also reserve to itself, its successors and assigns, a non-exclusive, perpetual easement for ingress and egress through the platted roads of the Property for the purpose of obtaining access to any public highways. The Property shall be subject to a perpetual easement in gross being granted to the Association, and its successors for ingress and egress on the Property for the purpose of having its employees and agents perform all obligations and duties of the Association set forth herein.

Section 5. Use of Recreational Amenities. For purposes of this Declaration, the "Recreational Amenities" will consist of the tennis courts and swimming pool, and related facilities constructed by Developer on land adjoining the Association and contained within the Golf Course Property. Subject to the following conditions and restrictions, the Owners shall have the right to use the Recreational Amenities for their intended purposes:

- A. Subject to such conditions, restrictions and requirements as may be specified in this Declaration;
- B. Subject to agreements in effect between the Developer and the owner of the Golf Course Property, and that may be amended and modified with the approval of the Association in the future, and which may be referred to in **APPENDIX 2** of this document;
- C. Subject to such rules, regulations, restrictions, policies and procedures as may be promulgated by the Association and the owner of the Golf Course Property;
- D. Subject to the payment of such reasonable use charges as may be required by the Association and the owner of the Golf Course Property; and
- E. Subject to the Owners' compliance with and performance of the restrictions and requirements of the Declaration.

Section 6. Assessment for Maintenance, Operation, Repair, and Replacement of Recreational Amenities. The Association is responsible for paying actual costs of maintaining, operating, repairing and replacing the Recreational Amenities. Accordingly, the

Assessments, as provided in Article V and Article XII of this Declaration, may also be used for paying the Association's obligations with respect to these costs.

Section 7. Source of Homeowner's rights to use the Pool and Tennis Courts.

The source of members' rights to use the pool and tennis courts, that are on the Golf Course Property, is found in the Golf Course Cooperation Agreement between the Palisades Golf Club, Ltd., and CanAm Palisades, Ltd., dated October 13, 1989 and its subsequent amendments and recorded memoranda, including, but not limited to, the Memorandum of Agreement recorded in the Official Records Book 1403, Page 2331, Public Records of Lake County, Florida.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING

Section 1. Membership. Every owner of a Lot, which is subject to assessment by the Association, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. In addition, the Golf Course Owner, its successors or assigns, shall be entitled to votes as set forth below, unrelated to Lot ownership, but appurtenant to ownership of the adjacent Golf Course Property.

Section 2. Allocation of Voting Rights. The Association shall have three (3) classes of voting membership:

Class A: Class A Members shall be all Owners, with the exception of the Developer (until the Developer converts to Class A membership as provided below) and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members and the person entitled to cast the vote for the Lot shall be designated by a certificate filed with the secretary of the Association at any time before the vote is cast, signed by all record Owners of the Lot. If any Lot is owned by a corporation or partnership, a similar certificate shall be required designating the person entitled to cast the vote for such Lot. In the event such certificate by multiple Owners or a corporation or partnership is lacking, then the vote for that Lot shall not be considered in determining the requirement for a quorum or any other purpose until such certificate is filed with the secretary of the Association. Except, however, when title to a Lot is held by a husband and wife, they may, but shall not be required, to designate a voting member. If they do not designate a voting member, and if both are present at a meeting, only one may vote on any given matter. If they are unable to agree on who shall vote, their vote shall not be counted. If no voting member is designated and only one spouse is present at a meeting, the spouse may cast the vote for the Lot without establishing the concurrence of the absent spouse. In no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Member is the Developer, its successors or assigns and shall be entitled to one vote for each platted and recorded buildable Lot, owned by the Developer,

planned for a separate Residential Unit, and subject to Assessments by the Association as pertain to the Developer as defined in Article V, Section (8) of this Declaration. *The record of each of the platted Lots including Plat Book and Page must be on file with the secretary of the Association for the vote for each platted Lot to be counted.* The person entitled to cast one vote per platted and recorded Lot shall be designated by a certificate filed with the secretary of the Association at any time before the vote is cast. Class B Membership continues until declined in writing by the Developer, or until the Build Out is finished, whichever is earlier. When Class B membership is thus terminated, the Developer shall become a Class A Member with respect to each Lot owned by the Developer.

Class C: The Class C Membership shall be the Golf Course Property Owner, its successors or assigns, and shall be entitled to one (1) vote which voting right is appurtenant to its ownership of the Golf Course Property. The Golf Course Property Owner shall be obligated to pay their proportionate share of the assessments by the Association equivalent to ownership of one lot which assessments are appurtenant to their ownership of the Golf Course Property and voting rights. Failure of Golf Course Property Owner to pay their proportionate share of the assessments within a period of thirty (30) days after they become due and payable shall result in the *loss of Golf Course Property Owner voting rights*, as outlined above, until such time as all assessments and penalties are paid in full. If the Golf Course Property Owner is considered an Eligible Member, they may request an inspection, from time to time, of the Palisades properties, as seen from the golf course, by the Association management company, as is now done from the front of the properties, to maintain the appearance of the properties as seen from the golf course. A golf course manager may accompany the management inspector thereby, providing a golf cart for transportation and thereby bringing to attention the golf course concerns regarding the appearance of certain Lots. However, the judgment of decision as to whether a violation is apparent or should be corrected and the administrative follow-up is to the discretion of the Association according to the usual standards used during the inspection process.

Section 3. Developer's Rights in the Association. Developer reserves the right to designate the initial members of the Board of Directors of the Association and their successors until the "Turnover Date." Upon and after the Turnover Date, the Board shall be elected by the Members of the Association in accordance with the terms and provisions of this Declaration and the Articles and By-Laws, except that Developer shall be entitled to appoint one member to the Board for so long as Developer owns at least 1 of the Lots in the Property.

Section 4. Change of Membership of Class A Members. Change of Class A Membership in the Association shall be established by recording in the Public Records of Lake County, Florida, a deed or other instrument establishing a record fee simple title to a Lot in the Property. The grantee designated by such instrument thus becomes a Class A Member of the Association and the membership of the prior owner is terminated. The new Owner shall notify the Association in writing of the recording of the deed or other instrument establishing record title and shall furnish the Association a copy of such instrument with recording information thereon if required by the Association.

ARTICLE IV

FUNCTIONS OF HOMEOWNERS ASSOCIATION

Section I. Services. The Association shall have all powers permitted by Florida law, including, without limitation, the following powers and may, but is not obligated to, provide all services permitted by Florida law, including, without limitation, the following services:

A. Maintenance of all parks, Open Space, Surface Water Management Systems, Master Storm Water Management System, septic tank drain fields, conservation areas, water wells, water utility plant, Common Area, boat ramps, fences recreation areas, Recreational Amenities, buildings, street lights, landscaping, walls, irrigation systems, lands covered by the Master Plan and all city, country, district or municipal properties and rights of way (to the extent permitted by any governmental authority) which are located within or in a reasonable proximity to the Properties where deterioration of any of the described items would adversely affect the appearance of the properties or the operation of systems appurtenant to the Properties. The Association may also provide security or public relations personnel as the Association may deem necessary. The Association shall adopt standards of maintenance and operation as required to effectuate the purposes of the Declaration and to operate a first rate residential community.

B. Maintenance of any real property located within the Property upon which the Association has accepted an easement for said maintenance.

C. Maintenance of water bodies, if any, owned by or dedicated for the use of the Association within the Properties, as well as maintenance of water bodies not owned by the Association within the Properties if and to the extent permitted by any governmental authority having jurisdiction thereof.

D. Insect, pest and aquatic control where necessary or desirable in the judgment of the Association to supplement the service provided by the state and local governments. The Association reserves a perpetual easement on, over and under all Properties and any Additional Properties to dispense pesticides and take other action which, in the opinion of the Association, is necessary or desirable to control insects and vermin.

E. Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Properties and to perform any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Properties, including this Declaration, or in the Articles or By-Laws, or rules and regulations adopted by the Association through its Board of Directors.

F. Conducting business of the Association including, but not limited to, administrative services such as legal, accounting and financial, and communication services which include informing Members of activities, preparing and delivering or mailing notices

of Meetings, and other important events. The Association shall have the right to enter into management agreements with companies affiliated with the Developer in order to provide its services and perform its functions. Any professional management contract entered into by the Association shall contain reasonable term and termination provisions. The Association may elect to terminate any contracts or leases entered into by the Association prior to the Turnover Date, including any professional management contracts, at any time after the Turnover Date, provided that it can do so without any unreasonable penalty or cost as defined by the Board of Directors, upon not less than ninety (90) days' notice to the other parties thereto.

G. Purchasing general liability and hazard insurance covering improvements and activities on the Common Property at a current cost basis in an amount of no less than one hundred percent (100%) of the insurable value; directors and officers liability insurance; and such other insurance as the Board deems necessary. Hazard insurance proceeds for losses to any Common Property may not be used other than for repair, replacement or reconstruction of such property unless the Board decides otherwise in its reasonable discretion.

H. Establishing and operating the Architectural Review Committee.

I. Adopting, publishing and enforcing such Rules and Regulations as the Board deems necessary.

J. Lighting of roads, sidewalks, walking and bike paths throughout the Properties.

K. Conducting recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

L. Constructing improvements on Common Property and granting easements as may be required to provide the services as authorized in Section I of this Article.

M. Employment of guards, maintenance of control centers for the protection of persons and property within the Property, and installation, operation and maintenance of communication systems by the Association or a contractual designee of the Association.

N. In addition to maintenance herein provided, the Association may provide exterior maintenance upon any Residential Unit which, in the Association's opinion, requires such maintenance because said Residential Unit is being maintained in a sub-standard manner. The Association shall notify the owner of said Unit or Units in writing, specifying the nature of the condition to be corrected and, if the Owner has not corrected same within fifteen (15) days after date of said notice, the Association (after approval of a majority affirmative vote of the Board) may correct such condition. Such entry by the Association or its agent(s) shall not be deemed a trespass. Said maintenance shall include

but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

For the purpose of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Residential Unit or other structures or improvements located in the Properties at reasonable hours on any day.

The cost of such maintenance shall be assessed against the Lot upon which such maintenance is performed and shall be considered a special assessment against the Lot. Any such special assessment or charge shall be a lien upon the Lot and a personal obligation of the Lot owner and shall become immediately due and payable in all respects, together with attorney's fees, court costs, interest and other fees or costs of collection as provided for other assessments of the Association.

O. The Association may carry out any of the functions and services in Section 1 of this Article to the extent such maintenance and services can be provided with the proceeds first from annual assessments and then, if necessary, from special assessments. The functions and services allowed in Section 1 of this Article to be carried out or offered by the Association at any particular time shall be determined by the Board taking into consideration proceeds of assessments and the needs of the Members of the Association. The functions and services which the Association is authorized to carry out or to provide may be added to or reduced at any time upon the affirmative vote of the majority of the Board. The Association may provide the permitted services by contract with third parties, including agreements with applicable governmental agencies. Any professional management contract entered into by the Association shall contain reasonable term and termination provisions. Any contracts or leases entered into by the Association prior to the Turnover Date, including any professional management contract, shall provide a right of termination without cause, which is exercisable without penalty at any time after the Turnover Date, upon not more than ninety (90) days' notice to the other party thereto.

P. Establish use fees for certain facilities and promulgate rules and regulations respecting the use of Common Property, Recreational Amenities, Lots, and Association facilities by Members and persons other than Members.

Q. Perform upkeep and maintenance of the common landscaping for the Cottage Lots. To the extent that the Association is presently legally obligated to perform upkeep and maintenance of common landscaping for any of the Cottage Lots, the Association will continue to perform that upkeep and maintenance until the legal obligation to do so ceases. The Association shall have no obligation, however, to perform upkeep and maintenance of common landscaping for the remaining Cottage Lots. With respect to any Cottage Lots the common landscaping for which the Association performs upkeep and maintenance, the Association may levy a special assessment payable by the Owners of the applicable Cottage Lots in such amount as the Association may prescribe to offset costs of

that upkeep and maintenance. The cost of such maintenance shall be assessed against the Cottage Lot upon which such maintenance is performed and shall be considered a Special Assessment against the Cottage Lot. Any such special assessment or charge shall be a lien upon the Cottage Lot and a personal obligation of the Cottage Lot owner and shall become immediately due and payable in all respects, together with attorney's fees, court costs, interest and other fees or costs of collection as provided for other assessments of the Association.

R. Any other function the Association deems appropriate for the maintenance and enjoyment of the Property.

Section 2. Mortgage and Pledge. The Board upon approval of the Association as provided in Article IV of the Articles of Incorporation shall have the power and authority to mortgage the Property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association in performing its functions.

Section 3. Conveyance to Association. The Association shall be obligated to accept any and all conveyances to it by the Developer of fee simple title, easements or leases to Open Space, parks, lakes, Surface Water Management Systems, conservation areas easements, or Common Property.

Section 4. Conveyance by Association. Subject to the provisions of Article VI of this Declaration, the Association shall be empowered to delegate or convey any of its functions or properties to any governmental unit or public utility or for other public purposes consistent with the intended use of such property. In addition, the Association may convey lands or easements to the Developer in connection with re-planning of any portion of the Property. The Association may also exchange lands or easements with the Developer in return for land or easements or other reasonable consideration.

Section 5. Dissolution of Association. The Association may be dissolved with the assent given in writing signed by not less than two-thirds (2/3) of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Purpose of Assessments. The assessments levied by the Association ("Assessments") shall be used for the purpose of promoting the recreation, health, safety and

welfare of the residents in the Property in accordance with services provided by the Association in Article IV of this Declaration, including, but not limited to maintaining, operating, and improving drainage, landscaping within the Common Area, easement areas, and public right of way areas and the Common Area in general the payment of taxes and insurance on the Common Area; and repair, replacement, and additions to the drainage Surface Water Management System and other improvements; and for the costs of labor, equipment, materials, management and supervision thereof. The annual assessment may also provide reasonable reserves for deferred maintenance, replacements and betterments as further set out in the Association By-Laws.

Section 2. Creation of the Lien and Personal obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, or other conveyance, hereby covenants and agrees to pay to the Association: (1) Initial Assessments, (2) New Owner Initiation Assessments, (3) accrued Annual Assessments, and (4) Special Assessments for capital improvements and other expenditures that the Association deems appropriate, including special assessments for violations or damages or other purposes as provided in this Declaration, the Articles and By-Laws; such assessments to be fixed, established, and collected from time to time as hereinafter provided. Late fees, the annual and special assessments together with interest thereon (as hereinafter provided) and costs of collection thereof, including, without limitation, reasonable attorneys' and paralegals' fees incurred by the Association incident to the collection of such assessment, whether or not judicial proceedings are involved, and appeals, if any, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Said lien shall be effective from and after the time of recording a claim of lien, pursuant to Florida law, in the Public Records of Lake County, Florida, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Each such assessment, together with interest thereon and cost of collection, including, without limitation, reasonable attorneys' and paralegals' fees incurred by the Association incident to the collection of such assessment whether or not judicial proceedings are involved, and appeals, if any, shall also be the personal obligation of the person who is the Owner of such Lot at the time the assessment is due and payable.

Section 3. Initial Assessment. The Board of the Association shall have the right in its discretion to levy an Initial Assessment of \$500.00 per Lot (or any other amount, if changed by Board action as provided below) to be paid to the Association at the time title to a Lot is transferred from Developer or Builder, its successors or assigns, to an Owner, following issuance of a certificate of occupancy for the Residential Unit constructed on such Lot. The Initial Assessment shall be a one-time assessment and shall be due in addition to Annual and Special Assessments as defined herein. The Board shall have the right to change the amount of the Initial Assessment at any time, upon action of a majority of the Board, at a properly-noticed Board meeting.

Section 4. New Owner Initiation Assessment. The Board of the Association shall have the right at its discretion to charge an initiation assessment to a new Lot Owner upon resale of the Lot (following issuance of a certificate of occupancy for the Residential

Unit constructed on such Lot) from a previous Lot Owner other than Developer or a Builder, in an amount of \$500.00 (or any other amount, if changed by Board action as provided below), as the Board may prescribe, to be paid at the time that the Lot is transferred to a new Owner. This initiation assessment shall be a one-time charge during the entire duration of the Lot Owner's ownership period. The Board shall have the right to change the amount of the New Owner Initiation Assessment at any time, upon action of a majority of the Board, at a properly-noticed Board meeting.

Section 5. Maximum Annual Assessments.

A. The maximum Annual Assessment per Lot shall be One Thousand dollars (\$1000) for the year 2015, (or as proportional for new members based on the portion of the year that they own the property) (plus any Special Assessment which may be levied by the Association), which shall be due in four (4) quarterly installments.

B. The maximum Annual Assessment may be increased above the amount described in Section 5(A) above by a MAXIMUM of 15% by a majority vote of the Association Board members at a duly noticed meeting of the Board. Any increase of the Annual Assessment above 15% must be approved by not less than 66% of the Class A and Class B Members who are voting in person or by proxy at a meeting of the Members of the Association duly called and noticed for this purpose. If an increase in assessments is to be voted on at a Membership meeting, notice of such proposal must be included in a notice of the meeting sent to all Class A and Class B Members.

Section 6. Special Assessments.

A. Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, Special Assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other purposes deemed appropriate by the Association, including without limitation funding deficits in costs of operating the Association, provided that any such Special Assessment shall have the assent of a majority of the votes of Class A and Class B Members who are voting in person or by proxy at a meeting of the Members of the Association duly called for this purpose. The due date of said Special Assessment shall be as provided by the resolution adopting such Special Assessment. No Special Assessment was due on the Turnover Date in respect of the Lots that Developer then owned, and accordingly its obligation to fund deficits has automatically terminated. A Special Assessment may also be levied against an Owner, or Owners, by the Association for violations, or damages, or other purposes as provided in the Declaration, the Articles of Incorporation, and Bylaws, and any such Special Assessment shall be due and payable when levied by the Association. The provisions of this Declaration relative to the assessment of late charges and interest, and the provisions of this Declaration relative to the enforcement and foreclosure of the lien for Annual Assessments shall also apply to special assessments levied pursuant to this Section 5. Only those eligible members that are required to pay for a Special Assessment may constitute a voting quorum to vote on

a Special Assessment or on an item pertaining to, or item funded from, a Special Assessments except for assessments levied against an Owner or Owners for violations or damages for which all eligible voters may vote.

B. As is provided above in Article IV, Section 1Q, the Association may also levy Special Assessments against any Cottage Lots, the landscaping upkeep and maintenance of which the Association performs. These Special Assessments will be for such amounts as the Association may prescribe, provided that the amount so levied is uniform among all affected Cottage Lots. These Special Assessments shall be due on the dates and in the manner prescribed by the Association, shall be the personal obligation of the owners of the affected Cottage Lots at the time of the levy, and shall be enforceable in the same manner as other assessments provided in this Declaration, including without limitation the imposition and foreclosure of a lien and the accrual of interest. Special Assessments so levied against Cottage Lots shall not require the assenting votes of any Members so long as the cumulative total levied against the affected Cottage Lots does not exceed the actual cost incurred by the Association in performing upkeep and maintenance of common landscaping for Cottage Lots. Except to the extent that it may be presently legally obligated to do so with respect to some of the Cottage Lots, the Association shall have no obligation to provide upkeep and maintenance for the common landscaping of any Cottage Lots.

C. Notwithstanding the provision concerning the language in Article XII, Section 4, Subsection A, "Acquisition and Restoration of Palisades Golf Course Property", in addition to assessments as otherwise provided for in these Declarations, the Association may levy Special Assessments applicable to a duration of time not to exceed two (2) years for the purpose of repaying any financial obligations of the Association and/or maintenance of the property, including but not limited to the purchase and restoration of real and/or personal property, by approval of 50% plus one (1) vote of the total number of eligible Class A and Class B Members. Such approval shall be obtained at a duly called and noticed meeting. Members may vote either in person or by proxy.

Section 7. Determination of Annual Assessments. The Board shall determine the total Annual Assessment for the Properties. Written notice of any meeting of the Board at which the Board shall consider determination of the Annual Assessment or any Special Assessment shall be sent to all voting Members not less than thirty (30) days nor more than sixty (60) days in advance of the Board Meeting.

Section 8. Uniform Rates of Assessment. Annual and Special Assessments shall be assessed and levied in accordance with FS720.308 (1)(a) as follows:

RESIDENTIAL LOTS

Lots with Residential Units built thereon, for which certificates of occupancy have been issued, shall share equally in all operational costs and the budget of the Association, including but not limited to, fees charged by the property management company engaged to manage the Association, maintenance, reserve, and other service fees.

DEVELOPER-OWNED OR BUILDER-OWNED LOTS

Developer or Builder-owned Lots that may be vacant or in any stage of construction of Residential Units, but prior to issuance of *certificates of occupancy* for those Residential Units, shall be assessed at a per- Developer or Builder-owned Lot rate equal to 25% of the per- Residential Lot rate calculated as a fraction of the annual service fee charged by the property management company. **EXAMPLE:** If the property management company charges a \$20,000 annual management service fee to the Association for 366 Residential Units, the proportional share for each Residential Unit would equal \$54.64. Each Developer/Builder Lot would be assessed at a rate of 25% of \$54.64 or \$13.66. Any Lot, regardless of owner, which has received a certificate of occupancy for a Residential Unit built thereon, shall pay assessments as a Residential Lot as described above.

OTHER LOTS

The allocation of Annual and Special Assessments in this section do not apply to: (1) Special Assessments incurred as a result of damage by an Owner or violations; or (2) Special Assessments levied against some or all of the Cottage Lots for any upkeep and maintenance of common landscaping that the Association performs.

Section 9. Rates of Assessment for Phase 3 Storm Water Management System.

1. The Developer is responsible for construction of the Phase 3 Storm Water Management System in compliance with the St. Johns River Water Management District (SJRWMD) requirements.
2. The Developer is responsible for maintenance of the Storm Water Management System and all associated maintenance costs until ownership of and responsibility for the system is transferred (*turned over*) to the Association per SJRWMD policies and procedures.
3. After the *turnover* is completed, the Developer and/or Builders will share maintenance and all other Phase 3 Storm Water Management System operational costs, including system upgrades and repairs, *equally with each other* in proportion to the number of Lots owned by the Developer and/or Builders.

Section 10. Requirements for Construction and Maintenance of the Storm Water Management System. Requirements for the construction and maintenance of the Storm Water Management System for Phase 3 were provided by the St. Johns River Water Management District, for mandatory implementation. The requirements are included as part of this Declaration as **Appendix 3; "DECLARATION OF COVENANTS AND RESTRICTIONS."**

Section 11. Date of Commencement of Annual Assessment: Due Dates. The Annual Assessments provided for herein shall commence to accrue upon the filing of any plat for any Lot. Upon the conveyance of such Lot by Developer or its successor to an Owner, following the issuance of a certificate of occupancy on a Residential Unit built on a Lot, the Owner of the Lot shall be liable for full Annual Assessments on the Lot as described above, and the amount of the "full" Annual Assessment shall be prorated on a daily basis for the

number of days remaining in the calendar year. Thereafter each calendar year shall constitute the Annual Assessment period. The first Annual Assessment shall be based upon an estimate of the operating expenses for the year plus adequate reserve for anticipated expenses. In the event this assessment proves insufficient to satisfy such expenses, the Board shall levy a supplementary assessment in the amount of the deficit. Notwithstanding any other provision herein, the supplementary assessment shall not require the assent of the Members. The Board shall fix the amount of the Annual Assessments against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a lot is binding upon the Association as of the date of its issuance.

Section 12. Late Fees. In accordance with Florida Statutes Chapter 720.3085, assessments and installments on assessments that are not paid when due bear interest from the due date until paid at the maximum rate allowed by law. The Association shall also have the right but not the obligation to charge an administrative late fee not to exceed the greater of \$25 per month or 5 percent of the amount of each installment that is paid past the due date. Any payment received by the Association and accepted shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. This paragraph applies notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee is not a fine. This late fee may be waived by the Board for hardship cases, including the case where an arrangement is approved by the management company before the past due date for the late payment, or in special hardship cases approved by the president of the Board before the 15 day past-due period has elapsed.

Section 13. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the maximum rate allowed by law or a lower rate set by this Association per annum. The Board of Directors of the Association may accelerate the remaining installments and declare the entire assessment as to that delinquent Owner due and payable in full as if the entire amount as originally assessed, with interest accruing on said unpaid amount at the highest rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's Lot. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and, in the event a judgment is obtained, such judgment shall include interest on the assessment as above provides and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 14. Subordination of Assessment Lien to First Mortgages. The lien of all assessments provided for herein and all assessments, late fees, interest, costs, expenses and attorney's fees secured by said lien shall be subordinate to the lien of any first mortgage

recorded prior to the time of recording the claim of lien by the Association. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of the first mortgage, or any proceeding in lieu thereof or the acceptance of a deed given in lieu of foreclosure of the first mortgage, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. The extinguishing of the lien shall not affect the personal liability of the Owner at the time such assessment came due for payment of same. No sale or transfer shall relieve such Lot from liability for any assessment coming due after such sale or transfer or from a lien therefor. No provision of this Section 10 may be amended without the joinder of all record owners of first mortgages encumbering Lots within the Property. However, any such delinquent assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all Lots.

Section 15. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created hereby: (a) any parcel of the Property (excluding platted easements within Lots) which serves as an easement or which is dedicated and accepted by a local public authority and devoted to public use; and (b) all Common Area as defined in Article I (H), hereof.

ARTICLE VI

EASEMENTS

Section 1. Appurtenant Easement. Association reserves unto itself and hereby grants to all Owners (and their guests, lessees and invitees) as an appurtenance to and as part of the ownership held by such Owner, but subject to this Declaration, the Articles and By-Laws of the Association and the rules and regulations promulgated by the Association, a perpetual non-exclusive easement for ingress and egress over, across and through and for the use and enjoyment of all Common Property, which Common Property is an intrinsic and appurtenant part of the value of the Lots; such use and enjoyment to be shared in common with the other owners, their guests, lessees and invitees as well as the guests, lessees and invitees of the Association. Provided, with respect to the Common Property, Developer reserves the right (but not the obligation) to maintain and use all rights of way associated therewith, and to maintain and place Developer's signs thereon. A Builder shall have the right to maintain any of the Developer's signs.

Section 2. Utility Easements. Association reserves to itself (and its successors or assigns) the right to grant easements to any private company, public or private utility or governmental authority providing utility and other services within the Property and the Common Property upon, over, under and across the Property; provided, however, the right to grant easements pursuant to this Section upon, over, under and across any Lot shall be limited to the utility easements applicable to each Lot as shown on the Plat. Said easements shall be given only for the purpose of maintaining, installing, repairing, altering and operating sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains sewer mains, water distribution systems, sewage disposal systems,

effluent disposal lines and systems, pipes, wires, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, cable television or any form of telecommunications service, alarm systems and all machinery and apparatus appurtenant thereto to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to owners, the Property and Common Property.

All such easements are to be of a size, width and location as the Developer, in its discretion, deems best, but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property.

The Association will not, except in the case of eminent domain, intentionally grant any easement that shall have the effect of facilitating annexation of the Property and/or the Common Property by the Town of Groveland, or any other jurisdictional entity, or for the benefit of any other third party.

Section 3. Association. Association hereby reserves to itself, its successors and assigns, and to such other persons as Association may from time to time determine, the right to grant a perpetual easement, privilege and right in and to, over, under, on and across the common Property for ingress and egress as required by its officers, directors, employees, agents, independent contractors, invitees and designees; provided, however, that such access and use does not unnecessarily interfere with the reasonable use and enjoyment of this property and these facilities by the owners. Association reserves the right to impose further restrictions and to grant or dedicate additional easements and rights of way on any part of the Property owned by Association. The easements granted by Association shall not structurally weaken any improvements or unreasonably interfere with enjoyment of the Owners.

Section 4. Service Easements. Association hereby grants to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Association its successors or assigns, to service the Property, and to such other persons as the Association from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Property for the purposes of performing their authorized services and investigation.

Section 5. Drainage Easements. Each Lot shall have an easement for drainage on, over and across all other Lots and the Common Property; provided, however, any rights reserved herein below regarding use of such drainage easement shall only be exercised by the Developer or the Association, except the right of access and maintenance described in Article IX, Section 9 below. Drainage flow shall not be obstructed or diverted from drainage easements created herein, or by authority established herein or by the Plat, nor shall the established drainage pattern over any Lot as described in Article IX, Section 9 be impeded. The Association may, but shall not be required to, cut drain ways for surface water wherever and whenever such action may appear to the Association to be necessary to maintain a reasonable standards of health, safety and appearance. The rights reserved hereunder shall extend to reasonable use of drain-ways on a Lot. These easements include the right to cut

any trees, bushes or shrubbery, make any gradings of the soil, or to take any other action reasonably necessary to install utilities and to maintain reasonable standards of health and appearance but shall not include the right to disturb any improvements erected within the Property which are not located within the specific easement areas designated on the Plat or in this Declaration. Except as provided herein, existing drainage and drainage channels (or areas reserved for such purposes) shall not be altered so as to divert the flow of water onto adjacent parcels or into sanitary sewer lines.

Section 6. Conservation Easements. The Association reserves the right to grant Conservation Easements to qualified grantees over and across common Property, Open Space, or surface Water Management Systems as may be required by state or local law, ordinance, rule or regulation.

Section 7. Golf Course Easements. The Association reserves the right to grant or deny to the Golf Course Owner(s), its successor or assigns, an easement over any portion of the Common Areas for the construction and maintenance of the golf course, club house, maintenance building, golf paths, golf tunnels, and other items needed to construct and maintain a top rate golf course facility. However this reservation by Association is not a representation that any such facilities will be constructed on the Golf Course Property. Any development by the Golf Course Owners is at its own discretion and must be completed in accordance with all applicable Laws. *Neither the Developer nor the Association makes any representation that the Golf Course Property shall continue to be operated as a golf course.*

Section 8. Establishment of Easements. All easements, as provided for in this Article, shall be established by one or more of the following methods, to wit:

- A. By a specific designation of an easement on any recorded Plat of the Property;
- B. By a reservation or specific statement providing for an easement in the deed of conveyance of a given Lot;
- C. By a separate instrument referencing this Article VI, said instrument to be subsequently recorded by the Developer or the Association granting the easement.

Section 9. Extent of Easements. The rights and easements of enjoyment created in this Article VI shall be subject to the right of the Association to give, dedicate, mortgage or sell all or any part of the Common Area (including leasehold interests) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Association and, to the extent that Article II, Section 1(c) of this Declaration applies, subject to the approval requirements continued therein, provided that no such gift or sale or determination of such purposes or conditions: (1) shall be effective unless the same shall be authorized by 66% of all Lot Owners within the Association with applicable voting rights or (2) shall be inconsistent with the purposes and uses of the Common Area as may be shown on the Plat, or (3) shall be effective with respect to any part of the Property prior to the completion of the Build Out of such part of the Property (e.g., the Association shall not change, delete, or grant easements, or gift or sell any portion of the Common Area, prior to the completion of the Build Out). A true copy of such resolution,

together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Area, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Members.

Section 10. Developer Easements. The Developer (including its designees, contractors, successors and assigns, and any Builder) shall have the right, in its discretion, and with the concurrence of the Association Board, from time to time, to enter the Properties and take all actions necessary or convenient for the purpose of completing the development thereof, or any part thereof, or any improvements or Residential Units located or to be located thereon or upon the Property, provided such activity does not prevent or unreasonably interfere, in the opinion of the Developer and with concurrence of the Association Board, with the use or enjoyment by the Owners of the Property. *Such concurrence by the Association Board shall not be unreasonably withheld or delayed.* The Developer's use of the Property or any portion thereof, pursuant to the easement created in this Section VI shall include, but not be limited to, active construction activities, staging, and all activities directly or indirectly related to the construction process, such as, but not limited to, stacking and storage of materials and supplies, scaffolding, maintenance, and placement of construction trailers and equipment. The Association Board and the Developer must support reasonable processes that the Developer requires to finish the development in accordance with this Declaration. In case of any conflict between the Association and Developer following the completion of the Build Out, regarding the granting of easements or the nature and location thereof, that is challenged by the Board in writing, the Developer shall coordinate with the Board and obtain the reasonable concurrence of the Association's Board, without which the action must be terminated quickly in a manner satisfactory to the Board. If a disagreement cannot be resolved, the Developer must follow the dispute resolution so specified by Florida Statutes Chapter 720.311.

Section 11. Sales, Re-sales, Leasing and Development Activities. For as long the Developer holds any Residential Units for sale in the ordinary course of business, the Developer, its designees, successors and assigns, and any Builder shall have the right to use any such Residential Units and parts of the Common Area or Association Property for sales, re-sales, leasing, administrative, management and construction offices relating to the Properties, to show model Residential Units and the Common Areas to prospective purchasers and tenants of Residential Units, and to erect on the Properties, including the Common Areas and Association Property, signs and other promotional materials to advertise or otherwise market the Residential Units, or any other facilities built or to be constructed upon any portion of the Properties, for sale, resale, lease or occupancy. Developer shall not, however, be permitted to erect a sales or leasing office on the Common Areas.

Section 12. Additional Easements Following Completion of the Build Out. The Developer, so long as it owns any Residential Unit, with mandatory concurrence with the Association through its Board of Directors, on the Association's behalf and on behalf of all Owners (each of whom hereby appoints the Association as its attorney-in-fact for this purpose), shall have the right to grant such additional general ("blanket") and specific utility

easements or other service easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining thereto), or modify or relocate any such existing easements or drainage facilities, in any portion of the Common Areas or Association Property, and to grant access easements or relocate any existing access easements in any portion of the Common Areas or Association Property, as the Board shall deem necessary or desirable for the proper operation and maintenance of the Common Areas, Association Property and any improvements thereon, or any portion thereof, or for the general health or welfare of the members of the Association, or for the purpose of carrying out any provisions of this Declaration, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of the Residential Units for their intended purposes, or transfer costs appurtenant to the Developer's development of other properties to the Association or its Members. *Such concurrence by the Association shall not be unreasonably withheld or delayed.* Developer will not, except in the case of eminent domain, intentionally grant an easement that shall have the effect of facilitating annexation of the Property and/or the Common Property by the Town of Groveland, or any other jurisdictional entity, or for the benefit of any other third party.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Establishment of Architectural Review Committee. The Association upon the recording of the Declaration, shall immediately form (if such committee has not previously been formed) a committee known as the Architectural Review Committee ("ARC").

Section 2. Duties and Functions of the ARC. The duties, powers and responsibilities of the ARC shall be as follows:

A. The ARC shall consist of three (3) or more persons designated by the Board. The Board shall appoint the members of the ARC and shall provide for the terms of the members of the ARC. Members of the ARC need not be officers, directors or members of the Association.

B. Prior to obtaining building permits or commencing construction of any building, fence, wall, pool, landscaping or other structure or alteration upon the Property outside of any residence built on a Lot, the ARC shall have the right of specific approval or veto of all architectural, engineering, platting, planning and landscaping aspects of any improvement or development of individual units or buildings as well as the general plan for development of any individual lot or subdivision, tract or parcel of land within the Properties. All construction and development within the Properties is subject to local governmental control; provided, further, that the ARC may, in its sole discretion, impose standards of architectural and landscaping design, building setback lines or the general plan for development, which standards are greater or more stringent than standards prescribed in applicable building, zoning, planning or other local governmental codes.

C. No building, sign, outside lighting, fence, hedge, wall, walk, dock or other structure or planting shall be constructed, erected, removed, planted or maintained nor shall any addition to or any change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of the same shall have been submitted to an approved in writing by the ARC. Any change in the outward appearance of any improvement, including, but not limited to, repainting the same in a different color, adding decorative sculptures, wrought iron grills, or the like, shall also require approval in writing by the ARC before any work is commenced. Refusal of approval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which the ARC, in its sole and uncontrolled discretion, deems sufficient.

D. All plans for the construction of any improvements within the Properties shall contain a drainage plan which shall be consistent with the storm water management drainage plan for Palisades as set forth in the Master Plan.

E. As part of the application process, three (3) complete sets of plans and specifications prepared by an architect or other person found to be qualified by the ARC shall be submitted for approval by written application on such form as may be provided or required by the ARC. In the event the information submitted to the ARC is, in its opinion, incomplete or insufficient in any manner, it may request and require the submission of additional or supplemental information.

F. The ARC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole discretion, for aesthetic or any other reasons, provided such approval is not unreasonably withheld. In approving or disapproving such plans and applications, the ARC shall consider the suitability of the proposed building, improvements, structure or landscaping and materials of which the same are to be built, the site upon which it is proposed to be erected, the harmony thereon with the surrounding area and the effect thereon on adjacent or neighboring property.

G. Unless specifically excepted by the ARC, the improvements for which approval of the ARC is required under this Declaration shall be completed within a reasonable time from the date of commencement of said improvements or within the time set by the ARC in the event that the approval is so conditioned.

H. The ARC shall in all cases have the right to determine and designate building set back lines necessary to conform to the general plan of Palisades, in order to preserve the integrity of the Properties and the Golf Course Property. In this respect the ARC's judgment and determination shall be final and binding.

I. The ARC will make every effort to complete its review of the plans and specifications submitted in final and complete form, within forty-five (45) days after written request for approval by the owner or Builder. The ARC may notify the applicant that it will

need additional time to complete its review, in which case, the ARC may extend its time for review for an additional thirty (30) day period.

J. There is specifically reserved unto the ARC the right of entry and inspection upon any Lot, for the purpose of determination by the ARC whether there exists any construction of any improvement which violates the terms of any approval by the ARC or the terms of this Declaration or of any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference. Such entry by the Association or its agent(s) shall not be deemed a trespass. The ARC is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy and, in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement or to remove any unapproved improvements, the substantially prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorney's fees in connection therewith. The Association shall indemnify and hold harmless the ARC from all costs, expenses and liabilities, including attorney's fees, incurred by virtue of any member of the ARC's service as a member of the ARC.

K. A majority of the ARC may take any action of the committee and may designate a representative to act for it. In the event of death, disability or resignation of any member of the ARC the Board of Directors shall designate a successor.

L. The ARC may adopt such further rules and regulations as it deems necessary to carry out its functions and purposes hereunder, provided all such rules and regulations shall be filed with and made a part of the Association's minutes and provided to Owners.

M. The ARC may impose reasonable fees and charges upon owners to enable it to carry out its functions.

N. In each instance where a structure has been erected, or the construction thereof is substantially advanced, in such manner that the same violates the restrictions contained in this Declaration or any other covenants which the ARC has the power to enforce, or in such manner that the same encroaches on any easement area or setback line, the ARC reserves the right, contingent upon approval by the Board, to release the property from the restriction which it violated and to grant an exception to permit the encroachment by the structure over the setback line, or on the easement area, so long as the ARC, in the exercise of its sole discretion, determines that the release or exception will not materially and adversely affect the health, safety and appearance of the Properties.

O. The ARC requires that the Lots and any improvements thereon within the Properties be pre-wired for cable television in such a manner as the ARC shall specify.

P. The ARC, while subordinate to the Board, has the right, but not the obligation, to grant waivers for minor deviations and infractions of the covenants set forth herein. The granting of any waiver for any portion of the Properties may be given or

withheld in the ARC's discretion and a prior grant of similar waiver shall not impose the ARC the duty to grant new or additional requests of such waivers.

Q. The Association, ARC or any officer, employee, director or member thereof shall not be liable for damages to any persons submitting plans and specifications for approval by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any plans and specifications. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit against the Association, Developer, the ARC or any officer, employee director or member thereof to recover any such damages.

R. Notwithstanding any contrary provision of this Article, the ARC shall be accountable to, and subject to and required to comply with any requirements, procedures, policies, guidelines, and restrictions that may be promulgated by, the Association. The ARC may not follow procedures or employ standards, guidelines, or the like, that are inconsistent with, nor shall the ARC otherwise violate, any directives of the Association. The Association may override any decision or action of the ARC if the Association concludes that the ARC's decision or action is arbitrary, unfair, or unreasonable, or that it violates or is inconsistent with or fails to apply or follow, Association policies or directives, this Declaration, or the Association's Articles of Incorporation or Bylaws.

Section 3. Developer Exempt from ARC. The Developer and its successors are exempt from the restrictions and requirements provided in this Article during the Build Out, provided that its construction of Residential Units on the Developer owned Lots is compliant with the requirements of Article XIV.

ARTICLE VIII

COMMON DRIVEWAYS

Section 1. Use and Liability. Each adjoining Lot Owner shall have an equal right to use a common driveway for vehicular access to his respective Lot served thereby. All common driveways shall be maintained by the Owners of those Lots served by the common driveway subject to the right, but not the obligation, of the Association to maintain the same as hereinafter set forth. If an Owner, or his agents, guests, invitees or others whose presence is authorized by an owner, including an owner's tenant, damages a common driveway, or causes damage to the person or property of an adjoining owner or tenant as a result of his use of a common driveway arising from the negligence or intentional acts of said Owner, tenant of said owner, or the owner's agents, guests, invitees or others whose presence is authorized by the Owner, then said owner shall be liable and responsible for the damage to the common driveway and for the damages to the person or property of the adjoining Owner or tenant, and for any costs incurred by the Association or the adjoining owner or tenant in repairing the common driveway.

Section 2. Obligation to Repair. In the event a common driveway is destroyed or damaged, but said destruction or damage is not the result of the negligence or intentional acts of either adjoining owner, its tenants, agents, guests, invitees or others whose presence was authorized by said owner, all costs of reconstructing such common driveway shall be borne equally by the Owners of the Lots served by such common driveway. In the event one owner bears the entire expense for reconstruction of such a common driveway, the Owner of the adjoining Lot served by such common driveway shall pay to the owner who reconstructed the common driveway one-half (1/2) of the expense incurred in that reconstruction. In the event the Association bears the expense, or any part thereof, for the reconstruction of such a common driveway, then adjoining Lot owners served by said common driveway shall reimburse the Association for one-half (1/2) of such amount paid by the Association and such amount shall be charged as a special assessment against the Lots and constitute a lien against the Lots. In the event an Owner fails to pay the Association within seven (7) days after receipt of notice that such amounts are due to the Association, such delinquent amounts shall bear interest at the highest rate allowed under Florida law until paid in full. Either adjoining Owner or the Association shall have the right to enter on the other adjoining Lot, after reasonable notice, solely for the purpose of reconstructing a common driveway.

ARTICLE IX

GENERAL RESTRICTIONS

Section 1. General Restrictive Covenants. The general restrictive covenants contained in this Article shall apply uniformly to all Lots and Residential Units on the Property, other than Lots owned by Developer during the Build Out. Subject to the foregoing, every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations adopted by the Board. The following are the initial Rules and Regulations of the Association which may be amended, modified or added to from time to time as provided herein. The only general restrictive covenants applicable to Lots owned by Developer during the Build Out are set out in **Article XIV**.

Section 2. Residential Use Only. No Lot shall be used for any purpose except residential. The term "residential" is intended to prohibit any commercial use, including professional office use, on any portion of any Lot or Residential Unit. Nothing herein, however, shall preclude an Owner or other resident from conducting In-Home Business Activities, as defined hereinafter. "In-Home Business Activities" as used herein shall mean and include only business activities conducted solely within a Residential Unit located on a Lot and which do not cause, create or entail any of the following:

- (a) noticeably increased vehicular traffic within the Property, or parking on a Lot by a non-resident which exceeds twenty-four (24) hours in any five (5) day period;
- (b) sales activity or solicitation within the Property;
- (c) any form of advertising or signage on or within the Property;

- (d) any other manifestation of such business activity which may be construed a nuisance, in the sole, unfettered discretion of the Board of Directors.

No building shall be erected, altered, placed or permitted to remain in any Lot other than Residential Units designated for residential use and private garages. The foregoing shall not prohibit the Developer or a builder authorized by Developer from using the Residential Units as models, construction offices or sales offices.

Section 3. No Temporary Structure. No structure of a temporary nature or character, including, but not limited to, a trailer, house trailer, mobile home, camper, tent, shack, shed, boat, barn or other similar structure or vehicle, shall be used or permitted to remain on any Lot as a storage facility or residence or other living quarters, whether temporary or permanent, unless approved by the ARC for use during construction only; provided, however, that this prohibition shall not apply to shelters used by the contractor or Developer during the construction and/or sales of any Residential Units.

Section 4. Parking and Storage Restrictions. No house trailer, mobile home, camper, boat, boat trailer, watercraft or other similar vehicle (the parking of a non-commercial car, SUV or pickup truck is specifically excluded from this Section) shall be parked in the driveway area of any Lot (for general purposes including, but not limited to, cleaning, repairing and preparing for an outing) for any period of time in excess of twenty-four (24) consecutive hours, or seventy-two (72) cumulative hours in any one (1) week period, or stored or otherwise permitted to remain on any Lot except in a closed garage attached to a Residential Unit. Further, the parking or storage of all recreational vehicles, house trailers, mobile homes, campers, boats, boat trailers, watercraft, trailcraft or other similar vehicles shall comply in all respects with the laws and ordinances of Lake County or other applicable zoning laws or ordinances, as the same may from time to time be amended. Furthermore, no vehicle which contains lettering or advertising thereon, or which is identified with a business or commercial activity, or that weighs more than 6,000 pounds, shall be parked for any period of time in excess of four (4) consecutive hours or stored or otherwise permitted to remain on any Lot except in an enclosed garage attached to a Residential Unit with the garage door closed.

Section 5. Livestock and Animal Restrictions. No livestock, poultry, reptiles, or animals of any kind or size shall be raised, bred, or kept on any Lot or in any Residential Unit, provided, however, that dogs, cats, or other common domesticated household pets may be raised and kept provided such pets are not kept, bred or maintained for any commercial purposes. Domesticated household pets are limited to two (2) pets per Lot. Such permitted pets shall be kept on owner's Lot and shall not be allowed off the premises of Owner's Lot except on a leash. Pet owners are responsible for immediately cleaning up after their pets when pets defecate other than on Owner's Lot and in a reasonable time must clean up after their pets when pets defecate on their own Lot. Failure to clean up after a pet may subject Owner to penalties as outlined in Article IX, Section 40 of this Declaration. The Association shall have the right to revoke the Owner's right to have a pet on the Property in the event of repeated violations of this provision. No permitted pet shall be allowed to make noise in such manner or such volume as to annoy or disturb other Owners.

Section 6. Restriction on Activity. No illegal, obnoxious or offensive activity shall be conducted or permitted to exist upon any Lot, or in any Residential Unit, nor shall anything be done or permitted to exist on any Lot or in any Residential unit that may be or may become an annoyance or private or public nuisance. No Lot, driveway, or Common Area shall be used for the purpose of vehicle repair or maintenance. In the event of any questions as to what may be or become a nuisance, such questions shall be submitted to the Association Board for a decision in writing and its decisions shall be final.

Section 7. Restrictions on Walls, Fences and Hedges. No hedge shall be erected on the front or back of any Lot unless specifically approved by the ARC. No fences of any kind shall be constructed on Palisades Properties without the express written approval of the ARC. Fenced in areas constructed for the purpose of containing animals is strictly prohibited. No fences of any kind or of any material or construction shall be permitted on Lot boundary lines, except safety rails for retaining walls. Fences for the purpose of screening approved swimming pools and approved game and play structures, air conditioning units and garbage receptacles, and safety rails for retaining walls, shall be subject the approval of the ARC as to color, materials, construction, height, configuration and location. In no event shall this Section contradict any Lake County, or other applicable zoning code or ordinance. Notwithstanding anything in this Section 7 to the contrary, the Developer may erect such fences or walls as are reasonably necessary for the protection and safety and welfare of the Lot Owners, other persons and property or as required by law or local rule or ordinance.

Section 8. Garage Doors. In order to maintain a harmonious and aesthetic appearance, the garage doors affixed to each Residential Unit shall remain closed except when in actual use to allow ingress and egress. Additionally, garage doors may be open during periods when the garage is being utilized because of yard work or related usage. At all other times garage doors are required to be closed.

Section 9. Drainage. No Owner of a Lot shall in any way interfere with the established drainage pattern over his Lot from or over adjoining or other Lots, or obstruct or divert drainage flow from the drainage easements described in Article VI, Section 5 herein; provided however, each Owner will make adequate provisions for proper drainage over his Lot. For the purposes hereof, "established drainage" is defined as the drainage flows prescribed by the permits and approvals that have been issued, or will be issued, for development of the Properties, and by the engineering, grading, and other plans based on which those permits and approvals have been or will be issued. Each Owner shall ensure that the finish grading of that Owner's Lot allows and promotes surface water to drain across that Lot in accordance with the established drainage, and otherwise complies with the approved grading plans for the Properties. Each Lot Owner shall permit free access by Owners of adjacent or adjoining Lots to slopes or drainage-ways located on his Lot when such access is necessary by the maintenance or permanent stabilization on said slopes or of the drainage facilities to protect property other than the Lot on which the slope or drainage-way is located.

Section 10. Insect and Fire Control. In order to implement effective insect, reptile and woods fire control, the Association shall have the right, but not the duty, to enter upon

any Lot, such entry to be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth which, in the opinion of the Association, detracts from the overall beauty, setting and safety of the Property. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass but shall be deemed a license coupled with an interest. The Association and its agents may likewise enter upon such land to remove any trash which has collected on any Lot without such entrance and removal being deemed a trespass. The provisions in this Section shall not be construed as an obligation on the part of the Association to mow, clear, cut or prune any Lot nor to provide garbage or trash removal services. The costs incurred by the Association in exercising its rights under this Section shall constitute a Special Assessment against the Owner of the Lot or Residential Unit and shall in every respect constitute a lien on the Lot or Residential Unit as would any Assessment or Special Assessment. However, the items outlined above shall be the primary responsibility of the Owner. The Association shall notify the Owner, in writing, of any required maintenance by Owner. Only if the Owner does not comply within fifteen (15) days of receipt of said notice, shall the Association have the right, but not the duty, to perform the specified maintenance.

Section 11. Signs. No commercial signs, or other signs, shall be erected or maintained on any Lot or any Residential Unit except with the written permission of the Association or except as may be required by legal proceedings, it being understood that the Association will not grant permission for said signs unless their erection is reasonably necessary to avert serious hardship to the Owner. Such prohibition shall not apply to common real estate signs advertising that a particular Lot or Residential Unit is for sale or rent provided that such signs are not illuminated and do not exceed four (4) square feet. If permission is granted for any other signage, the Association shall have the right to restrict size, color or content of such signs. Property identification and like signs exceeding a combined total of more than two (2) square feet may not be erected without the written permission of the Association. These restrictions shall not apply to restrict the Developer or its agents from erecting such signs as the Developer, in its sole discretion, deems to be necessary to assist the Developer or builder authorized by Developer in selling any Lot or Residential unit. Any parcel owner may display a sign of reasonable size provided by a contractor for security services within 10 feet of any entrance to the home.

Section 12. Exterior Maintenance. The Association shall have the right, but not the duty, to provide all exterior maintenance including repairs to walls and roofs, painting, landscaping and lawn maintenance for any areas not walled or fenced in for use as a patio. The Association shall have the right to make reasonable repairs and perform reasonable maintenance, in its sole discretion, after notice to Owner of a Residential Unit to perform maintenance and failure by the Owner to perform said maintenance. Any and all costs incurred by the Association in performing repairs and maintenance under this Section shall be paid out by the Owner and, if the Owner fails to pay, then the Association shall have the right to impose a Special Assessment against said Owner to pay for the cost of repairs and replacements. Such assessment shall in every respect constitute a lien on the Lot or Residential Unit as would any other assessment or special assessment by the Association. The Association shall have the right to enter upon any Lot or upon the exterior of any

Residential Unit for the purpose of providing repairs and maintenance as provided in this Section, and such entry by the Association or its agent(s) shall not be deemed a trespass. However, the items outlined above shall be the primary responsibility of the owner. The Association shall notify the owner, in writing, of any required maintenance. Only if the Owner does not comply within fifteen (15) days of receipt of said notice, shall the Association have the right, but not the duty, to perform the specified maintenance.

Section 13. Allowable Trim. No Owner or tenant of an Owner shall install shutters, awnings, or other decorative exterior trim, except small exterior decorations unless approved by the ARC.

Section 14. Window Coverings. No reflective foil or other material or tinted glass shall be permitted on any window except for tinted bronze glass, and any such installation shall require approval of the ARC.

Section 15. Interior Maintenance. Each individual owner shall have the responsibility to maintain the interior of his/her respective Residential Unit. In the event the interior of said Residential Unit is damaged in such fashion as to create a health or safety hazard to adjoining Residential Units or to create a nuisance and such damage is not repaired within thirty (30) days from the occurrence of the damage then, in such event, the Association shall have the right, but not the duty, to make reasonable repairs to the interior of such Residential Unit and shall be entitled to make a Special Assessment against the owner of the Residential Unit for the costs of such repairs. Such Assessment shall in every respect constitute a lien on the Lot or Residential Unit as would any other Assessment or Special Assessment by the Association.

Section 16. Access at Reasonable Hours. For the sole purpose of performing any maintenance or repairs authorized by this Declaration, the Association, through its duly authorized agents, contractors or employees, shall have a license which shall be exercisable, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Residential Unit, or to enter any Residential Unit at reasonable hours on any day of the week.

Section 17. Tree Removal Restrictions. Live trees situated on any Lot (except for Developer-owned Lots) between setback lines and the property lines having a diameter of three (3) inches or more (measured three (3) feet from the natural grade) may not be removed or destroyed except where necessary for construction of a house, pool or screened enclosure, without prior approval of the ARC; provided, however, all such houses, pools or screened enclosures must be constructed in conformity with all laws and ordinances of Lake County and all other applicable laws and ordinances, as the same may from time to time be amended. All requests for approval of tree removal shall be submitted to the ARC along with a plan showing generally the location of such tree or trees. The ARC may condition its approval of such plan based on such adjustments as the ARC may deem necessary to save trees.

Section 18. Replacement of Trees. Anyone violating the provisions of Section 17 will be required to replace such trees with trees of like kind, size and condition within thirty

(30) days after notification by the ARC. If the owner fails or refuses to replace the trees as requested, the ARC shall cause suitable replacements to be planted and the cost thereof shall be a lien against the Lot of the Owner. The Owner grants to the ARC, its agents and employees an easement for ingress and egress over and across said Lot to enable it to comply with Section 17 and this Section 18.

Section 19. Aerial Restrictions. No outside antennas, antenna poles, antenna masts, aerials, satellite dishes or other television reception devices, electronic devices, antenna towers or citizen band (CB) or amateur band (ham) antennas, or other apparatus for transmission or reception of television, radio, satellite, or other signal shall be permitted except as approved in writing by the ARC. The approval may be reasonably conditioned, but may not be unreasonably withheld or delayed, or violate the Federal Communications Commission's Telecommunications Act of 1996 or other applicable laws, as may be amended. Any transmission or receiving device approved by the ARC shall be concealed from view from neighboring properties and from streets and right-of-ways with screening by plants or by other methods that are compatible with other improvements in the Development that meet the ARC's approval, and be otherwise compliant with applicable laws.

Section 20. Swimming Pools, Spas and Screen Enclosures. No above-ground swimming pools shall be permitted. Installation of an in-ground pool or spa, any above-ground spa, and any screened enclosures, shall require prior written approval of the ARC.

Section 21. Clothes Drying Area and Solar Collectors. Pursuant to Section 163.04, Florida Statutes, Energy Devices Based on Renewable Resources, solar collectors, clothes lines, or other energy devices shall be permitted. However, no solar collectors may be installed, attached or displayed without specific written approval from the ARC, who reserves the right, as permitted by statute, to determine the specific location where solar collectors may be installed on the roof within an orientation to the South or within 45° East or West of due South, provided that such determination of location does not impair the effective operation of the solar collector. In no event shall any such solar collector, clothes line, or other energy device be installed, displayed, attached, or used so as to contradict any section of this Declaration.

Section 22. Air Conditioners. No window air conditioning units shall be permitted. Permanently mounted wall air conditioning units shall not be permitted unless first approved in writing by the ARC.

Section 23. Lighting. No exterior lighting fixtures shall be installed on any Residential Unit without adequate and proper shielding of fixtures. No lighting fixture shall be installed that may be or become an annoyance or a nuisance to the residents of adjacent Residential Units, as determined by the ARC. Lighted tennis courts on any Lot will not be allowed.

Section 24. Trash and Garbage. The ARC, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same. Trash containers should be

brought to the curb no earlier than noon on the day before the scheduled day of collection, and returned to their points of use (out of sight of surrounding Lots) by the end of the scheduled day of collection. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day that a pick-up is to be made at such place as will be accessible to people making such pick-up. At all other times, such containers shall be stored so that they cannot be seen from surrounding property. No lumber, metals, bulk materials, refuse or trash shall be kept, stored, or allowed to accumulate on the Properties except building materials during the course of construction of any approved structure.

Section 25. Minimum Sizes of Residences. Requirements for Residential Units on the Property are as follows:

All homes built within the Palisades after January 1, 2015, shall be detached single family homes, with a minimum size of 1,600 sq. ft. of air-conditioned living area with other characteristics as may be required by this Declaration.

Section 26. Setback Requirements. Notwithstanding applicable Lake County building requirements as to setbacks, the setback requirements are as follows:

LOT SIZE	Front	Rear	Side*
Less than 66 ft. frontage	25'	5'	0' to 5'
66 ft. or more frontage and less than 22,000 sf	25'	15'	0' to 5'
66 ft. or more frontage and more than 22,000 sf	25'	30'	7.5'

* Minimum building separation is ten (10) feet.

Section 27. Lots Adjacent to Golf Course Property. In order to promote the co-existence of the residential community and the golf course facility, no improvement other than pools, spas, patios and patio enclosures shall be constructed within the rear setback area of any Lot which abuts the golf course unless approved by the ARC.

Section 28. Mailboxes. All mailboxes erected on any Lot must be of common design approved by the ARC and provided by the Developer to the owner at the Owner's expense and shall only include the surname and house number of the resident; and shall be located at the street front of each Lot as prescribed by the United States Postal Service. All mailboxes shall be painted black. The owner shall maintain the mailbox as specified by the ARC.

Section 29. Lease or Rental. The lease or rental of any Residential Unit and Lot shall require the prior review and written approval of the Association, which approval shall not be unreasonably withheld.

Section 30. Time Shares. No Lot or Residential Unit shall be owned or used in multiple or time share ownership requiring registration pursuant to the provisions of

Chapter 721 of the Florida Statutes, as amended from time to time, unless approved in writing by Developer.

Section 31. Residential Unit Characteristics. No Residential Unit shall exceed forty (40) feet in height. Each Residential Unit shall have a private, enclosed garage for no less than two (2) nor more than four (4) vehicles. Servant quarters and/or a storage or tool room may be attached to the ground floor of such garage. No garage may be used for living area without the construction of a garage as specified above to replace that which is converted to living area. All Residential Units must have garage doors, except for units where garages are being used as temporary sales offices by Developer or builders authorized by Developer. When said garages are no longer used as sales offices, garage doors must be installed in accordance with specifications contained in Section 32 below.

Section 32. Additional Garage Characteristics. Palisades homes shall not be renovated to have fewer than one (1) double car garage door. Palisades homes may also be renovated to have one (1) double garage door and one (1) single garage door, for a total of two (2) garage doors. However, with the prior express written approval of the ARC, a third single garage door may be added for a total of three (3) garage doors that accommodate access for a total maximum of four (4) vehicles. Each garage must have a minimum width of twenty (20) feet, with either a single overhead door with a minimum width of sixteen (16) feet, or two (2) or three (3) individual overhead doors, each with a minimum width of eight (8) feet. All Residential Units shall be served with a paved driveway of either concrete or interlocking pavers of at least sixteen (16) feet in width at the entrance of the garage. All Residential Units shall have at least one garage door having an electric door opener which Owner shall operate.

Section 33. Sidewalks. Each Owner shall be responsible for the maintenance of the sidewalk in front of their Lot, including removal of mold and mildew. Sidewalks shall comply with regulations of Lake County as to width and shall meander along the property line to the extent possible. Sidewalks must be designed so as to connect to already existing sidewalks and (except in the case of the Build Out) must be approved by the ARC prior to construction. Each Owner shall also be responsible for landscaping and maintaining in an attractive condition the strips of land, if any, between the sidewalk and the front boundary of the Owner's Lot and between the sidewalk and the right-of-way in front of the Owner's Lot. The landscaping to be installed in these strips of land must be approved in accordance with Article VII of this Declaration.

Section 34. Roofs. Flat or built-up roofs, shall not be permitted over Florida rooms, porches or patios, at the rear of the Residential unit. All other roofs shall be pitched 5/12 and composed of tile, asphalt shingle, cedar shake shingle, slate construction or such other special roofing as may be approved by the ARC.

Section 35. Ownership of Multiple Residential Units: Effective as of the date of recording of this Declaration, no Owner (other than Developer, its successors, or a Builder appointed by Developer) shall own any number of Lots within the Association greater than two (2). This provision shall not apply to any Owner owning more than two (2) Lots within the Association as of

the date of recording of this amendment to this Declaration. However, if any such Owner, acquires any additional Lot(s) within the Association, that Owner shall be required to sell or transfer title within twelve (12) months of acquisition of those additional Lot(s) within the Association any number of Lots necessary to reduce the number of Lots within the Association owned by that Owner to that number owned as of the date of recording of this Declaration, or a lesser number.

Section 36. Exterior Appearance.

A. Exterior Materials. All exposed concrete block must be covered by painted cement textured finish, or similar material approved by the ARC, except where unpainted or uncolored decorative blocks are approved by the ARC.

B. Retaining Walls and fences. The maintenance, repair and replacement of railroad ties, retaining walls and safety rails at changes of grade between Lots shall be maintained at the sole cost and expense of the owner of the Lot having the higher elevation. No additional fence of any kind or material or construction be permitted anywhere on the property except for developer installed safety rails or except as specifically approved by the ARC.

C. Flags, Exterior Sculptures and Ornaments. Exterior sculptures, flags, and similar items, including, but not limited to, the following: pink flamingoes or similar displays; landscape boulders; rocks or pebbles; driveway lighting; stepping stones; bird baths; water fountains; wall decorations such as family names; wall planters; and swings; must be approved by the ARC; provided, however, that nothing herein shall prohibit the following:

1. The display of one portable, removable United States flag or official flag of the State of Florida in a respectful manner, and one portable, removable official flag, in a respectful manner, not larger than 4 1/2 feet by 6 feet, which represents the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or a POW-MIA flag. When displaying the American flag all accepted protocols should be followed.
2. A freestanding flagpole no more than 20 feet high on any portion of the homeowner's real property, as long as the flagpole does not obstruct sightlines at intersections and is not erected within or upon an easement, on which is displayed in a respectful manner from that flagpole one official United States flag, not larger than 4 1/2 feet by 6 feet, and at the homeowner's option, one official flag of the State of Florida or the United States Army, Navy, Air Force, Marines, or Coast Guard, or a POW-MIA flag, provided such additional flag is equal in size to or smaller than the United States flag, and further provided that the display of flags on the flagpole is in lieu of, and not in addition to, the displays permitted under subparagraph 1 above.

3. The display of other flags, such as sports team flags, provided that the additional flags are not excessive, unsightly or distasteful in the judgment of the ARC.
4. Holiday or religious decorations tastefully displayed (as determined by the ARC) between December 1 and January 15 of any year.

D. Prohibition of Accessory Structures, Outbuildings and Sheds.

Notwithstanding Article VII or Article IX or any other provision of this Declaration, no accessory structures, outbuildings or sheds, whether temporary, free-standing or permanently affixed, shall be permitted on any part of a Lot or Common Area.

Section 37. Sod. Within thirty (30) days from the issuance of a Certificate of Occupancy for a Residential Unit, the Lot upon which said Residential Unit is located must be sodded from the rear corners of the Lot to the curb at the front of the Lot, excepting sidewalks, hardscaping and planting beds.

Section 38. Irrigation. Within thirty (30) days from the issuance of a Certificate of Occupancy for a Residential Unit, the owner of said Residential Unit must install an outdoor irrigation system for the Lot upon which said Residential Unit is located. The irrigation system must be on a timer device, the controls for which device must be on the exterior of the Residential Unit and accessible to the ARC and the Association.

Section 39. Game and Play Structures. No game or play structures, tree houses or platforms of any kind or nature shall be constructed on any part of the Lot or Common Area unless approved by ARC. Portable basketball hoops must be stored out of sight when not in use. Permanent basketball hoops are prohibited.

Section 40. Further Restrictions. These restrictions are intended to be minimum restrictions applying to the Properties, as supplemented from time to time. The Association will have the right to subject property to further restrictions and covenants, by way of an amendment to the Declaration.

Section 41. Non-Waiver. No delay in enforcing these covenants and restrictions as to any breach or violation thereof shall impair, damage or waive the right of the Association to enforce the same, to obtain relief against or recovery for continuation or repetition of such breach or violation or of any similar breach or violation thereof at a later time or times.

Section 42. Enforcement. Failure of the owner to comply with any restrictions, covenants, or rules and regulations provided herein or promulgated under authority established pursuant hereto shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof, including costs and attorney's fees. The Association shall have the right to suspend voting rights and use of Common Area for any owner violating the covenants and restrictions provided herein or promulgated pursuant hereto for a period of time which is the longer of

sixty (60) days or the term of continued violation. The Association shall have the right to enforce the provisions of this Declaration.

Reasonable attorneys' fees, paralegal fees and costs of the proceeding are recoverable whether or not suit is instituted and as may be awarded by any state, federal or bankruptcy court, any arbitrator, any administrative law court, and at administrative, trial or appellate levels. Further, reasonable attorneys' fees, paralegal fees and costs of the proceeding shall include but not be limited to: (a) notices of delinquency or non-compliance with the Association's Governing Documents; (b) demands for payment or compliance with the Association's Governing Documents; (c) notices of liens; (d) assignment of liens; (e) releases of liens; (f) recording costs; (g) the Association's management company's fees and costs; (h) court costs; (i) reasonable attorneys' fees and paralegals' fees, as specified in the preceding sentence; and (j) all other charges associated with or incidental to collection of the assessment or the enforcement of the Association's Governing Documents.

Any and all reasonable attorneys' fees, paralegal fees and costs of the proceeding that are recovered by the Association pursuant to this provision for Costs and Attorney Fees may be charged as a lien against the Lot which is the subject of such proceeding and such lien may be foreclosed against such Lot in the manner prescribed elsewhere in the Association's Governing Documents or as provided by Florida law, as the case may be. The priority of such lien shall relate back to the original recording date of this Declaration, unless such priority is specifically modified elsewhere in the Association's Governing Documents or pursuant to the Florida Statutes as same may be amended from time to time.

Section 43. Enforcement Committee. In the event that the Board of Directors wishes to enforce any of its governing documents by way of fines, or suspension of use rights to Common Areas and/or facilities, the Board of Directors of the Association shall appoint an enforcement committee consisting of at least three Owners. The purpose of the enforcement committee shall be to conduct hearings, to make decisions concerning alleged violations of this Declaration, the Articles of Incorporation, Bylaws and rules and regulations of the Association by Owners, and their tenants, guests or invitees, and to levy fines and suspend certain use rights as set forth hereinafter. Owners appointed to the enforcement committee shall not be officers, directors or employees of the Association or the spouse, parent, child, brother or sister of an officer, director or employee of the Association. A majority vote of the enforcement committee is necessary to impose a fine or suspension of the right to use any common areas and facilities (as more fully set forth below). Notwithstanding anything to the contrary within this Declaration, to the extent that Florida law allows a fine or suspension of any nature to be assessed or levied without action of any such enforcement committee as described in its article, the provisions of Florida law shall specifically apply to such fine or suspension, and any action of such enforcement committee shall not be required for the levying or assessment of such fine or suspension.

Section 44. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of an enforcement committee, a fine or fines may be imposed upon an Owner, and his/her tenant, guest or invitee for failure to comply with any covenant,

restriction, rule or regulation set forth herein or in any of the Association's governing documents, provided the following procedures are adhered to:

A. Notice: The Association or the enforcement committee shall notify the Owner, or his/her tenant, guest and/or invitee of the alleged infraction or infractions and provide such individual or entity at least fourteen (14) days' notice of the intent to fine. Included in the notice shall be the date, place and time of a hearing before the enforcement committee at which time the party sought to be fined may present evidence and reasons why a fine(s) should not be imposed.

B. Hearing: The alleged non-compliance shall be presented to the enforcement committee at a hearing at which time the party sought to be fined for the alleged violation shall have an opportunity to present defenses and reasons why a fine(s) should not be imposed. A written decision of the enforcement committee shall be submitted to the party responsible for the alleged violation not later than twenty-one (21) days after the meeting of the enforcement committee. The party sought to be fined shall have a right to be represented by counsel and to cross-examine witnesses.

C. Fines and/or Revocation of Certain Privileges: The enforcement committee may impose a reasonable fine not to exceed \$100.00 per violation, or, in the case of a continuing violation, may impose a reasonable fine on the basis of each day of said continuing violation not to exceed \$1,000.00 in the aggregate, against any Owner, tenant, guest and/or invitee and/or may suspend, for a reasonable period of time, the right of an Owner, tenant, guest and/or invitee to use any common areas and facilities (provided, however, that the right of legal access may not be suspended or revoked).

D. Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties.

E. Collection of Fines: To the extent permitted by law, fines shall be a charge and continuing lien against the subject Lot and shall be treated as an assessment, including the right of foreclosure, all as subject to the provisions for the collection of assessments set forth in Article V of this Declaration, as may be amended, and any other applicable provision of the Association's governing documents or Florida law.

F. Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors of the Association.

G. Non-exclusive Remedy: These fines shall not be construed to be exclusive remedy of the Association, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled.

Section 45. Developer Exemption. Nothing contained within this **Article IX** shall prevent the Developer from taking any reasonable actions necessary to complete the Build Out, including, but not limited to, preparing Lots for construction of Residential Units, completing construction of said Residential Units and marketing same, provided that all such

actions comply in all respects with all Laws and conform to the requirements of **Article XIV** of this Declaration.

ARTICLE X

INSURANCE

A. The Association shall keep (i) any buildings in the Common Area insured against loss by fire and the risks covered by a Standard All Risk of Loss Perils Insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof, and (ii) all personal property owned by the Association insured with coverage in the maximum insurable fair market value of such personal property as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in the Common Area and any personal property owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction in the Common Area, the Association shall cause the improvements or property so lost, damaged or destroyed to be replaced, repaired or rebuilt, as the case may be. In the event the cost of such replacement, repairs or rebuilding of improvements on the Common Area (i) exceeds the insurance proceeds available therefor, or (ii) no insurance proceeds are available therefor, the deficiency or full cost thereof, as the case may be, shall be assessed to the Owners.

B. The Association shall procure and keep in force public liability insurance in the name of the Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the common Area, in an amount not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) for damage to property in one (1) accident or event.

C. The Association shall procure and keep in force officer and director liability insurance for the protection of the members of the Board of Directors and officers of the Association.

D. Copies of all such insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and open for inspection by Owners at any reasonable time. All such insurance policies shall (i) provide that they shall not be cancelled by the insurer without first giving at least ten (10) days prior notice in writing to the Association, and (ii) contain a waiver of subrogation by the insurer(s) against the Association, Board of Directors and Owners.

ARTICLE XI

TURNOVER

Section 1. Time of Turnover. The Turnover of the Association by the Developer occurred on January 1, 2015. The process of which is proscribed in the Original Declaration. An audit has confirmed that there was no funding deficit upon the Turnover.

Section 2. Developer's Rights. For as long as the Developer shall own any Lot, it shall have the right to appoint one (1) member of the Board.

Section 3. Developer's rights to continue the Build Out of the Palisades after the turnover date. As of 2015 Developer is planning the further development of approximately **155 Residential Units**. After the turnover date of January 1, 2015, Developer has and shall continue to have all of the rights, interests, easements as provided in this Declaration, and privileges necessary or desirable in Developer's discretion to continue and complete the Build Out as would have existed had there not yet been a turnover. Without limiting the foregoing, Developer shall have the easements for construction, access, ingress, egress and utilities as provided in this Declaration, and as Developer may elect in its discretion, as provided in this Declaration, to grant or reserve on the plat of Phase 3. Developer shall also have the right to construct, market, and sell Residential Units on all Lots owned by Developer now or hereafter located on the Property without ARC oversight or approval, provided that all such activities are conducted in compliance with all applicable Laws and the provisions of Article XIV of this Declaration. Nothing in this Section shall be deemed to relieve Developer of its obligations for the specific assessments to which its Lots are subject as provided in this Declaration or to change Developer's voting rights as set forth in this Declaration.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Special Taxing Districts. In order to perform the services contemplated by this Declaration, the Association, in conjunction with Lake County, Florida has established municipal service tax units ("MSTU"). The MSTUs will have the responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds and structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Property. In the event such MSTUs are further expanded or established, the Property will be subject to assessment for the cost of services performed within the MSTU, and personnel working for or under contract with Lake County shall have the right to enter upon lands within the Property to effect the services contemplated. Each Owner, by acquiring lands

within the Property agrees to pay each and every MSTU assessment imposed upon the owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands. The Association retains the right to contract with Lake County to provide the services funded by the MSTUs.

Section 2. Severability. Invalidation of any one of the covenants or restrictions of this Declaration by judgment or court order shall in no way affect the full force and effect of any other provision of this Declaration.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended from time to time by approval of not less than 66% of the Class A and Class B Members who are voting in person or by proxy at a meeting of the Members of the Association duly called and noticed for this purpose. No such amendment shall affect Developer's rights during the Build Out, unless consented to in writing by Developer. Any such amendment must be recorded in the Public Records of Lake County, Florida.

The Association shall have the right to amend this Declaration without the consent, approval, or joinder of any other person or Owner, as described in this Declaration. However, if amendments to this Declaration become necessary for compliance with applicable Veterans Administration (VA), Federal National Mortgage Association (F), or Federal Home Loan Mortgage Corporation (FHLMC) requirements, such amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association need to be signed and acknowledged only by the Association.

Section 4. Acquisition/Sale/Use of Real or Personal Property.

A. Acquisition & Restoration of Palisades Golf Course Property

The Association is authorized to acquire and restore the area of real property, in addition to buildings located thereon, formally known and operated as the Palisades Golf Course, for total sum of money expended by the Association not to exceed, \$1,217,000.00. Final approval of the commercial loan or other means will be achieved by unanimous vote of the Association's Board of Directors conducted at a Special Meeting called for that purpose. This single Golf Course transaction may be paid by a Special Golf Course Acquisition and Restoration Assessment for total sum of money assessed to each property not to exceed \$2465.00. Approval of this Special Golf Course Acquisition and Restoration Assessment will be achieved by unanimous vote of the Association's Board of Directors conducted at a Special Meeting called for that purpose. Decisions concerning the restoration subsequent to the acquisition will be achieved by majority vote of the Association's Board of Directors conducted at a Special Meeting called for that purpose. The language of this subsection A shall control over any other language of these Declarations as concerns this single Golf Course Transaction.

B. Acquisition of Real Property

Subsequent to the acquisition of the Palisades Golf Course property, the Association is authorized to annex/purchase and restore additional real property, in addition to buildings located thereon, by approval of 50% plus one (1) vote of the total number of eligible Class A and Class B Members. Such approval shall be obtained at a duly called and noticed meeting. Members may vote either in person or by proxy.

C. Acquisition of Personal Property

The Association is authorized to purchase personal property (including but not limited to machinery and equipment) with a value greater than 5% of the total annual budget (excluding cable service, reserve funding and any loan payments) when such action is approved by a majority of the eligible Class A and Class B members voting either in person or by proxy at a meeting of the Members of the Association duly called and noticed for this purpose.

D. Borrowing / Financing

The Association shall have the authority to borrow and/or finance such amounts as are necessary to effectuate the provisions of these Declarations when such action is approved by a majority of the eligible Class A and Class B members voting either in person or by proxy at a meeting of the Members of the Association duly called and noticed for this purpose. The authority to borrow and/or finance may be approved in the same meeting contemplated by other provisions of these Declarations.

E. Uses of Real Property

The Association is authorized to lease/rent to a Third Party portions of the common area land and/or buildings for personal and/or commercial use by approval of 50% plus one (1) vote of the total number of eligible Class A and Class B Members. Such approval shall be obtained at a duly called and noticed meeting. Contract provisions shall include, but not be limited to, Association rights to cancellation of contract rights, indemnification of the Association, sufficient insurance and/or surety provisions to cover the costs and fees related to the lease/rent of the Third Party, provisions relating that the Association shall not have any responsibility to Third Party for financial operations and/or recovery of financial losses associated in any manner with the approved use of the common area land and/or buildings and which is consistent with any and all legal and/or zoning codes (including but not limited to ordinances) applicable to same.

F. Sale/Divestiture of Real and/or Personal Property

The Association shall have authority to dedicate or convey all or part of the Common Area (to sell in its entirety or by lots/partitioned sections as determined by the Board of the Association) or personal property (personal property of a value of equal to or over 5% of the total annual budget for that year) by approval of 50% plus one (1) vote of the total number of eligible Class A and Class B Members. Such approval shall be obtained at a duly called and noticed meeting. Members may vote either in person or by proxy. The Association shall have authority to sell personal property of a value of less than 5% of the total annual budget for that year by majority vote of the Board of the Association.

G. Board Rules and Regulations

The Board of the Association shall have the authority to promulgate rules and regulations pertaining to the use and/or rental of said personal and real property of the Association. The Board of the Association may appoint a committee to do so.

Section 5. Addition of the Phase 3 Land Area to the Property. The area of land divided into Lots for development and construction of Residential Units, known as Palisades Phase 3, shall be and become an integral part of the Property that is currently comprised of previously developed Phases 1 and 2. Phase 3 will be added to the Property and become subject to the Declaration upon the recording of the final plat for Phase 3 and a Supplemental Declaration adding Phase 3 to the Property in a form and with content substantially the same as the Supplemental Declaration that added Phase 2 to the Property. The Phase 3 Declaration need only be signed by the Developer.

Section 6. Right of Association to Merge. The Association shall have the right to merge with any other homeowners' association. This right shall be exercised by recordation of an amendment to this Declaration among the Public Records of Lake County, Florida, which amendment shall set forth a legal description of the property to which this Declaration, as amended, shall apply. Such amendment shall further have attached to it a resolution of this Association and the homeowners' association with which a merger is to take place, and such resolution shall be certified by both corporate secretaries thereof and shall state:

A. That a meeting of the homeowners' association and the Association was held in accordance with their respective By-Laws;

B. That a majority of a quorum of members of the homeowners' association and the Association approved the merger.

The foregoing certificates, when attached to the Amendment, shall be deemed sufficient to establish that the appropriate procedure was followed in connection with the Merger.

Section 7. Dispute Resolution. Any dispute or disagreement between Developer and the Association-elected Board, or between the Association, and/or the Builders, and/or the Developer, and/or one or more of the Members, and/or one or more of the Owners will first be negotiated in good faith for resolution. If no resolution is achieved by the parties, then the disagreement will be submitted for dispute resolution as outlined in Florida law pertaining to Homeowner's Associations found in Florida Statute 720.311. If mediation is unsuccessful, arbitration under F.S. 720.311 (2)(a) shall be conducted. Builders, Developer, Members, and Owners shall be considered *parcel owners* as described in this statute.

Section 8. Notices. Any notice required to be sent to any Member or owner under the provisions of this Declaration, shall be deemed to have been properly sent when mailed,

postpaid, to the last known address of the person who appears as a Member or owner on the records of the Developer, or after the Turnover Date, on the records of the Association.

Section 9. Headings. The headings contained in this Declaration are for convenience only and shall have no significance in the interpretation of the body of this Declaration and shall be disregarded in construing the provisions of this Declaration.

Section 10. Gender. The use herein of the singular number includes the plural number and the use herein of any gender includes all genders. The use herein of the word "person" and "persons" included individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations and all other groups or combinations.

Section 11. Governing Law. This Declaration shall be governed by and interpreted in accordance with the laws of the state of Florida,

Section 12. Joint Venture/Partnership. Nothing herein shall be deemed to create or constitute a partnership or Joint Venture between the Association and the Developer or between the Association and the owner or owners of a Lot or between the Developer and the owner or owners of a Lot.

ARTICLE XIII

SPECIAL PROVISIONS REGARDING LOTS 343 AND 344

Section 1. Conveyance of Title. Developer shall have the right at any time to convey fee title to Lot 344 to the then current Owner of Lot 343 subject to the covenants, conditions and restrictions of this Article. If the Developer conveys Lot 344 to the Owner of Lot 343, then from and after the conveyance, notwithstanding any other provision of the Declaration to the contrary, the following covenants, conditions and restrictions shall apply to Lot 343 and Lot 344 and the Owner thereof:

A. Title to Lot 343 and title to Lot 344 shall each be owned, held, possessed, granted, conveyed, transferred, gifted, encumbered, leased, mortgaged, hypothecated, pledged, bequeathed, and otherwise dealt with coextensively with the other in perpetuity, such that title to each Lot shall be forever inseparable from the other, except that each Lot shall be legally described separately by reference to its Lot number and

reference to the recorded plat in the same manner as before the conveyance of Lot 344 from the Developer to the owner of Lot 343.

B. Lot 344 shall be exempt from all Assessments levied by the Association, including, but not limited to annual Assessments, the Initial Assessment, and special Assessments, whether existing at the time of conveyance of Lot 344 from the Developer to the Owner of Lot 343, or whether thereafter created or assessed.

C. Lot 344 shall have no voting interest or membership interest associated with it, except for the voting interest and membership interest associated with Lot 343. In other words, Lot 343 and Lot 344 shall have a single vote, not each, but between them, that shall be exercised by the Owner thereof as provided in the Articles of Incorporation and Bylaws of the Association as in the case of a single Lot.

D. Except as provided hereafter, no improvements of any kind shall be constructed or installed within Lot 344. Lot 344 shall be and remain "open space" that shall be grassed, landscaped and maintained as provided below. Notwithstanding the foregoing, the Owner of Lots 343 and 344 shall be permitted to install a septic tank on Lot 344 that shall serve only Lot 343, provided that the location and manner of installation are approved by the ARC in accordance with Article VII of the Declaration, and further provided that the Owner obtains and maintains all necessary permits and approvals for the installation, maintenance, repair and replacement of the septic tank and associated facilities from all applicable governmental authorities and owners and beneficiaries of any easements to be affected by the septic tank and associated lines and facilities, and further provided that the septic tank is installed, maintained, repaired and replaced in compliance with the permits and approvals and as otherwise required by applicable laws. No portion of the septic tank or related facilities shall extend above the surface of the ground, except for the access cover, which shall be more or less even with the surface of the ground and otherwise inconspicuous from streets and adjoining Lots and Common Areas. The Owner of Lots 343 and 344 shall also be entitled (and required as more particularly provided below) to install and maintain irrigation on Lot 344 for purposes of irrigating grass and landscaping on the Lot. The Owner of Lot 344 shall construct, install and maintain sidewalks along the perimeter boundaries of Lot 344 that are adjacent to road rights-of-way, and shall connect the sidewalks to existing sidewalks on either side of Lot 344, as required by Article IX, Section 3 of this Declaration.

E. No automobile, truck, house trailer, mobile home, camper, boat, boat trailer, watercraft or other vehicle of any type, and no equipment, materials or other objects of any nature shall be parked, placed or stored on Lot 344, even temporarily, it being the intent of this Article that Lot 344 be treated, used and restricted similarly to the treatment, uses and restrictions applicable to the unimproved open space Common Areas in the Property, except that only the Owner of Lots 343 and 344 shall have the use thereof, and further provided that the use of Lot 344 by the Owner of Lots 343 and 344, shall be consistent with the uses permitted by the Declaration on the unimproved lawn areas on Lot 343 and shall be otherwise compliant with this Article.

F. The Owner of Lots 343 and 344 shall grass Lot 344 and shall mow, edge, weed, irrigate and otherwise maintain the grass and landscaping on Lot 344 as required by the Declaration for any other Lot, such that Lot 344 will appear as an extension of the lawn on Lot 343. Lot 344 may be landscaped as any other Lot, subject to ARC approval of landscaping plans as provided in Article VII of the Declaration.

Section 2. Description of Conditions. The purpose of this Article is to describe the conditions and restrictions applicable to Lots 343 and 344 after the conveyance by the Developer of Lot 344 to the then current Owner of Lot 343, if such conveyance is ever made. Nothing in this Article shall be construed (a) as an amendment of, or an attempt to amend, the plat on which the Lots are described, or (b) to change the legal character of the Lots as separate legal parcels of real property. The separateness of the Lots, however, shall not override the covenants, conditions and restrictions set forth in this Article should the Developer convey Lot 344 to the then current Owner of Lot 343, including, but not limited to, the restrictions set forth in Section 1, Subsection 1 above.

Section 3. Conditional Provisions. The provisions of this Article shall come into effect only upon the conveyance by the Developer of title to Lot 344 to the then current Owner of Lot 343, and shall control in the event of any conflict with other provisions of the Declaration. Unless and until the Developer conveys title to Lot 344 to the then current Owner of Lot 343, this Article shall have no application, whatsoever, and the provisions of the Declaration shall apply to Lots 343 and 344 as if this Article did not exist. The provisions of this Article, if and when effective, shall run with title to Lot 343 and Lot 344 and shall be binding upon and inure to the benefit of the Owner of Lot 343 and Lot 344. The Developer's right to convey title to Lot 344 to the then current Owner of Lot 343 subject to the covenants, conditions and restrictions in this Article is personal to the Developer and such right does not and shall not run with title to Lot 344. If the Developer conveys title to Lot 344 to any party other than the then current Owner of Lot 343, the covenants, conditions and restrictions of this Article shall not become effective and the Developer's grantee of title to Lot 344 shall have no right to convey title to Lot 344 to any party subject to the covenants, conditions and restrictions of this Article.

Section 4. Voting Rights. If, after the provisions of this Article become effective, any provision of subsections 1, 4, 5 or 6 of Section 1 of this Article is found by a court of competent jurisdiction to be unenforceable or in violation of any law, rule or regulation applicable to the Property, in any material respect, then the exemption from Assessments set forth in subsection 2 of Section 1 of this Article and the limitation on Lot 344's voting interest in subsection 3 of Section 1, shall be null and void and Lot 343 and Lot 344 shall thereafter be separately assessed for all purposes under the Declaration, and Lots 343 and 344 shall each have one (1) vote in Association matters separate and apart from the other, as any other Lot in the Property.

ARTICLE XIV – BUILD OUT

Section 1. Preservation of Scheme of Development. The Developer, and the Members, through the Association Board of Directors, declare that the Palisades

Development, generally including separate single family homes (Residential Units) and what is currently a golf course in a Planned Unit Development ("PUD"), and codified with restrictions to the property within the Palisades Development defined in Lake County Ordinance #29-90, and further defined in this Declaration, are within the original intent of the Scheme of Use of the Palisades Development, and are designed and implemented in the best interests of the Owners. The Palisades Development includes the completed and recorded Phase One and Phase Two sections. Phase Three will complete the development of the Palisades Development.

Preliminary Plats of Phase Three have been approved and notarized by the Lake County Planning and Design Division, and are in the final construction planning and approval stages in the Lake County Public Works Department as of January 15, 2015. Lake County records pertaining to this PUD, including all platting diagrams, are located in a file labeled "Palisades Golf Club" that is retained in Tavares, Florida, in the Planning and Community Design Division of Lake County, Florida.

Section 2. Palisades Character. Developer agrees that the character of Phase 3 of the Palisades must be developed according to the original intent of the Scheme of Use of the Palisades Development by the Developer, or any successor or assignee of the Developer, and each Residential Unit shall be harmonious with the Residential Units built on Lots within Phase 1 and Phase 2 of the Palisades, or with home designs included in the Parade of Homes in the greater Orlando area during either of the two years previous to their construction. At a minimum these standards shall include detached single family homes with a minimum of 1600 air conditioned square feet.

Section 3. Setback Requirements. Despite applicable Lake County building requirements as to setbacks, the setback requirements for the Build Out shall be as follows:

LOT SIZE	Front	Rear	Side*
Less than 66 ft. frontage	25'	5'	0' to 5'
66 ft. or more frontage and less than 22,000 sf	25'	15'	0' to 5'
66 ft. or more frontage and more than 22,000 sf	25'	30'	7.5'

* Minimum building separation is ten (10) feet.

APPENDICES

Appendix 1. Known recorded documents appurtenant to the Palisades Declaration of Covenants. That certain Declaration of Protective Covenants, Conditions and Restrictions for Palisades dated May 2, 1991 was recorded on August 8, 1991 in Official Records Book 1120, Page 1626; that certain First Amendment to Declaration of Protective Covenants, Conditions, and Restrictions for Palisades dated September 30, 1992 was recorded on December 10, 1992, in Official Records Book 1200, Page 0057; that certain Second Amendment to Declaration of Protective Covenants, Conditions, and Restrictions for Palisades dated February 2, 1995 was recorded on April 5, 1995, in Official Records Book 1354, Page 2391; that certain Supplemental Declaration Annexing and Submitting

Additional Real Property to the Declaration of Protective Covenants, Conditions and Restriction for Palisades dated June 28, 1996 was recorded on April 25, 1997, in Official Records Book 1512, Page 1522; that certain Supplemental Declaration Annexing and Submitting Additional Real Property to the Declaration of Protective Covenants, Conditions and Restriction for Palisades dated July 28, 2000 was recorded on August 2, 2000, in Official Records Book 1846, Page 1356; that certain Third Amendment to Declaration of Protective Covenants, Conditions, and Restrictions for Palisades dated August 8, 2000 was recorded on August 21, 2000, in Official Records Book 1852, Page 1622, that certain Supplemental Declaration Annexing and Submitting Additional Real Property to the Declaration of Protective Covenants, Conditions and Restriction for Palisades dated July 25, 2001 was recorded on August 7, 2001, in Official Records Book 1985, Page 308; that certain Supplemental Declaration Annexing and Submitting Additional Real Property to the Declaration of Protective Covenants, Conditions and Restriction for Palisades dated October 10, 2003 was recorded on October 17, 2003, in Official Records Book 2431, Page 1967 and re-recorded on November 24, 2003 in Official Records Book 2457, Page 803; that certain Supplemental Declaration Annexing and Submitting Additional Real Property to the Declaration of Protective Covenants, Conditions and Restriction for Palisades dated June 7, 2005 was recorded on June 13, 2005, in Official Records Book 2858, Page 2450; that certain Supplemental Declaration Annexing and Submitting Additional Real Property to the Declaration of Protective Covenants, Conditions and Restriction for Palisades dated October 3, 2006 was recorded on October 11, 2006, in Official Records Book 3280, Page 1513; that certain Fourth Amendment to Declaration of Protective Covenants, Conditions, and Restrictions for Palisades, Including Amendments to the Articles of Incorporation and Bylaws dated January 21, 2011 was recorded on January 28, 2011, in Official Records Book 3996, Page 1505, Grant of Easement for Landscaping Dec.11, 2001, in Official Records Book 2072 Pages 2297 – 2301; all of the above recorded in the Public Records of Lake County, Florida (collectively, the “Original Declaration”).

Appendix 2. Known recorded documents appurtenant to the agreements between the Developer and the Golf Course Property Owner(s). That certain Agreement Relating to Construction, Maintenance, and Operation of Golf Course and Country Club, a memorandum of which is recorded in Official Records Book 1030, beginning at Page 1703, of the Public Records of Lake County, as amended by that certain Amendment to Agreement Relating to Construction, Maintenance, and Operation of Golf Course and Country Club, a memorandum of which is recorded in Official Records Book 1403, beginning at Page 2331, of the Public Records of Lake County, as amended by that certain Second Amendment to Golf Course Cooperation Agreement and Amendment to Memorandum of Golf Course Cooperation Agreement, a memorandum of which is recorded in Official Records Book 4012, beginning at Page 217, of the Public Records of Lake County.

Appendix 3. “Declaration of Covenants and Restrictions for the Storm Water Management System.”

DEFINITIONS

"Storm Water Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to **Chapter 62-330, F.A.C.**

"Agency" shall mean the agency of the St. Johns River Water Management District.

USE OF PROPERTY

Storm Water Management System: The Palisades Homeowners Association shall be responsible for the maintenance, operation and repair of the Storm Water Management System. Maintenance of the Storm Water Management System(s) shall mean the exercise of practices that allow the systems to provide drainage, water storage, conveyance or other storm water management capabilities as "permitted" by the Agency. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the storm water management system shall be as "permitted," or if modified, as approved by the Agency.

AMENDMENT

Any amendment to the Covenants and Restrictions that alters the Storm Water Management System, beyond maintenance in its original condition, including mitigation or preservation areas and the water management portions of the common areas, must have the prior approval of the Agency.

ENFORCEMENT

The Agency shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the storm water management system

**UNANIMOUS WRITTEN RESOLUTION OF THE BOARD OF
DIRECTORS OF
PALISADES HOMEOWNER'S ASSOCIATION, INC.**

The undersigned, being all of the Members of the Board of Directors of Palisades Homeowner's Association, Inc. a Florida not for profit corporation (the "Association"), in lieu of holding a special meeting of the Board of Directors, do hereby consent in writing to the adoption of and do hereby adopt the following resolutions:

WHEREAS, in 2019 there was a meeting notice sent to all Members of the Association with certain language contained therein regarding amendment to the Declarations of Protective Covenants, Conditions and Restrictions for Palisades (Revised 2019);

WHEREAS, in September of 2019 there was an affirmative vote of the membership to amend the Declarations of Protective Covenants, Conditions and Restrictions for Palisades (Revised 2019) and adopt the certain language contained in the notice and attachments thereto; and,

WHEREAS, the language included in the Declarations of Protective Covenants, Conditions and Restrictions for Palisades (Revised 2019) recorded in the Official Records of Lake County, Florida on January 13, 2020 did not accurately reflect the language adopted by the membership in September of 2019.

IT IS HEREBY:

RESOLVED, the Board directs that the Declarations of Protective Covenants, Conditions and Restrictions for Palisades be corrected by amendment to reflect the language duly adopted by the membership in the September 2019 vote.

Dated as of November 12, 2020.

BOARD OF DIRECTORS:

Debra A. Haring
Richard F. Weaver
Peter Malchow
Dave F. Day

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

(SEAL)

WAIVER OF NOTICE

The undersigned, being all the Board of Directors of Palisades HOA, Inc., a Florida not for profit corporation, (the "Association"), hereby waives all notice requirements of a special meeting of the Members held on the date affixed below in lieu of holding a special meeting of the Board of Directors.

The undersigned further consent and agree that any and all business may be transacted through this Resolution. Any business transacted through this Resolution, shall be as valid and legal and of the same force and effect as if a meeting were held after notice.

Dated as of November 12, 2020.

BOARD OF DIRECTORS:

Debra A. Haring

Richard F. Weaver

Peter Malhough

Dana S. Day

[Signature]

[Signature]

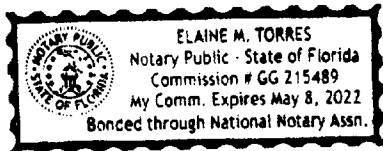
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[Signature]

Stephen T. King

STATE OF FLORIDA
COUNTY OF LAKE

✓ The foregoing instrument was sworn to (or affirmed) and subscribed to me by means of ✓ physical presence or online notarization by Debora Haring, Richard Weaver, Peter Malkovich, Bruce Berger, Ted Liberini, Joseph Cummings, Joseph Boyle, Ron Herman, and Stephen Paige, who are personally known to me or produced a Florida Driver's License as identification, this 27th day of May, 2021.



Elaine M. Torres
NOTARY PUBLIC
Elaine M. Torres
(Notary Public Printed Name)