

**Palm Pointe/Palm Isles
Homeowners Association
Documents**

**SECOND AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR PALM POINTE/PALM ISLES**

The purpose of this Second Amended and Restated Declaration of Protective Covenants and Restrictions (herein "Declaration") is to continue the purposes of the Amended and Restated Declaration of Protective Covenants and Restrictions as recorded in the public records of Martin County, Florida at Official Records Book 1144, Page 113 et seq. All provisions of this Second Amended and Restated Declaration of Protective Covenants and Restrictions all exhibits hereto shall be construed to be covenants running with the land.

RECITALS

A. The real property described on Exhibit "A" attached (the "Property") developed as a planned, residential community to be known as Palm Pointe at Martin Downs ("Palm Pointe") and Palm Isles.

B. The purposes of this Declaration are to provide various use and maintenance requirements and restrictions in the best interest of the owners of dwellings within the Property, and to protect and preserve the values of the Property. This Declaration will also make provision for Palm Pointe/Palm Isles Homeowners Association, Inc. ("the Association") which will own, operate and maintain various portions of the Property and improvements constructed within the Property, and the Association shall also have the right to enforce the provisions of this Declaration, and it shall be given various other rights and responsibilities. The owners of the Property who will be members of the Association will share the expenses of the Association.

NOW, THEREFORE, the Association hereby declares that the Property, as herein defined, shall be owned, held, sold, conveyed, used, occupied, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens, and charges set forth in this Declaration, all of which are created in the best interests of the owners and residents of the Property, and which shall run with the Property and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any portion of it, and which shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the Property, or any portion of it, and their heirs, successors, and assigns.

**ARTICLE I
DEFINITIONS**

The following words and phrases when used in this Declaration, and in the Articles and By-Laws, shall (unless the context should clearly reflect another meaning) have the following meanings:

1. "Palm Pointe/Palm Isles" means the planned, residential community known as "Palm Pointe/Palm Isles," planned for development upon the Property and committed to land use under this Declaration.

2. "Property" means the property described in Exhibit A attached and any additional property which may be made subject to this Declaration, but excludes any property that is hereafter withdrawn from this Declaration by amendment.

3. "Declaration" means this instrument and any and all supplements or amendments to it.

4. "Plat" or "Plats" means the Plat of Mill Creek at Martin Downs (n/k/a Palm Pointe at Martin Downs, Phase 1) and the Plat of Palm Pointe at Martin Downs (n/k/a Palm Isles), recorded or to be recorded in the Public Records of Martin County, Florida (the "County") and any and all supplements and amendments to them.

5. "Master Plan" means the Master Plan for Palm Pointe/Palm Isles as approved by the zoning authorities of Martin County, Florida and any and all supplements and amendments to it.

6. "Lot" means any platted lot within the Property, or any other parcel of land located within the Property which has been or is intended to be conveyed by Developer to an Owner and which contains or could contain a Dwelling Unit, and shall include any Dwelling Unit constructed upon the Lot.

7. "Owner" means the record owner(s) of the fee title to a Lot.

8. "Person" means an individual, corporation, partnership, trust, or any other legal entity.

9. "Dwelling Unit" means the residential dwelling constructed upon a Lot.

10. "Residential Property" means all portions of the Property designated as such in this Declaration or the Plat and upon which Dwelling Units may be constructed.

11. "Recreation Areas" means all portions of the Property outside of the Lots and designated or dedicated as a Recreation Area in this Declaration, on the Plat, or on the Master Plan.

12. "Nonresidential Property" means the portions of the Property that are designated in this Declaration or the Plat to be used or maintained for purposes other than having Dwelling Units constructed on them and, where the context so requires, any improvements contained on them.

13. "Association Property" means the Nonresidential Property that is dedicated or conveyed to the Association.

14. "Common Area" means the portions of the Property to be owned

by the Association for the common use and enjoyment of the Owners.

15. "Association" means Palm Pointe/Palm Isles Homeowners Association, Inc., a Florida corporation not for profit.

16. "Articles" means the Articles of Incorporation of the Association, a copy of which is attached as Exhibit B.

17. "By-Laws" means the By-Laws of the Association, a copy of which is attached as Exhibit C.

18. "Directors" or "Board" means the Board of Directors of the Association.

19. "Palm Pointe/Palm Isles Documents" means in the aggregate the PUD Agreement with the County dated August 8, 1980, the Plats, this Declaration, the Articles, the By-Laws and all of the instruments and documents referred to in them, as amended from time to time, including, without limitation, any rules and regulations of the Association and all Master Association Documents.

20. "Operating Expenses" means the expenses for which Owners are liable to the Association as described in this Declaration and in any of the other Palm Pointe/Palm Isles Documents, including, without limitation, (i) the costs and expenses incurred or to be incurred by the Association in administering, operating, maintaining, repairing, reconstructing and replacing the Association Property; and (ii) any assessments made upon the Association by the Master Association.

21. "Institutional Lender" means any company or entity holding a mortgage encumbering any of the Property/ which in the ordinary course of business makes, purchases, guarantees, or insures real estate mortgage loans, and which company or entity is not owned or controlled by the Owner of the Property encumbered. An Institutional Lender may include a bank, savings and loan association, insurance company, real estate or a mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal National Mortgage Association, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender. For definitional purposes only, an Institutional Lender shall also mean the holder of any mortgage executed by or in favor of Declarant, whether or not such holder would otherwise be considered an Institutional Lender.

22. "Architectural Review Board" or "ARB" means the Architectural Review Board established by the Board pursuant to this Declaration.

23. "Master Association" means Martin Downs Property Owners Association, Inc., a Florida corporation not-for-profit.

24. "Master Association Documents" means the Declaration of Covenants and Restrictions For Martin Downs, dated May 2, 1983, and recorded in O.R. Book 571, Page 787 of the Public Records of Martin County, Florida, and

the Articles of Incorporation and By-Laws of the Master Association, as amended from time to time.

25. "County" means Martin County, Florida.

ARTICLE II
PLAN FOR DEVELOPMENT OF PALM POINTE/PALM
ISLES

A. The Property

1. The Property is presently zoned as a Planned Unit Development, which would permit 143 Dwelling Units.

The actual boundaries for any portion of the Property and the committed use for any areas shown on the Master Plan shall be as set forth and determined in this Declaration or in the Plat.

B. Uses of Property

All portions of the Property shall be subject to the use limitations, restrictions and other provisions, if any, imposed on them in this Declaration and the other Palm Pointe/Palm Isles Documents.

ARTICLE III
LAND USE CLASSIFICATIONS; EASEMENTS;
CONVEYANCE OF CERTAIN PROPERTY

The following provisions shall be applicable to the Property:

1. Use Classifications of Property

A. Residential Property. Residential Property shall be for residential use only. Except for facilities related to construction, development, and sales activities permitted on the Property, there may be constructed on Residential Property only Dwelling Units and improvements associated with residential purposes, such as, but not limited to, streets, drives, driveways, parking spaces, lawn areas, fences, swimming pools, and other customary amenities as an appurtenance to Dwelling Units. No commercial or business occupations may be carried on in the Property except for the construction, development, sale or lease of the Property or portions of it, including, but not limited to, Dwelling Units, and except for direct accessory services to the Residential Property, such as utilities, Dwelling Unit or Lot maintenance, and other such services.

B. Recreation Areas. Recreation Areas shall only be used for recreational purposes. Recreational purposes include, but are not limited to, customary use of parks, swimming pools, lakes, cabana pavilions, and any other open spaces or facilities utilized or intended for use for recreational or social purposes and amenities associated with them, such as, but not limited to, drives, driveways, sidewalks and parking facilities. The foregoing recitation of recreational purposes is illustrative only and shall not constitute a representation that any of such recreational facilities or

amenities shall exist or be provided in Palm Pointe/Palm Isles. The permitted recreational purposes for which a particular Recreation Area may be utilized may be limited by any specific provisions of this Declaration or the Plat applicable to the particular Recreation Area. Each Owner is granted an irrevocable nonexclusive right of use in the Recreation Areas (the "Recreation Area Use Right"), which shall be appurtenant to and run with title to a Lot. Any portion of the Property designated or designed to be used solely for recreational purposes, but the use of which is limited to only certain, and not all, of the Owners, if any, shall not be deemed a Recreation Area and expenses with respect to it shall not be Recreation Area Expenses nor part of the Operating Expenses.

Except as otherwise permitted by this Declaration, the Recreation Areas shall be for the sole and exclusive use of the Owners and residents of Palm Pointe/Palm Isles and their guests, and shall be subject to the Rules and Regulations of the Association.

C. Drives. "Drives" are those portions of Palm Pointe/Palm Isles designated as, or dedicated for use as, private drives or roads in the Plat or in the Master Plan and shall be used, kept and maintained as private drives for the use of the Association, the Declarant and the Owners and their family members, guests, lessees and invitees; provided that there is granted and reserved to the County, the State of Florida and the United States of America (collectively the "Governmental Authorities") a nonexclusive easement for ingress and egress over and across the Drives for all activities of the Governmental Authorities in providing all governmental services including, but not limited to, police and fire protection, garbage collection, mail delivery, building inspections, and like services (collectively "Governmental Purposes"). The easements granted to the Governmental Authorities for Governmental Purposes shall inure to the benefit of and run exclusively to such Governmental Authorities and no other persons or entities shall have any rights, claims or interests by reason of or arising under the easements granted in favor of the Governmental Authorities. Should a Dwelling Unit encroach upon a Drive, the encroachment shall not be a violation of this provision. The Drives are subject to easements which are granted and imposed upon the Drives in favor of the County, the Association and the designees of the Association for the construction, operation and maintenance of underground utility and drainage facilities. The Association has the right, but not the obligation, to construct and operate gatehouses on or about the Drives. No representation is made that any limited access devices, gates or gatehouses will be constructed, or that if constructed, that any such devices, gates or gatehouses will be operational, staffed on a part or full time basis, or a guarantee of the safety of persons within the Property.

D. Buffer Areas. "Buffer Areas" are those portions of the Property, both within the Common Area and within certain Lots, designated as, or dedicated for use as buffer Areas in the Master Plan. Buffer Areas shall be used, kept and maintained as beautification and grassed areas and not for residential, commercial or industrial purposes of any kind, except such areas

as the Board shall designate for the storage of lawn and other maintenance equipment. Mailboxes and community signage as the Association allows, if any, may be placed on portions of the Buffer Areas designated by the Association. On the remaining portions of the Buffer Areas, no improvements of any type shall be erected, constructed or allowed to exist.

E. Parking Areas. "Parking Areas" are those areas within Palm Pointe/Palm Isles designated as, or dedicated for use as, Parking Areas in the Master Plan or in such portions of the Common or Recreation Areas designated by the Association and shall be used for parking of vehicles not prohibited under the Palm Pointe/Palm Isles Documents. No portion of the Association Property shall be set-aside for the parking of boats, motor vehicles not allowed under VII, paragraph 12, trailers, and the like. Use of the Parking Areas shall be limited to guests and invitees of the Owners and shall not be available for use on a regular basis by the Owners themselves or any other resident of Palm Pointe/Palm Isles. Any vehicle continuously parked in the Parking Areas for a sustained period of time may be towed away at the owner's expense. The Parking Areas are subject to easements, which are granted and imposed upon the Parking Areas in favor of the County, the Association and the designees of the Association for the construction, operation and maintenance of underground utility and drainage facilities.

2. Rules and Regulations. The administration, management, operation and maintenance of the Recreation Areas, the Drives, the Buffer Areas and the Parking Areas shall be the responsibility of the Association. The Association, by its Board, shall have the right to promulgate and impose rules and regulations and thereafter to modify, alter, amend, rescind and augment any of them (the "Rules") with respect to the use, operation and enjoyment of (a) the Recreation Areas and any improvements located on them, including, but not limited to, establishing hours and manner of operation and establishing requirements as to dress and decorum, (b) the Drives, (c) the Buffer Areas, (d) the Parking Areas, and (e) other portions of Palm Pointe/Palm Isles. No Rules promulgated shall be in conflict with the provisions of this Declaration or the Master Association Documents.

3. Conveyance of Recreation Areas, Drives, Buffer Areas, and Parking Areas. Except as otherwise provided in this paragraph, neither the Area vested in the Association nor the improvements on it shall be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, or otherwise encumbered without first obtaining the written approval of all Institutional Mortgagees (as shown by the Public Records of the County). The prohibition of the preceding sentence shall not prohibit or restrict the Association from granting such easements as are reasonably necessary or appropriate for the development of the Recreation Areas and Common Areas and their use in a manner consistent with the provisions of this Declaration and the Plat, nor prohibit or restrict the Association from encumbering the Recreation Areas or Common Areas for the sole purpose of securing loans for their improvement.

No portion of the Plat, which constitutes exterior open area required by the zoning ordinances applicable to Palm Pointe/Palm Isles, shall be vacated if it would violate the minimum requirements for open area under applicable zoning ordinances.

4. Association Property. All of the Association Property shall be owned and held by the Association, its successors and assigns, in accordance with and subject to the terms and provisions of the applicable dedication or conveyance of it and subject to other Palm Pointe/Palm Isles Documents. The Association Property includes, without limitation, the Recreation Areas, the Drives, the Buffer Areas, the Parking Areas, and Common Areas owned by the Association, all buildings and improvements constructed on them, including walkways, if any, all fixtures, apparatus and equipment installed on, and any personal property used in connection with, them, and all equipment and apparatus used in connection with the irrigation and sprinkler systems, including the sprinkler system installed in each Lot.

5. Preserve Areas. It is acknowledged that various portions of the Property may consist of special Preserve Areas, including all wetland preserve areas.

The Association is specifically required to maintain wetland preserve areas in conformance with all controlling governmental requirements. No physical alteration or destruction of such wetlands preserve areas shall be made.

6. Disputes as to Use. In the event there is any dispute as to whether the use of the Property or any portion of it complies with the covenants and restrictions contained in this Declaration, the dispute shall be referred to the Board, and a determination rendered by the Board with respect to the dispute shall be final and binding on all parties concerned.

7. Additional Easements. In addition to any other easements provided for in these Articles or elsewhere in the Palm Pointe/Palm Isles Documents, each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this Declaration, may not be amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this Declaration:

(a) Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the Property and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the Property as may from time to time be paved and intended for such purposes. Such Easements being for the use and benefit of the Owners and the residents of the Property and their guests, invitees, and mortgagees.

(b) Perpetual Nonexclusive Easement in Common Areas. The

Common Areas shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive appurtenant easement in favor of all Owners and residents of the Property from time to time, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which such areas are reasonably intended.

(c) Service and Utility Easements. Easements in favor of the Association, the Martin Downs Property Owners' Association, and all governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies, and mail carrier companies, and their agents and employees, over and across all roads existing from time to time with the Property, and over, under, on and across the Property, as may be reasonably required to permit the foregoing, to provide their respective authorized services to and for the maintenance, repair and providing of such services, equipment and fixtures in order to adequately serve the Property including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities and electronic security. An Owner shall do nothing on his/her Lot, which interferes with or impairs the services using these easements. No trees or shrubs may be placed on the drainage easements. The Board or its designee shall have a right of access to each Lot and Unit to inspect, maintain, repair or replace the service facilities contained under the Lot and to remove any improvements interfering with or impairing the services or easement herein reserved; provided such right of access shall not unreasonably interfere with the Owner's permitted use of the Lot and, except in the event of an emergency, entry into any Unit shall be made with reasonable notice to the Owner.

(d) Encroachments. If any portion of the Common Areas encroaches upon any Lot; if any improvement (including any Unit) encroaches upon any Lot or upon any portion of the Common Areas; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the Common Areas made by or with the consent of the Association; (iv) any repair or restoration of any improvements (or any portion thereof) on any Lot or Common Areas after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of the Lot or Common Areas; or (v) any non-purposeful or non-negligent act of an Owner except as may be authorized by the Board, then/ in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

(e) "Zero Lot Line" Easements. If any property covered by this Declaration is zoned to permit construction of Dwelling Units on a "zero lot line" basis, each Owner of a "zero lot line" Dwelling Unit shall have: (1) an eighteen inch (18") easement into the contiguous Lot or Common Area, as the case may be, on the zero lot line side of the Dwelling Unit for wall maintenance, roof overhang, gutters, downspouts, and water drainage from the roof of the Dwelling Unit; and (2) an easement into the contiguous Lot or Common Area, as the case may be, extending a total of four feet (4') from the

Dwelling Unit, for servicing and maintaining the Unit. The Owner of such Dwelling Unit shall not be liable for damage or destruction to any landscaping within the easement area that is caused in connection with the reasonable maintenance of his/her Unit.

(f) Maintenance Easement. The Association reserves for the benefit of the Association a non-exclusive easement over each Lot for the purpose of the performance of the Association's responsibility under Article V for the maintenance and replacement of certain portions of each Lot.

(g) Additional Easements. The Association, on their behalf and on behalf of all Owners, each shall have the right to (i) grant and declare additional easements over, upon, and under and/or across the Common Areas, including the Recreation Areas, in favor of any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements (except those existing in favor of the Martin Downs Property Owners Association, Martin Downs Utilities, Inc. or Southern Land Group, Inc.) that benefit or affect the Property. In connection with the grant, modification, relocation, abandonment or termination of any easement, the Association reserves the right to relocate roads, parking areas, utility lines, and other improvements upon or serving the Property. So long as the foregoing will not unreasonably and adversely interfere with the use of Lots for dwelling purposes, no consent of any Owner or any Mortgagee of any Lot shall be required or, if same would unreasonably and adversely interfere with the use of any Lot for dwelling purposes, only the consent of the Owners and Institutional Lenders of Lots so affected shall be required. To the extent required, all Owners hereby irrevocably appoint the Association as their attorney-in-fact for the foregoing purposes.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; BOARD OF DIRECTORS OF THE ASSOCIATION

A. Membership

The Association shall be comprised of such members as are defined and set forth in the Articles (collectively, the "Members"). Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Palm Pointe/Palm Isles Documents, as amended from time to time. The voting rights of the Members shall be as set forth in the Articles.

B. Board of Directors

The Association shall be governed by the Board, which shall be appointed, designated or elected, as the case may be, as set forth in the Articles.

C. Master Association

The Association shall be a member of the Master Association.

ARTICLE V

PROPERTY RIGHTS; USE AND MAINTENANCE OF PALM POINTE/PALM ISLES

A. Property Rights

1. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas together with a non-exclusive easement of ingress and egress over the Drives within Palm Pointe/Palm Isles, which shall an appurtenant to and shall pass with the title to every Lot, subject to the provisions of the Palm Pointe/Palm Isles Documents.

2. There shall be no judicial partition of any Common Area, nor shall the Association, any Owner or any other person acquiring any interest in Palm Pointe/Palm Isles or any part of it, seek judicial partition of it.

B. Use and Maintenance of Palm Pointe/Palm Isles1. Owners' Covenants for Use and Maintenance.

(a) Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within Palm Pointe/Palm Isles, whether or not it shall be so expressed in the deed or instrument, covenants and agrees that the Lot shall be used, held, maintained and conveyed solely in accordance with the covenants, reservations, easements, restrictions and lien rights as are or may be set forth in the Palm Pointe/Palm Isles Documents.

(b) Each Owner shall, at his/her sole cost and expense, maintain, repair and keep the exterior of his/her Dwelling Unit, and his/her Lot, in a neat, clean and aesthetically pleasing and proper condition and good repair. All buildings and other improvements shall be maintained in accordance with all applicable governmental requirements and in a first class condition and in good working order so as to preserve the beauty, quality, and value of all property. Owner as reasonably required shall periodically perfect painting or other maintenance. An Owner shall not permit any excessive and/or unsightly mildew, rust deposits, dirt, or deterioration to accumulate on any building or improvement. The Board or the Architectural Review Board may adopt rules to enforce these provisions.

2. Required Maintenance by Association. The Association shall maintain, repair, replace and reconstruct the Association Property. The Association shall also maintain (i) the lawns and landscaping as originally installed or replaced by the Developer or the Association, but not including any upgrades even if approved by the Association, on each Lot, (ii) the sprinkler system installed in each Lot, and (iii) all fences on each Lot, except: fences along Zero Lot lines, fences built by Owners with ARB approval, and lateral fences connected to Dwelling-Units. The Association shall have the right of entry by its agents, employees, contractors, and sub-contractors at reasonable hours upon each Lot for the purpose of performing this maintenance. Further, the Association shall have the right to remove and/or replace trees,

shrubs and other plantings on the landscaping area. In no event shall the Association be liable for any damage to any landscape upgrades incurred in the course of the Association's performance of its obligations under this paragraph.

3. Optional Maintenance by Association.

(a) In the event that any Owner fails to maintain his/her Dwelling Unit and Lot or otherwise provide any maintenance required under the Palm Pointe/Palm Isles Documents (the "Defaulting Owner"), the Association shall have the right, though not the obligation, upon thirty (30) days' written notice to the Defaulting Owner, or less in the case of emergencies, to enter the property of the Defaulting Owner for the purpose of performing the maintenance and/or repairs described in the notice. The cost of performing the maintenance and/or repairs and the expense of collection (including, but not limited to, court costs and reasonable attorneys' fees for the services of the Association's attorneys through and including all appeals and whether or not suit is instituted) shall be assessed against the Defaulting Owner and shall become a lien upon the Lot and Dwelling Unit of the Defaulting Owner. The lien shall be effective only upon recording in the Public Records of the County of a written statement claiming the lien on behalf of the Association and setting forth the amount due, which shall bear interest from the date of the statement at the highest rate allowed by law. The Association shall have all rights and remedies with respect to the enforcement and collection of the lien as the Association would have with respect to liens for Assessments as provided for in this Declaration. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a satisfaction of it in recordable form.

(b) The Association shall further have the right, though not the obligation, to provide any other maintenance on the Property, or on other property not subject to this Declaration, that is authorized by a majority of Members of the Association to preserve the beauty, quality and value of Palm Pointe/Palm Isles. This maintenance shall be made only upon prior notice to the affected Owners and shall be undertaken at the sole expense of the Association.

(c) The Association shall further have the right, though not the obligation, to maintain the sixty (60) foot right of way leading to the Main Entrance to Phase Two of the Property along S.W. Mill Creek Way, as described in the Plat. This maintenance may be made without notice to the Owners and shall be undertaken at the sole expense of the Association.

4. Failure to Maintain. If the Association fails at any time to maintain the Common Areas in reasonable order and condition in accordance with the final Master Development Plan, then the Board of County Commissioners of Martin County, Florida may serve written notice by certified mail, return receipt requested, upon the Association and upon each Owner, which notice shall set forth the manner in which the Association has failed to maintain the Common Areas in reasonable order and condition and shall demand that such failure be

remedied within thirty (30) days of the sending of such notice, or in the alternative that the Association appear before the Board of County Commissioners at a specified time (at least ten (10) days but not more than thirty (30) days after the sending of such notice) either to contest the alleged failure to maintain the Common Areas or to show cause why it cannot remedy such failure within the thirty (30) day period. If such failure has not been remedied within the thirty (30) day period or such longer period as the Board of County Commissioners may have allowed then the Board of County Commissioners, in order to preserve the taxable values of the Units within the Properties and to prevent the Common Areas from becoming a public nuisance, shall hold a public hearing to consider the advisability of Martin County entering upon such Common Areas and maintaining them for a period of one (1) year. Martin County shall have the right of entry, possession and maintenance, provided that the above procedures have been followed, and such entry, possession and maintenance shall not constitute a trespass. Such entry, possession and maintenance shall not give the public any right to use the Common Areas. The Board of County Commissioners may, upon public hearing with notice given and published in the manner provided above, return possession and maintenance of the Common Areas to the Association, its successors and assigns, abandon such possession and maintenance, or continue such possession and maintenance for an additional one (1) year period. The costs of such maintenance by Martin County shall be assessed ratably against all Units within the Properties and shall be paid by the Owners of such Units within thirty (30) days after receipt of a statement therefore.

5. Limitation on Association's Liability. The Association and its directors, officers, agents, and employees, shall not be liable to any Owner or other party in the performance of its responsibilities, or in the exercise of its powers, with respect to the maintenance of Palm Pointe/Palm Isles, except for gross negligence or willful misconduct.

ARTICLE VI ARCHITECTURAL CRITERIA

In order to preserve the values and appearance of Palm Pointe/Palm Isles, an Architectural Review Board shall be established as follows:

1. Architectural Review Board. The Association shall establish an "Architectural Review Board" (the "ARB") consisting of three (3) members who need not be Owners or members of the Board. At each annual meeting of the Members, the members of the Association shall elect the members of the ARB. Members of the Board may serve on the ARB. A majority of the ARB shall constitute a quorum to transact any business of the ARB and the action of a majority present at a meeting at which a quorum is present shall determine the action taken by the ARB. Any vacancy occurring on the ARB shall be filled by the Board. The ARB may designate a representative to act on behalf of ARB, subject to the approval of the Board. No member of the ARB or any representative of the ARB shall be entitled to any compensation for services

performed for the ARB.

2. Requirement of ARB Approval. No improvement or structure of any kind, including, without limitation, any building, addition, wall, fence, awning, swimming pool, patio, tennis court, screen enclosure, lawn shed, dog house or animal pen, dog run, play structure, sewer, drain, disposal system, decorative building, device, object or other improvement shall be erected, placed or maintained on any portion of the Property, no landscaping or planting shall be commenced or maintained upon any portion of the Property, and no addition, alteration, modification or change, including house color, to any such improvement, structure, landscaping or planting shall be made, without the prior written approval of the ARB.

3. Method of Obtaining ARB Approval. In order to obtain the approval of the ARB, two (2) complete sets of plans and specifications for proposed construction and landscaping shall be submitted to the ARB for its review. The plans and specifications shall include, as appropriate, the proposed location, grade, elevations, shape, dimensions, exterior color plans, and the nature, type and color of materials to be used. The ARB may also require the submission of such additional information and materials as may be reasonably necessary for the ARB to evaluate the proposed construction, landscaping or alteration. The ARB shall evaluate all plans and specifications utilizing standards of the highest level, as to the aesthetics, materials and workmanship and as to suitability and harmony of location, structures and external design in relation to surrounding topography, structures and landscaping.

4. Approval or Disapproval by the ARB. The ARB shall have the right to refuse to approve any proposed plans or specifications which, in its sole discretion, are not suitable or desirable including disapproval solely for aesthetic reasons. Any and all approvals or disapprovals of the ARB shall be in writing and shall be sent to the Board and the respective Owner, as applicable. In the event the ARB fails to approve or to disapprove in writing any proposed plans and specifications within thirty (30) days after receipt by the ARB of the plans and specifications and all other reasonably requested information and materials related to them, the plans and specifications shall be deemed to have been approved by the ARB and the appropriate written approval shall be delivered promptly.

5. ARB Rules and Regulations. The ARB may promulgate such further rules and regulations as it deems necessary and shall adopt a schedule of reasonable fees for the processing of applications to the ARB. These rules, regulations and fees shall be subject to the approval of the Board.

6. No Liability. Notwithstanding anything contained herein to the contrary, the ARB shall merely have the right, but not the duty, to exercise architectural control as provided herein, and shall not be liable to any Owner due to the exercise or nonexercise of such control, or the approval or disapproval of any construction, improvement, alteration or maintenance.

Furthermore, the approval or failure to disapprove of any plans or specifications submitted for approval shall not be deemed to be a warranty that such plans or specifications are complete or do not contain structural defects, or in fact meet any standards, guidelines and/or criteria of the ARB, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the Association and the ARB shall not be liable for any deficiency, or injury resulting from any deficiency, in such plans or specifications. Further, the approval of a particular improvement shall not require the approval of any similar improvement in the future.

The indemnity provisions contained in the Articles shall extend to members of the ARB.

7. Compliance With Governmental and Other Requirements. In addition to any required approval of the ARB, any improvement on a Lot must be in compliance with all requirements of governmental entities having jurisdiction with respect to the Property including, if required, obtaining an appropriate building permit, and with the requirements of the Master Association Documents.

**ARTICLE VII
ADDITIONAL PROVISIONS FOR THE PRESERVATION
OF THE VALUES AND AMENITIES OF PALM POINTE/PALM ISLES**

In order to preserve the values and amenities of Palm Pointe/Palm Isles, the following provisions shall be applicable to the Property:

1. Commercial Activity. Except as otherwise provided in this Declaration or the other Palm Pointe/Palm Isles Documents, no commercial, trade or business activity shall be conducted on the Property and Dwelling Units shall only be used for single-family, residential purposes.

2. Mining or Drilling. There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise ("Mining Activity") undertaken within any portion of the Property. Activities of the Declarant or the Association in dredging any lakes or creating, excavating or maintaining drainage or other facilities or easements shall not be deemed Mining Activities nor will the installation of wells or pumps, in compliance with applicable governmental requirements, for sprinkler systems for any portions of the Property be deemed a Mining Activity.

3. Nuisances. No Owner shall cause or permit any unreasonable or obnoxious noises or odors and no nuisance or immoral or illegal activities shall be permitted or maintained on any of the Property. It is intended, however, that the noises or odors which are the reasonably expected result of the uses of the Property that are specifically permitted or contemplated by this Declaration shall not be deemed unreasonable, obnoxious or a nuisance.

4. Removal of Sod and Shrubbery; Alteration of Drainage Etc. No sod, topsoil, muck, trees or shrubbery shall be removed from the Property or

any Lot and no change in the condition of the soil or the level of the land of the Property or any Lot shall be made which results in any adverse change in the flow or drainage of surface water of or within Palm Pointe/Palm Isles, without the prior written consent of the ARB or the Board. In particular, no Owner shall adversely affect the drainage to or from any contiguous Lot and no Owner shall change or alter the sprinkler system on his/her Lot without the prior written consent of the ARB.

5. Artificial Vegetation. No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot.

6. Antennas and Aerials. Except as required by the Federal Communication Commission Regulations or as may be permitted by the ARB, no antennas (including short-wave or "ham" antennas)/ aerials or cable reception equipment including but not limited to satellite dishes, shall be placed or erected upon the Property or any Lot, or affixed in any manner to the exterior of any building.

7. Garbage. No garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon any part of the Property except in closed containers or other garbage collection facilities deemed suitable by the ARB. Containers shall be as required by the Board, the ARB, or appropriate governmental authority for curb side pickup, and shall not be placed at the curb sooner than 5:00 P.M. on the day before the scheduled pickup. All containers and other garbage collection facilities shall be screened from view from outside the Lot upon which they are located and kept in a clean condition with no noxious or offensive odors emanating from them.

8. Radio Equipment. No ham radios or radio transmission equipment shall be operated or permitted to be operated in the Property, if the same would interfere with television, radio, or other electronic uses by others.

9. Subdivision and Partition. The Lots shall not be subdivided or partitioned and only one Dwelling Unit shall be constructed on each Lot.

10. Casualty Destruction to Improvements. In the event a Dwelling Unit or other improvements upon a Lot are damaged or destroyed by casualty, hazard or other loss, within a reasonable period of time (not to exceed three months) after such incident, the Owner of the Dwelling Unit shall commence to rebuild or repair the damaged Dwelling Unit or improvements in accordance with the determinations of the ARB, and diligently continue the rebuilding or repairing activities to completion. Upon a determination by the owner that the improvements will not be repaired or replaced, the Owner promptly shall clear the damaged improvements and grass over and landscape the Lot in a sightly manner. A destroyed Dwelling Unit shall only be replaced with a Dwelling Unit of the same size and type as that destroyed and the reconstruction shall be subject to the prior approval of the ARB.

11. Temporary Buildings. Etc. No tents, trailers, shacks or other temporary buildings or structures shall be constructed or otherwise placed within Palm Pointe/Palm Isles except in connection with construction, development or sales activities permitted under this Declaration or with the prior written consent of the Board or the ARB.

12. Vehicles and Boats. Only automobiles, vans or non-commercial factory equipped pickups constructed as private passenger vehicles with only four (4) tires and two (2) axles, or other vehicles manufactured and used as private passenger vehicles, may be parked within the Property overnight without the prior written consent of the Association, unless kept within an enclosed garage. In particular and without limitation, without the prior written consent of the Association, no vehicle containing commercial lettering, signs or equipment, and no truck modified to include a lift kit, ladder rack, etc., recreational vehicle, camper, trailer, hearse, or vehicle other than a private passenger vehicle as specified above, and no boat, may be parked or stored outside of a Unit overnight. No overnight parking is permitted on any streets, lawns, or areas other than Parking Areas, driveways and garages, without the consent of the Association. Overnight is considered as between 2:00 AM and 6:00 AM and no boat shall be on the premises between the hours of 10:00 PM through 6:00 AM. Notwithstanding the foregoing, automobiles owned by governmental law enforcement agencies are expressly permitted. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the Property. All vehicles parked within the Property must be in good condition and repair, and no vehicle which does not have a current license plate or which cannot operate on its own power shall be parked within the Property outside of an enclosed garage for more than 24 hours, and no major repair of any vehicles are permitted. Mopeds, all-terrain vehicles, motorcycles, motorbikes and the like are permitted to be operated if licensed for street use and equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the Property.

13. Signs. No sign of any kind shall be displayed to the public view on any Lot or Dwelling Unit except that one "for rent" or "for sale" signs not exceeding four square feet may be displayed from a window inside the Dwelling Unit. In addition, one portable and tasteful "open house" sign may be displayed during such-period as the Owner or a licensed real estate salesperson is holding a bona fide open house to lease or sell the Dwelling Unit on the Lot. The size and design of all signs shall be subject to approval by the ARB.

14. Docks, Boat Houses, Waterfront Construction, Boats and Shore Contours. No docks, bulkheads, moorings, pilings, boat houses or boat shelters of any kind or any construction shall be erected on or over water management tracts, waterways, banks or shores within Palm Pointe/Palm Isles. No motor powered boat of any kind shall be kept or used upon any lake, water management tract or waterways of or within Palm Pointe/Palm Isles.

15. Animals and Pets. Only common household pets may be kept on any Lot or in a Dwelling Unit but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock, or poultry of any kind shall be kept, raised, bred or maintained on any portion of Palm Pointe/Palm Isles. No pit bull terriers or pit bull mixed breeds shall be allowed on the Property at any time. No pet shall be kept outside of a Unit, or in any screened porch or patio, unless someone is present in the Unit. No pet shall be permitted to go or stray on any other Lot without the permission of the Owner of the Lot. Any pet must not be an unreasonable nuisance or annoyance to other residents of the Property. Any resident shall immediately pick up and remove any solid animal waste deposited by his/her pet on the Property, except for designated pet-walk areas, if any. Permitted pets shall be appropriately leashed and kept only in accordance with such rules and regulations as shall be promulgated from time to time by the Board. The Board may require any pet to be permanently removed from the Property due to a violation of this paragraph.

16. Barbecues. Owners shall be permitted to locate and use moveable barbecues only upon their respective Lots, provided they are located and used to the rear of the Dwelling Units and within the privacy walls of the Dwelling Units, subject to such rules and regulations as may be promulgated from time to time by the Board.

17. Garages. Each Unit shall have an attached garage providing parking for at least one automobile. No garage door shall be permanently enclosed nor shall any garage be converted to other use.

18. Weeds, Underbrush. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse pile, debris, or unsightly objects shall be allowed to be placed or suffered to remain anywhere on any Lot. If any Owner shall fail or refuse to keep his/her Lot free of weeds, underbrush or refuse piles or other unsightly growths or objects, the Association, upon 5 days prior notice to the Owner, may enter upon the Lot and remove them at the expense of the Owner, and such entry shall not be deemed a trespass.

19. Increase in Insurance Rates. No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering any portion of Palm Pointe/Palm Isles not owned by the Owner.

20. Water Supply. Except for common water and sprinkler systems, no wells or individual water supplies shall be permitted within Palm Pointe/Palm Isles.

21. Light Intrusion. All floodlights and similar lights installed on any Dwelling Unit or on any Lot shall be properly shielded to prevent the radiation of light in a manner that would cause annoyance or be otherwise offensive to the residents of other Dwelling Units in Palm Pointe/Palm Isles.

22. Outside Storage of Personal Property. All personal property of Palm Pointe/Palm Isles residents shall be kept inside the Dwelling Units or a fenced or a walled-in yard, except for patio furniture and accessories, and other personal property commonly kept outside, which must be kept in the rear of the Lot and must be neat appearing and in good condition.

23. Window Treatments. Window treatments shall consist of drapery/ blinds, decorative panels, or other tasteful window coverings, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding thirty (30) days after an Owner or tenant first moves into a Dwelling Unit or when permanent window treatments are being cleaned or repaired.

24. Special Provisions Regarding Recreational Facilities. The Board shall have the right to make reasonable rules and regulations regarding the Recreational Facilities as the Board deems desirable from time to time.

25. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall or portable air conditioning units are permitted.

26. Clotheslines and Outside Clothes Drying. Clotheslines, clothes poles and other outside drying devices may be erected on any Lot, so long as such devices are reasonably screened from all streets and roads within or adjacent to the Property.

27. Flag Poles. No permanent flagpoles permitted. Only one temporary flagpole attached to the dwelling to display an American Flag or a theme flag may be permitted.

28. Lakes and Canals. As per the Master Association, no swimming or motorized boating is allowed in any lake, water management tract or canal within or contiguous to the Property. No Owner shall deposit or dump any garbage or refuse in any lake or canal within or contiguous to the Property. No Owner may pump or otherwise remove water from any lake or water management tract within or contiguous to the Property.

29. Fences and Walls. No fence or privacy wall may be constructed on a Lot without the prior approval of the ARB. If any Owner desires to construct a fence or privacy wall on his/her Lot, the Owner shall submit a plan to the ARB showing the proposed location of the fence or privacy wall upon the Lot and confirming that the type of fence will be consistent with the fences of adjoining Lots. No fence or privacy wall may be constructed on the portion of any Lot between the front of the Lot and the front of the Unit constructed upon the Lot, and any fence or privacy wall constructed upon a Lot must be located in strict conformance with the plan approved by the ARB. Aluminum or polyvinyl fences with a maximum height of four feet are permitted along waterfronts. On zero lot line units, a concrete block and stucco privacy wall may be constructed on the zero lot line side of a pool or patio area. In all other cases, fences must comply with the following requirements:

(a) All fences shall be a maximum of six (6) feet in height.

(b) All fences must be of the "shadowbox" type, and must be constructed on-site. Only high quality professionally prefabricated or sectional shadow box fences will be allowed, and the ARB must approve same.

(c) All shadow box planks and posts shall be of cedar or pressure treated wood, and planks shall be installed vertically. All planks shall be a maximum of six inches in width and one inch in depth, nominal.

(d) All shadow box fence wood may be coated with a natural clear sealer, or a wood stain of a color approved by the ARB.

(e) All fences must be constructed with galvanized nails or other rust-proof fasteners.

30. Waiver. The Board shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any Lot where, in the discretion of the Board, special circumstances exist which justify such waiver or deviation, or such waiver or deviation, when coupled with any conditions imposed for the waiver or deviation by the Board, will not adversely affect any other Owner. Any waiver must be in writing and in granting any waiver or deviation, the Board may impose such conditions and restrictions as the Board may deem necessary, and the Owner shall be required to comply with any such restrictions or conditions in connection with any waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the Board, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other Lots, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future. Furthermore, any approval given by the Board as to any matter shall not be deemed binding upon the Board in the future, and shall not require the Board to grant similar approvals in the future as to any other Lot or Owner.

ARTICLE VIII

COVENANT TO PAY ASSESSMENTS FOR OPERATING EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

A. Affirmative Covenant to Pay Operating Expenses

In order (1) to fulfill the terms, provisions, covenants and conditions contained in this Declaration; and (2) to maintain, operate and preserve the Association Property for the recreation, use, safety, welfare and benefit of the Owners and their guests, invitees, lessees and licensees/ and (3) to fulfill the Association's obligations to the Master Association in accordance with the Master Association Documents, there is imposed upon each

Lot (as hereafter defined) and each Lot Owner the affirmative covenant and obligation to pay to the Association all assessments provided for herein (the Assessments). Each Owner by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all such Assessments.

B. Establishment of Liens

Any and all Assessments made by the Association in accordance with the provisions of the Palm Pointe/Palm Isles Documents with interest on them at the highest rate allowed by law, late charges, and costs of collection, including, but not limited to, reasonable attorneys' fees, are declared to be a charge and continuing lien upon the lots against which each Assessment is made. Each Assessment against a Lot, together with interest on it at the highest rate allowed by law, late charges and costs of collection, including attorneys' fees, shall be the personal obligation of the Owner of each such Lot regardless of when such assessment accrued and, except for Institutional Lenders, regardless of how title was acquired. The lien shall be effective only from and after the time of the recordation in the Public Records of the County of a written acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a Satisfaction of lien in recordable form. Notwithstanding anything to the contrary in this Declaration, if an Institutional Lender of record obtains title to a Lot as a result of foreclosure of its mortgage, or deed in lieu of foreclosure, it, and its successors or assigns, shall not be liable for the share of Assessments pertaining to the Lot which it acquired, or chargeable to the former Owner of it, which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless the Assessment against the Lot is secured by a claim of lien for Assessment that is recorded prior to the recordation of the mortgage foreclosed or with respect to which a deed in lieu of foreclosure was given.

C. Collection of Assessments

In the event any Lot Owner shall fail to pay Assessments, or any installment of them, charged to the Lot Owner within fifteen (15) days after it becomes due, the Association, through its Board, shall have any and all of the following remedies, to the extent permitted by law, which remedies are cumulative and are not in lieu of, but are in addition to, all other remedies available to the Association:

1. To accelerate the entire amount of any Assessments for the remainder of the calendar year notwithstanding any provisions for its payment in installments.

2. To advance on behalf of the Lot Owner in default funds to accomplish the needs of the Association up to and including the full amount for which the Lot Owner is liable to the Association; the amount of monies

advanced, together with interest at the highest allowable rate, late charges and all costs of collection, including, but not limited to, reasonable attorneys fees, may thereafter be collected by the Association. Such advance by the Association shall not waive the default.

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

4. To file an action to collect the Assessment plus interest at the highest rate allowed by-law, late charges, court costs and reasonable attorneys' fees, without waiving any-lien rights or rights of foreclosure in the Association.

5. Late charges of a flat fee of twenty-five dollars (\$25) a month shall be imposed on any assessment or installment not paid within fifteen (15) days of the due date.

D. Rights of Institutional Lender to Pay Assessments and Receive Reimbursement

Any Institutional Mortgagee shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lots in Palm Pointe/Palm Isles. Further, any Institutional Lender shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association if they are overdue and when lapses in policies or services may occur. Any Institutional Lender paying overdue Operating Expenses on behalf of the Association shall be entitled to immediate reimbursement from the Association, plus any costs of collection including, but not limited to, reasonable attorneys' fees.

ARTICLE IX

**METHOD OF DETERMINING ASSESSMENTS
AND PROPERTY AND OWNERS TO ASSESS**

A. Regular Assessments

1. The total anticipated Operating Expenses for each calendar year shall be set forth in a budget (the "Budget") prepared by the Board not later than December 1 of the calendar year preceding the calendar year for which the Budget is to be adopted. The total anticipated Operating Expenses (other than those Operating Expenses which are properly the subject of a "Special Assessment") shall be apportioned equally among the total number of Lots on the Property to determine the Regular Assessment for each Unit.

2. Regular Assessments shall be payable monthly or quarterly as determined by the Board, in advance, on the first day of each assessment period. Regular Assessments and the periodic installments of them, as well as all other Assessments provided in this Declaration, and all installments of

them, shall be adjusted from time to time by the Board to reflect (i) changes in the Budget or, (ii) a determination by the Board that the Assessments, or any installment of them, is either less than or more than the amount actually required.

B. Special Assessments

"Special Assessments" include, in addition to other Assessments designated as Special Assessments in this Declaration or in any other of the Palm Pointe/Palm Isles Documents, those Assessments which are levied for the costs (whether in whole or in part) of constructing, acquiring, reconstructing or replacing capital improvements for or on the Association Property or Common Area. Notwithstanding anything to the contrary contained in this Declaration, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any individual Regular Assessment. Special Assessments shall be assessed by dividing the total amount of the Special Assessment by the total number of Lots. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, no Special Assessment shall be made for capital improvements without the affirmative vote of two thirds (2/3) of all Owners.

C. Shortfalls Due to Nonpayment

The Owners of each Lot shall be jointly and severally liable with the Owners of all Lots for the Operating Expenses. Accordingly, if Lot Owners fail or refuse to pay an Assessment or any portion of it, the other Lot Owners shall be responsible for increased Assessments due to the non-payment by other Lot Owners, and the increased Assessment can and may be enforced by the Association in the same manner as all other Assessments as provided in this Declaration.

D. Contribution For Working Capital

In addition to the other Assessments provided for in this Article, upon the conveyance of a Lot by the seller, the new Owner of the Lot shall pay to the Association a contribution to a working capital fund of the Association in an amount equal to two (2) current months' Regular Assessments for Operating Expenses, which shall be in addition to the new Owner's responsibility for Assessments for Operating Expenses. The Association shall use the working capital fund as the Association shall determine from time to time and need not be restricted or accumulated.

**ARTICLE X
PALM POINTE/PALM ISLES OPERATING EXPENSES**

The following expenses of the Association Property and the Association are declared to be Operating Expenses that the Association is obligated to assess and collect and which the Lot Owners are obligated to pay as provided in this Declaration or as may be otherwise provided in the Palm Pointe/Palm Isles Documents:

1. Taxes. Any and all taxes levied or assessed at any and all times upon the Association Property or any improvements to it by any and all taxing authorities, including, without limitation, all taxes, charges, assessments and impositions and liens, if any, for public improvements, special charges and assessments, and water drainage districts, and in general all taxes and tax liens which may be assessed against the Association Property and against any and all personal property and improvements, which are now or which hereafter may be placed on it, including any interest, penalties and other charges which may accrue on them.

2. Utility Charges. All charges levied by utilities providing services for the Association Property, whether supplied by a private or public firm, including, without limitation, all charges for water, gas, electricity, telephone, sewer, and any other type of utility or any other type of service charge.

3. Insurance Premiums. The premiums on the policies of insurance which the Board in its sole discretion determines to be in the best interests of the Association; provided, however, that the Association shall obtain and maintain the following insurance coverage:

(a) Property insurance in an amount equal to the then full replacement costs, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all buildings and improvements now or hereafter located upon the Association Property, which insurance shall afford protection against at least the following:

(i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and

(ii) such other risks as shall customarily be covered with respect to areas similar to the Association property in developments similar to Palm Pointe/Palm Isles in construction, location and use.

(b) A comprehensive policy of public liability insurance naming the Association as named insured, insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Association Property and any improvements and buildings located on it, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence and not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed for any one occurrence and for not less than Five Hundred Thousand Dollars (\$500,000.00) property damage per occurrence with no separate limits stated for the number of claims. The insurance coverage shall include as appropriate, without limitation,

protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, host liquor liability and such other risks as are customarily covered with respect to areas similar to the Association Property in developments similar to Palm Pointe/Palm Isles in construction, location and use.

(c) Adequate fidelity coverage to protect against dishonest acts on the part of Officers, Directors, and employees of the Association and all others who handle or are responsible for handling funds of the Association, the coverage to be in the form of fidelity bonds which meet the following requirements:

(i) the bonds shall name the Association as an obligee;

(ii) the bonds shall be written in an amount of at least \$10,000; and

(iii) the bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

4. Reconstruction Improvement Costs. To the extent available, insurance proceeds shall be used to repair, replace, construct or reconstruct any building or improvements upon the Association Property damaged by any casualty ("the restoration") unless at least two thirds (2/3) of the members vote not to make such restoration. Any difference between the amount of insurance proceeds received with respect to the damage and the amount of funds necessary for the restoration shall be an Operating Expense and it shall be the subject of a Special Assessment that the Association may levy. The Association shall proceed diligently with the restoration and complete it as soon as reasonably possible after the damage occurs.

Should the insurance proceeds be sufficient for the restoration, and an excess remains after payment for the restoration, the excess proceeds shall be held by the Association for the use of the Association unless the Lot Owners of at least seventy-five percent (75%) of the Lot then in existence shall have voted in favor of a distribution of the proceeds.

If the restoration is paid by both a Special Assessment and insurance proceeds, and upon completion of payment for the restoration there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of the restoration were first disbursed from insurance proceeds and any funds remaining shall be deemed to be from Special Assessments and shall be returned to the Lot Owners by means of a distribution pro rata in accordance with the collection of the Special Assessment(s).

5. Maintenance, Repair and Replacement Costs. Any and all expenses necessary to (a) keep, maintain, preserve, operate, repair and replace the Association Property, storm drains, drainage easements and other easements pertaining to Palm Pointe/Palm Isles and all bicycle and jogging paths within Palm Pointe/Palm Isles; (b) maintain and preserve the landscaped, grassed and open and natural portions of the Association Property, and the landscaped area of each Lot as provided in paragraph B.2 of Article V, including, without limitation, such expenses as grass cutting, tree trimming, sprinkling, fertilizing, spraying and the like, and the maintenance, repair and replacement of the irrigation and sprinkler systems; and (c) operate, maintain, preserve and protect the portions of the Association Property designated or used for water management purposes, including all costs of chemically treating the waters of such areas, controlling water levels, and maintaining and operating any improvements and amenities established within the areas; (d) keep, maintain, operate, repair and replace any and all buildings, improvements, personal property and furniture, fixtures and equipment upon the Association Property in a manner consistent with the development of Palm Pointe/Palm Isles and in accordance with the covenants and restrictions contained in this Declaration, and in conformity with all applicable federal, state, County or municipal laws, statutes, ordinances, orders, rulings and regulations; (e) maintain, repair and replace all street signs installed or placed on any part of the Property by Declarant or the Association which are not maintained, repaired and replaced by the County or other applicable governmental body or agency; (f) maintain, repair and replace all signs, decorative walls, and other structures installed, placed or erected by Declarant or the Association within the Property constituting signs and entry features for Palm Pointe/Palm Isles or any part of it, and whether on land owned by or dedicated to the Association or on land over which the Association has an easement for such purposes; (g) maintain and operate any street lights within or adjacent to the streets and roads within Palm Pointe/Palm Isles including, but not limited to, all charges of any utility company providing electric service for the street lights and costs for repair or replacement of damaged street lights to the extent the costs and charges are not paid for by governmental agencies or the utility company providing the service; and (h) maintain and replace any gatehouses constructed within the Property, including the associated operating and staffing expenses.

6. Administrative and Operational Expenses. The costs of administration for the Association in the performance of its functions and duties under the Palm Pointe/Palm Isles Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. The Association may retain the Master Association, management companies or contractors to assist in the operation of the Association Property, or portions of it, and to perform or assist in the performance of obligations of the Association under the Palm

Pointe/Palm Isles Documents.

7. Costs of Compliance with Laws. The costs of taking whatever action the Association or its Board determines necessary or appropriate to maintain the Association Property and the improvements on it in compliance with all laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards.

8. Failure or Refusal of Lot Owners to pay Assessments. Funds needed for Operating Expenses due to the failure or refusal of Lot Owners to pay Assessments levied. Any assessment for sums needed to make up a deficiency due to the failure of Lot Owners to pay a Special Assessment may be the subject of a Special Assessment.

9. Extraordinary Items. Extraordinary items of expense under the Palm Pointe/Palm Isles Documents such as expenses due to casualty losses and other extraordinary circumstances may be the subject of a Special Assessment.

10. Reserves. The funds necessary to establish a reserve fund ("the Reserves") for deferred maintenance of the Association Property and the facilities and improvements on it in amounts determined by the Board from time to time. The Reserves shall be deposited in a separate account. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association and no Owner shall have any interest, claim or right to the Reserves or any fund composed of the Reserves.

11. Miscellaneous Expenses. All costs or expenses pertaining to or for the benefit of the Association or the Association Property, or any part of it, not specifically enumerated in this Declaration, which are determined by the Board.

12. Master Association Expenses. Any and all amounts payable by the Association to the Master Association or to any governmental authority.

**ARTICLE XI
ADDITIONAL ENFORCEMENT PROVISIONS**

The following provisions are in addition to any other provisions for enforcement of the provisions of the Palm Pointe/Palm Isles Documents:

1. Non-Monetary Defaults. In the event of a violation by any Owner or any tenant of an Owner, or any person residing with them, or their guests or invitees, of any of the provisions (other than provisions for payment of money) of this Declaration or the other Palm Pointe/Palm Isles Documents, the Association shall notify the Owner and any tenant of the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the Owner or tenant fails to commence and diligently proceed to

completely cure such violation as soon as practicable within seven (7) days after written notice by the Association, or if any similar violation is thereafter repeated, then the Association may, at its option:

(a) Impose a fine against the Owner or tenant as provided in Paragraph 3 of this Article; and/or

(b) Commence an action to enforce the performance on the part of the Owner or tenant, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

(c) Commence an action to recover damages; and/or

(d) Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable but is not limited to, removing any addition, alteration, improvement or change which has not been approved by the Association, or performing any maintenance required to be performed by this Declaration.

2. All expenses incurred by the Association in connection with the correction of any default under paragraph 1 above, plus a service charge of ten (10%) percent of such expenses, and all expenses incurred by the Association in connection with any legal proceedings to enforce this Declaration, including reasonable attorneys' fees whether or not incurred in legal proceedings, shall be assessed against the applicable Owner, and shall be due upon written demand by the Association. The Association shall have a lien for any such assessment and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such assessment, and may take such action to collect such assessment or foreclose said lien as in the case and in the manner of any other assessment as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County.

3. Fines. The Board of Directors shall have the authority to levy reasonable fines for the violations of the provisions of this Declaration, the Articles of Incorporation, By-Laws or Rules and Regulations of the Association, in accordance with Florida Statute §720.305 (2001), as amended from time to time. Any fine not paid within thirty (30) days from the date it is levied shall be considered a charge on the land and a continuing lien against the property and shall be enforceable by the Association in the same manner as an assessment pursuant to Article VIII hereof. The amount of any fine hereunder shall be determined by the Board, and shall not exceed fifty dollars (\$50) for the first offense, seventy-five dollars (\$75) for a second offense, and one hundred dollars (\$100) for a third or subsequent similar offense. Notwithstanding the foregoing, a daily fine may be imposed until the violation is cured in an amount not to exceed 1/4 of one month's Assessment for Operating Expenses. Prior to imposing any fine, the Owner or tenant shall be afforded an opportunity for a hearing after reasonable notice to the Owner or tenant of not less than fourteen (14) days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the

Declaration, or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner or tenant shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Rules Committee, an independent three (3) member Board-appointed committee who are not officers or directors of the Association, shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Rules Committee so determines, it may impose such fine as it deems appropriate by written notice to the Owner or tenant. If the Owner or tenant fails to attend the hearing as set by the Board, the Owner or tenant shall be deemed to have admitted the allegations contained in the notice to the Owner. Any fine imposed by the Board shall be due and payable within thirty (30) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Rules Committee decision at the hearing. Any fine levied against an Owner shall be deemed an Assessment, and if not paid when due all of the provisions of this Declaration relating to the late payment of Assessments shall be applicable. If any fine is levied against a tenant and is not paid within thirty (30) days after same is due, the Association shall have the right to evict the tenant as hereinafter provided.

4. Negligence. An Owner shall be liable and may be assessed by the Association for the expense of any maintenance, repair or replacement rendered necessary by his/her act, neglect or carelessness, to the extent otherwise provided by law and to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include but not be limited to any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Lot, Dwelling Unit, or the Common Areas.

5. Responsibility of an Owner for Occupants, Tenants, Guests, and Invitees. To the extent provided or permitted by law, each Owner shall be responsible for the acts and omissions whether negligent or willful, of any person residing in his/her Unit, and for all guests and invitees of the Owner or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Association Property or any liability to the Association, the Owner shall be assessed for same as in the case of any other Assessment, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the Association. Furthermore, any violation of any of the provisions of this Declaration, of the Articles, or the By-Laws, by any resident of any Unit, or any guest or invitee of an Owner or any resident of a Unit, shall also be deemed a violation by the Owner, and shall subject the Owner to the same liability as if such violation was that of the Owner.

6. Right of Association to Evict Tenant, Occupants, Guests, and Invitees. With respect to any tenant or other person present in any Unit or any portion of the Property, other than an Owner and the members of his/her

immediate family permanently residing with him in the Unit, if such person shall materially violate any provision of this Declaration, the Articles, or the By-Laws, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the Property, or shall willfully damage or destroy any Association Property, then upon written notice by the Association such person shall be required to immediately leave the Property and if such person does not do so, the Association is authorized to commence an action to evict such tenant or compel the person to leave the Property and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable Owner, and the Association may collect such Assessment and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the Association.

7. No Waiver. The failure of the Association to enforce any right, provision, covenant or condition which maybe granted by the Palm Pointe/Palm Isles Documents, shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant, or condition in the future.

8. Rights Cumulative. All rights, remedies and privileges granted to the Association pursuant to any terms, provisions, covenants or conditions of this Declaration or the other Palm Pointe/Palm Isles Documents shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the Association from exercising any additional remedies, rights or privileges as may be granted or as it might have by law.

9. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration may be enforced by the Association, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration, including attorneys' fees, shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration. In addition to the foregoing, any Owner shall have the right to bring an action to enforce this Declaration against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no Owner shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

ARTICLE XII
GENERAL PROVISIONS

A. Lawful Use of Property

Each portion of the Property will be subject to, and the

Association and each Owner will conform to and observe, all laws, statutes, ordinances, rules and regulations of the United States of America, the State of Florida, the County, and any and all other governmental and public authorities and boards or officers of them relating to the Property, any improvements on it or the use of it, and no illegal or immoral purpose or use shall be permitted on the Property.

B. Incorporation of Palm Pointe/Palm Isles and Master Association Documents

Any and all deeds conveying a Lot or any other portion of the Property shall be conclusively presumed to have incorporated in them all of the terms and conditions of the Palm Pointe/Palm Isles Documents, including, but not limited to, this Declaration, whether or not the incorporation of the terms and conditions of the Palm Pointe/Palm Isles Documents is specifically set forth by reference in deed, and acceptance by the grantee of the deed shall be deemed to be acceptance by grantee of all of the terms and conditions of the Palm Pointe/Palm Isles Documents.

C. Restrictions on Leases

No Owner shall be permitted to rent or lease any Dwelling Unit more than twice in any calendar year, and any rental or lease agreement shall provide for a term of at least of three (3) months. Violation of this paragraph may be enjoined by an action instituted by the Association in any court having jurisdiction.

D. Notices

Any notice or other communication required or permitted to be given or delivered under this Declaration shall be deemed properly given and delivered upon personal delivery or the mailing of it by facsimile transmission, overnight courier, or United States mail, postage prepaid, to: (1) any Owner, at the address of the person whose name appears as the Owner on the records of the Association at the time of the mailing and in the absence of any specific address at the address of any Dwelling Unit or Lot owned by the Owner; and (2) the Association, at PO Box 2255, Palm City, Fl 34991-2255, or such other address as the Association shall designate in writing to the Owners.

Upon the Association's receipt of a written request from the holder of a first mortgage upon any Lot, or from an insurer or guarantor of the mortgage, which identifies the name and address of the mortgage holder, insurer, or guarantor, the Association shall provide the mortgage holder, insurer or guarantor, as the case may be, timely written notice of the following:

1. Any condemnation loss or any casualty loss which affects a material portion of the Property or any Dwelling Unit on which there is a first mortgage held, insured, or guaranteed by the mortgage holder, insurer or guarantor;

2. Any delinquency, which remains uncured for 60 days, in the payment of assessments or charges owed by an Owner of a Dwelling Unit subject to a first mortgage held, insured or guaranteed by the mortgage holder, insurer or guarantor;

3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

4. Any proposed action that would require the consent of a specified percentage of mortgage holders.

E. Conflict With Articles or By-Laws

In the event of any conflict between the Articles, the By-Laws and this Declaration, the Declaration, the Articles, and the By-Laws, in that order, shall control.

F. Captions Headings and Titles

Article and paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall the captions, headings or titles define, limit, or in any way affect the subject matter or any of the terms and provisions under them nor the terms and provisions of this Declaration.

G. Context

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

H. Attorneys' Fees

Any provision in this Declaration for the collection or recovery of attorney's fees shall be deemed to include all costs and fees incurred at all trial and appellate levels and whether or not suit is instituted.

I. Severability

In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, the judicial determination shall in no way affect any of the other provisions of this Declaration, which shall remain in full force and effect. Any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope of it shall be deemed limited to the maximum term and scope permitted by law. Further, the invalidation of any of the covenants or restrictions or terms and conditions of this Declaration or reduction in the scope or term of them by reason of judicial application of the legal rules against perpetuities or otherwise shall in no way affect any other provision, which shall remain in full force and effect for the period of time and to the extent permitted by law.

J. Amendment and Modification

The process of amending or modifying this Declaration shall be as follows:

1. This Declaration may be amended (a) by the consent of the Owners of two-thirds (2/3) of all Lots together with (b) the approval or ratification of a majority of the Board. The consent of the Owners may be evidenced (i) by a writing signed by the required number of Owners or (ii) by the affirmative vote of the required number of Owners at any regular or special meeting of the Association called and held in accordance with the By-Laws evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

2. Amendments for correction of scrivener's error or other nonmaterial changes may be made by the Board without consent of the Owners.

3. Notwithstanding anything to the contrary contained in this Declaration,

(a) no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of the the Association or of any Institutional Lender under this Declaration or any other of the Palm Pointe/Palm Isles Documents without the specific written approval of the Association or Institutional Lender affected by it;

(b) no amendment to this Declaration shall be effective which would increase the liabilities of a then Owner or prejudice the rights of a then Owner or his/her guests, invitees, lessees and licensees to utilize or enjoy the benefits of the then existing Recreation Areas or other Association Property, unless the Owner or Owners affected consent to the amendment in writing or unless the amendment is adopted in accordance with the procedures required for adoption of an amendment to this Declaration.

4. A true copy of any amendment to this Declaration shall be sent certified mail (the "Mailing") by the Association to any Institutional Lender that may have requested notice of any amendments. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration, setting forth the amendment or modification, in the Public Records of the County, but the certificate shall not be recorded until thirty (30) days after the Mailing, unless, the thirty-day period is waived in writing by Declarant and all Institutional Lenders.

K. Term of Declaration

All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all Owners, their successors, heirs or assigns, regardless of how the Owners acquire title, for a period of fifty (50) years from the date of this Declaration, unless within such time, members representing one hundred percent (100%) of the votes of the entire membership

of the Association execute a written instrument declaring a termination of this Declaration (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years, until Members representing one hundred percent (100%) of the votes of the entire membership of the Association execute a written instrument declaring a termination of this Declaration (as it may have been amended from time to time). Any termination of this Declaration shall be effective on the date the instrument of termination is recorded in the public records of Martin County. Notwithstanding anything contained herein to the contrary, this Declaration may not be terminated unless the instrument of termination is joined in by controlling governmental authorities.

L. Dissolution of Association

The Association shall not be dissolved nor shall it dispose of any real property contained within the Common Area, by sale or otherwise (except to an entity organized for the purpose of owning and maintaining such Common Areas), without the prior approval the Board of County Commissioners of Martin County, Florida. The Board of County Commissioners, as a condition precedent to approving such dissolution, may require dedication of Common Areas or utilities to the public as deemed necessary. In the event of dissolution of the Association, control and responsibility for maintenance, together with all easements related thereto, shall be transferred to a governmental agency or another association not-for-profit or a similar organization.

M. Inapplicability of Condominium Act

The covenants, restrictions and other provisions of this Declaration and of the Palm Pointe/Palm Isles Documents shall not be construed or deemed to create a condominium within Palm Pointe/Palm Isles and Chapter 718, Florida Statutes, shall not be applicable to this Declaration or the Palm Pointe/Palm Isles Documents.

N. Authority of Association and Delegation

Nothing contained in this Declaration shall be deemed to prohibit the Board from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the Board by this Declaration including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the Board is expressly authorized to so delegate any power or right granted by this Declaration. Unless specifically expressed otherwise, the indemnity provisions contained in the Articles shall extend to such committees and delegates.

O. Lawsuits Brought by the Association.

The Association shall not commence any legal proceedings on its

behalf or on behalf of the Owners, and shall not spend any money or make an assessment for any money whatsoever to investigate, prepare for, or research any such legal proceedings, without the consent of at least 75% of all of the Owners obtained at a duly called meeting of the Owners for the purpose of approving such action, except for legal proceedings against an Owner, to enforce the Owner's obligations, monetary or otherwise, under this Declaration, the Articles, or the By-Laws or the Rules and Regulations.

This Second Amended and Restated Declaration of Protective Covenants and Restrictions for Palm Pointe/Palm Isles has been approved by the owners of two-thirds (2/3rds) of all lots and a majority of the Board of Directors by Written Consent.

The undersigned, Palm Pointe/Palm Isles Homeowners Association, Inc. hereby consents to the terms and provisions contained in the forgoing Amended and Restated Declaration and hereby assumes the duties and obligations imposed upon the undersigned thereunder.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name, by its President and Secretary, and its corporate seal affixed on this day of June 13, 2002.

WITNESSES:

PALM POINTE/PALM ISLES HOMEOWNERS ASSOCIATION, INC.

Dianne Beuthardt
Printed Name #1: Dianne Beuthardt

Dennis Madebach
Dennis Madebach, Its President

Marianne Harrison
Printed Name #2: DIANE HARRISON

Dianne Beuthardt
Printed Name #1: Dianne Beuthardt

Kim Vetter
Kim Vetter, Its Secretary

Marianne Harrison
Printed Name #2: DIANE HARRISON

CORPORATE SEAL:



STATE OF FLORIDA
COUNTY OF MARTIN

The foregoing instrument was acknowledged before me on the 13 day of June, 2002, by Debbie Madbach, as President of Palm Pointe Homeowners Association, Inc., [] who is known to me, or [] who produced _____ as identification.

Notarial Seal



John P. Weland
Commission # CC 961001
Expires Aug. 14, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

[Signature]
NOTARY PUBLIC
Printed Name: John P. Weland

STATE OF FLORIDA
COUNTY OF MARTIN

The foregoing instrument was acknowledged before me on the 13 day of June, 2002, by Kim Vetter, as Secretary of Palm Pointe Homeowners Association, Inc., [] who is known to me, or [] who produced _____ as identification.

Notarial Seal



John P. Weland
Commission # CC 961001
Expires Aug. 14, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

[Signature]
NOTARY PUBLIC
Printed Name: John P. Weland

INSTR # 1581416
 OR BK 01656 PG 2951
 RECORDED 06/25/2002 04:18:58 PM
 MARSHA EWING
 CLERK OF MARTIN COUNTY FLORIDA
 RECORDED BY T Copus (asst mgr)

CERTIFICATE

PALM POINTE HOMEOWNERS ASSOCIATION, INC., by its duly authorized officers, hereby certifies that the Second Amended and Restated Declaration of Protective Covenants and Restrictions, a copy of which is attached hereto, was duly and regularly adopted and passed by vote sufficient for approval by the owners of two-third (2/3rds) of all lots and a majority of the Board of Directors by Written Consent.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed in its name, by its President and Secretary, and its corporate seal affixed on this 13 day of June, 2002.

WITNESSES:

PALM POINTE HOMEOWNERS
 ASSOCIATION, INC.

Dianne Burkhardt
 Printed Name #1: Dianne Burkhardt
DiANE JACKSON
 Printed Name #2: DIANE JACKSON

By: [Signature]
 Dennis Madebach, President

Dianne Burkhardt
 Printed Name #1: Dianne Burkhardt
DiANE JACKSON
 Printed Name #2: DIANE JACKSON

By: [Signature]
 Kim Vetter, Secretary

CORPORATE SEAL :

Record and Return to:
 Elizabeth P. Bonan, Esq.
 Cornett, Googe, Ross & Earle, P.A.
 P.O. Box 66
 Stuart, Florida 34995



STATE OF FLORIDA
COUNTY OF MARTIN

The foregoing instrument was acknowledged before me on the 13 day of June, 2002, by Dennis Madebach, as President of Palm Pointe Homeowners Association, Inc., [] who is known to me, or [] who produced _____ as identification.

Notarial Seal



John P. Weland
Commission # CC 961001
Expires Aug. 14, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

John P. Weland

NOTARY PUBLIC
Printed Name: John P. Weland

STATE OF FLORIDA
COUNTY OF MARTIN

The foregoing instrument was acknowledged before me on the 13 day of June, 2002, by Kim Vetter, as Secretary of Palm Pointe Homeowners Association, Inc., [] who is known to me, or [] who produced _____ as identification.

Notarial Seal



John P. Weland
Commission # CC 961001
Expires Aug. 14, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

John P. Weland

NOTARY PUBLIC
Printed Name: John P. Weland