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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
PALMETTO GROVE AT VERANDAH**

This Declaration is made this 30<sup>th</sup> day of December, 2005, by LYONS LAND CORP., LLC, a Florida limited liability company, hereinafter referred to as "Developer."

WITNESSETH:

WHEREAS, Developer is the owner of certain real property located in Lee County, Florida, which is more particularly described in Exhibit "A" attached hereto and incorporated herein, and desires to create a residential community on platted Lots which shall contain single-family residences, known as Palmetto Grove at Verandah, herein called the "Property"; and

WHEREAS, Developer wishes to provide for the preservation and maintenance of the appearance, values and amenities of Palmetto Grove at Verandah, and to this end, desires to subject the Property to the terms, conditions, rights and obligations of this Declaration of Covenants, Conditions and Restrictions for Palmetto Grove at Verandah, herein called the "Declaration," and has created a non-profit membership corporation, herein called the "Association," to be given the power and duty of maintaining and administering the Common Areas and enforcing this Declaration of Covenants, Conditions and Restrictions for Palmetto Grove at Verandah.

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

PLAN OF DEVELOPMENT

Palmetto Grove at Verandah is located within a master planned community known as Verandah. Within Verandah are several smaller communities, such as Palmetto Grove at Verandah. All of the property located in Palmetto Grove at Verandah is subject to certain restrictions and regulations as provided in the Declaration of Covenants, Conditions and Restrictions for Verandah recorded in Official Records Book 3795, Page 2515, et seq., of the Public Records of Lee County, Florida, herein collectively referred to as the "Community Declaration."

The Community Declaration was created by Verandah Development LLC, the developer of Verandah, to provide for the preservation and maintenance of the appearance, values and amenities of Verandah. The Community Declaration provides for separately developed and designated residential areas. These areas, each known as a "Neighborhood," as the term is defined in the Community Declaration, are governed by the Verandah Community Association, Inc. ("Community Association"). In the event of any conflict between the terms of this Declaration and the Community Declaration, the more restrictive terms shall prevail.

Palmetto Grove at Verandah is a Neighborhood as defined in the Community Declaration. In addition to being a Member of the Palmetto Grove at Verandah Neighborhood Association, Owners in Palmetto Grove at Verandah are members of the Community Association and are obligated to pay Assessments to the Community Association for the operation of the Community Association and maintenance, replacement, and repair of the common areas located in Verandah. The Community Declaration provides that each Neighborhood Association located in Verandah shall assess and collect Assessments established by the Community Association board of directors for the benefit of the Community Association. The Property is also subject to the Verandah East Community Development District (the "CDD") and Owners in Palmetto Grove at Verandah may be obligated to pay Assessments to the CDD.

#### ARTICLE I DEFINITIONS

1.1 "Assessments" shall mean a sum or sums of money for common expenses provided for herein or by any subsequent amendment which shall be used for the purposes of operation of the Association and for promoting the recreation, common benefit, and enjoyment of the Owners and occupants of Palmetto Grove at Verandah, and of maintaining the Property or Common Areas within Palmetto Grove at Verandah, all as may be specifically authorized from time to time by the Board of Directors of the Palmetto Grove at Verandah Neighborhood Association or the Community Association, which if not paid by an Owner can result in a lien against the Lot.

1.2 "Articles" shall mean the Articles of Incorporation of Palmetto Grove at Verandah Neighborhood Association, Inc.

1.3 "Association" shall mean and refer to Palmetto Grove at Verandah Neighborhood Association, Inc. its successors and assigns.

1.4 "Board of Directors" or "Board" shall mean and refer to the representative body which is responsible for the administration of the Association.

1.5 "Bylaws" shall mean the Bylaws of Palmetto Grove at Verandah Neighborhood Association, Inc., as amended from time to time.

1.6 "Common Areas" or "Neighborhood Common Areas" shall mean all real property to be owned or leased by the Association for the common use and enjoyment of the Owners, their agents, assigns, employees and invitees, as well as all real property which is dedicated to the Association or its Members by recorded plat. The Common Areas include all land which is subject to this Declaration less and excepting the platted Lots which have been reserved by Developer for sale to Owners. The Common Areas shall be deeded, leased, assigned, or transferred by Developer or

Community Declarant to the Association as hereafter provided. The Common Areas shall specifically include all storm water management systems within Exhibit "A" which serve the Property and all buffer areas as shown on the plat for Palmetto Grove at Verandah. Palmetto Grove at Verandah may not contain any Common Areas.

1.7 "Community Association" shall mean and refer to Verandah Community Association, Inc.

1.8 "Community Declarant" shall mean and refer to Verandah Development LLC, a Florida limited liability company, its successors and assigns.

1.9 "Community Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Verandah, recorded in Official Records Book 3795, Page 2515, of the Public Records of Lee County, Florida, and supplements thereto.

1.10 "Developer" shall mean and refer to Lyons Land Corp., LLC, which is also a "Builder" as that term is defined in the Community Declaration. It shall not include any person or entity who purchases a Lot unless such purchaser is specifically assigned some or all of Developer's rights by a recorded document.

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

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

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

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

1.15 "Lot" shall mean a portion of the Properties, whether improved or unimproved, which may be independently owned and is intended for the development, use, and occupancy as a residence for a Single Family.

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

1.17 "Neighborhood" shall mean and refer to a separately developed and designated residential area, which is governed by an owners association in which owners may have common interest other than those common to all Community Association members. Palmetto Grove at Verandah is such a Neighborhood.

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

1.19 "Owner" or "Lot Owner" shall mean and refer to the record Owner, whether one (1) or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but shall not mean or refer to any mortgagee unless and until any such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

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

1.21 "Properties" or "Property" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and incorporated herein, known as Palmetto Grove at Verandah, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and submitted to this Declaration pursuant to Article XI, Section 11.5.

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

1.23 "Supplemental Declaration" shall mean an instrument filed in the Public Records of Lee County, Florida, pursuant to Article XI, Section 11.5, which may subject additional property to this Declaration.

## ARTICLE II PROPERTY RIGHTS

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

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

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

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

D. Easements for ingress and egress and right-of-way are reserved for pedestrian traffic over, through, on and across all Common Areas and upon all sidewalks, paths, walkways, lanes, streets and avenues, as the same from time to time exist upon the Common

Areas, and for vehicular traffic over, through and across such portions of the Common Areas as from time to time may be installed for such purposes.]

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

F. Any portion of the Property which is designated as open space, landscape, buffer, preserve area, or words of similar import on any plat, declaration of restrictions, site plan, permit or other document shall be preserved and maintained by the owner of such land as such open space. If such land or an easement over such land has been conveyed or dedicated to the Association, the Association shall preserve and maintain such land. No development may occur on such land except permitted structures and improvements which promote the use and enjoyment thereof for open space purposes.

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

2.3 The Developer shall not be required to convey the legal and equitable title and ownership to the Common Areas or any part thereof until the time Developer no longer owns any Lot in the Properties, and Developer's right to subject additional Lots has expired pursuant to Article XI, Section 11.5. Developer may convey title, and the Association shall accept, title at any time prior to Developer's conveyance of the last Lot owned by Developer, at Developer's sole option. However, Developer shall convey all site improvements to the appropriate entity, provided such work is located within easements or in areas platted or to be platted as Common Areas, to the Association.

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

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

2.6 Every Owner shall have an easement over any portion of their driveway located beyond their Lot line.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 Every person or entity who is a record fee simple Owner of a Lot, including Developer, at all times, as long as it owns all or any part of the Property, shall be a Member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a Member. If any such Owner is not a natural person, the subject entity shall designate a natural person who shall be the Primary Occupant and such natural person shall exercise the Lot's membership rights. Membership shall be appurtenant to, and may not

be separated from ownership of any Lot which is subject to Assessment. When any Lot is owned of record by two (2) or more persons or other legal entity, all such persons or entities shall be Members.

3.2 The Members of the Association shall be entitled to vote as outlined in the Articles. The vote of a Lot shall not be divisible. If a Lot is owned by one (1) natural person, his right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two (2) or more natural persons, that Lot's vote may be cast by any Owner present at the meeting at which the vote is taken. If two (2) or more Owners of a Lot are present and cannot agree among themselves how their one (1) vote shall be cast, that vote shall not be counted for any purpose. If the Owner of a Lot is not a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant designated as set forth above.

3.3 In elections for Directors of the Community Association, and all votes of the Community Association as provided in the Community Declaration, votes attributable to Owners in Palmetto Grove at Verandah shall be cast by the Palmetto Grove at Verandah Neighborhood Representative set forth (as defined in the Community Declaration). The Neighborhood Representative for Palmetto Grove at Verandah shall be the President of the Association. If the President of the Association is unable to fulfill any duties of the Neighborhood Representative, the Vice-President of the Association shall serve as alternate Neighborhood Representative.

#### ARTICLE IV COVENANTS FOR ASSESSMENT

4.1 Subject to the provisions of Article IV, Sections 4.11 and 4.12 herein, each Owner of any Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association Assessments or charges, and any special Assessments to be fixed, established and collected from time to time as hereinafter provided. Liability for Neighborhood Assessments shall not begin until a certificate of occupancy has been issued for improvements on a Lot. It is the intent of this section that Neighborhood Assessments shall not be due on vacant Lots; however, Community Association Assessments may be due on unimproved, vacant Lots. All such Assessments, together with interest thereon from thirty (30) days after the due date at the highest rate as allowed by law, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such Assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or by abandonment, or otherwise. The Association shall collect all Assessments and other sums due the Community Association if required of it by the Community Association. The Association shall remit the Assessments to the Community Association pursuant to such procedures as may be adopted by the Community Association. If so required by the Community Association, Assessments due the Community Association by the Association shall be a common expense of the Association.

4.2 The annual and special Assessments levied by the Association shall be collected by the Board and shall be used for the purpose of maintaining the Properties in a manner consistent with the Community-Wide Standard, as such term is defined in the Community Declaration and promoting the health, safety and welfare of the residents in the Properties including but not limited to the following:

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

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

2. All landscaped areas including lawns, shrubs, trees and other planting located on a Lot or Common Areas;

3. All equipment and facilities owned by or acquired by the Association located on the Common Areas or recreation areas, if any;

4. Fences, signs, street lights, entry features, planters and fountains located on the Common Areas;

5. Operation, maintenance and repair of any portion of the storm water management system located within the Property which is designated by the Community Declarant as a "Secondary Surface Water Management System" as provided in the Community Declaration. The Community Association shall be responsible for operation, maintenance and repair of the primary storm water management system for Palmetto Grove at Verandah;

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

B. Maintenance or repair of electrical lighting, and other necessary utility services for the Common Areas and the sprinkler system in the Common Areas and on the Lots;

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

D. Insurance covering the full insurable replacement value of the Common Areas with extended coverage;

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

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

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

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

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

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

4.3 All regular and special Assessments for items pertaining to the Common Areas and Association maintenance responsibilities for each Lot shall be at a uniform rate for each Lot in the Properties, except as set forth in Article V below. Provided, however, the Association may assess additional costs against any Lot to correct maintenance deficiencies or to enforce the provisions of this Declaration or the Community Declaration, or to perform additional maintenance on any Lot which contains special plantings or landscaping which require extra care, maintenance and expense by the Association.

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

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

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

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

4.8 If any Assessment is not paid within thirty (30) days from its due date as determined by the Board pursuant to this Declaration, the Association may, at any time thereafter, record a lien



against said Lot in the Public Records of Lee County, Florida, and bring an action to foreclose the lien in a like manner as a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the Owner(s), and there shall be added to the amount of such Assessment the cost of any such action (including reasonable attorneys' fees), and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and reasonable attorneys' fees to be fixed by the Court, together with costs of the action.

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

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

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

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

B. All Common Areas as defined in Article I.

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

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

ARTICLE V  
MAINTENANCE

5.1 The Association and all Lot Owners shall perform their maintenance responsibilities hereunder in a manner consistent with the Community-Wide Standard established pursuant to and defined by the Community Declaration.

5.2 Owners shall be responsible for the cleaning and general maintenance, repair and painting of the exterior and interior of their residence and all improvements on the Lot. Owners shall also be responsible for cleaning and repairs to the swimming pool, if any, on their Lot and any pool enclosures, decks, patios, planters or walkways in the rear or side yards of their Lot. Owners shall be responsible for all costs associated with the irrigation system on their Lot.

5.3 The Association shall be responsible for maintenance of Common Areas, for maintenance of the lawns and landscaping on the Lots, and other maintenance responsibilities determined by the Board. The Association shall also be responsible for maintaining and irrigating the landscaping on the Community Association common area adjacent to the Neighborhood to the edge of any pavement, water's edge or conservation area.

5.4 In addition to maintenance of the Common Areas and lawns and landscaping on the Lots, the Association may provide upon any Lot and residence requiring same, when necessary in the opinion of the Board of Directors, to preserve the beauty, quality and value of the Neighborhood, any maintenance, repair or replacement that is otherwise the responsibility of the Owner hereunder and which the Owner fails to replace, restore, repair or perform after thirty (30) days written notice to the Owner of the need of such replacement, restoration, repair or maintenance.

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

5.5 In the event that any of the improvements located on any Lot are destroyed or damaged as a result of any cause, including, but not limited to aging, fire, windstorm, flood or tornado, the Owner of such improvements shall cause repair or replacement of such improvements to be commenced within thirty (30) days from the date of insurance settlement, and to complete the repair or replacement within six (6) months thereafter.

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

5.6 In the event that the Owner of any Lot fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for herein, then in that event, the Association shall be deemed to have been granted the right by the

Owner to commence and/or complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements, and all Association costs of repair shall be paid by the Lot Owner.

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

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

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

5.9 In addition to the remedies available to the Association, the Community Association may, in its sole discretion, enforce the provisions of this Declaration and assess any expenses incurred by it against the Association or Owners as it deems appropriate.

#### ARTICLE VI ARCHITECTURAL CONTROL AND RECONSTRUCTION

6.1 No improvements, additions, deletions of any kind, including without limitation, any building, fence, wall, screen enclosure, awning, drain, disposal system, painting or other improvement shall be commenced, erected, placed, maintained upon any Lot, nor shall any addition, change, alteration, repair or replacement therein or thereof made unless or until the plans and specifications for same have been approved by the Developer and by the Community Declarant pursuant to the Community Declaration. The Developer is required to submit design proposals of each model it intends to construct to the Community Declarant, which proposals shall include detailed building and site design proposals sufficient and definitive in detail to identify the character, exterior appearance, exterior materials and colors, and the quality and type of building and landscape materials which are proposed. The Community Declarant will review the proposals and may approve the models ("Approved Models"). Approved Models are not required to be resubmitted to the Community Declarant. However, prior to the construction of the Approved Model, the Developer shall submit the proposed colors to be used on the exterior of the Approved Model and the landscape plans for such Lot prepared by a landscape architect, or landscape designer.

6.2 Any changes to the Approved Models or any changes to improvements, deletions or additions previously approved by the Community Declarant must first be reviewed and approved by the Developer or the Association, if turnover as defined in the Bylaws has occurred. If the Developer approves a change to the Approved Model, the proposed changes shall be reviewed by the Community Declarant pursuant to the procedures set forth in the Community Declaration.

6.3 At such time as the Developer no longer owns a Lot within the Properties, the architectural review and control functions of the Developer may be administered and performed by the Architectural Review Board (the ARB), which shall consist of at least three (3) members, who need not be Members of the Association. The Developer shall have the right to appoint all of the members of the ARB, or such lesser number as it may choose, as long as it owns at least one (1) Lot in the Properties. Members of the ARB as to whom Developer may relinquish the right to appoint, and all members of the ARB after Developer no longer owns at least one (1) Lot in the Properties shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association. At any time that the Board of Directors has the right to appoint one (1) or more members of the ARB, the Board shall in good faith attempt to appoint at least one (1) architect or building contractor thereto. A majority of the ARB shall constitute a quorum to transact business at any meeting of the ARB, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARB.

6.4 Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof, shall be filled in the same manner as the original appointment of that member.

6.5 The ARB shall have the following powers and duties:

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

B. To require submission to the ARB of two (2) complete sets of all plans and specifications for any improvement or structure of any kind, including without limitation, any building, fence, wall, swimming pool, enclosure, sewer, drain, disposal system, decorative building, landscape device, object or other improvement, the construction or placement of which is proposed upon any Lot in the Properties. The ARB may require such additional information as may reasonably be necessary for the ARB to completely evaluate the proposed structure or improvement in accordance with this Declaration and the architectural planning criteria;

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

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

6.6 Construction of all improvements shall be consistent with the requirements of the Community Declaration, as supplemented, including the following requirements:

A. All lot line setbacks shall be consistent with the requirements imposed by Lee County, Florida, and at a minimum as follows: front setbacks: 15 feet, or 25 feet in the case of a front entry garage; side setbacks: 7.5 feet; rear setbacks: 20 feet; rear accessory structure setbacks: 15 feet from the rear lot line in the case of a Lot adjacent to a golf course and 10 feet from the rear lot line when the Lot is adjacent to a lake or preserve.

B. Each Dwelling will be a minimum of 1,800 square feet and a maximum of 2,800 square feet of air conditioned living space and contain, at a minimum, a two (2) car garage.

C. No Dwelling or building shall be more than two (2) stories in height, unless approved pursuant to Article IV of the Community Declaration. No Dwelling may be more than 35 feet in height above the base flood elevation, unless approved pursuant to Article IV of the Community Declaration.

D. The landscape plans of each Lot Owner, including any plans for removal or alteration of the natural vegetation on any Lot, shall require prior approval pursuant to Article IV of the Community Declaration. No indigenous tree measuring four or more inches in diameter at a point two feet above ground level, nor any species of oak, regardless of size, may be removed, unless such tree is located within five feet of a structure or driveway approved pursuant to Article IV of the Community Declaration. A continuous landscape separation consistent with the community-wide standard established by the Verandah Design Guidelines must be provided for the Lots located adjacent to a golf course.

E. There shall be no more than thirty-four (34) Dwellings within the Property.

6.7 Approval of construction, modification, or alteration of any Lot or Common Area granted by the Developer, the Association, or the ARB, pursuant to this Declaration shall neither avoid the need for nor guarantee such approval as may be required pursuant to the Community

Declaration. The Design Guidelines as defined in the Community Declaration of the Community Association shall take priority over any conflicting architectural planning criteria adopted by the Association's Board of Directors; provided, the Board may adopt and enforce standards that are more restrictive than those of the Design Guidelines.

## ARTICLE VII USE RESTRICTIONS

In addition to any restrictions imposed upon the Property by the Community Declaration, the use of the Lots shall be in accordance with the following provision. In the event of any conflict between the following provisions and use restrictions contained in the Community Declaration, or adopted pursuant to the Community Declaration, the more restrictive limitation shall be enforced.

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

7.2 No tents, trailers, shacks, tanks or temporary or accessory buildings or structures shall be erected or permitted to remain on any Lot or the Common Areas without the written consent of the Board.

7.3 No aerial, antenna, antenna poles, antenna masts, citizen band or amateur band antennas, or satellite dish shall be placed or erected upon any Lot, or affixed in any manner to the exterior of any building in the Property, without the prior written consent of the Board.

7.4 No boats, commercial vehicles, trailers, recreational vehicles or other motor vehicles, except four-wheel passenger automobiles and non-commercial trucks or vans, as determined by the Board, shall be placed, parked or stored upon any Lot (except in the garage) or in the Common Areas for a period of more than eight (8) hours unless such vehicle is necessary in the actual construction or repair of a structure or for ground maintenance, nor shall any maintenance or repair be performed upon any boat or motor vehicle not owned or controlled by the Association or the Developer in the Properties, except within a building where totally isolated from public view. All garage doors must remain closed except upon entering or exiting the garage.

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

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

7.7 No sign of any kind including "For Sale" signs, shall be displayed to public view on any Lot or Common Area, including signs placed in windows, except a sign of reasonable size provided by a contractor for security services within ten (10) feet of any entrance to a home as permitted by Chapter 720.304, *Florida Statutes*, and except a sign identifying Palmetto Grove at

Verandah, street or traffic control signs, or except as placed by the Community Declarant or Developer or approved by the ARB or the Association as the case may be. Only after Developer no longer owns any portion of the Properties may an Owner maintain one "For Sale" sign, provided, such sign must be approved pursuant to the Community Declaration.

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

7.9 The sale, rental or other disposition of Lots in the Property is essential to the establishment and welfare of the Properties as an on-going residential community. In order that the development of the Properties be completed and the Property established as a fully occupied residential community as soon as possible, nothing in this Declaration shall be understood or construed to prevent Developer, Developer's transferees or employees, agents and assigns, contractor or subcontractors of Developer, or Developer's transferees, from doing whatever they may determine to be reasonable, necessary or advisable for the completion of the work and the sale and establishment of the Properties as a residential community including, but not limited to, constructing, maintaining and operating a construction office and a sales facility or model homes, together with appropriate signage. As used in this section, the words "its transferees" specifically exclude purchasers of Lots.

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

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

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

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

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

ARTICLE VIII  
EASEMENTS FOR MAINTENANCE, CONSTRUCTION AND REPAIR

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

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

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

8.4 There shall be an easement of six (6) feet in width for access, in favor of the Community Declarant, Developer, Owners and the Association during the construction and maintenance of each dwelling, over and across the Lot or Common Area which adjoins a zero side yard lot line of the dwelling under construction or maintenance.

ARTICLE IX  
ENFORCEMENT OF COVENANTS

9.1 Every Owner and his tenants, guests, invitees and agents shall comply with all of the terms and conditions of this Declaration, the Articles and Bylaws for Palmetto Grove at Verandah Neighborhood Association, and rules and regulations as same exist and as may be amended or adopted in the future.

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



ARTICLE X  
TRANSFER OF OWNERSHIP AND LEASING OF LOTS

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

10.2 Forms of Ownership.

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

B. Co-ownership of Lots is permitted, but all Owners must be members of a Single Family or living together as a Single Family housekeeping unit. If co-ownership is to be by more than two (2) persons, Owners shall designate one (1) natural person as the Primary Occupant, and the use of the Lot by other persons shall be as if the Primary Occupant is the actual Owner.

C. A Lot may be owned in trust or by a corporation, partnership, or other entity which is not a natural person. However, the intent of this provision is to allow flexibility in estate or tax planning, and not to create circumstances in which the Lot may be used as short term transient accommodations for several individuals or families. Said corporation, trustee or any entity which is not a natural person shall designate one (1) natural person to be the Primary Occupant, and the use of the Lot by other persons shall be as lessees and as if the Primary Occupant is the only actual Owner.

D. A Lot may become subject to a life estate, either by operation of law or by approved voluntary conveyance. In that event, during said life estate the life tenant shall be the only Member in the Association from such Lot and occupancy of the Lot shall be as if the life tenant was the only Owner. The life tenant and remaindermen shall be jointly and severally liable for all Assessments and charges against the Lot. The life tenant may, by signed agreement, transfer the right to vote in all Association matters to any one (1) remainderman, subject to approval by the Association of such arrangement. If there is more than one life tenant, they shall be treated as if they were co-Owners for purposes of voting and occupancy rights.

10.3 Transfers.

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

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

10.4 Leases.

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

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

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

#### ARTICLE XI GENERAL PROVISIONS

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

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

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

11.4 Invalidity of any one (1) or more of these covenants and restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

11.5 Developer may from time to time subject additional Lots or property to the provisions of this Declaration by recording a Supplemental Declaration in the Public Records of Lee County, Florida, describing the additional property to be subjected. A Supplemental Declaration recorded pursuant to this Section shall not require the consent of any person except the owner of such property, if other than Developer.

The Developer's right to expand the Properties pursuant to this section shall expire when the Developer or its successors no longer own any Lots within the Properties. Nothing in this Declaration shall be construed to require the Developer or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "A" in any manner whatsoever.

Any Supplemental Declaration recorded pursuant to this section shall be effective upon recording in the Public Records of Lee County, Florida, unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and Assessment liability in accordance with the provisions of this Declaration.

11.6 Developer reserves the right unilaterally to amend this Declaration and to do so at any time or times upon such conditions, in such form and for such purposes as it shall in its sole discretion deem appropriate by preparing and recording amendments hereto, provided however, that this right of unilateral amendment shall expire after the Developer has turned over control of the Association to Lot Owners other than the Developer. Developer's rights shall include, without limitation, the right to amend this instrument in order to correct any errors or omissions, or the dimensions of any Lots, or Common Areas not previously conveyed, so long as any such amendment(s) does not purport to limit or alter the property rights of any Owners then holding title to Lots in the Properties, purport to change the dimensions of any Lot, or Common Areas previously conveyed or purport to restrict the integrity of the lien of any institutional lender who holds a mortgage on any previously conveyed Lot. Any amendment shall relate back to and become effective as of the date of recording of this Declaration. Any amendment affecting the storm water management system must first be approved by the Community Association and the South Florida Water Management District.

After the turnover of control of the Association to Owners other than the Developer, this Declaration may be amended at any time upon the execution and recordation of an instrument evidencing the adoption of the amendment by Owners holding not less than two-thirds (2/3) of the voting interest of the membership. Any amendment affecting the storm water management system must first be approved by the Community Association and the South Florida Water Management District.

11.7 Notwithstanding any of the provisions contained in this Declaration, Developer, its successors or assigns, shall not be obligated to develop all of the Property submitted to this Declaration, and Developer may, in its sole discretion, release any of the property submitted in this Declaration from the terms and conditions hereof, except any properties conveyed to the Association or Owners. Such deletions shall be made by Developer filing in the Public Records of Lee County, an amendment to this Declaration providing for the release of the property from this Declaration. Such amendment shall include any provisions necessary to assure that the property being released from this Declaration shall be entitled to use the roads, water, sewer, irrigation, telephone, cable television, water management and other infrastructure serving Palmetto Grove at Verandah which Developer determines is necessary for the development of the property removed from the Declaration. Such amendment need only to be executed by Developer, consented to by the Community Declarant, and shall not require the joinder or the consent of the Association or its Members.

11.8 So long as Developer owns any portion of the Properties, Developer, its successors and assigns, shall have the exclusive right to maintain a sales center, model homes or signs on the Properties.

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

11.10 In the event of a conflict between the Declaration, the Articles, the Bylaws, the Community Declaration, the Articles of Incorporation for the Community Association, the Bylaws of the Community Association and the Supplemental Declaration of Covenants, Conditions and Restrictions for Verandah Palmetto Grove Neighborhood recorded on December 8, 2005, as Instrument No. 20050000158775, Public Records of Lee County, Florida ("Supplemental Declaration"), the Community Declaration, the Supplemental Declaration, the Articles of Incorporation of the Community Association or the Bylaws for the Community Association, in that order, shall prevail. The foregoing priorities shall not prevent enforcement by the Association of provisions or rules which are stricter than those of the Community Association.

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

IN WITNESS WHEREOF, Developer has caused these presents to be executed as of this 30th day of December, 2006

Witnesses:


LYONS LAND CORP., LLC, a Florida limited liability company,

Tamberlee Pittman  
Printed Name: Tamberlee Pittman  
Jarred Erwin  
Printed Name: JARRED ERWIN

Bobby R. Lyons  
Bobby R. Lyons  
Its: Manager

STATE OF FLORIDA  
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 30th day of December, 2006, by Bobby R. Lyons, as Manager of Lyons Land Corp., LLC, a Florida limited liability company, on behalf of the company. He is personally known to me or produced \_\_\_\_\_ as identification.

NOTARY PUBLIC-STATE OF FLORIDA  
 Tamberlee Pittman  
Commission # DD128301  
Expires: JULY 27, 2006  
(Seal) Bonded Thru Atlantic Bonding Co., Inc.

Tamberlee Pittman  
Notary Public  
Printed Name: Tamberlee Pittman  
My Commission Expires: July 27, 2006

N:\Client\Lyons\_Land\_0224\Palmetto Grove @ Verandah\Declaration.DOC

**EXHIBIT "A"**

Lots 1 through 34, R-1, LS-1, LS-3, LS-4 and LS-5 (Palmetto Grove) Verandah Unit Thirteen, according to the Plat thereof recorded as Instrument #20050000156455, Public Records of Lee County, Florida.

Exhibit "B"

# State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of PALMETTO GROVE AT VERANDAH NEIGHBORHOOD ASSOCIATION, INC., a Florida corporation, filed on January 5, 2006, as shown by the records of this office.

The document number of this corporation is N06000000162.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Sixth day of January, 2006



CR2EO22 (01-06)

*Sue M. Cobb*  
Sue M. Cobb  
Secretary of State

**ARTICLES OF INCORPORATION  
FOR  
PALMETTO GROVE AT VERANDAH  
NEIGHBORHOOD ASSOCIATION, INC.,  
A NOT-FOR-PROFIT CORPORATION**

**FILED**  
**06 JAN -5 PM 1:57**  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

In compliance with the requirements of Chapter 617, *Florida Statutes*, the undersigned who is of full age, does hereby certify:

**ARTICLE I**

The name of the corporation is Palmetto Grove at Verandah Neighborhood Association, Inc.

The office of the association is located at 9240 Marketplace Road, Suite 1, Ft. Myers, FL 33912.

The name and address of the Registered Agent is C. Perry Peeples, c/o Garlick, Stetler & Peeples, LLP, 5551 Ridgewood Drive, Suite 101, Naples, Florida 34108.

The terms used in these Articles shall have the definitions as provided in Article I of Declaration of Covenants, Conditions and Restrictions for Palmetto Grove at Verandah (the "Declaration").

**ARTICLE II**

**PURPOSE AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance and preservation of Lots and Common Areas within that certain tract of property located in Lee County, Florida, known as "Palmetto Grove at Verandah" pursuant to the provisions of the Declaration, and to promote the betterment of the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and in furtherance of those purposes to:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, applicable to the Property, to be recorded in the Public Records of Lee County, Florida, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein by reference as if set forth at length;

B. Operate, maintain repair and where necessary improve the Common Areas, including but not limited to, all water management facilities existing, from time to time on the Properties, which water management facilities shall include all lakes, ponds, drainage retention areas, swales and artificial and natural structures which are

incorporated into the water management system, whether owned by the Association or by a Member, and all easements reserved for drainage related purposes. Provided, however, that the Association shall only be responsible for water management facilities which solely serve Palmetto Grove at Verandah. The Verandah Community Association, Inc., shall be responsible for the ownership, operation and maintenance of all storm water management systems which are designated by the Community Association as a part of the master storm water management system.

C. Fix, levy, collect and enforce payment by any lawful means, all charges or Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses in connection therewith and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

D. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

E. Borrow money, and with the consent of two-thirds (2/3) of the Members entitled to vote, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

F. Dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members;

G. Have and to exercise any and all powers, rights and privileges which a corporation organized under the not-for-profit corporation law of the State of Florida may now or hereafter have or exercise;

H. Devise such rules and regulations with respect to the use of the Common Areas and to promote the health, safety and convenience of the Owners of the Property.

I. Enter into contracts for operational and maintenance services for the Common Areas and the management of the Association.

J. Cooperate with the Community Association in carrying out its responsibilities under the Community Declaration.

### ARTICLE III MEMBERSHIP

Every person or entity who is a record Owner of a Lot in Palmetto Grove at Verandah, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a Lot which is subject to Assessment by the Association.



ARTICLE IV  
VOTING RIGHTS

The Association shall have two (2) classes of voting memberships:

1. Class A. Class A members shall be all of those Owners of a Lot subject to the Declaration. Each Class A member shall have one (1) vote for each Lot owned by such Class A member.

2. Class B. There shall be one (1) Class B member, the Developer, Lyons Land Corp., LLC, a Florida limited liability company, or its assigns. The Class B member shall have one (1) vote for each Lot subject to the Declaration, plus one (1).

The Bylaws may establish procedures for voting when title to a Lot is held in the name of a corporation or more than one (1) person or entity.

The Class B membership shall terminate upon the earlier of:

1. Three (3) months after ninety percent (90%) of the maximum number of Lots reserved by Developer on Exhibit "A" of the Declaration, and ninety percent (90%) of the Lots subjected to the Declaration pursuant to Section 11.5 thereof have been conveyed to Class A members; or

2. When, in its discretion, Developer so determines and declares in a recorded instrument.

Upon termination of the Class B membership, Developer shall be a Class A member entitled to Class A votes for each Lot which it owns.

ARTICLE V  
BOARD OF DIRECTORS

The affairs of this Association shall initially be managed by a Board of three (3) members who shall be appointed by the Developer. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Tim Rose	9240 Marketplace Road, Suite 1 Fort Myers, FL 33912
Weldon Burchett	9240 Marketplace Road, Suite 1 Fort Myers, FL 33912
Chris Hammond	9240 Marketplace Road, Suite 1 Fort Myers, FL 33912

After turnover of control of the Association, the Board shall consist of at least three (3) members, who shall be elected by the Members in the manner determined by the Bylaws.

ARTICLE VI  
INDEMNIFICATION

The Association shall indemnify every Director and every officer of the Association against all expenses and liabilities including attorneys' fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Association. In the event of a settlement, indemnification shall apply only when the Board of Directors approves such settlement and indemnification as being in the best interests of the Association. The foregoing right of indemnification shall not apply to:

A. Willful misconduct in office by any Director or officer.

B. Any criminal action, unless the Director or officer acted in good faith and in a manner he reasonably believed was in the best interest of the Association, and had no reasonable cause to believe his action was unlawful.

The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE VII  
DURATION

The corporation shall exist perpetually. If this corporation shall ever be dissolved, the property owned by the corporation consisting of the surface water management system shall be conveyed to an appropriate agency of local government. If it is not accepted, then the surface water management system shall be dedicated to a similar non-profit corporation.

ARTICLE VIII  
AMENDMENTS

Subject to the rights of Developer as provided in the Bylaws of the corporation, amendments to these Articles shall require the consent of two-thirds (2/3) of the Members entitled to vote, but no amendment shall be effective which is in contravention of the duties, responsibilities or obligations of the Association or the Members as provided in the Declaration. Amendments to the Bylaws may be made at a regular or special meeting of the Members or by a vote of a majority of a quorum of the voting representatives present in person.

ARTICLE IX  
NOT-FOR-PROFIT STATUS

In compliance with the requirements of Chapter 617, *Florida Statutes*, the corporation shall issue no stock, and no dividends shall be paid and no part of the income of the corporation shall be distributed to the Members, Directors or officers.

ARTICLE X  
OFFICERS

There shall be a President, Vice-President and Secretary/Treasurer of the Corporation. The initial officers of the corporation are as follows:

PRESIDENT:	Tim Rose
VICE-PRESIDENT:	Weldon Burchett
SECRETARY/TREASURER:	Chris Hammond

ARTICLE XI  
INCORPORATORS

The name and address of the incorporator is:

Tim Rose	9240 Marketplace Road, Suite 1 Fort Myers, FL 33912
----------	--

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned incorporator of this Association has executed these Articles of Incorporation this 30th day of December, 2005.

  
TIM ROSE


STATE OF FLORIDA  
COUNTY OF Lee

The foregoing instrument was acknowledged before me this 30th day of December, 2005, by Tim Rose, who is personally known to me.

  
Notary Public

Printed Name: Tamberlee Pittman

My Commission Expires: July 27, 2006

(Seal)  
NOTARY PUBLIC-STATE OF FLORIDA  
 Tamberlee Pittman  
Commission #DD128301  
Expires: JULY 27, 2006  
Bonded Thru Atlantic Bonding Co., Inc.

CERTIFICATE DESIGNATING PLACE OF BUSINESS  
FOR THE SERVICE OF PROCESS WITHIN THIS STATE.  
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

In pursuance of Chapter 48.091, *Florida Statutes*, the following is submitted, in compliance with said Act:

That Palmetto Grove at Verandah Neighborhood Association, Inc., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Articles of Incorporation, County of Lee, State of Florida, has named C. Perry Peeples, c/o Garlick, Stetler & Peeples LLP, 5551 Ridgewood Drive, Suite 101, Naples, Florida 34108, State of Florida, as its agent to accept service of process within this State.

ACCEPTANCE

Having been named to accept service of process for the above corporation, at the place designated in this certificate, I hereby accept to act in this capacity, and agree to comply with the provision of said Act relative to keeping open said office.

  
C. PERRY PEEPLES

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06 JAN -5 PM 1:57  
CLERK OF STATE  
TALLAHASSEE, FLORIDA

Exhibit "C"

**BYLAWS  
OF  
PALMETTO GROVE AT VERANDAH  
NEIGHBORHOOD ASSOCIATION, INC.,  
A NOT-FOR-PROFIT CORPORATION**

**ARTICLE I  
NAME, LOCATION AND DEFINITIONS**

The name of the corporation is Palmetto Grove at Verandah Neighborhood Association, Inc., a Florida corporation, not-for-profit, hereafter referred to as the "Association." The principal office of the corporation shall be located at 9240 Marketplace Road, Suite 1, Ft. Myers, FL 33912, or at such other place as established by the Association but meetings of Members and Directors may be held at such places within the State of Florida, as may be designated by the Board of Directors.

The terms used in these Bylaws (the "Bylaws") shall have the meanings as provided in Article I of the Declaration of Covenants, Conditions and Restrictions for Palmetto Grove at Verandah (the "Declaration").

**ARTICLE II  
MEMBERS, MEETINGS OF MEMBERS AND TRANSFER  
OF ASSOCIATION CONTROL**

**Section 1. Qualification.** Every person or entity who is a record fee simple Owner of a Lot including Developer, at all times so long as it owns all or any part of the Property subject to this Declaration, shall be a Member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to, and may not be separated from ownership of any Lot. When any Lot is owned of record by two (2) or more persons or other legal entity, all such persons or entities shall be Members.

**Section 2. Voting Rights.** The voting interests of the Members shall be as set forth in the Articles, the provisions of which are incorporated herein by reference. If a Lot is owned by one (1) natural person, his right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two (2) or more natural persons and they cannot agree among themselves how their one (1) vote shall be cast, that vote shall not be counted for any purpose. If the Owner of a Lot is not a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant designated as set forth in the Declaration.

A majority of votes cast shall be sufficient for corporate action except where provided otherwise in these Bylaws, the Articles or the Declaration.

Section 3. Change in Membership. A change in membership in the Association shall be established by the recording in the Public Records of Lee County, Florida, a deed or other instrument establishing a record title to a Lot. Thereupon the grantee in such instrument will become a Member of the Association and the membership of the prior Owner shall thereby be automatically terminated. Upon such transfer of title, the transferee shall notify the Association of such transfer and provide to the Association an address to which all notices and correspondence should be sent. If the said transferee fails to notify the Association of such transfer of title, the Association shall not be responsible to mail or deliver notices and correspondence to the said Owner and until said notice of the transfer is given to the Association, the prior Owner shall remain joint and severally liable for Assessments with the new Owner.

Section 4. Termination of Membership. The termination of membership in the Association does not relieve or release any former Member from liability or obligation incurred under or in any way connected with the Association during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former Owner or Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

Section 5. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association at a time as may be determined by the Board, and each subsequent regular annual meeting of the Members shall be held yearly thereafter, at the hour and date to be determined by the Board.

Section 6. Special Meetings. Special meetings must be held when called by the Board of Directors or by at least twenty-five percent (25%) of the voting interests of the Association. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.

Section 7. Notice. Written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting the purpose of the meeting. The notice shall be posted in a conspicuous place on the Property at least fourteen (14) continuous days preceding the meeting.

Section 8. Quorum. The presence at the meeting of at least thirty percent (30%) of the Members entitled to vote, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws.

Section 9. Proxies. At all meetings of Members, each Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. In no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

Section 10. Adjourned Meetings. If a quorum is not present at any duly called meeting of the Members, the meeting shall be adjourned and rescheduled to a later date when a quorum may be obtained. Notice of said later date shall be given to Members.

Section 11. Order of Business. The order of business at Members' meetings shall be substantially as follows:

- A. Call of the roll and certification of quorum.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading and disposal of any unapproved minutes.
- D. Reports of Officers.
- E. Reports of Committees.
- F. Election of Directors.
- G. Unfinished Business.
- H. New Business.
- I. Adjournment.

Section 12. Minutes. Minutes of all meetings of the Association and of the Board shall be kept in a businesslike manner by the Secretary and available for inspection by Members or their authorized representatives and Board members at all reasonable times and for a period of seven (7) years after the meeting.

Section 13. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, or with the Declaration or these Bylaws.

Section 14. Action by Members Without Meeting. Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting if written consents, setting forth the action to be taken, are signed by the Members entitled to vote having not less than the minimum number of votes that would be necessary to take such action at a meeting, or a majority of the Members entitled to vote, whichever is greater. Upon receiving the required number of written consents, the Board shall take the authorized action upon adopting a resolution to that effect. Within ten (10) days after adopting the resolution, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this section shall be construed in derogation of Members' rights to call a special meeting of the membership as elsewhere provided in these Bylaws.

Section 15. Voting at Community Association Meetings. The Association, through its President, shall represent the Owners at the Community Association meetings and cast the votes of all Owners within the Association, as provided in the Community Declaration.

ARTICLE III  
BOARD OF DIRECTORS: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall initially be managed by a Board of three (3) members who shall be appointed by the Developer. Until turnover, as provided in Article XII, Section 2, the Developer shall have the right to appoint all Board members. After turnover, the affairs of the Association shall be managed by a Board of at least three (3) members who shall be elected by the Owners.

Section 2. Term of Office. Each Director shall hold office for a term of one (1) year.

Section 3. Removal. Any Director, except a Director appointed by Developer may be removed from the Board, with or without cause, by a majority of the Members entitled to vote.

Section 4. Replacement. Until turnover, if the office of any Director or Directors becomes vacant for any reason the Developer shall appoint a successor. After turnover, if the office of any Director or Directors becomes vacant for any reason, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor or successors who shall hold office until the next annual meeting. At the next annual meeting, the Members shall elect a person or persons to fill the remaining unexpired term or terms, if any.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE IV  
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. After turnover, nomination for election to the Board shall be made from the floor at the annual meeting. A Member may nominate himself as a candidate for the Board at a meeting where the election is to be held.

Section 2. Election. Election to the Board shall be by either open ballot or by secret written ballot, if any Member so chooses. The person receiving the largest number of votes shall be elected, except that a run-off shall be held to break a tie vote. Cumulative voting is not permitted.



ARTICLE V  
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. Notice of all meetings shall be posted conspicuously on the Property at least forty-eight (48) hours in advance, except in an emergency. In the alternative, if notice is not posted in a conspicuous place on the Property, notice of each Board meeting must be mailed to or delivered to each Member at least seven (7) days before the meeting, except in an emergency. Notice of any meeting in which Assessments against Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments. An Assessment may not be levied at a Board meeting unless a written notice of the meeting is provided to all Members at least fourteen (14) days before the meeting, which notice includes a statement that Assessments will be considered at the meeting and the nature of Assessments. Written notice of any meeting at which special Assessments will be considered or at which rules that regulate the use of parcels in the community may be adopted, amended, or revoked must be mailed, delivered or electronically transmitted to the Members and Owners and posted conspicuously on the Property or broadcast on closed-circuit cable television not less than fourteen (14) days before the meeting, said notice containing a statement that changes to the rules regarding the use of Lots will be considered. Directors may attend all meetings in person or by telephone conference call.

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

Section 3. Quorum. A majority of the number of Directors either in person or by telephone conference call shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Open Meetings. Meetings of the Board shall be open to Members who shall have the right to speak on any matter placed on the agenda by petition of the voting interests for at least three (3) minutes. The Association may adopt written reasonable rules expanding the right of Members to speak and governing the frequency, duration, and other manner of Member statements, which rules must be consistent with this paragraph and may include a sign-up sheet for Members wishing to speak. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to the Members is inapplicable to meetings between the Board or a committee and the Association's attorney, with respect to meetings of the Board held for the purpose of discussing personnel matters.

ARTICLE VI  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Power. In addition to powers granted by law, the Board shall have the power to:

A. Exercise for the Association all powers, duties and authorities vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles or the Declaration;

B. Adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

C. Employ a manager, an independent contractor, or such employees as they may deem necessary and to prescribe their duties; and

D. Appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Association and as prescribed by these Bylaws and the Declaration.

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

A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members;

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

C. As more fully provided in the Declaration to: (1) fix the date of commencement and the amount of the annual Assessment against each Lot at least thirty (30) days in advance of each annual Assessment period; (2) send written notice of each Assessment to each Member no later than fourteen (14) days after fixing the date of commencement and amount of Assessments;

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

E. Procure and maintain officers and Directors liability insurance, if available; and hazard and other types of insurance on property owned or maintained by the Association, if available;

F. Cause all officers or employees having fiscal responsibilities to be bonded, as and if they may deem appropriate;

G. Enforce the terms and provisions of the Declaration; and

H. Perform or act upon anything else required by law.

ARTICLE VII  
OFFICERS AND THEIR DUTIES

COMMITTEES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, Vice-President, Secretary and Treasurer, who shall at all times be Members of the Association and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

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

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

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

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

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article; however, no person shall simultaneously hold the office of President and Secretary.

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

PRESIDENT

A. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes; and shall represent the Association at Community Association meetings. He shall also be authorized to sign checks, with the signature of the Treasurer.

VICE-PRESIDENT

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

SECRETARY

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

TREASURER

D. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association, with the signature of the President; keep proper books of account, cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; and deliver a copy of each to the Members, pursuant to the provisions of the Declaration and these Bylaws.

ARTICLE VIII  
BOOKS AND RECORDS

Section 1. Inspection by Members. The books, records and papers of the Association shall at all times during reasonable hours, be subject to inspection by any Member. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at actual cost.

ARTICLE IX  
FISCAL MATTERS AND ASSESSMENTS

Section 1. Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessment is made. Assessments shall be paid quarterly. Assessments shall be collected against Owners in the proportions as provided in the Declaration. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the highest rate as allowed by law. In addition, the Association may charge an administrative late fee, not to exceed the greater of \$25.00 or five percent (5%) of each delinquent installment. Payments on account of delinquent Assessments shall first be applied to

interest, then to late fees, then to costs and attorneys' fees and then to the delinquent payment. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Areas or abandonment of his Lot.

Section 2. Bank Accounts. The Association shall maintain its accounts in such financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

Section 3. Budget. The Board shall, prior to the end of the fiscal year, adopt an annual budget for common expenses for the next fiscal year for the Association as more fully provided in the Declaration. The budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications. The Association shall provide each Member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member.

Section 4. Financial Reporting. The Board shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Association shall provide each Member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member.

Section 5. Reserves for Capital Expenditures and Maintenance. In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance. The amount to be reserved shall be computed by a formula based upon estimated life and replacement cost of each item, and such formula shall be set forth in the proposed budget. These reserves shall be waived unless a majority vote of Members at a duly called meeting vote to fund reserves. Reserves funded under this section shall be used only for the specific purpose for which they were reserved unless their use for other purposes is first approved by a majority of the voting interests present and voting at a duly called Members' meeting.

Section 6. General Maintenance Reserves. In addition to the reserves provided above, or in place of them if the Members so vote, the Board may establish one (1) or more additional reserve accounts for general operating expenses, repairs, minor improvements or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special Assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

Section 7. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year.

Section 8. Application of Payments and Co-Mingling of Funds. All sums collected by the Association may be co-mingled in a single fund or divided into two (2) or more funds, as

determined by the Board. All payments on account by an Owner shall be applied first to interest, then to any administrative late fee, then to costs and attorneys' fees incurred in collection and then to the delinquent Assessment.

**Section 9. Fines.** In addition to all other remedies, in the sole discretion of the Board, the Association may suspend, for a reasonable period of time, the rights of a Member or a Member's tenants, guests, or invitees, or both, to use Common Areas and facilities and may levy reasonable fines, not to exceed \$100 per violation, not to exceed \$1,000 in the aggregate, against any Member or any tenant, guest, or invitee. Each continuing day of violation shall constitute an ongoing and additional violation.

A. A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, Director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

B. The requirements of this subsection do not apply to the imposition of suspensions or fines upon any Member because of the failure of the Member to pay Assessments or other charges when due.

C. Suspension of Common Area use rights shall not impair the right of an Owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park.

D. The Association may not suspend the voting rights of a Member.

#### **ARTICLE X** **CORPORATE SEAL**

**Section 1. Form.** The Association shall have a seal in circular form having within its circumference the words Palmetto Grove at Verandah Neighborhood Association, Inc., a Florida corporation, not-for-profit.

#### **ARTICLE XI** **AMENDMENTS**

**Section 1. Vote.** These Bylaws may be amended at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

**Section 2. Conflict.** In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII  
TRANSFER OF ASSOCIATION CONTROL; DEVELOPER'S RIGHT

Section 1. Developer's Rights. So long as the Developer holds one (1) or more Lots for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer.

A. Any amendment to the Association documents which would adversely affect the rights of the Developer, its successors or assigns.

B. Any action by the Association that would be detrimental to the sale of Lots by the Developer. However, an increase in Assessments for common expenses shall not be deemed to be detrimental to the sale of Lots.

Section 2. Transfer of Association Control. The Class "B" membership shall terminate, and "turnover" shall occur upon the earlier of:

A. Three (3) months after ninety percent (90%) of the Lots described by Developer on Exhibit "A" of the Declaration and ninety percent (90%) of the Lots subjected to the Declaration pursuant to Section 11.5 thereof, have been conveyed to Class "A" members; or

B. When, in its discretion, Developer so determines and declares in a written instrument.

Upon termination of the Class "B" membership, Developer shall be a Class "A" member entitled to Class "A" votes for each Lot which it owns.

IN WITNESS WHEREOF, we, being all of the directors of Palmetto Grove at Verandah Neighborhood Association, Inc., a Florida corporation not for profit have hereunto set our hands this 30th day of December, 2005.

  
TIM ROSE

  
WELDON BURCHETT

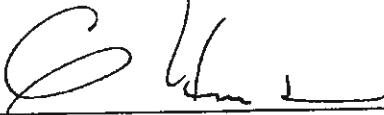
  
CHRIS HAMMOND

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Palmetto Grove at Verandah Neighborhood Association, Inc., a Florida corporation, not-for-profit; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 30th day of December, 2005.

  
CHRIS HAMMOND

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This instrument prepared by,  
and after recording return to

Kevin A. Denti, Esquire  
KEVIN A. DENTI, P.A.  
2180 Immokalee Road - Suite #316  
Naples, Florida 34110  
Telephone: 239-260-8111

(Above Space for Clerk's Use Only)

3  
**ASSIGNMENT OF DEVELOPER'S RIGHTS AND OBLIGATIONS**

**THIS ASSIGNMENT OF DEVELOPER'S RIGHTS AND OBLIGATIONS** is made on this 22 day of December, 2010, by **LYONS LAND CORP., LLC**, a Florida limited liability company ("Assignor"), in favor of **PALMETTO GROVE 24, LLC**, a Florida limited liability company ("Assignee").

**WHEREAS**, Assignor is the "Developer" as defined in that certain Declaration of Covenants, Conditions and Restrictions for Palmetto Grove at Verandah ("Declaration") recorded under Clerk's Instrument Number 2006000009469, Public Records of Lee County, Florida.

**WHEREAS**, pursuant to the terms of the Declaration, Assignor has been vested with certain rights and obligations as more fully set forth therein.

**WHEREAS**, in conjunction with the execution hereof, Assignor has conveyed to Assignee the real property located in Lee County, Florida described on Exhibit "A" attached hereto ("Property") by means of a Deed in Lieu of Foreclosure, which Property is subject to the terms and conditions set forth in the Declaration.

**WHEREAS**, in order to accommodate Assignee's intended use of the Property, Assignor desires to assign to Assignee all of Assignor's development rights and obligations under the Declaration in connection with the conveyance of, and as an appurtenance to, the Property.

**NOW, THEREFORE**, for and in consideration of the sum of TEN (\$10.00) DOLLARS and other good and valuable consideration to Assignor, in hand paid by Assignee, the receipt whereof is hereby acknowledged, the Assignor hereby assigns to Assignee all of Assignor's right, title, and interest in and to all development rights and obligations under the Declaration, as well as all permits, approvals, licenses, authorizations, contract rights, deposits, surveys, site plans, engineering, construction, and all other forms of plans and specifications, blue prints, drawings, and all other documents applicable to the Property. Assignor expressly warrants hereby that the Property is in full compliance with all applicable laws, rules, and regulations of all governmental entities having jurisdiction over the Property.

This Assignment of Developer's Rights and Obligations shall be binding upon the parties hereto and their respective heirs, personal representatives, successors, and assigns. Further this Assignment of Developer's Rights and Obligations shall be construed under the laws of the State

of Florida. In any proceeding to enforce or construe this Assignment of Developer's Rights and Obligations, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs for trial, appellate, and all other legal proceedings.

IN WITNESS WHEREOF, Assignor has hereunto set Assignor's hand and seal the day and year first above written.

Signed, sealed, and delivered  
in the presence of:

Witness #1

Print Name Below:

Chris Howard

Witness #2

Print Name Below:

Kelly Angus

LYONS LAND CORP., LLC, a Florida  
limited liability company

By:

Bobby R. Lyons  
Bobby R. Lyons, Managing Member

STATE OF FLORIDA  
COUNTY OF Dee

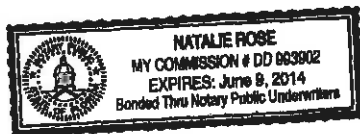
The foregoing instrument was acknowledged before me on this 22nd day of December, 2010, by Bobby R. Lyons, as Managing Member of LYONS LAND CORP., LLC, a Florida limited liability company, [ ☒ ] who is personally known to me or [ ☐ ] who has produced \_\_\_\_\_ as identification.

Natalie Rose  
NOTARY PUBLIC

Natalie Rose  
TYPED OR PRINTED NAME OF NOTARY

MY COMMISSION EXPIRES:

6/9/14



**EXHIBIT "A"**



Lots 1 through 6, Lots 9 through 17, Lots 19 through 21,  
and Lots 23, 24, 26, 30, 31, and 34, (Palmetto Grove)  
Verandah Unit 13, according to the plat thereof, as recorded  
under Clerk's Instrument Number 20050000156455, of  
the Public Records of Lee County, Florida

S:\Clients\Terracap\Bussey (Lyons)\Exhibit "A"


### JOINDER OF MORTGAGE

The undersigned Mortgagee, Busey Bank, an Illinois banking corporation, as holder of that certain Mortgage by and between Lyons Land Corp., LLC, a Florida limited liability company, as Mortgagor, and Busey Bank, an Illinois banking corporation, recorded as Instrument Number 2005000185772, of the Public Records of Lee County, Florida, hereby joins in the making of Declaration of Covenants, Conditions and Restriction for Palmetto Grove at Verandah, recorded as Instrument Number 2006000009469, of the Public Records of Lee County, Florida.

WITNESSES:

  
Printed Name: Chris Hume  
  
Printed Name: Tamberlee Pittman


Busey Bank, an Illinois banking corporation

By:   
Printed Name: Alan G. Jones  
Its: Sr Vice President

(corporate seal)

STATE OF FLORIDA  
COUNTY OF Lee

The foregoing instrument was acknowledged before me this 22nd day of May, 2006, by Alan G. Jones, as Sr. VP of Busey Bank, an Illinois banking corporation, on behalf of the corporation, who is personally known to me or produced as identification.

 NOTARY PUBLIC - STATE OF FLORIDA  
Tamberlee Pittman  
Commission #DD128361  
Expires: JULY 27, 2006  
Bonded Thru Atlantic Bonding Co., Inc.

  
Notary Public  
Printed Name: Tamberlee Pittman  
My Commission Expires: \_\_\_\_\_

This Instrument Prepared By:  
Adam P. Chenell, Esq.  
Garlick, Stetler & Peeples, LLP  
5551 Ridgewood Dr. #101  
Naples, FL 34108