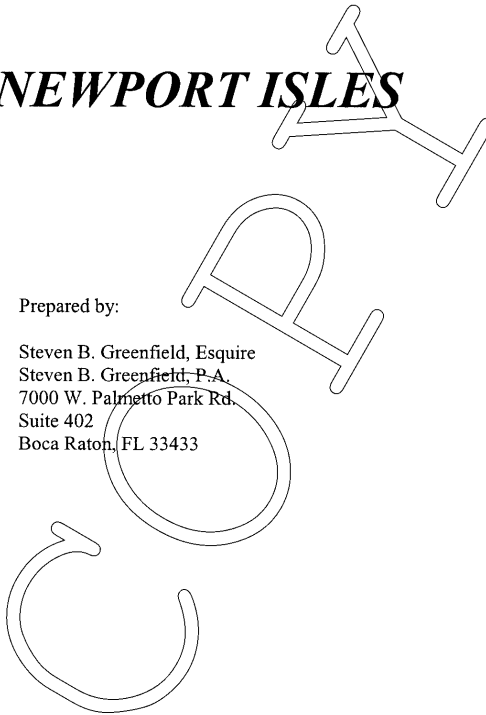


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**DECLARATION**  
**OF**  
**COVENANTS, RESTRICTIONS**  
**AND EASEMENTS**  
**FOR**  
***NEWPORT ISLES***

Prepared by:

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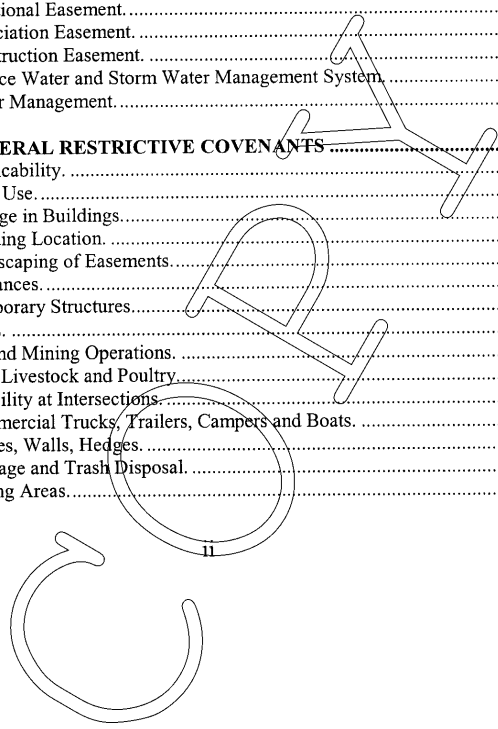
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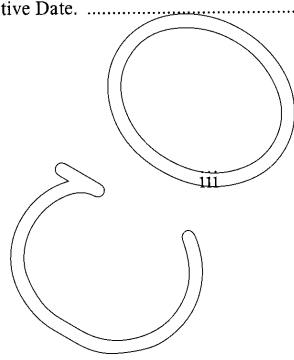
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**DECLARATION  
OF  
COVENANTS, RESTRICTIONS AND EASEMENTS  
FOR  
NEWPORT ISLES**

**THIS DECLARATION** is made this 4<sup>th</sup> day of August 2004 by **PRIME HOMES AT PORTOFINO ISLES, Ltd**, a Florida limited partnership ("Declarant"). Declarant is the owner in fee simple of certain real property located in St. Lucie County, Florida and Located within the City of Port St. Lucie pursuant to a plat to be recorded in the Records of Maps of St. Lucie County, Florida.

For the purpose of enhancing and protecting the value, attractiveness and desirability of the lots or tracts constituting such subdivision, Declarant states that all of the real property described above and each part thereof shall be held, transferred, sold, conveyed and occupied subject to the following easements, covenants, conditions, charges, liens and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any right, title, or interest in the above described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof. The Association, as hereinafter defined, is not a condominium association and therefore shall not be affected by the provisions of Chapter 718, Florida Statutes.

**ARTICLE I**

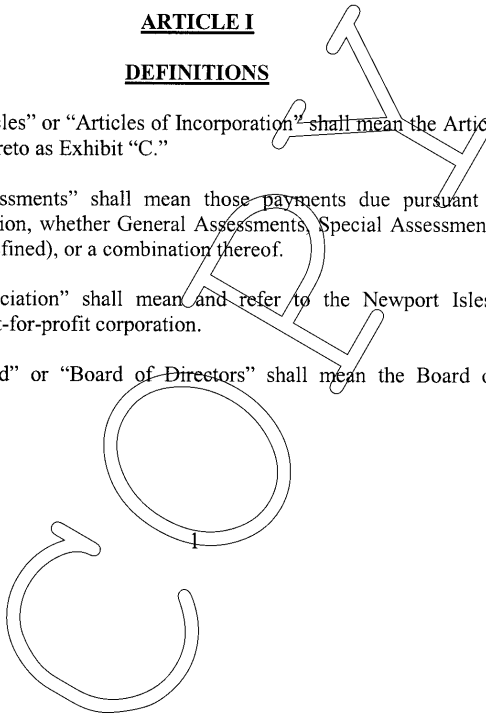
**DEFINITIONS**

**Section 1.** "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Association attached hereto as Exhibit "C."

**Section 2.** "Assessments" shall mean those payments due pursuant to Article VII, or elsewhere within the Declaration, whether General Assessments, Special Assessments or Neighborhood Assessments (as hereinafter defined), or a combination thereof.

**Section 3.** "Association" shall mean and refer to the Newport Isles Property Owners Association, Inc., a Florida not-for-profit corporation.

**Section 4.** "Board" or "Board of Directors" shall mean the Board of Directors of the Association.



**Section 5.** "By-Laws" shall mean the By-Laws of the Association attached hereto as Exhibit "D."

**Section 6.** "Common Area" shall mean and refer to the real property legally described in Exhibit "A" attached hereto and incorporated herein by reference, and any other interest in real property acquired by the Association and deemed Common Area either in this Declaration or in the instrument of conveyance, together with any improvements on such tracts including, without limitation, all structures, recreational facilities, off-street parking areas, private streets, sidewalks, street lights, and entrance features, but excluding any public utility installations thereon.

**Section 7.** "CDD" shall mean and refer to the Portofino Isles Community Development District.

**Section 8.** "County" shall mean and refer to St. Lucie County, Florida.

**Section 9.** "Declaration" shall mean this Declaration of Covenants, Restriction and Easements for Newport Isles and any amendments hereto.

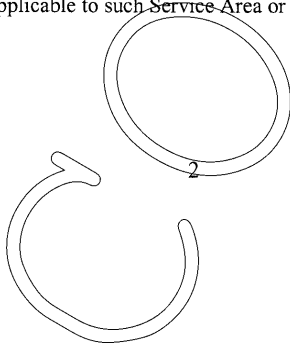
**Section 10.** "District" or "SFWMD" shall mean and refer to the South Florida Water Management District.

**Section 11.** "Declarant" or "Developer" shall mean and refer to PRIME HOMES AT PORTOFINO ISLES, LTD, a Florida limited partnership, its successors and assigns, if such successor or assignee acquires the undeveloped portion of the Properties and is designated as such by PRIME HOMES AT PORTOFINO ISLES, LTD. The Declarant may make partial or multiple assignments of its rights under this Declaration. All such assignees shall be deemed to be the Declarant as to those rights that may have been assigned to them. "Builder" shall mean and refer to Centex Homes, a Nevada general partnership, Lennar Homes, Inc., a Florida corporation, Centex/Lennar at Portofino, LLC., a Florida limited liability company, and any other residential building company acquiring Lots or tracts of vacant land from the Declarant for the purpose of construction and sale of homes, their successors and assigns if such successor or assignee acquires the undeveloped portion of the Properties.

**Section 12.** "General Assessments" shall mean and refer to Assessments levied as general assessments in accordance with Article VII, Section 2 of this Declaration, or elsewhere within this Declaration.

**Section 13.** "Limited Common Area": A portion of the Common Area primarily benefiting one or more, but less than all, Lots or Service Areas, as described in Article XIII.

**Section 14.** "Limited Common Expenses": The actual and estimated expenses which the Association incurs, or expects to incur, for the benefit of Owners of Lots benefiting from a Limited Common Area or within a particular Service Area, which may include a reserve for capital repairs and replacements and an administrative charge, as may be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Service Area or Lots.



**Section 15.** "Lot" shall mean and refer to the parcels of land within the Property shown on the recorded Plat upon which has been or in the future will be located an attached or detached single-family residential dwelling.

**Section 16.** "Maintenance" shall mean the exercise of reasonable care to keep buildings, roads, landscaping, lighting, and other related improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted. Maintenance of landscaping shall further mean the exercise of generally accepted garden management practices necessary to promote a healthy, weed free environment for optimum plant growth.

**Section 17.** "Member" or "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot.

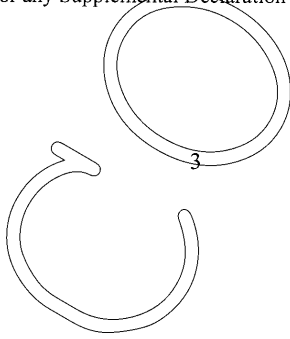
**Section 18.** "Mortgage" shall mean a conventional mortgage or a deed of trust.

**Section 19.** "Mortgagee" shall mean and refer to any person or entity (i) holding a mortgage encumbering a Lot, which (ii) in the ordinary course of business makes, purchases, guarantees or insures mortgage loans, and which (iii) is not owned or controlled by the Owner of the Lot encumbered. A Mortgagee may include, but is not limited to, a federal or state chartered bank or savings and loan association, an insurance company, a real estate or mortgage investment trust, a pension or profit sharing plan, a mortgage company, the Government National Mortgage Association, the Federal National Mortgage Association, an agency of the United States or any other governmental authority, including the Veterans Administration and the Federal Housing Administration of the U.S. Department of Housing and Urban Development, or any other similar type of lender generally recognized as an institutional type lender. For definitional purposes only, a Mortgagee shall also mean the holder of any mortgage executed by or in favor of Declarant, whether or not such holder would otherwise be considered a Mortgagee.

**Section 20.** "Neighborhood Service Area": A group of Lots designated as a separate Neighborhood Service Area pursuant to this Declaration or a Supplemental Declaration for purposes of sharing Limited Common Areas and/or receiving other benefits or services from the Association which are not provided to all Lots. A Neighborhood Service Area may be comprised of more than one housing type and may include noncontiguous parcels of property. A Lot may be assigned to more than one Neighborhood Service Area. Where the context permits or requires, the term "Neighborhood Service Area" shall also refer to a Neighborhood Service Area Committee established in accordance with the By-Laws to represent the interests of Owners of Lots within a Neighborhood Service Area. Neighborhood Service Area boundaries may be established and modified as provided in Section 7.11.

**Section 21.** "Neighborhood Service Area Assessments": Assessments levied against the Lots in a particular Neighborhood Service Area to fund Limited Common Expenses, as described in Section 8.1(b).

**Section 22.** "Properties" shall mean and refer to all such Properties, and additions thereto (which additional Properties may or may not be contiguous to the real property described in Article II), as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.



**Section 23.** "Special Assessment" shall mean and refer to Assessments levied as special assessments in accordance with Article VII, Section 4 of this Declaration or elsewhere within this Declaration.

**Section 24.** "Subdivision" or "Neighborhood" shall mean the subdivided real property herein described and such additions thereto as may be brought within the jurisdiction of the association as herein provided.

**Section 25.** "Sub-Association" shall mean any Association formed for any Subdivision.

**Section 26.** "Unit" shall mean and refer to a portion of the Property, whether developed or undeveloped, intended for development, use and occupancy as a residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration but not limitation) single-family attached 2-story townhomes on separately platted Lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or part of the Property. The term shall include all portions of the Lot or Unit owned including any residential dwelling or structure thereon. In the case of a parcel of vacant land or land in which improvements are under construction, the parcels shall be deemed to contain the numbers of Units designated for such parcel on the Plat, until such time as a certificate of occupancy is issued on all or a portion thereof by a local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above, and the number of Units in the remaining land, if any, shall continue to be determined in accordance with this paragraph.

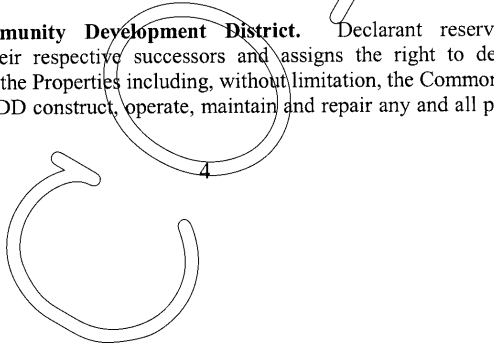
**ARTICLE II**

**PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO**

**Section 1. Legal Description.** The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in St. Lucie County, Florida and is more particularly described in **Exhibit "B"** attached hereto and made a part hereof.

**Section 2. Declarant's Right to Add or Withdraw Property.** Declarant shall have the right, and in its sole discretion, to add additional property (which may or may not be contiguous to the real property described in Section 1) to the jurisdiction of this Declaration. Declarant shall also have the right to withdraw property from the jurisdiction of this Declaration subject to the approval of St. Lucie County. Subsequent to turnover, the Declarant must receive an affirmative vote by a majority of the Association Members prior to adding or withdrawing property. Upon addition of any property to the jurisdiction of this Declaration, the Owners of such additional property shall be and become subject to this Declaration, including Assessments by the Association for their pro rata share of the Association expenses. The addition or withdrawal of lands as aforesaid shall be made and evidenced by filing in the Public Records of St. Lucie County, Florida, a Supplemental Declaration with respect to the lands to be added or withdrawn.

**Section 3. Community Development District.** Declarant reserves for itself, the Association, Builder and their respective successors and assigns the right to dedicate, transfer, or otherwise convey portions of the Properties including, without limitation, the Common Areas, to the CDD for purposes of having the CDD construct, operate, maintain and repair any and all public improvements



which the CDD may own and operate pursuant to the provisions of Chapter 190, Florida Statutes. The Association may also contract with the CDD for the CDD to perform any maintenance or repairs of the Common Areas. The CDD may include all or a portion of the Properties, and all or portions of the real property described on Exhibit "A." It is anticipated the CDD may provide, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain certain urban infrastructure facilities and services, systems and facilities, including without limitation, water management; potable water distribution; sewage collection; waste water management; roads and bridges; street lighting; parks and facilities, and will have the authority to administer, operate, and maintain some or all of the Common Areas, and to levy and collect fees, rates, charges, taxes and assessments to pay for, finance and provide such facilities and services. When a part of the Community becomes CDD Property, the expenses of administration and maintenance shall cease to be Common Expenses. If required by law, or if deemed by Declarant to be in the best interests of the Newport Isles Community, the Association shall convey to the CDD the legal title to any Common Area that becomes CDD Property.

Subject to any governmental requirements, Declarant intends for the CDD and not the Association to administer, operate, and maintain the Common Areas, or portions thereof, and to levy and collect fees, charges, taxes, rates, and assessments to pay for and to provide such services to administer, operate, and maintain the Common Areas. THE ADMINISTRATION, OPERATION AND MAINTENANCE CHARGES, EXPENSES, AND ASSESSMENTS FOR THE COMMON AREAS AND COMMON PROPERTY AND INFRASTRUCTURE WILL VARY DEPENDING UPON THE ANNUAL BUDGET OF THE CDD FOR EACH FISCAL YEAR AND NO ASSURANCE IS, OR CAN BE GIVEN, AS TO THE FUTURE LEVELS OF SUCH OPERATION AND MAINTENANCE.

The Association and each Owner agrees, by acceptance of a deed or other instrument conveying title to any portion of the Properties, for itself, its successors and assigns and grantees, to, without reservation or objection, take all steps and join in and execute all documents necessary and make such other written joinder or consent to any petition or request for establishment of such CDD at Declarant's request to enable Declarant to establish the CDD, and each Owner shall execute all approvals and consents necessary to make all properties within the Newport Isles Community subject to the CDD, and the laws, rules and regulations relating to the CDD. By acceptance of its deed of conveyance, each Owner appoints Declarant as attorney-in-fact for the Owner to execute any and all approvals, consents and other instruments necessary or appropriate to fully implement the CDD and make said Owner's property subject to the CDD and the laws, rules and regulations relating to the CDD. The foregoing appointment is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Owner agrees, at Declarant's request to execute and deliver any approvals, consents and other instruments necessary or appropriate to fully implement the CDD and make the Owner's Lot and/or Unit subjected to the CDD. Each Owner shall be solely responsible for all service charges, fees and taxes and assessments levied by the CDD with respect to the property owned by such Owner, and failure to pay same when due may result in the imposition of liens against the property of said Owner. All of the duties, responsibilities and obligations of the Association under this Declaration relating to the improvements and functions undertaken by the CDD shall terminate and such duties, responsibilities and obligations shall thereafter be undertaken and performed by the CDD.

DECLARATION  
5

THE CDD WILL BE A SPECIAL TAXING DISTRICT WITH AUTHORITY TO FUND ITS OPERATIONS BY IMPOSING TAXES OR ASSESSMENTS, OR BOTH, ON THE PROPERTIES WITHIN THE DISTRICT. THESE TAXES AND ASSESSMENTS PAY FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES OF THE DISTRICT, AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF SUPERVISORS OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW. THESE TAXES, FEES, CHARGES AND ASSESSMENTS MAY APPEAR ON THE ANNUAL REAL ESTATE TAX BILL FOR EACH OWNER AS A SEPARATE TAX AND MAY BE PAYABLE DIRECTLY TO THE COUNTY TAX COLLECTOR. THE TAXES AND ASSESSMENTS OF THE DISTRICT MAY CONSTITUTE A LIEN UPON THOSE PORTIONS OF THE PROPERTIES THAT ARE WITHIN THE CDD. The CDD will have the power to issue general obligation bonds, revenue bonds, refunding bonds, and any other type of bond permitted by Chapter 190, Florida Statutes. Repayment of any such bonds will be funded by ad valorem taxes on all the taxable property within the CDD, or by the imposition of rates, special assessments, or other charges. The CDD is empowered to pledge its full faith and credit for the purpose of securing the repayment of bonds it issues. In addition, the CDD may secure reserve bonds by pledging the rates, fees or charges collected or to be collected by any revenue-producing project. Bonds may be issued for the purpose of financing or refinancing capital improvements, to pay off existing bonds, or any other permitted use.

**ARTICLE III**

**POWERS OF ASSOCIATION**

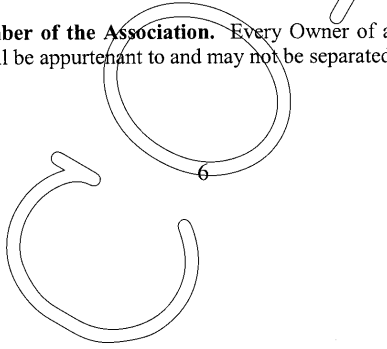
**Section 1. Powers.** In addition to the powers provided by statute and in its Articles of Incorporation and By-Laws, the Association, through the action of its Board, shall have the power, but not the obligation, and to enter into an agreement or agreements from time to time with one or more persons, firms or corporations for management services.

**Section 2. Rules and Regulations.** The Association, through the action of its Board, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of the rules and regulations as well as violations of this Declaration or the Articles or By-Laws may include reasonable monetary fines, which shall be levied as Special Assessments as provided for in Article VII, Section 4 of this Declaration, and suspension of the right to vote and the right to use the Common Areas. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. In addition, the Association, through the action of its Board, may by contract or other agreement, enforce local ordinances or permit the City of Port St. Lucie to enforce ordinances on the Properties for the benefit of the Association or its Members.

**ARTICLE IV**

**MEMBERSHIP IN ASSOCIATION; VOTING RIGHTS**

**Section 1. Member of the Association.** Every Owner of a Lot shall be a Member of the Association; membership shall be appurtenant to and may not be separated from ownership of a Lot.



**Section 2. Class of Voting Member.** The Association shall have two classes of voting members as follows:

**Class A.** The Class A members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in a given Lot, all such persons shall be members and the vote for such Lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any Lot owned by Class A members.

**Class B.** The Class B member shall be the Declarant. The Class B member shall be entitled to one (1) vote for each Lot in which it holds the interest required for membership by Section 1, plus two (2) votes for each vote which the sum of all Class A members are entitled to cast at any time, thus giving the Class B member a two-thirds majority of votes in the Association. The Class B membership shall cease upon the Declarant conveying title to ninety percent (90%) of the Lots, including Lots on any additional property which may have been brought under the provisions of this Declaration by recorded supplemental declarations, as set forth in Section 2 of Article II hereof.

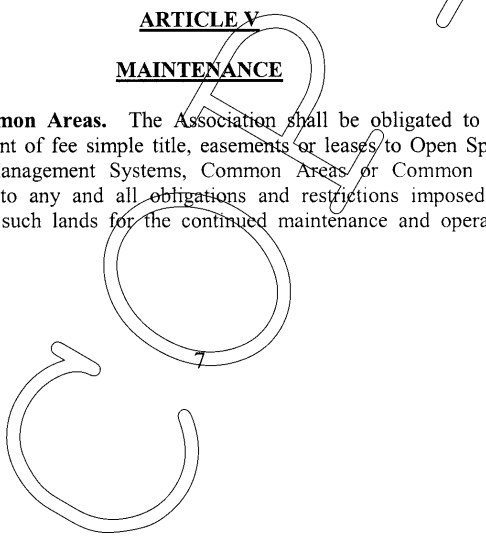
Notwithstanding any provision to the contrary, the Declarant shall have the right to elect the entire Board until such time as Declarant terminates the Class B membership. Thereafter, Declarant shall have the right to appoint one director so long as the Declarant owns at least five (5%) percent of the Lots in the Properties. The Declarant may waive its right to elect one or more directors by written notice to the Association, and thereafter such directors shall be elected by the Members. When the Declarant has terminated the Class B membership, all of the directors shall be elected by the Members in the manner provided in the Bylaws.

Within three (3) months after the date that 90% of the Units have been conveyed other than to a Developer (which definition does not include builders, contractors or others who purchase a parcel for the purpose of constructing improvements thereon for resale), the Declarant shall terminate the Class B Membership and the Declarant shall call a meeting, as provided in the Bylaws for Special Meetings, to advise the Members of the termination of Class B status and to provide for the turnover of control of the Board. On or before conveyance by the Declarant of control of the Board to the Membership (or sooner at the Declarant's option), the Declarant or its successors and assigns shall convey and transfer the record fee simple title to the Common Areas to the Association and the Association shall accept such conveyance, subject to taxes for the year of conveyance and to restrictions, limitations, conditions, reservations and easements of record.

**ARTICLE V**

**MAINTENANCE**

**Section 1. Common Areas.** The Association shall be obligated to accept any and all conveyances to it by Declarant of fee simple title, easements or leases to Open Space, Lakes, Surface Water and Storm Water Management Systems, Common Areas or Common Property, including Recreational Areas, subject to any and all obligations and restrictions imposed on such lands, or incumbent on the owner of such lands for the continued maintenance and operation of such lands,



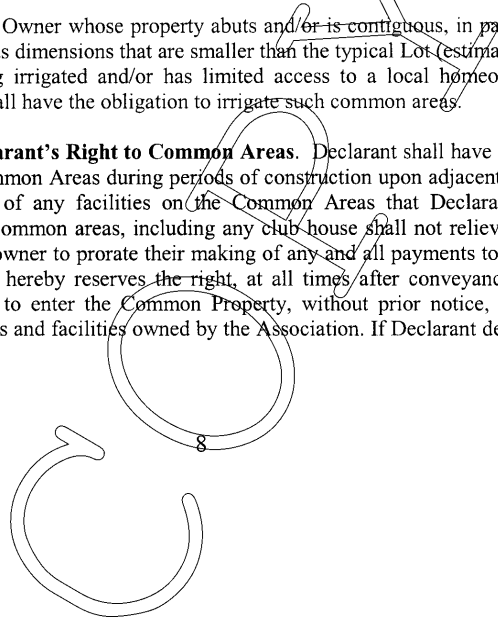
including, but not limited to, all environmental and drainage permits issued by any governmental authority. Use of the Common Areas is available to Members, guests and invitees of the Members, Declarant and Builder.

a. Commencing with the date this Declaration is recorded, the Association shall be responsible for the maintenance of the Common Areas and any improvements or personal property thereon in a continuous and satisfactory manner and for the payment of taxes assessed against the Common Areas, if any, and any improvements and any personal property thereon accruing from and after the date these covenants are recorded. Taxes, if any, shall be prorated between the Declarant and the Association as of the date of such recordation. The Association shall at all times maintain in good repair, and shall replace as scheduled, any and all improvements situated on the Common Areas (upon completion of construction by the Declarant), including, but not limited to, all recreational facilities, including playground, swimming pool, clubhouse, guardhouse, landscaping, paving, drainage structures, street lighting fixtures, signs, irrigation systems, sidewalks, and other structures, except public utilities, all such work to be done as ordered by the Board acting on a majority vote of the Board members. In addition, the Association shall maintain the Common Areas to the edge of the pavement of any collector or arterial street that is adjacent to the Common Areas. Maintenance of the street lighting fixtures shall include the fixtures within the Common Areas and shall further extend to payment for electricity consumed in the illumination of such lights. In the event the Declarant, in its sole discretion, elects to install such street lighting, Declarant shall be entitled to all rebates or refunds of the installation charges and the Association hereby assigns such rebates or refunds to Declarant and the Association shall forthwith pay same to the Declarant.

b. All work pursuant to this Section and all expenses hereunder, excluding work where Declarant obtained rebates, shall be paid for by the Association through Assessments imposed in accordance with Article VII hereof. Such Assessments shall be against all Lots as set forth in Article VII, Section 2; provided, however, that the cost of any maintenance, repair or replacement caused by the negligent conduct of a Member or by the failure of a Member to comply with the lawfully adopted rules and regulations of the Association, this Declaration or the Articles or By-Laws, shall be levied as a Special Assessment against such Member. No Owner may waive or otherwise escape liability for the Assessments for such maintenance by nonuse (whether voluntary or non-voluntary) of the Common Areas or abandonment of its right to use the Common Areas.

c. Each Owner whose property abuts and/or is contiguous, in part and/or in whole, to any common area which has dimensions that are smaller than the typical Lot (estimated at 5,000 square feet) and which is not being irrigated and/or has limited access to a local homeowners' association installed irrigation system, shall have the obligation to irrigate such common areas.

**Section 2. Declarant's Right to Common Areas.** Declarant shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent Properties and for the purpose of construction of any facilities on the Common Areas that Declarant elects to build. Declarant's rights in and to common areas, including any club house shall not relieve any Owner from making nor entitle any homeowner to prorate their making of any and all payments to the Association as prescribed hereby. Declarant hereby reserves the right, at all times after conveyance of the Common Property to the Association, to enter the Common Property, without prior notice, and to inspect the condition of the improvements and facilities owned by the Association. If Declarant determines, in its



sole judgment, that the improvements or facilities are in need of repair or maintenance, it shall so notify the Association in writing, and it shall be the Association's sole obligation to promptly complete such repairs or maintenance. Failure of the Association to properly maintain and repair the Common Property shall relieve the Declarant of any liability to the Association or to any Member for any condition of the Common Property. Declarant shall have the right to make a record of its inspections, including, without limitation, by photographing and/or videotaping the Common Property, and shall have the right to perform tests or examinations to determine the condition of the Common Property, provided that Declarant shall indemnify the Association from any claims for personal injury, death, property damage or nonpayment asserted by persons claiming by, through or under the Declarant for injury, death or damage occurring as a result of such examinations or tests. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Common Property owned by the Association. The deeds conveying the Common Property to the Association may contain a recitation of this reservation, however failure to recite such reservation in such deeds shall not affect the rights of Declarant herein reserved.

### Section 3. Lot Maintenance.

a. Lawn Maintenance. The Association shall provide maintenance of all lawn areas located within the Common Areas only. Irrigation systems for the Common Areas shall also be maintained by the Association, unless said Common Area is subject to the provisions of Article V, Section 1(c) as provided for above.

b. Lot Maintenance. Each Owner shall maintain or cause to be maintained the trees, shrubbery, grass and other landscaping on his Lot in a neat, orderly and attractive manner and consistent with the general appearance of the developed portions of the Property. Maintenance shall include, but not be limited to, watering, fertilizing, pruning and replacing as necessary the trees, shrubbery, grass and other landscaping located on each Lot. In addition to the above maintenance obligations, each Owner shall maintain all parking, pedestrian, recreational and other open areas, including the repaving of private driveways as necessary, located on the Lot, in a neat, orderly and attractive manner and consistent with the general appearance of the developed portions of the Property.

c. Exterior Maintenance. Each individual Owner shall provide exterior maintenance for his or her building as follows: paint, repair, replace and care for garage doors, fences and exterior building surfaces. In addition, each individual Owner shall maintain and repair its front residence door, windows, screening, driveway, entrance walk, patio deck, light fixtures, mail box, swimming pool, pool deck, roof, gutters and down spouts; provided, however, that the Association reserves the right to maintain such areas if, in its sole discretion, the Association deems it desirable. The Board shall estimate the cost of any such exterior maintenance for each year and shall fix the Assessments for each year, but the Board shall, thereafter, make such adjustment with the Owners as is necessary to reflect the actual cost of such exterior maintenance. Such Special Assessments for exterior maintenance shall be against all Lots as set forth in Article VII hereof (except for the exterior maintenance specifically requested by an Owner); provided, however, that the cost of any exterior maintenance caused by the negligent conduct of an Owner or by the failure of such Owner to comply with this Declaration, the Articles or the By-Laws, or with the lawfully adopted rules and regulations of the Association, shall be levied as a Special Assessment against such Owner. In addition, the Association may levy a Special Assessment against any Owner for any damage or injury caused by the negligent conduct of such Owner to any easement areas granted to provide access to perform the exterior maintenance. Nothing contained herein shall obligate

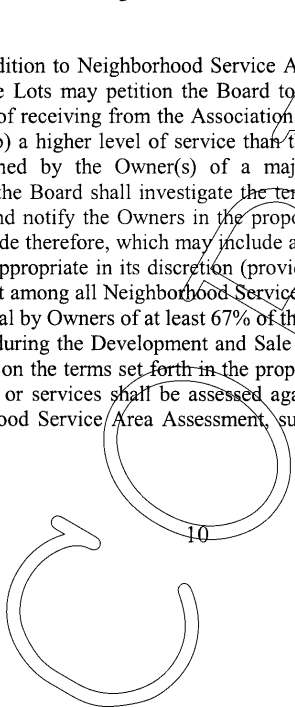
the Association to make repairs or replacements of improvements damaged by fire, windstorm, hail or other casualty; such repairs or replacements shall be made by the Owner of the Lot which suffers damage. The Association shall not be obligated to repair any mechanical equipment (e.g., air conditioning unit) that is part of any residence located on any Lot, nor shall it be responsible for any repairs which could be made pursuant to the terms of any warranty covering a residence.

**Section 4. Remedies for Failure to Maintain.** In the event an Owner shall fail to maintain the Lot as provided herein, the Association shall have the right to enter upon or into the Lot to correct, repair, maintain and restore the Lot and any improvements erected thereon, and any such entry by the Association shall not be deemed a trespass. No such entry shall be made without prior written notice mailed to the last known address of the Owner advising the Owner that unless corrective action is taken within ten (10) days, the Association will exercise its right to enter the Lot pursuant to this Section. All costs related to such correction, repair or restoration shall be the personal obligation of the Owner and shall become a lien against the Lot with the same force and effect of a lien created by the Owner's failure to pay Assessments when due. Nothing in this Section shall give rise to an obligation of the Association to maintain the exterior, interior or any portion of the Lot.

**Section 5. Provision of Services to Neighborhood Service Areas.**

(a) Declarant, on Exhibit "A" to this Declaration and/or by Supplemental Declaration submitting additional property to this Declaration, may assign the submitted property to one or more Neighborhood Service Areas (by name or other identifying designation) as Declarant deems appropriate, in Declarant's discretion, which Neighborhood Service Areas may be then existing or newly created, and may require that the Association provide benefits or services to the Lots within such Neighborhood Service Area in addition to those which the Association generally provides to all Lots. Until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration or any Supplemental Declaration to designate or redesignate Neighborhood Service Area boundaries. All costs associated with the provision of services or benefits to a Neighborhood Service Area shall be assessed against the Lots within the Neighborhood Service Area as a Neighborhood Service Area Assessment.

(b) In addition to Neighborhood Service Areas which Declarant may designate, the Owner(s) of any two or more Lots may petition the Board to designate such Lots as a Neighborhood Service Area for the purpose of receiving from the Association (a) special benefits or services which are not provided to all Lots, or (b) a higher level of service than the Association otherwise provides. Upon receipt of such petition signed by the Owner(s) of a majority of the Lots within the proposed Neighborhood Service Area, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the Owners in the proposed Neighborhood Service Area of such terms and the charge to be made therefore, which may include a reasonable administrative charge in such amount as the Board deems appropriate in its discretion (provided, any such administrative charge shall apply at a uniform rate per Lot among all Neighborhood Service Areas receiving the same service). Upon written approval of the proposal by Owners of at least 67% of the Lots within the proposed Neighborhood Service Area, and Declarant during the Development and Sale Period, the Association shall provide the requested benefits or services on the terms set forth in the proposal. The cost and administrative charges associated with such benefits or services shall be assessed against the Lots within such Neighborhood Service Area as a Neighborhood Service Area Assessment, subject to the right of the Owners of Lots



within the Neighborhood Service Area to veto the budget for their Neighborhood Service Area as provided in Section 7.4.

(c) The Board may, by resolution, designate a group of Lots as a Neighborhood Service Area and levy Neighborhood Service Area Assessments against such Lots to fund the costs of operating, maintaining, repairing, replacing and/or insuring certain portions of the Common Maintenance Area within or adjacent to such Neighborhood Service Area. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way, and greenspace between the Neighborhood Service Area and adjacent public roads, private streets within the Neighborhood Service Area, and lakes or ponds within the Neighborhood Service Area, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; however, all similarly situated Lots shall be treated the same. Any such designation shall require the consent of Declarant during the Development and Sale Period.

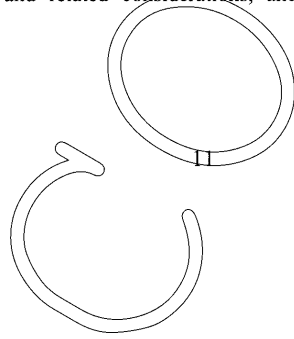
**ARTICLE VI**

**ARCHITECTURAL CONTROL BOARD**

**Section 1. Architectural Control Board.** The Architectural Control Board (hereinafter "ACB") shall be a standing committee of the Association appointed by the Board. The Architectural Control Board shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this Article and other provisions of this Declaration. The members of the ACB need not be members of the Association and shall not be entitled to any compensation for services performed pursuant to this Section. A majority of the ACB may take any action the ACB is empowered to take and may designate a representative to act for the ACB. This Article VI shall not apply to the Declarant or Builder.

**Section 2. Owner to Obtain Approval.** No Owner other than the Developer or Builder shall make, install, place, or remove any building, fence, screen enclosure, porch, wall, patio area, pool, spa, landscaping or any other alteration, addition, improvement, or change of any kind or nature to, in or upon any portion of the Common Areas or the Owner's Lot, unless the Owner first obtains the written approval of the ACB, except that such approval shall not be required for any maintenance or repair which does not result in a material change in any improvement. In addition no Owner shall be prohibited from including Xeriscape or Florida friendly landscaping.

**Section 3. Association's Consent.** Any request by an Owner for approval by the ACB to any addition, alteration, improvement, or change shall be in writing and shall be accompanied by plans and specifications or other details as the ACB may deem reasonably necessary in connection with its determination as to whether or not it will approve same. Approval of any request shall not be unreasonably withheld, and shall not be withheld in a discriminatory manner or in a manner that unreasonably prohibits the reasonable development of any Lot but may be withheld due to aesthetic considerations. Notwithstanding the foregoing, the ACB may withhold approval for upgraded landscaping to be installed by an Owner within that portion of its Lot to be maintained by the Association solely due to maintenance and related considerations, and the ACB may withhold approval for

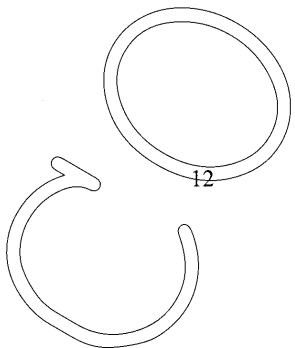


construction of swimming pools due to nuisance and related considerations (such as the likelihood of interference with other residents of the Properties during construction). The ACB shall notify the Owner of its approval or disapproval by written notice within thirty (30) days after request for such consent is made in writing to the ACB, and in the event the ACB fails to disapprove any request within such thirty (30) day period, the consent shall be deemed approved and upon request the ACB shall give written notice of such approval. In consenting to any plans or specifications, the ACB may condition such consent upon changes being made. If the ACB consents to any plan and specifications, the Owner may proceed to make the alteration, addition, improvement, or change in strict conformance with the plans and specifications approved by the ACB, and subject to any conditions of the ACB's approval. The Board of Directors shall have the right to review and overturn the decisions of the ACB. Any Owner whose request for approval from the ACB has been denied, shall have the right to submit a written request to the Board for a review of the decision of the ACB. Such request must be accompanied by a complete copy of each and every plan, drawing and document submitted to the ACB, as well as copies of any correspondence or written communication between the Owner, or applicant, and the ACB, and shall state the arguments the Owner, or applicant, desires the Board to consider, and the exact form of relief requested. All such appeals shall be deemed *de novo* applications which shall be reviewed by the Board rather than the ACB, but which shall otherwise be governed by the requirements and procedures described in this Article.

**Section 4. No Liability.** Neither the ACB nor the Association shall be liable to any Owner in connection with the approval or disapproval of any alteration, addition, improvement, or change. Furthermore, any approval of any plans or specifications by the ACB shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the ACB, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and neither the ACB nor the Association shall be liable for any deficiency, or any injury resulting from any deficiency, in such plans and specifications.

**Section 5. Remedy for Violations.** In the event this Section is violated in that any alteration, addition, improvement, or change is made without first obtaining the approval of the ACB, or is not made in strict conformance with any approval granted by the ACB, the Association shall specifically have the right to demand that an Owner stop, remove and/or alter any alteration, addition, improvement or change in a manner which complies with the requirements of the ACB. The Association maintains the right to enter onto a Lot in violation to repair or remove any unauthorized alterations and may assess the Owner for the cost and/or impose daily penalties in accordance with this Declaration. Notwithstanding the above, the Association may pursue injunctive relief or any other legal or equitable remedy available to the Association in order to accomplish such purposes. Any action by the Association to enforce this Section must be commenced within one (1) year after the date of the violation. The foregoing shall be in addition to any other remedy set forth herein for violations of this Declaration.

**Section 6. ACB, the Association and any Sub-Association.** Notwithstanding anything to the contrary contained in any Declaration, by-laws or rules of any Sub-Association, this Declaration shall be construed in such a manner as to make subordinate the rights of any Sub-Association to the rights of the Association, as more particularly described herein, and any ACB or similar body of any Sub-Association shall accept any right and/or responsibilities delegated to it by the Association as required by the Association Declaration.



**ARTICLE VII**

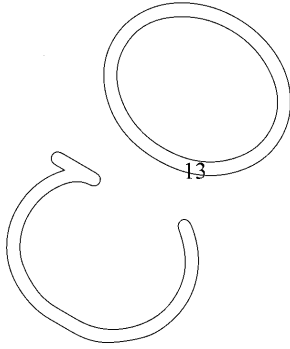
**ASSESSMENTS**

**Section 1. Creation of the Lien and Personal Obligation for the Assessments.** The Declarant and Builder, for each Lot owned by either of them within the Properties, hereby covenants, and each Owner (including Builder) of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual, General Assessments for general expenses as outlined in Section 2 hereof, and Special Assessments as provided in Section 4 hereof, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The General Assessments and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made and shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. Assessments as to any Lot not containing an improvement shall be twenty-five percent (25%) of the Assessments for a Lot containing an improvement plus the amount due any Sub-Association (as applicable) that is attributable to such Lot. Assessments shall be assessed against the Lots in the manner determined by the Association unless otherwise set forth in this Declaration.

The full Assessment as to each Lot upon which an improvement is constructed shall commence on the first day of the full calendar month after a certificate of occupancy for the improvement is issued, or upon the conveyance of the Lot by the Declarant or upon the first occupancy of the improvement, whichever occurs first. The obligation of each Owner to pay Assessments, both General and Special, shall not be abated nor decreased, in whole or in part, by reason of unfinished common elements, including but not limited to, community swimming pool(s) and/or club houses.

**Section 2. General Assessments.** The General Assessments levied by the Association shall be used exclusively for the general expenses of the Association. General expenses are any and all charges for the maintenance of the Common Areas and exterior maintenance of the Lots (except that specifically requested by an Owner), and expenses related with operating the Association for the Members of the Association and their families residing with them, and their guests and tenants, including, but not limited to:

- a. Expenses of administration, maintenance, repair or replacement of the Common Areas;
- b. Water, sewer, garbage, electrical, lighting, telephone, gas and other necessary utility service for the Common Areas.
- c. Acquisition of furnishings and equipment for the Common Areas as may be determined by the Association, including without limitation all equipment, furnishings, and personnel necessary or proper for the use of the recreational facilities;
- d. Maintenance and repair storm drains, sanitary sewers and private streets within the confines of the Properties.



- e. Fire insurance covering the full insurable replacement value of the Common Area with extended coverage.
- f. Liability insurance insuring the Association against any and all liability to the public, to any Owner, or to the invitees or tenants of any Owner arising out of their occupation and/or use of the Common Area. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased in the discretion of the Association.
- g. Workers' compensation insurance to the extent necessary to comply with applicable law, and any other insurance deemed necessary by the Board.
- h. A standard fidelity bond covering all members of the Board and all other employees of the Association in an amount to be determined by the Board.
- i. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay pursuant to the terms of this Declaration or by law, or which shall be necessary or proper in the opinion of the Board for the operation of the Common Areas, for the benefit of lot owners, or for the enforcement of these restrictions.
- j. Reasonable reserves deemed necessary by the Board for repair, replacement or addition to the Common Area.
- k. Any other expenses agreed upon as general expenses by the Association.
- l. As otherwise set forth in this Declaration.

By a majority vote of the Board, the Board shall adopt an annual budget for the subsequent fiscal year that shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met. Annual Assessments shall be established by dividing the total Common Expenses of the Association by the total number of Lots or Units subject to assessment to derive a uniform base assessment amount applicable to all Lots. Special Assessments for capital improvements or expenses applicable to all Lots within the Property shall be established in the same manner; however, Special Assessments applicable to a particular Lot for expenses attributable exclusively to such Lot, or the Owner thereof, shall be determined by dividing the applicable expense by the number of Lots to which it applies.

**Section 3. Date of Commencement of General Assessments; Due Dates.** The General Assessments shall commence on the first day of the month next following the recordation of this Declaration. Thereafter, the Board shall fix the date of commencement and amount of the Assessment against each Lot at least thirty (30) days in advance of the commencement period. The General Assessments shall be payable in advance in monthly installments or as otherwise determined by the Board.

The amount of the General Assessment may be changed at any time by the Board from that originally adopted or that which is adopted in the future. The General Assessment shall be for the calendar year, but the amount of the General Assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months remaining in such calendar year.

**Section 4. Calculation of Neighborhood Service Area Assessments.** Before the beginning of each fiscal year, the Board shall prepare a separate budget for each Neighborhood Service Area of the estimated Limited Common Expenses which it expects to incur on behalf of such

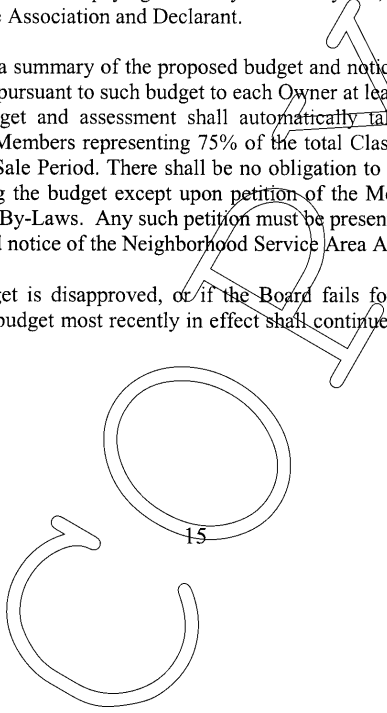
Neighborhood Service Area for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2 for periodic major maintenance, repair and replacement of items that the Association maintains on behalf of the Neighborhood Service Area as a Limited Common Expense. Each budget shall include, as a separate line item in the operating expense portion of the budget, the estimated cost of routine maintenance and repair of any private roads which the Association maintains on behalf of such Neighborhood Service Area as a Limited Common Expense, and as a separate line item in the reserve portion of the budget, a contribution to a reserve fund for periodic major maintenance, repair and repaving of such roads. The budget shall separately reflect the anticipated sources and estimated amounts of funds to cover the Limited Common Expenses, including any surplus or deficit to be applied from prior years, assessment income, any fees charged for use of recreational amenities maintained on behalf of the Neighborhood Service Area, and any other non-assessment income.

The Association is authorized to levy Neighborhood Service Area Assessments, to fund the Limited Common Expenses for each Neighborhood Service Area, against all Lots in the Neighborhood Service Area that are subject to assessment under Section 8.5, in the proportions described in Section 8.5, except that, unless otherwise specified in the applicable Supplemental Declaration, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures, may be levied on each of the benefited Lots in proportion to the benefit received, as the Board may reasonably determine. In determining the Neighborhood Service Area Assessment rate for any Neighborhood Service Area, the Board may consider any assessment income expected to be generated from any property in the Neighborhood Service Area anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Neighborhood Service Area Assessment applicable to any Neighborhood Service Area for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.6(b) which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue paying a subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

The Board shall send a summary of the proposed budget and notice of the Neighborhood Service Area Assessment to be levied pursuant to such budget to each Owner at least 30 days prior to the effective date of the budget. The budget and assessment shall automatically take effect on such date unless disapproved at a meeting by Members representing 75% of the total Class "A" votes and by Declarants during the Development and Sale Period. There shall be no obligation to call a meeting of the Members for the purpose of considering the budget except upon petition of the Members as provided for special meetings in Section 2.5 of the By-Laws. Any such petition must be presented to the Board within 14 days after mailing of the budget and notice of the Neighborhood Service Area Assessment.

If any proposed budget is disapproved, or if the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.



All amounts that the Association collects as Neighborhood Service Area Assessments shall be expended solely for the benefit of the Neighborhood Service Area for which they were collected and shall be accounted for separately from the Association's general funds.

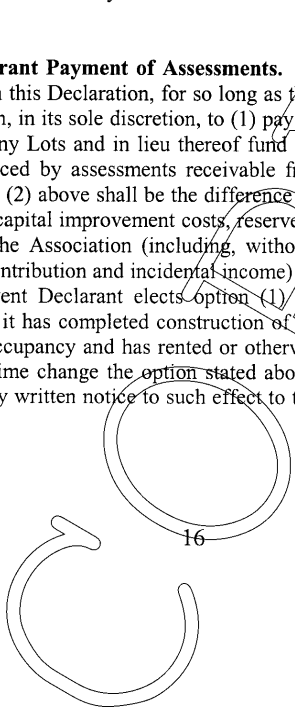
**Section 5. Special Assessments.** The Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement to the Common Area, including fixtures and personal property related thereto. In addition, a Special Assessment may be levied against one or more Lots for the following:

- a. Special services to a specific Lot or Lots which services are requested by the Owner(s) thereof.
- b. Charges for expenses of the Association which are not general expenses but which are attributable to a specific Lot or Lots and which are designated as a special charge.
- c. Reimbursement for damages caused by an Owner, Owners, their family members, guests, invitees or tenants.
- d. Late charges, fines and penalties.
- e. Any other charge that is not a general expense.
- f. Any general expense which exceeds the amount budgeted, or any emergency expense which exceeds the amount of any reserves or other Association funds.
- g. As otherwise set forth in this Declaration.

The Board shall fix the amount and due date of any Special Assessment by resolution, which resolution shall also set forth the Lot(s) subject to such Special Assessment.

**Section 6. Trust Funds.** The portion of all General Assessments collected by the Association as reserves for future expenses, and the entire amount of all Special Assessments collected for capital improvements, shall be held by the Association in trust for the owners of all Lots, as their interest may appear.

**Section 7. Declarant Payment of Assessments.** Notwithstanding any provision that may be contained to the contrary in this Declaration, for so long as the Declarant is the owner of any Lot, the Declarant shall have the option, in its sole discretion, to (1) pay Assessments on the Lots owned by it; or (2) not pay Assessments on any Lots and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by assessments receivable from Owners other than Declarant. The deficit to be paid under option (2) above shall be the difference between (a) actual operating expenses of the Association (exclusive of capital improvement costs, reserves and management fees) and (b) the sum of all monies receivable by the Association (including, without limitation, Assessments, interest, late charges, fines, rents, capital contribution and incidental income) and any surplus carried forward from the preceding year(s). In the event Declarant elects option (1) above, it shall not be obligated to pay Assessments on any Lot until it has completed construction of a dwelling on a Lot as evidenced by the issuance of a Certificate of Occupancy and has rented or otherwise caused the Lot to be occupied. The Declarant may from time to time change the option stated above under which the Declarant is making payments to the Association by written notice to such effect to the Association. When the Declarant has



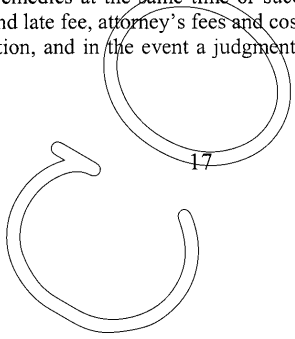
sold all Lots, the Declarant shall have no further liability of any kind to the Association for the payments of Assessments, deficits or contributions.

**Section 8. Initial One-Time Assessment.** There is hereby established an initial assessment (the "Initial One-Time Assessment") applicable to each Lot equal to three months regular assessment. The Initial One-Time Assessment shall become due and payable upon first occupancy of such Lot as a place of residence by a Class "A" Member or upon the first conveyance of the Lot with a completed dwelling whichever occurs first. Such Initial One-Time Assessment may be used to fund the Association's initial start up costs and other operating expenses or to help fund reserves, in the Board's discretion. The Initial Assessment may be referred to by another name, such as Working Capital Contribution Working Fund Contribution, or some other name in marketing and disclosure materials.

The Initial One-Time Assessment shall be due for any subsequent transfer of ownership of any Lot from one Class "A" Member to a successor Class "A" Member.

**Section 9. Collection of Assessment; Effect of Nonpayment of Assessments; The Personal Obligation of the Owner; The Lien; Remedies of the Association.** If any Assessment or Neighborhood Service Area Assessment is not paid within ten (10) days after the due date, the Association shall have the right to charge the default Owner a late fee of ten percent (10%) of the amount of the Assessment, or Ten and No/100 Dollars (\$10.00), whichever is greater, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular Assessment, then the Assessment shall be due thirty (30) days after written demand by the Association. If any Owner is in default in the payment of any Assessment owed to the Association for more than thirty (30) days after written demand by the Association, the Association upon written notice to the defaulting Owner shall have the right to accelerate and require such defaulting Owner to pay Assessments to the Association for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments. In the event of such acceleration, the defaulting Owner shall continue to be liable for any increases in the General Assessments, for all Special Assessments, and/or for all other Assessments payable to the Association. If the Assessments and any late fees and interest are not paid on the date when due, then such Assessments and any late fees and interest shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, thereupon and following the Association sending to the defaulting and/or delinquent Owner fourteen (14) days prior written notice of placing a lien, same shall become a continuing lien on the Owner's Lot which shall bind such Lot in the hands of the Owner, its heirs, devisees, personal representatives, successors and assigns. Any individual who acquires title to a Lot upon the death of an Owner or by operation of law shall be personally liable for unpaid Assessments and late fees with respect to such Lot. In any voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefore.

The Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the Lot on which the Assessment and late fees are unpaid, or pursue one or more of such remedies at the same time or successively, and there shall be added to the amount of such Assessment and late fee, attorney's fees and costs of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include



interest on the Assessment and late fee as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action, and the Association shall be entitled to attorney's fees in connection with any appeal of any such action.

It shall be the legal duty and responsibility of the Association to enforce payment of the Assessments and late fees hereunder. The Association shall, upon demand at any time, furnish to any Owner liable for an Assessment a certificate in writing signed by an officer or agent of the Association, setting forth whether such Assessment has been paid as to the Lot owned by the Owner making request therefore. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid.

Except as otherwise provided in Section 7.4 or in any applicable Supplemental Declaration, Service Area Assessments shall be allocated equally among all Lots subject to assessment in the benefited Service Area, except that until such time as a certificate of occupancy or similar approval is issued for a Lot or two years after the date of conveyance by Declarant, whichever is sooner, the Lot shall be assessed at 25% of the rate of assessment that such Lot would otherwise bear. The first annual Regular Assessment and Service Area Assessment, if any, levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

**Section 10. Subordination of the Lien to Mortgages.** The lien of the Assessment provided for in this Article VII shall be subordinate to the lien of any first Mortgagee recorded prior to the recordation of a claim of lien for unpaid Assessments. A Mortgagee in possession, a receiver, a purchaser at a foreclosure sale, or a Mortgagee that has acquired title by deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or Mortgagee shall hold title subject to the liability and lien of any Assessment becoming due after such foreclosure or conveyance in lieu of foreclosure. Any unpaid Assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section 10 shall be deemed to be an Assessment divided equally among, payable by, and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

**Section 11. Exempt Property.** The Board shall have the right to exempt property subject to this Declaration from the Assessments or Neighborhood Service Area Assessments, charges and liens created herein if such property is used (and as long as it is used) for any of the following purposes:

- a. As an easement or other interest therein dedicated and accepted by a public authority and devoted to public use or to the Association.
- b. As a part of the Common Areas as defined in Article I hereof.
- c. If the property is exempt from ad valorem taxation by the State of Florida.

**ARTICLE VIII**

**LIMITED COMMON AREAS**

**Section 1. Purpose.** Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of one or more, but less than all, Lots. By way of illustration and not limitation, Limited Common Areas may include entry features, recreational facilities, landscaped medians and cul-de-sacs, private roads, lakes and

other portions of the Common Area primarily serving a limited area. All costs associated with ownership, maintenance, repair, replacement, management, operation and insurance of a Limited Common Area shall be a Limited Common Expense allocated in accordance with Section 8.1(b) among the Owners in the Service Area to which the Limited Common Area is assigned.

**Section 2. Designation.** Initially, any Limited Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision plat relating to such Common Area; however, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Lots during the Development and Sale Period.

Thereafter, a portion of the Common Area may be assigned as Limited Common Area upon approval of (a) the Board, (b) Members representing a majority of the total Class "A" votes in the Association, and (c) Members entitled to cast a majority of the Class "A" votes attributable to Lots to which the Limited Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment shall also require Declarant's written consent.

**Section 3. Use by Others.** Upon approval of a majority of Owners of Lots to which any Limited Common Area is assigned, and subject to such restrictions as such Owners may impose, the Association may permit Owners of other Lots to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Limited Common Expenses attributable to such Limited Common Area.

**ARTICLE IX**

**EASEMENTS**

**Section 1. Members' Easements.** Each Member of the Association and each tenant, agent and invitee of such Member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the walkways, driveways and roads from time to time laid out on the Common Areas, for use in common with all such Members, their tenants, agents and invitees. The portion of the Common Areas not used, from time to time, for walkways and/or driveways shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts and for the use of same in such manner as may be regulated by the Association. The foregoing easements are subject to the following:

- a. The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas and facilities in compliance with the provisions of this Declaration and with any restrictions on the various plats of the Properties from time to time recorded;
- b. The right of the Association to suspend the voting rights and right to use the Common Areas and facilities by an Owner for any period during which any Assessment against his Lot remains unpaid for a period of over ninety days (provided Owner has first received 14 day advance written notice of said suspension); and for any infraction of this Declaration, the Articles or By-Laws, or any lawfully adopted and published rules and regulations of the Association.

- c. The right of the Association to adopt and enforce and regulations governing the use of the Common Areas and all facilities at any time situated thereon.

The right of an Owner to the use and enjoyment of the Common Areas and facilities thereon shall extend to the members of its immediate family who reside with such Owner, Owner's invitees and guests, subject to regulations from time to time adopted by the Association in its lawfully adopted and published rules and regulations.

**Section 2. Easement to Public Right-of-Way.** Notwithstanding anything to the contrary set forth in this Declaration, to the extent necessary, each Owner shall have a nonexclusive easement for vehicular and pedestrian access to and from his Unit over the Private Streets to a public right-of-way. The easement herein granted shall be subject to the reasonable regulation of traffic by the Association, including but not limited to: speed limits; one-way streets; stop signs; yield signs; and other common traffic control signs and devices. The Association shall not have the right to restrict access to the Private Streets to Owners, resident members of the Owner's household, invited guests, commercial delivery services, government officials, including but not limited to, postal, police, fire and safety officials, vendors, contractors and tradesmen engaged by an Owner, or the Declarant. The Association shall have the right, but not the obligation, to require nonresidents requesting entry to the Private Streets to stop at the entry gate and provide evidence of authorization from an Owner. The right of the Owner to use the Private Streets for access to the Owner's Unit may not be suspended or withheld for any reason, including nonpayment of assessments or failure to obey traffic regulations, however, the Association shall have the right to exercise all other remedies available at law or in equity to recover from any such Owner all unpaid assessments, and to enforce all traffic regulations, and, in the event the Association incurs any expense in so doing, in addition to any other relief obtained by the Association, either voluntarily, by agreement, through arbitration or court action, the Owner shall reimburse the Association for all its costs and expenses, including, but not limited to, all reasonable attorney's fees, expert witness fees, investigation costs and other expenses incurred by the Association at the pre-trial, trial or appellate levels.

**Section 3. Easements Appurtenant.** The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot.

**Section 4. Utility Easements.** Public utilities may be installed underground in the Common Areas when necessary for the service of the Properties or additional lands for which Declarant holds an option to purchase, but all use of utility easements shall be in accordance with the applicable provisions of this Declaration.

**Section 5. Public Easements.** Firefighters, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

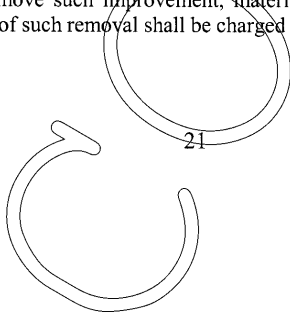
**Section 6. Easements of Encroachment.** There is hereby reserved an exclusive easement for the unintentional encroachment by any structure upon the Common Area caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching Property to the extent of such encroachment. An easement is hereby granted for encroachment in favor of an Owner in the event any portion of his or her dwelling unit or appurtenant

improvements such as a driveway encroaches upon any of the Lots as a result of inaccuracies in survey, initial construction by Declarant, or due to settlement or movement or caused by changes in the building design or site plan, provided such changes have been approved by appropriate governmental authorities. Such encroaching improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching improvements in favor of the Owner thereof; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, Tenant, or the Association.

**Section 7. Additional Easement.** The Declarant (during any period in which the Declarant has any ownership interest in the Properties) and the Association shall each have the right to grant such additional electric, telephone, gas, sprinkler, irrigation, cable television or other easements, and to relocate any existing easement in any portion of the Properties and to grant access easements and to relocate any existing access easements in any portion of the Properties as the Declarant or the Association shall deem necessary or desirable, for the proper operation and maintenance of the Properties, or any portion thereof, or for the general health or welfare of the Owners or for the purpose of carrying out any provisions of this Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of the Lots for dwelling purposes.

**Section 8. Association Easement.** For the purpose solely of performing its obligations under the provisions of this Declaration, the Association, through its duly authorized agents, employees or independent contractors, shall have the rights, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours of any day. In the event of an emergency, such right of entry shall exist without notice. Each Owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots and through improvements constructed upon the Lots, as may be reasonably necessary to effect and perform the exterior maintenance aforementioned.

**Section 9. Construction Easement.** Each Lot and the Common Area is hereby subjected to a permanent easement appurtenant to any adjoining Lot to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot, including roof structures which overhang and encroach upon the servient Lot or Common Area, provided that the construction of such structure is permitted and approved as elsewhere herein provided. The Owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to construct improvements, and to maintain, repair and restore any improvements located on the dominant tenement, provided, however that such entry shall be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement. The Owner of the servient tenement shall not place any improvements, material or obstacle in or over the easement area on the servient tenement, which would unreasonably interfere with the rights of the owner of the dominant tenement, granted by this Section. Any such improvement, material or obstacle shall be promptly removed by the Owner of the servient tenement at that Owner's expense when requested by the Owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvement, material or other obstacle was placed in or over the easement area. In the event an Owner fails to move such improvement, material or obstacle, then the Association may remove same and the expense of such removal shall be charged to the Owner as a Special Assessment.



**Section 10. Surface Water and Storm Water Management System.**

(a) **Maintenance, Operation, and Monitoring.** The Association shall maintain, as part of the Common Maintenance Areas, the Surface Water and Storm Water Management System and shall comply with conditions of the permits from the South Florida Water Management District (SFWMD Permit No.: \_\_\_\_\_ attached hereto as **Exhibit "E"**), the United States Army Corps of Engineers ("**Corps of Engineers**"), the County, or the State of Florida for the Surface Water and Storm Water Management System and wetlands within the Community. The Association, shall, when requested by Declarant, apply for the issuance of, or accept assignment of, all South Florida Water Management District, Corps of Engineers, County and State of Florida permits for the Community (as the Community may be expanded by the annexation of additional phases as herein contemplated) and shall be designated as the "permittee" thereof. The conditions of the permits include monitoring and record keeping schedules, and maintenance. The following additional conditions shall apply:

(1) The Association shall hold and save the South Florida Water Management District, Corps of Engineers, County and the State of Florida harmless from any and all damages, claims, or liabilities which may arise by reason of the operation, maintenance, or use of any improvement or facility authorized by the permits.

(2) The Association shall at all times properly operate and maintain the systems of treatment and control (and related appurtenances) that are installed or used to achieve compliance with conditions of the permits, as required by the South Florida Water Management District, Corps of Engineers, County, and/or the State of Florida. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permits and when required by the South Florida Water Management District, Corps of Engineers, County, and State of Florida rules.

(3) The Association specifically agrees to allow authorized South Florida Water Management District, Corps of Engineers, County, and State of Florida personnel, upon representation of credentials or other documents as may be required by law, access to the Common Maintenance Areas where the permitted activity is located or conducted at all reasonable times for the purposes of inspection and testing to determine compliance with the permits and South Florida Water Management District, Corps of Engineers, County and the State of Florida regulations, such as:

- (A) having access to and copying any records that must be kept under the conditions of the permits; and
- (B) inspecting the facilities, equipment, practices, or operations regulated or required under the permits; and
- (C) sampling or monitoring any substances or parameters at any location reasonably necessary to assure compliance with the permits or South Florida Water Management District, Corps of Engineers, County and State of Florida rules; and
- (D) gathering of data and information.

Reasonable time may depend on the nature of the concern being investigated.

(4) Establishment and survival of littoral areas, if any provided for storm water quality treatment in wet detention systems shall be assured by proper and continuing maintenance procedures designed to promote viable wetlands plant growth of natural diversity and character. Following as-built approval, perpetual maintenance shall be provided for the permitted system.

(5) The Association shall submit inspection reports in the form required by the South Florida Water Management District, Corps of Engineers, County, and State of Florida, in accordance with the following schedule unless specified otherwise here or in permit applications:

(A) for systems utilizing effluent filtration or exfiltration, the inspection shall be performed 18 months after operation is authorized and every 18 months thereafter; and

(B) for systems utilizing retention and wet detention, the inspections shall be performed two years after operation is authorized and every two years thereafter.

(6) It shall be the responsibility of each Owner at the time of construction of a building, residence, or other structure on such Owner's Lot, to comply with the construction plans for the Surface Water and Storm Water Management System pursuant to Chapter 40E, F.A.C., approved and on file with the South Florida Water Management District.

(7) It is the Owner's responsibility not to remove native vegetation (including cattails) that becomes established within the wet detention ponds abutting their Lot. Removal includes dredging, the application of herbicide, the introduction of carp grass and cutting. If the Community includes a wetland mitigation area or wet detention pond, no vegetation in such area shall be removed, cut, trimmed, or sprayed with herbicide without specific written approval from the South Florida Water Management District and the Corps of Engineers. Owners should address any question regarding authorized activities within any wet detention pond to the South Florida Water Management District, Venice Service Office, and the Corps of Engineers.

(8) No Owner may construct or maintain any building, residence, or structure or undertake or perform any activity in the wetland(s), wetland mitigation area(s), buffer area(s), upland conservation area(s), and drainage easement(s) described in approved permits and recorded Plats, unless prior approval is received from both the South Florida Water Management District Venice Regulation Department pursuant to Chapter 40E, F.A.C., and from the County. If such activities are subject to Corps of Engineers or State of Florida permits, approval of those agencies shall also be obtained before any such activity is commenced.

(9) Neither the Association nor any Owner shall engage in any construction related activities within any part of the Surface Water and Storm Water Management System or wetlands unless such activities have been approved in writing by the SFWMD, or are specifically authorized by the conditions of the applicable permits. Without limitation, the following activities are deemed construction related and are prohibited unless authorized in accordance with this subsection: digging or excavation; depositing fill, debris, or any other material or item; constructing or altering any water control structure;

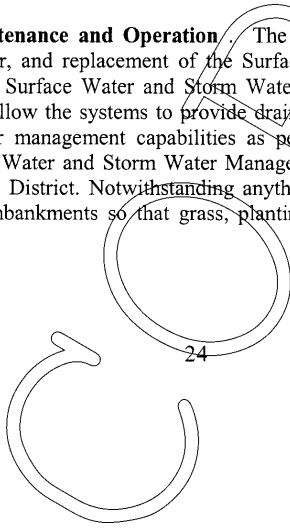
or any other construction to modify the Surface Water and Storm Water Management System or wetland facilities. If such activities are subject to the Corps of Engineers, County, or State of Florida permits, approval of those agencies shall also be obtained before any such activity is commenced.

(10) Any Tracts or Parcels as shown on the Plat as a "Mitigation Area" is to be preserved in its natural state in perpetuity in accordance with any U. S. Army Corps of Engineers Permit or other governmental authority permit. These natural preserve areas shall not be disturbed by any dredging, filling, land clearing, agricultural activities, planting, or other construction work whatsoever. In addition, no motorized vehicles shall be permitted within such Mitigation Area. Further, any and all Mitigation Areas and/or Preserves shall be maintained in accordance with any Preserve Area Management Plan (the "PAMP") as approved by SFWMD, as applicable.

(11) The Association, through its Board, shall be responsible for enforcing the provisions of this Declaration; however, in addition to enforcement by the Association, Declarant hereby reserves unto itself, and grants to the County and the South Florida Water Management District, the non-exclusive right, but not the obligation, to enforce the provisions of this Declaration concerning compliance with the Surface Water and Storm Water Management System and wetland permits, all applicable federal, state, and local laws, ordinances, and regulations, and all applicable rules and regulations of the Association against any person or entity in violation including the Owners, the Association, Builders, Affiliates of Declarant, and Declarant by the exercise of any remedies available at law or in equity, or otherwise provided in this Declaration for the protection and benefit of the Association, its Members, and the Community. Notwithstanding anything in this Declaration to the contrary, in the event that the County or the South Florida Water Management District elects to take enforcement action against any Owner, Declarant, Declarant Affiliate, the Association, or any other Person for violation of the terms of any permit, law, ordinance, rule, or regulation, such enforcement shall not be subject to the dispute resolution provision of Article XVII of this Declaration.

(b) **Effect of Dissolution** . In the event of the termination, dissolution, or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water and Storm Water Management System and wetlands must be transferred to and accepted by an entity which would comply with Section 40E, F.A.C., and be approved by the South Florida Water Management District prior to such termination, dissolution, or liquidation. In the event that no other entity exists to receive such transfer, the obligations of the Association shall be deemed assumed by the Owners, and all such Owners shall be jointly and severally responsible for the operation and maintenance of the Surface Water and Storm Water Management System and wetlands in accordance with the requirements of the permits.

(c) **Maintenance and Operation** . The Association shall be responsible for the maintenance, operation, repair, and replacement of the Surface Water and Storm Water Management System. Maintenance of the Surface Water and Storm Water Management System(s) shall mean the exercise of practices, which allow the systems to provide drainage, water storage, conveyance, or other surface water or storm water management capabilities as permitted by the District. Any repair or reconstruction of the Surface Water and Storm Water Management System shall be as permitted or, if modified, as approved by the District. Notwithstanding anything contained herein to the contrary, the Association may maintain embankments so that grass, planting, or other lateral support shall prevent



erosion of the embankment. The height, grade, and contour of such embankments shall not be changed without the prior written consent of the District, Declarant or the Architectural Review Board.

(d) **Shared Facilities.** Certain portions of the Surface Water and Storm Water Management System may serve the drainage needs of adjacent lands not owned by Declarant and not within the Community. Declarant reserves the right to grant such drainage and/or use such easements and rights as Declarant may deem necessary or appropriate for accomplishing the drainage needs of the Community and/or lands owned by others provided that such agreements shall not unreasonably interfere with the use of the system by the Owners or unreasonably increase the cost of maintenance of the system by the Association.

**Section 11. Water Management.** Each Owner acknowledges and agrees that some or all of the water features, if any, in or adjacent to the Community are designed as water management areas and are not designed solely as aesthetic features. Due to fluctuations in water elevations within the immediate area, water levels will rise and fall. Each Owner further acknowledges and agrees that Declarant has no control over such elevations. Therefore, each Owner agrees to release and discharge Declarant and Declarant Affiliates and any predecessor Declarant from and against any and all losses, claims, demands, damages, and expenses of whatever nature or kind, including, without limitation, Legal Costs, related to or arising out of any claim relating to such fluctuations in water elevations. Owners shall not alter, modify, expand, or fill any water features located within or in the vicinity of the Community without the prior written approval of Declarant and any local, state, or federal regulatory or permitting authorities as may have relevant jurisdiction over such matters.

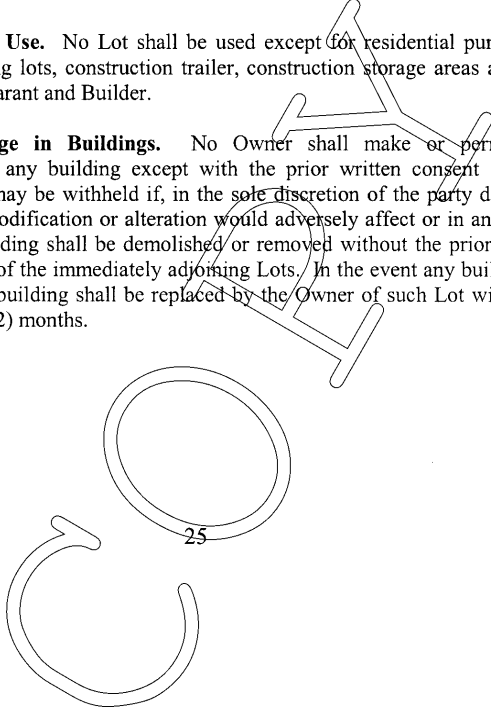
**ARTICLE X**

**GENERAL RESTRICTIVE COVENANTS**

**Section 1. Applicability.** The provisions of this Article IX shall be applicable to all Lots situated within the Properties.

**Section 2. Land Use.** No Lot shall be used except for residential purposes. Temporary uses for model homes, parking lots, construction trailer, construction storage areas and/or sales offices shall be permitted by the Declarant and Builder.

**Section 3. Change in Buildings.** No Owner shall make or permit any structural modification or alteration of any building except with the prior written consent of the ACB or its successor, and such consent may be withheld if, in the sole discretion of the party denying the same, it appears that such structural modification or alteration would adversely affect or in any manner endanger other dwelling units. No building shall be demolished or removed without the prior written consent of both the Board and Owner(s) of the immediately adjoining Lots. In the event any building is demolished or removed, if replaced, said building shall be replaced by the Owner of such Lot with a unit of similar size and type within twelve (12) months.



a. **Requirement to Reconstruct.** In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("Required Repair") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. The Required Repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to perform the Required Repair on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

**Section 4. Building Location.** Buildings shall be located in conformance with the Zoning Code of the City of Pt. St. Lucie, Florida (the "Zoning Code") and any specific zoning approvals thereunder, or as originally constructed on a Lot by Developer or its successor or assignee, or Builder. Whenever a variance or special exception as to building location or other item has been granted by the authority designated to do so under the Zoning Code, said variance or special exception is hereby adopted as an amendment to this Section and any future variance or special exception as to building location or other item shall constitute an amendment of this Section.

**Section 5. Landscaping of Easements.** In addition to the easements reserved herein, easements for drainage, installation and maintenance of utilities and for ingress and egress are shown on the recorded plat(s) of the Properties. No structure, planting or other material may be placed or permitted to remain within these easements that will interfere with vehicular traffic or prevent maintenance of utilities. Public utility companies servicing the Properties and the Association, and their successors and assigns, shall have a perpetual easement for the installation and maintenance of water lines, sprinkler lines, sanitary sewers, storm drains, gas lines, electric and telephone lines, cables and conduits, including television cables and conduits and such other installations as may be required or necessary to provide maintenance and utility services to the Lots and/or the Common Areas under and through the utility easements as shown on the plat(s) and under and through such portions of the rear of each Lot beyond the building, as such buildings may from time to time be located. Any damage caused to pavement, driveways, drainage structures, sidewalks, other structures, or landscaping in the installation and maintenance of such utilities shall be promptly restored and repaired by the utility whose installation or maintenance caused the damage. All utilities within the subdivisions, whether in streets, rights-of-way or utility easements, shall be installed and maintained underground, provided, however, that water and sewer treatment facilities and control panels for utilities may be installed and maintained above ground.

**Section 6. Nuisances.** No noxious or illegal activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or any other Owner. In the event of any question as to what may be or become a nuisance, such question shall be submitted to the Association for a decision in writing, which decision shall be final. In addition, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon

any Lot. Owner is responsible to operate the Lot irrigation system in order to maintain the landscaping. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon; and in the event that the Owner shall fail or refuse to keep the demised premises free of weeds, underbrush or refuse piles or other unsightly growths or objects, then the Association may enter upon said premises and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass. All garbage or trash containers must be underground or placed in walled in areas so that they shall not be visible from the adjoining Properties other than when placed curbside for "pick-up." Provided, however, any portion of the Properties not yet developed by Developer or Builder shall be maintained in a clean condition but shall not be expected to be maintained in a manicured condition.

**Section 7. Temporary Structures.** No structure of a temporary character, or trailer, tent, mobile home or recreational vehicle shall be permitted on any Lot either temporarily or permanently, except that the Developer and Builder may park a trailer on the Properties during periods of construction or sales. Declarant and Builder shall have the right to utilize all sales trailers and model homes in connection with the sale of other non-affiliated communities for which Declarant and/or Builder are developing and/or building.

**Section 8. Signs.** Except for one sign of not more than one square foot used to indicate the name of the resident, no "for rent," "for sale" or other sign of any kind shall be displayed to the public view on the Properties without the prior consent of the Board and, the Association provided that the Declarant and/or Builder, so long as it has not sold all of its Lots in the Properties, shall retain the right to disapprove any signs displayed to the public view. Notwithstanding the foregoing, this Section shall not apply to the Declarant and/or Builder for as long as it holds title to any portion of the Properties.

**Section 9. Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Properties nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions.

**Section 10. Pets, Livestock and Poultry.** No animals of any kind shall be raised, bred or kept within Newport Isles for commercial purposes. Raising, breeding, or keeping animals, livestock, or poultry of any kind, is prohibited, except that a reasonable number of dogs (except that under no circumstances shall any breed of dog commonly known as a "Pit Bull" be permitted on any portion of the Property). A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds), cats, or other household pets of the nature commonly sold in pet stores located within regional malls in urban areas may be permitted in a Lot (not to exceed a total of three (3) such pets); however, those pets which roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling and the person walking the dog shall clean up after it. Pets shall be registered, licensed, and inoculated as required by law. Owners may keep domestic pets as permitted by St. Lucie County ordinances. All pets shall be walked on a leash. No pet

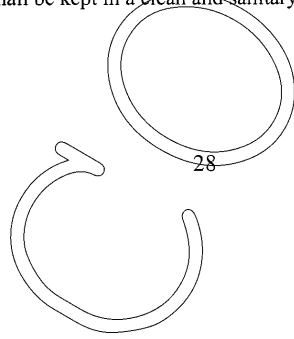
shall be permitted outside a Home unless such pet is kept on a leash or within an enclosed portion of the yard of a Home. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing-eye dogs shall not be governed by the restrictions contained in this Section.

**Section 11. Visibility at Intersections.** No obstruction to visibility at street intersections shall be permitted.

**Section 12. Commercial Trucks, Trailers, Campers and Boats.** No commercial vehicles, campers, mobile homes, motor homes, house trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on any Lot, except only during the periods of approved construction on said Lot, and except that they may be stored within garages. Boats and boat trailers may be parked on the Lot provided that the boat and/or boat trailer is not visible from the street, or to adjacent lots, or across any lakes. The term "commercial vehicle" shall include all automobiles, trucks and vehicular equipment, including station wagons, which bear signs or shall have printed on same some reference to any commercial undertaking or enterprise. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services. Notwithstanding the foregoing, this Section shall not apply to the Declarant and/or Builder for so long as it holds title to any portion of the Properties.

**Section 13. Fences, Walls, Hedge.** No fence, walls, or hedge shall be erected or maintained on any Lot without approval of the ACB; except for (1) fences, walls, and hedges erected in conjunction with model homes or sales offices, (2) Common Areas or Limited Common Areas walls, fences, hedges, or buffering or screening structures, landscaping or improvements erected by the Declarant or the Association, (3) fences, walls, and hedges erected by the Declarant as part of the original architecture of the Unit to which they are appurtenant and in compliance with the plans and specifications therefore approved by the Declarant or the ARC. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and ten (10) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and in a line connecting them at points thirty-five (35) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. This prohibition shall not impede the erection of fences as required by any governmental authority pertaining to security for a pool.

**Section 14. Garbage and Trash Disposal.** No garbage, refuse, trash or rubbish shall be deposited on any Lot except in a walled-in area; provided, however, that the requirements from time to time of St. Lucie County for disposal or collection shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.



**Section 15. Drying Areas.** No clothing, laundry or wash shall be aired or dried on any portion of any Lot in an area exposed to view from any other Lot. Drying areas will be permitted only in locations approved by the ACB or legal requirement, and pursuant to federal and state law.

**Section 16. Gas Containers.** No gas tank, gas container, or gas cylinder other than a maximum of two (2) per Lot of those for personal gas grills (and except those placed by the Declarant or approved by the ACB in connection with the installation of swimming pools and/or barbecues) shall be permitted to be placed on or about the outside of any house or any ancillary building, and all such items (except those placed by the Declarant or approved by the ACB in connection with the installation of swimming pools and/or barbecues) shall be installed underground in every instance where gas is used. In the alternative, gas containers may be placed above ground if enclosed on all sides by a decorative safety wall approved by the ACB.

**Section 17. Communication Equipment.** Except as may be installed by the Declarant or Builder, no exterior radio or television antenna, satellite dish, microwave antenna or other antenna or device for sending or receiving television or radio signals may be erected or maintained on the exterior of any Unit in the Property in such a manner as to be visible to an observer from the street in front of the Unit. Television and/or radio receiving devices may be erected on the exterior of a Unit in a location that does not allow them to be visible to an observer from the street in front of the Unit if such devices are approved for installation by the ACB, provided however, that satellite receiving dishes in excess of 39 inches in diameter shall be prohibited on all Lots. Notwithstanding the foregoing, the Board of Directors of the Association shall have the authority to establish size limitations for television and radio receiving devices that do not have a material effect upon the appearance of the Unit which devices may be approved for use in areas that are visible to an observer from the street if advances in technology create devices that are unobtrusive and do not materially affect the appearance of the Unit. By acceptance of a deed to a Unit within the Property, each Owner agrees that this restrictive covenant is a reasonable limitation on the Owners' ability to receive television and/or radio transmissions, and (1) does not unreasonably delay or prevent installation, maintenance or use of television or radio receiving devices, (2) does not unreasonably increase the cost of installation, maintenance or use of television or radio receiving devices, (3) does not preclude reception of an acceptable quality television or radio signal, and (4) does not impose an unnecessary burden, expense or delay on any Owner. Each Owner covenants with Declarant and every other Owner that the rights of the Association and all other Owners of Units in the Property in the protection of property values and the architectural character and aesthetics of the Property supersedes and takes precedence over the interests of each individual Owner in the placement of television and radio receiving devices, and that the limitations established in this Declaration provide each Owner reasonable alternatives for receiving quality television and radio signals without the necessity of erecting receiving devices in locations that are visible to observers from the street in front of the Unit or otherwise materially affect the appearance of the Unit. ("Permitted Antenna") shall be permitted in rear yards of Lots or, if necessary to receive an acceptable quality signal, and in side yards, in that order of preference; provided, unless prohibited by applicable law, any installation shall be subject to review and approval pursuant to Article \_\_\_ of this Declaration, which review shall be completed within seven days of receipt of the application for review. The Reviewer or the Architectural Guidelines may impose requirements as to location and the manner of installation and screening in order to minimize obtrusiveness as viewed from streets and adjacent property, so long as such requirements are not inconsistent with applicable law. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a

portion of the Community, should any master system or systems be utilized by the Association and require such exterior apparatus, and include, an antenna:

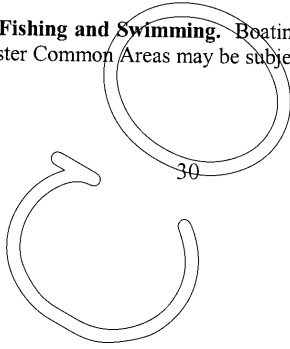
- a. designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter; or
- b. designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or
- c. designed to receive television broadcast signals;

**Section 18. Drainage.** No change in any drainage pattern of any Lot, after issuance of a certificate of occupancy for the dwelling thereon, or of any portion of the Properties, after all contemplated improvements have been completed, shall be made which will cause undue hardship to an adjoining Lot or adjoining property with respect to natural runoff of rain water.

**Section 19. Leasing.** No Lot shall be leased for less than a six (6) month period, nor shall a Lot be leased more than two (2) times during any twelve (12) month period. Each Owner shall be responsible for the acts and omissions, whether negligent or willful, of any person residing on its Lot, 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 Common Areas, or any liability to the Association, the Owner shall be assessed for same as in the case of any other Special Assessment. Furthermore, any violation of any of the provisions of this Declaration, of the Articles or the By-Laws, by any resident of any Lot, or any guest or invitee of an Owner or any resident of a Lot, shall also be deemed a violation by the Owner, and the Owner shall be subject to the same liability as if such violation was that of the Owner.

**Section 20. Business Use.** No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements and other applicable governmental regulations for the Property; (c) the business activity does not involve persons coming on to the Property who do not reside in the Property or door-to-door solicitation of residents within the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade" as used in this Section shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore.

**Section 21. Boating, Fishing and Swimming.** Boating and fishing in any water bodies within the Residential Property or Master Common Areas may be subject to any Rules promulgated from time to



time by the Board, or any governmental authority. However, (i) no vessels using combustion engines shall be allowed on any lakes, and (ii) no swimming shall be permitted in any lakes. Neither Declarant, Builder, the Association nor any of their officers, directors, committee members, employees, management agents, contractors or subcontractors (collectively, the "Listed Parties") shall be liable for any property damage, personal injury or death occurring in, or otherwise related to, any water body; all persons using the same do so at their own risk. All Owners and users of any portion of the Project shall be deemed, by virtue of their acceptance of the deed or use of any facility at the Project, to have agreed to release the Listed Parties from all claims for any and all changes in the quality and level of the water in such bodies. All persons are hereby notified that from time to time alligators and other wildlife may habitate or enter into water bodies within or nearby the properties and may pose a threat to persons, pets and property, but that the Listed Parties are under no duty to protect against, and do not in any manner warrant or insure against, any death, injury or damage caused by such wildlife.

Neither Declarant, the Association, nor any of the Listed Parties shall be liable or responsible for maintaining or assuring the safety, water quality or water level of/in any lake, pond, canal, creek, stream or other water body within the Property, except as such responsibility may be specifically imposed by, or contracted for with, an applicable governmental or quasi-governmental agency or authority. Further, none of the Listed Parties shall be liable for any property damage, personal injury or death occurring in, or otherwise related to, any water body. All persons using same do so at their own risk. All Owners and users of any portion of the Property located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of the deed to or use of, such property, to have agreed to release the Listed Parties from all claims for any and all changes in the quality and level of the water in such bodies.

**Section 22. Enforcement.** Failure of an Owner to comply with this Declaration, the Articles, By-Laws or rules and regulations adopted by the Association shall be grounds for immediate action to recover sums due the Association, for costs, damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend the right of a violating Owner, his family, guests, lessees, sublessees or invitees to use the Common Areas for a reasonable period of time.

With respect to any tenant or any person present on any Lot or any portion of the Properties other than an Owner and the members of its immediate family permanently residing with the Owner on the Lot, if such person materially violates any provision of this Declaration, the Articles of Incorporation or Bylaws, or if such person is the source of annoyance to the residents of the Properties or willfully damages or destroys any Common Areas or personal property of the Association, then upon written notice by the Association, such person shall be required to immediately leave the Properties 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 Properties 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.

**Section 23. Fines.** In addition to all other remedies, in the sole discretion of the Board, a reasonable fine or fines, as provided in the Association's rules and regulations, which may be adopted from time to time, may be imposed upon an Owner for failure of an Owner, his family, guests, lessees,

sublessees, or invitees to comply with any provisions of the Declaration, Articles, By-Laws or rules and regulations of the Association.

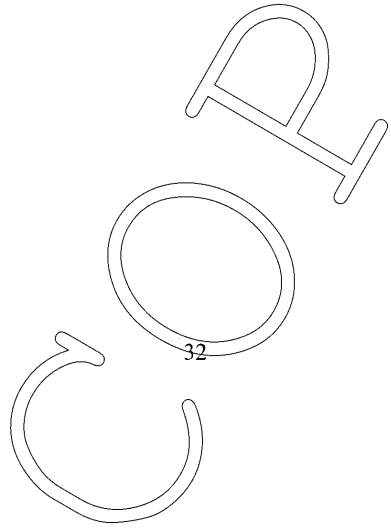
**Section 24. No Liability for Third-Party Acts.** Owners and occupants of Lots, and their respective guests and invitees, are responsible for their own personal safety and for their property in the Community. The Association may, but is not obligated to, maintain or support certain activities within the Community which are intended to promote or enhance safety or security within the Community. However, the Association, Declarant and the Builders shall not in any way be considered insurers or guarantors of safety or security within the Community, nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including, without limitation, fire protection, burglar alarm, or other security monitoring systems, or any gate or other mechanism or system for limiting access to the Community, cannot be compromised or circumvented, nor that any such systems or measures undertaken will prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants and invitees of its Lot that the Association, the Board and its committees, Declarant and any Predecessor Declarant and the Builders are not insurers or guarantors of security or safety and that each Person within the Community assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

**ARTICLE XII**

**PARTY WALLS AND OTHER SHARED STRUCTURES**

**Section 1. General Rules of Law to Apply.** Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots that serves any two adjoining Lots shall constitute a party structure. For the purposes of this Article, any fence that serves to enclose only one Lot or which is otherwise installed at the option of the Owner of a Lot shall not be deemed a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to party structures. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XV.



**Section 2. Maintenance; Damage and Destruction.** Unless otherwise specifically provided in additional covenants relating to such Lots, the Owners sharing the party structure shall share equally in the cost of necessary or appropriate party structure repairs and maintenance; however, painting and other aesthetic modifications visible only to one side of the structure shall be the responsibility of the Lot Owner with such visibility.

If a party structure is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner sharing the structure may restore it and be entitled to contribution for the restoration cost in equal proportions from other sharing owners. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions. The Owner of each Lot is granted an easement over the adjacent Lot as necessary to make repairs and restore the Lot.

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

**ARTICLE XII**

**OWNERSHIP IN THE ASSOCIATION**

**Section 1. Ownership in Association.** By taking title to a Lot, each Owner becomes subject to the terms and conditions of the Association Declaration. Among other things, it provides that an Owner shall become a member of the Association; shall acquire certain property rights to common areas within the Association; shall become subject to the assessments of the Association, which assessments, except special assessments, may be collected by the Association upon the request of the Association.

**Section 2. Notice to the Association.** Any Sub-Association shall promptly forward to the Association copies of all amendments to its Declaration, the Articles of Incorporation and Bylaws of the Sub-Association, and any easements or conveyances affecting the Common Areas prior to enactment. The Sub-Association shall also provide a current list of the names and mailing addresses of all Owners within fifteen (15) days after receiving a written notice from the Association.

**Section 3. Subordination of any Sub-Association.** Notwithstanding anything to the contrary contained in any Declaration, by-laws or rules of any Sub-Association, this Declaration shall be construed in such a manner as to make subordinate the rights of any Sub-Association to the rights of the Association, as more particularly described herein, and any Sub-Association shall accept any right and/or responsibilities delegated to it by the Association as required by the Association Declaration.

**ARTICLE XIII**

**INSURANCE AND CASUALTY LOSSES**

**Section 1. Insurance.** The Board, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the

Common Areas. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Areas, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a Two Million Dollar (\$2,000,000.00) limit per occurrence, if reasonably available, and a Five Hundred Thousand Dollar (\$500,000.00) minimum property damage limit.

Premiums for all insurance on the Common Areas shall be common expenses of the Association. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and, in the event of multiple parties, shall be allocated in relation to the amount each party's loss bears to the total.

Cost of insurance coverage obtained by the Association for the Common Areas shall be included in the General Assessment as provided in Article VII.

All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for the respective benefited parties as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

- a. All policies shall be written with a company licensed to do business in Florida which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.
- b. All policies on the Common Areas shall be for the benefit of the Owners and their Mortgagees as their interests may appear.
- c. Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Board.
- d. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.
- e. All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the St. Lucie County, Florida, area.

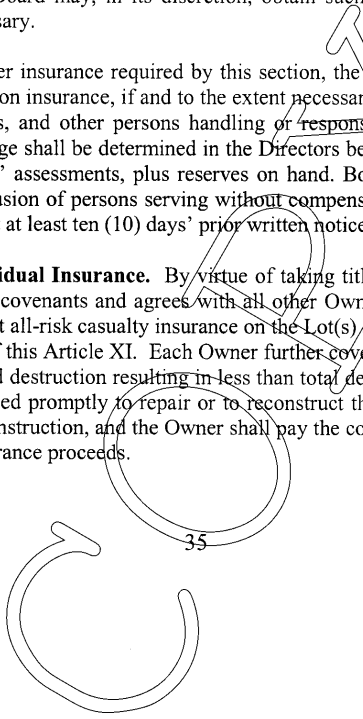
f. The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

- i. a waiver of subrogation by the insurer as to any claims against the Board, its manager, the Owners, and their respective tenants, servants, agents, and guests;
- ii. a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;
- iii. that no policy may be canceled, invalidated or suspended on account of any one or more individual Owners;
- iv. that no policy may be canceled, invalidated, or suspended on account of the conduct of any member of the Board, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;
- v. that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
- vi. that no policy may be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association.

g. The Board may, in its discretion, obtain such other types of insurance for the Association as it deems necessary.

In addition to the other insurance required by this section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on Directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the Directors best business judgment but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

**Section 2. Individual Insurance.** By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot(s) and structures constructed thereon as provided for in Section 1 of this Article XI. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising its Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction, and the Owner shall pay the costs of any repair or reconstruction which are not covered by insurance proceeds.



a. **Requirement to Reconstruct.** In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("Required Repair") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. The Required Repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to perform the Required Repair on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

**Section 3. Disbursement of Proceeds.** Policies shall be disbursed as follows:

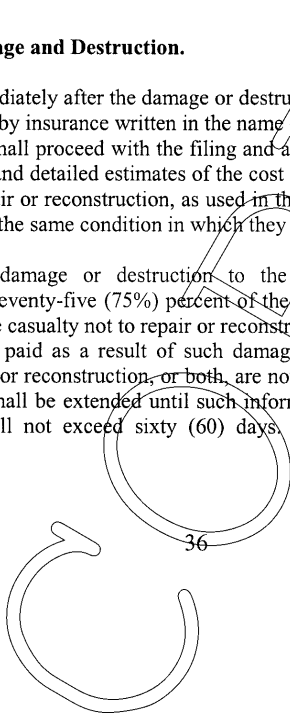
a. If the damage or destruction to the Common Areas for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Areas or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in the capital reserves account.

b. If the Association determines, in accordance with Section 4 of this Article XI, that the damage or destruction to the Common Areas for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in subsection (a) above.

**Section 4. Damage and Destruction.**

a. Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty.

b. Any damage or destruction to the Common Areas shall be repaired or reconstructed unless at least seventy-five (75%) percent of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to



participate in the determination of whether the Common Areas damage or destruction shall be repaired or reconstructed.

**Section 5. Repair and Reconstruction.** If the damage or destruction to the Common Areas for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Article VII. Additional Assessments may be made by the Board in like manner at any time during or following the completion of any repair or reconstruction.

**ARTICLE XIV**

**SALES ACTIVITY AND DECLARANT'S RIGHTS**

Notwithstanding any provision herein to the contrary, until the Declarant and Builder have completed, sold and conveyed all of the Lots within the Properties, neither the Owners, nor the Association nor their use of the Common Areas shall interfere with the completion of the contemplated improvements and the sale of Lots and any other sales activity of the Declarant and Builder, whether related to the Properties or other developments of the Declarant or Builder. The Declarant (or its duly authorized agents or assigns) or Builder may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale including, but not limited to, the maintenance of sales offices, construction trailers, model homes, and/or parking lots for the showing of the property, and the display of signs, billboards, flags, placards and visual promotional materials. The Declarant or Builder shall have the right to use unimproved Lots for temporary parking, if any, for prospective purchasers and such other parties as Declarant or Builder determines. Each Lot and the Common Area is hereby subjected to an easement for the purposes set forth herein.

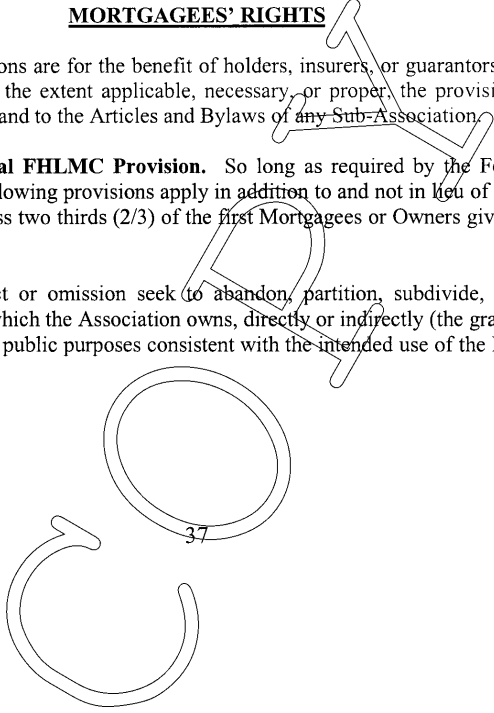
**ARTICLE XV**

**MORTGAGEES' RIGHTS**

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Lots in the Properties. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws of any Sub-Association.

**Section 1. Special FHLMC Provision.** So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing three Sections of this Article. Unless two thirds (2/3) of the first Mortgagees or Owners give their consent, the Association shall not:

- a. By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Areas, which the Association owns, directly or indirectly (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Properties shall not be deemed a transfer);



b. Change the method of determining the obligations, assessments, dues, or other charges, which may be levied against an Owner:

c. By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Areas;

d. Fail to maintain fire and extended coverage insurance, as required by this Declaration; or

e. Use hazard insurance proceeds for any Common Areas losses for other than the repair, replacement, or reconstruction of such Properties.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Members where a larger percentage vote is otherwise required for any of the actions contained in this Section.

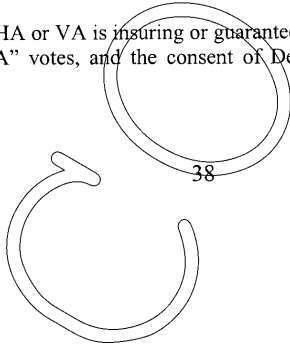
First Mortgagees may, jointly or single, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage upon the lapse of a policy, for the Common Areas, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

**Section 2. No Priority.** No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

**Section 3. Notice to Association.** Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

**Section 4. Amendment by Board.** Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements, which necessitate the provision of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, Articles, By-Laws or Florida law for any of the acts set out in this Article. Until Turnover, any amendments to this Declaration (including, without limitation, any amendment which results in the annexation of additional lands into the Property, the merger or consolidation of the Association with any other owners associations, the dedication of any part of the Common Property for public safety, and the conveyance, mortgaging, or encumbrance of any part of the Common Property) must have prior written approval of the FHA or VA in accordance with HUD regulations, if the FHA or VA is the insurer of any Mortgage encumbering a Lot.

If and to the extent FHA or VA is insuring or guaranteeing any Mortgage on a Lot, the consent of at least 67% of the Class "A" votes, and the consent of Declarant and Builder, and the approval of



Eligible Holders of first Mortgages on Lots to which more than 50% of the votes of Lots subject to a Mortgage appertain, shall be required to amend any material provisions of the Declaration, By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Maintenance Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Maintenance Area;
- (vi) responsibility for maintenance and repair of the Community;
- (vii) contraction of Community or the withdrawal of property from the jurisdiction of the Association;
- (viii) boundaries of a Lot;
- (ix) leasing of Lots;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or
- (xii) any provisions included in the Governing Documents which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Lots.

**Section 5. Failure of Mortgagee to Respond.** Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

**ARTICLE XVI**

**GENERAL PROVISIONS**

**Section 1. Duration.** The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, the Association or the Owner of any Lot subject to this Declaration, and their assigns, for a term of thirty (30) years from the

date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of two thirds of the Lots has been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part.

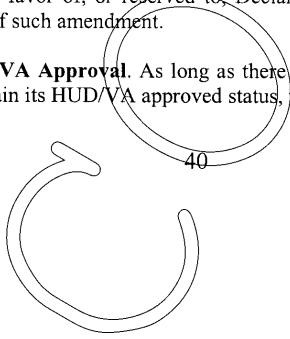
**Section 2. Notice.** Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

**Section 3. Enforcement.** Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants and failure by the Declarant, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association is hereby empowered to adopt reasonable rules and regulations for the imposition of fines to be levied against any Owner for failure to comply with the terms of this Declaration, the Articles and By-Laws, or the rules and regulations of the Association. Any rule or regulation subjecting any Owner to fines shall include provisions for notice, hearing, appeal and fines. Fines shall constitute an Assessment due to the Association and upon failure to pay such fine within the period prescribed by the Association shall become a charge and continuing lien upon the Owner's Lot.

**Section 4. Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

**Section 5. Amendment.** Notwithstanding anything to the contrary provided in this Declaration, the Articles and/or the By-laws, prior to the transition of Association control from the Declarant to Owners, Declarant shall have the right to amend this Declaration, the Articles and/or the By-laws as it deems appropriate, without the joinder or consent of any person or entity whatsoever, except that the written consent of Builder shall be required. After the transition of Association control from the Declarant to Owners, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing seventy-five percent (75%) of the total votes of the Association, including seventy-five percent (75%) of Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Public Records of St. Lucie County, Florida. No amendment shall discriminate against any Owner or class or group of Owners, unless the Owners so affected join in the execution of the amendment. No amendment shall change the number of votes of any Owner or increase any Owner's proportionate share of the common expense unless the Owners and Mortgagees of such Lots so affected by such amendment join in the execution of the amendment. No amendment may prejudice or impair the priorities of Mortgagees granted hereunder unless all Mortgagees join in the execution of the amendment. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, Declarant and/or Builder, unless Declarant and Builder join in the execution of such amendment.

**Section 6. FHA/VA Approval.** As long as there is a Class B membership, and so long as the Declarant wishes to maintain its HUD/VA approved status, the following actions will require the prior



approval of the Department of Housing and Urban Development or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration. Furthermore, to the extent Declarant elects to, and if required as a condition of obtaining approval by FHA/VA, Declarant may make modifications to this Declaration, without the necessity of joinder of any Owner or any other party who may be affected.

**Section 7. Litigation.** No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the Association Members.

**Section 8. Waiver.** The failure of the Association to enforce any of the covenants or restrictions contained in this Declaration, the Articles, By-Laws or any rules and regulations shall not constitute a waiver of the right to enforce any other covenant or restriction.

**Section 9. Governing Law and Venue.** This Declaration shall be governed by and construed and interpreted according to the laws of Florida. All actions or causes arising out of the provisions of this Declaration shall be brought in St. Lucie County, Florida.

**Section 10. Attorneys' Fees.** Should any party bound by this Declaration employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this Declaration, or to recover damages for any breach of this Declaration, the party prevailing shall be entitled to payment by the other party of all reasonable costs, charges and expenses, including attorneys' fees in the trial and appellate courts, expended or incurred in connection therewith by the prevailing party.

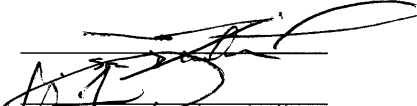
**Section 11. Effective Date.** This Declaration shall become effective upon its recordation in the St. Lucie County Public Records.

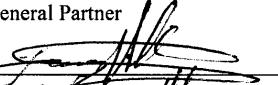
COPY

EXECUTED the date first above written.

Signed, sealed and delivered  
In the presence of:

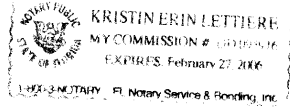
PRIME HOMES AT PORTOFINO ISLES,  
LTD., a Florida Limited Partnership  
By: PORTOFINO ISLES BUILDERS, INC.,  
its General Partner

  
\_\_\_\_\_  
Kristin Lettere  
STATE OF FLORIDA

By:   
Name: L. Prante  
Title: L. Prante

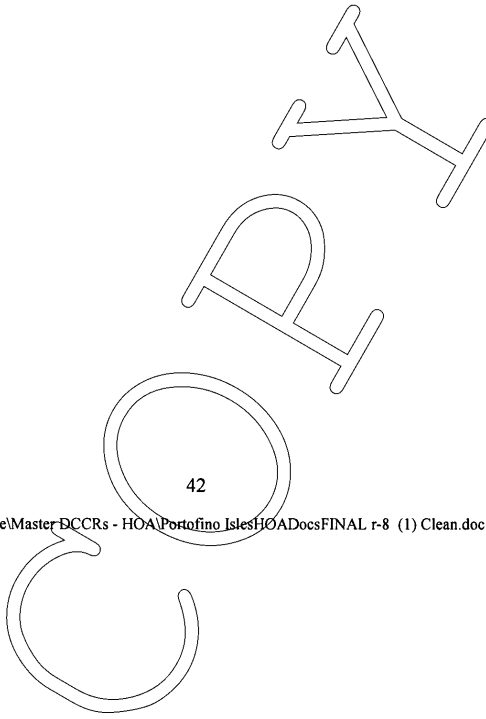
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me, this 29 day of October 2004, by  
Sam Hobbs as L. Prante of Portofino Isles Builders, Inc., a Florida  
corporation, as General Partner of Prime Homes at Portofino Isles.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires

[Notary Seal]

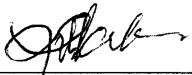


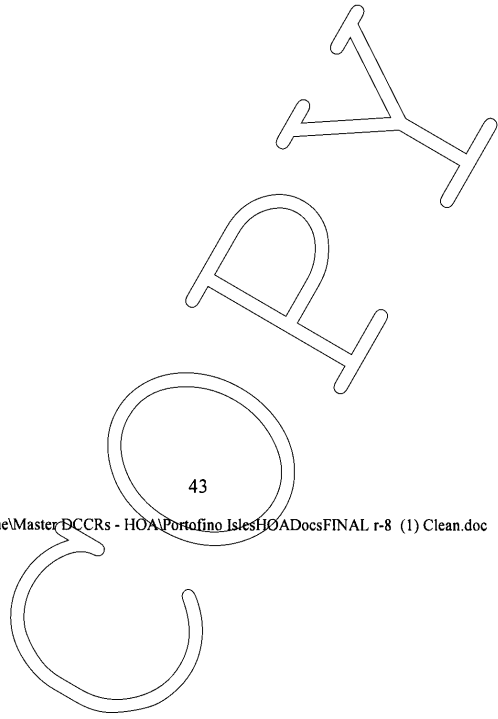
**JOINDER**

**NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of the foregoing Declaration and Exhibits attached thereto.

**IN WITNESS WHEREOF, NEWPORT ISLES HOMEOWNERS' ASSOCIATION, INC.**, has caused these presents to be signed in its name by its proper officer and its corporate seal to be affixed this 09 day of October 2004.

**NEWPORT ISLES PROPERTY OWNERS' ASSOCIATION, INC.**, a Florida corporation not-for-profit

By:   
Name: Corra Vanetta  
Title: President



**JOINDER**

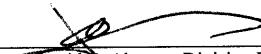
**Centex/Lennar at Portofino Isles, LLC, a Florida Limited Liability Company** hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed and conferred upon it and subjects itself and joins in to the Declaration and Exhibits attached thereto.

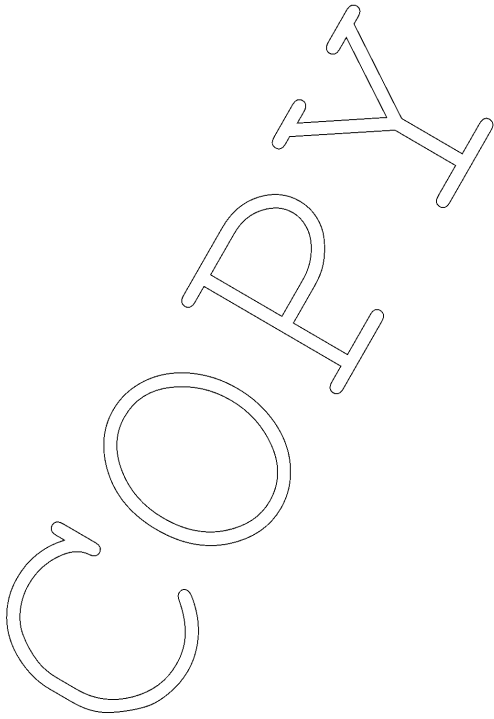
**IN WITNESS WHEREOF, Centex/Lennar at Portofino Isles, LLC, a Florida Limited Liability Company** has caused these presents to be signed in its name by its proper officer and its corporate seal to be affixed this 09 day of October, 2004.

**Centex/Lennar at Portofino Isles, LLC**

By: Centex Homes, a Nevada general partnership, authorized member

By: Centex Real Estate Corporation, a Nevada corporation, sole managing general partner

By:   
David E. Abrams, Division President



**DECLARATION OF COVENANTS, RESTRICTIONS  
AND EASEMENTS FOR  
NEWPORT ISLES**

**Exhibit "A"**

**Common Areas**

***(To be provided and inserted at a later date, when same is made available)***

COPY

**EXHIBIT "B"**

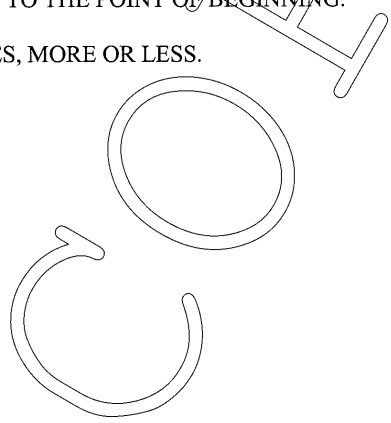
BEING A PARCEL OF LAND LYING IN SECTION 14, TOWNSHIP 37 SOUTH, RANGE 39 EAST, ST. LUCIE COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE POINT OF INTERSECTION OF THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 14, SAID POINT BEING THE INTERSECTION OF THE WESTERLY PROLONGATION OF THE SOUTH LINE OF BLOCK 1707, ACCORDING TO THE PLAT OF PORT ST. LUCIE SECTION THIRTY-ONE, AS RECORDED IN PLAT BOOK 14, PAGE 22, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA; THENCE N 88°14'58" E, ALONG THE SAID PROLONGATION OF THE SOUTH LINE OF BLOCK 1707, A DISTANCE OF 725.74 FEET TO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL:

THENCE CONTINUE N 88°14'58" E A DISTANCE OF 1,947.04 FEET; THENCE S 35°55'46" E A DISTANCE OF 74.32 FEET; THENCE N 38°05'37" E A DISTANCE OF 184.20 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 700.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 469.79 FEET THROUGH A CENTRAL ANGLE OF 38°27'10"; THENCE N 00°21'33" W A DISTANCE OF 354.93 FEET; THENCE N 06°54'39" W A DISTANCE OF 125.40 FEET; THENCE N 02°20'13" W A DISTANCE OF 185.00 FEET; THENCE N 47°20'13" W A DISTANCE OF 35.36 FEET THENCE N 87°39'47" E A DISTANCE OF 170.00 FEET; THENCE S 42°39'47" W A DISTANCE OF 35.36 FEET; THENCE S 02°20'13" E A DISTANCE OF 185.00 FEET; THENCE S 02°14'13" W A DISTANCE OF 124.08 FEET; THENCE S 00°21'33" E A DISTANCE OF 359.70 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 800.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 536.90 FEET THROUGH A CENTRAL ANGLE OF 38°27'10"; THENCE S 38°05'37" W A DISTANCE OF 194.62 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 450.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 117.07 FEET THROUGH A CENTRAL ANGLE OF 14°54'19"; THENCE S 23°11'17" W A DISTANCE OF 582.56 FEET, TO THE BEGINNING OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 19.63 FEET THROUGH A CENTRAL ANGLE OF 44°59'27" TO THE POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 78.33 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 18.43 FEET, THROUGH A CENTRAL ANGLE OF 13°28'59" TO THE POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 25.52 FEET, THROUGH A CENTRAL ANGLE OF 58°29'32"; THENCE S 66°48'43" E A DISTANCE OF 28.29 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1,053.81 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 220.84 FEET THROUGH A CENTRAL ANGLE OF 12°00'26"; THENCE N 11°10'52" E A DISTANCE OF 115.00 FEET TO THE INTERSECTION WITH A NON TANGENT CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 938.81 FEET, THE CHORD OF WHICH BEARS S 82°32'55" E; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 122.23 FEET THROUGH A CENTRAL ANGLE OF 07°27'34"; THENCE S 86°16'40" E A DISTANCE OF 614.43 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 2,360.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 273.01 FEET THROUGH A CENTRAL ANGLE OF 06°37'41"; THENCE N 87°05'38" E A

DISTANCE OF 303.07 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 940.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 301.86 FEET THROUGH A CENTRAL ANGLE OF 18°23'57"; THENCE S 74°30'25" E A DISTANCE OF 422.38 FEET; THENCE S 15°29'35" W A DISTANCE OF 115.00 FEET; THENCE S 74°30'25" E A DISTANCE OF 6.17 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 25.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 27.59 FEET THROUGH A CENTRAL ANGLE OF 63°13'40" TO THE POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 80.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 131.39 FEET, THROUGH A CENTRAL ANGLE OF 94°06'04" TO THE POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 16.31 FEET, THROUGH A CENTRAL ANGLE OF 37°22'47" TO THE POINT OF COMPOUND CURVATURE WITH A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 1,240.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE 193.96 FEET THROUGH A CENTRAL ANGLE OF 08°57'44"; THENCE S 89°58'31" E A DISTANCE OF 137.03 FEET TO THE WEST RIGHT-OF-WAY LINE OF ROSSER BOULEVARD; THENCE S00°01'29" W, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 179.61 FEET; THENCE S00°02'15"W CONTINUING ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 249.86 FEET; THENCE N 89°57'45" W A DISTANCE OF 290.40 FEET; THENCE S 00°02'15" W A DISTANCE OF 375.00 FEET; THENCE S 89°57'45" E A DISTANCE OF 144.00 FEET; THENCE S 00°02'15" W A DISTANCE OF 103.86 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 137.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 215.20 FEET THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE S 89°57'45" E A DISTANCE OF 9.40 FEET, TO THE INTERSECTION WITH AFOREDESCRIBED WEST RIGHT-OF-WAY LINE, BEING 40.00 FEET WEST OF THE EAST LINE OF SAID SECTION 14; THENCE S 00°02'15" W, ALONG LASTLY SAID LINE A DISTANCE OF 1,869.14 FEET, TO THE INTERSECTION WITH THE SOUTH LINE OF SAID SECTION 14, ALSO BEING A PART OF THE NORTH BOUNDARY OF PORT ST. LUCIE SECTION SEVEN, AS RECORDED IN PLAT BOOK 12, PAGE 37, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA; THENCE ALONG THE NORTH AND EAST BOUNDARIES OF SAID PORT ST. LUCIE SECTION SEVEN, BY THE FOLLOWING COURSES AND DISTANCES; THENCE S 89°04'05" W A DISTANCE OF 616.09 FEET; THENCE N 00°04'47" W A DISTANCE OF 1,365.25 FEET; THENCE S 88°59'17" W A DISTANCE OF 1,976.76 FEET; THENCE S 89°31'30" W A DISTANCE OF 2,655.33 FEET TO THE WEST LINE OF SAID SECTION 14; THENCE N 00°04'57" W ALONG SAID WEST LINE, A DISTANCE OF 1,328.50 FEET; THENCE CONTINUING ALONG SAID WEST LINE, N 00°02'28" W A DISTANCE OF 839.11 FEET; THENCE N 88°14'58" E A DISTANCE OF 725.44 FEET; THENCE N 00°00'19" W A DISTANCE OF 467.21 FEET TO THE POINT OF BEGINNING.

CONTAINING 279.83 ACRES, MORE OR LESS.



**DECLARATION OF COVENANTS, RESTRICTIONS  
AND EASEMENTS FOR  
NEWPORT ISLES**

**Exhibit "C"**

**ARTICLES OF INCORPORATION  
OF  
NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC**

**(Attached)**

COPY

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ARTICLES OF INCORPORATION

of

2004 NOV -3 AM 9:13

NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC.,

STATE  
TALLAHASSEE, FLORIDA

a Florida Not for Profit Corporation

The undersigned incorporator, Lorraine Vanella, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, Florida Statutes, Chapter 617, hereby adopts the following Articles of Incorporation.

PREAMBLE

PRIME HOMES AT PORTOFINO ISLES, LTD a Florida limited partnership, ("Declarant"), owns certain real property in St. Lucie County, Florida (the "Property"), and intends to execute and record a Declaration of Covenants and Restrictions (the "Declaration"), which will affect the Property. This corporation not for profit (the "Association") is being formed as the homeowners' association to administer the Declaration, and to perform the duties and exercise the power pursuant to the Declaration, as and when the Declaration is recorded in the Public Records of St. Lucie County, Florida.

All of the defined terms contained in the Declaration shall apply to these Articles of Incorporation, and to the Bylaws of the Association.

ARTICLE I. - NAME

The name of the corporation is: NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC.,

ARTICLE II. - PRINCIPAL OFFICE

The initial principal office and mailing address of this corporation is: 21218 Saint Andrews Boulevard, Suite 510, Boca Raton, Florida 33433.

ARTICLE III. - PURPOSE

The purposes for which this corporation is organized are as follows:

1. To operate as a corporation not for profit pursuant to Chapter 617 of the Florida Statutes or any successor thereto.
2. To enforce and exercise the duties of the Association as provided in the Declaration.
3. To promote the health, safety, welfare, comfort and social and economic benefit of the members of the Association.

ARTICLE IV. - POWERS AND DUTIES

This corporation shall have the following powers and duties:

1. All of the common law and statutory powers of a corporation not for profit under the laws of the State of Florida.

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2. To administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the Declaration, including, but not limited to, the following:

a. To own, purchase, sell, mortgage, encumber, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.

b. To make and collect Assessments against Owners to defray the costs, expenses and losses incurred or to be incurred by the Association, and to use the proceeds thereof in the exercise of the Association's powers and duties.

c. To enforce the provisions of the Declaration, these Articles, and the Bylaws.

d. To make, establish and enforce ~~reasonable rules and~~ regulations governing the use of Common Property and Lots, and any other property under the jurisdiction of the Association.

e. To grant and modify easements, and to dedicate property owned by the Association to any public or quasi-public agency, authority or utility company for public, utility, drainage and cable television purposes.

f. To borrow money for the purposes of carrying out the powers and duties of the Association.

g. To exercise control over exterior alterations, additions, improvements, or changes in accordance with the terms of the Declaration.

h. To obtain insurance as provided by the Declaration.

i. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the Association and for proper operation of the properties for which the Association is responsible, or to contract with others for the performance of such obligations, services and/or duties.

j. To sue and be sued.

k. To contract for cable television services for the Property.

ARTICLE V. - MEMBERS

1. The members of the Association shall consist of all of the record owners of Lots. Membership shall be established as to each Lot upon the recording of the Declaration. Upon the transfer of ownership of fee title to, or fee interest in, a Lot, whether by conveyance, devise, judicial decree, foreclosure, or otherwise, and upon recording among the public records in Dade County of the deed or other instrument establishing the acquisition and designating the Lot affected thereby, the new Owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior Owner as to the Lot designated shall be terminated; provided, however, the Association shall not have the responsibility or obligation of recognizing any such change in membership until it has been delivered a true copy of the applicable recorded deed or other instrument.

2. The share of each member in the funds and assets of the

Association, and membership of each member in this Association, shall not be assigned, hypothecated or transferred except as an appurtenance to the Lot for which that membership has been established.

3. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Lot. In the event any Lot is owned by more than one person and/or entity, the vote for such Lot shall be cast in the manner provided by the Bylaws. Any person or entity owning more than one Lot shall be entitled to one vote for each Lot owned.

ARTICLE VI. - TERM OF EXISTENCE

The term of existence of the Association shall be perpetual.

ARTICLE VII. - DIRECTORS

1. The property, business and affairs of the Association shall be managed by a board of directors (the "Board") which shall consist of not less than three (3) directors, and which shall always be an odd number. The Bylaws may provide for a method of determining the number of directors from time to time. In the absence of a determination as to the number of directors, the Board shall consist of three (3) director. The director(s) are not required to be members of the Association.

2. All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board, its agents (including, without limitation, officers, committees or boards elected or appointed by the Board), contractors or employees, subject to approval by the members only when specifically required.

3. The Declarant shall have the right to appoint all of the directors until Declarant has conveyed 100% of the Lots within the Property. The Declarant may waive its right to elect one or more directors by written notice to the Association, and thereafter such directors shall be elected by the members. When the Declarant no longer owns any Lot within the Property, all of the directors shall be elected by the members in the manner provided in the Bylaws.

4. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the Bylaws; provided, however, any director appointed by the Declarant may be removed only by the Declarant, and any vacancy on the Board shall be appointed by the Declarant if, at the time such vacancy is to be filled, the Declarant is entitled to appoint the directors.

5. The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are appointed or elected, are as follows:

Lorraine Vanella  
21218 Saint Andrews Boulevard  
Suite 510  
Boca Raton, Florida 33433

Bred Yellin  
21218 Saint Andrews Boulevard  
Suite 510  
Boca Raton, Florida 33433

Marie Chandler  
21218 Saint Andrews Boulevard  
Suite 510  
Boca Raton, Florida 33433

Michael J Smolak  
1013 N. State Rd. 7  
Royal Palm Beach, FL 33411

Matthew B. Hoxan  
1013 N. State Rd. 7  
Royal Palm Beach, FL 33411

ARTICLE VIII. - OFFICERS

The officers of the Association shall be a president, vice president, secretary, treasurer and such other officers as the Board may from time to time by resolution create. The same person may hold more than one (1) office. The officers shall serve at the pleasure of the Board, and the Bylaws may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers. The names of the officers who shall serve until their successors are designated by the Board are as follows:

Lorraine Vanella	President
Brad Yellin	Vice President
Marie Chandler	Secretary/Treasurer

ARTICLE IX. - INDEMNIFICATION, HOLD HARMLESS,  
PROVISION OF DEFENSE

1. The Association shall indemnify, hold harmless and provide a defense to any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he/she is or was a director, employee, officer or agent of the Association, against expenses (including, without limitation, attorneys and paralegal fees and court and other costs), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with the action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interest of the Association; and with respect to any criminal action or proceeding, if he/she had no reasonable cause to believe his/her conduct was unlawful; except, the Association shall be relieved of responsibility under this provision in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his/her duty to the Association unless and only to the extent that the court in which the action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity, to be held harmless and/or to have his/her defense assumed for such expenses which the court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in, or not opposed to, the best interest of the Association; and with respect to any criminal action or

proceeding, that he/she had no reasonable cause to believe that his/her conduct was unlawful.

3. Any action under Paragraph 1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification or hold harmless or provision of a defense to a director, officer, employee or agent is proper under the circumstances because he/she has met the applicable standard of conduct set forth in Paragraph 1 above. Such determination shall be made first, (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or second, (b) if such quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or third, (c) by approval of the members of the Association.

3. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified, held harmless or provided a defense by the Association as authorized herein.

4. The rights set forth in Paragraph 1 above shall not be deemed exclusive of any other rights to which those seeking indemnification, hold harmless and/or provision of a defense may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of members or otherwise; and as to action taken in an official capacity while holding office, shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

5. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him/her and incurred by him/her in any such capacity, as arising out of his/her status as such, whether or not the Association would have the power to indemnify, hold harmless and/or provide a defense to him/her against such liability under the provisions of this Article.

ARTICLE X. - BYLAWS

The Bylaws shall be adopted by the Board and may be altered, amended or rescinded by the Declarant, the Directors and/or members in the manner provided by the Bylaws.

ARTICLE XI. - AMENDMENTS

1. Amendments to these Articles shall be proposed and adopted in any of the following manners:

A. (1) A majority of the Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be the annual or a special meeting;

(2) written notice setting forth the proposed

amendment or a summary of the changes to be affected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in the Bylaws for the giving of notice of a meeting of the members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting;

(3) at such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes represented at such meeting;

(4) any number of amendments may be submitted to the members and voted upon by them at any one meeting; or

B. If a majority of the directors, and the members holding a majority of the votes of the Association, sign a written statement manifesting their intention that an amendment to these Articles be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied; or

C. Until Declarant has conveyed 100% of the Lots within the Property or as long as Declarant has the right to appoint any director to the Board, these Articles may be amended by resolution adopted by a majority of the Board, without approval of the members.

2. No amendment shall make any changes in the qualifications for membership or in the voting rights of members without approval by all of the members and the joinder of all Institutional Lenders holding mortgages upon the Lots. No amendment shall be made that is in conflict with the Declaration. Until Declarant has conveyed 100% of the Lots within the Property, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment, including, but not limited to, any right of the Declarant to appoint directors pursuant to Article VII.

3. Upon the approval of an amendment to these Articles, the articles of amendment shall be executed and delivered to the Department of State as provided by law.

ARTICLE XII. - CONFLICT

In the event of any conflict between the Declaration, these Articles and the Bylaws, the Declaration, these Articles, and the Bylaws, in that order, shall control.

ARTICLE XIII - ACCEPTANCE OF DEDICATION

The Association hereby agrees to accept the dedications to be made to it under that certain plat to be recorded in the Public Records of Dade County which dedications include various easements.

ARTICLE XIV. - DISSOLUTION

In the event of dissolution or final liquidation of the Association, the assets, both real and personal, of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall granted, conveyed and assigned to any

non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any Member vested in him under the recorded Declaration unless made in accordance with the provisions of such Declaration.

**ARTICLE XV. - REGISTERED AGENT AND REGISTERED OFFICE**

The initial registered office of the Association shall be at 7000 W. Palmetto Park Rd., Suite 402, Boca Raton, FL 33433, and the initial registered agent of the Association at such address shall be Steven B. Greenfield, Esq..

WHEREFORE, the undersigned incorporator and the initial registered agent have executed these Articles as of the 2 day of November, 2004.

By: NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC.

*Lorraine Vanella*  
Print Name: Lorraine Vanella  
Title: ~~President~~

STATE OF FLORIDA )  
                          ) SS:  
COUNTY OF PALM BEACH )

The foregoing instrument was acknowledged before me this day of November, 2004, by Lorraine Vanella, on behalf of the corporation, as Incorporator of NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not for profit. He/She is personally known to me or produced no identification and did not take an oath.

My commission expires:

Print Name: *Cara J. Laudanno*  
Cara J. Laudanno  
Commission #08329679  
Expires: OCT 22, 2008  
Resided: TN  
Atlantic Beach Co., Inc.

**CERTIFICATE OF DESIGNATION REGISTERED AGENT/REGISTERED OFFICE**

Pursuant to the provisions of section 17.0501, Florida Statutes, the undersigned corporation, organized under the laws of the state of Florida, submits the following statement in designating the registered office/registered agent, in the state of Florida.

1. The name of the corporation is: NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC a Florida corporation not for profit

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2. The name and address of the registered agent and office is:

Steven E. Greenfield, Esq., 7000 W. Palmetto Park Rd., Suite 402, Boca Raton, FL 33433

Signature: *Lorraine Vanella*

Print Name: Lorraine Vanella

Title: President

Date: 11/2/04

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED CORPORATION AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.

Signature: *Steven E. Greenfield*  
Steven E. Greenfield

Date: 11/2/07

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ALLAHASSEE

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DECLARATION OF COVENANTS, RESTRICTIONS  
AND EASEMENTS FOR  
NEWPORT ISLES

Exhibit "D"

BY-LAWS  
OF  
NEWPORT ISLES PROPERTY OWNERS ASSOCIATION, INC

ARTICLE I

NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1. Name. The name of the corporation is Newport Isles Property Owners Association, Inc. (the "Association").

1.2. Principal Office. The Association's principal office shall be located in the State of Florida in such location as the Board of Directors (the "Board") determines or as the Association's affairs require.

1.3. Definitions. The words used in these By-Laws shall have their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Restrictions and Easements for Newport Isles, as it may be amended, or amended and restated, from time to time ("Declaration"), unless the context indicates otherwise. The interpretation of certain references, as set forth in Section 2.2 of the Declaration, shall also apply to the words used in these By-Laws.

ARTICLE II

MEMBERSHIP: MEETINGS, QUORUM, VOTING, PROXIES

2.1. Membership. The Association initially shall have two classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration. Provisions of the Declaration pertaining to membership are incorporated herein by this reference.

2.2. Change of Membership. Change of membership in the Association shall be established by recording a deed or other instrument conveying record fee title to any Lot. The grantee named in such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall terminate. The new Owner shall deliver a copy of the conveyance instrument to the Association within 14 days after the conveyance and the new Owner shall not be entitled to voting privileges until the same has been received by the Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot acquired.

2.3. Place of Meetings. The Association shall hold meetings at its principal office or at such other place as the Board may designate.

2.4. Annual Meetings. The Association shall hold its first meeting, whether a regular or special meeting, within one year after the date of the Association's incorporation. The Board shall set the date and time of subsequent regular annual meetings to occur during the first quarter of each year thereafter. Annual meetings may be conducted electronically (*i.e.*, *via* the Internet, intranet, or teleconference) if and to the extent permitted by law.

2.5. Special Meetings. The President may call a special meeting of the Association. It also shall be the President's duty to call a special meeting if so directed by Board resolution or upon written petition of Members representing at least 30% of the total Class "A" votes in the Association, or such lower percentage as may be required bylaw. If the President does not call a special meeting pursuant to this Section within 30 days after the date such written petition is delivered to the Association's Secretary, any Member signing the petition may set the time and place of the special meeting and give the Association notice pursuant to Section 2.6.

2.6. Notice of Meetings. The Association's Secretary shall cause written notice stating the place, day, and hour of any Association meeting to be given in any manner permitted by applicable law. If permitted by law, notice may be posted in a conspicuous, prominent place within the Community, delivered by hand delivery, or sent by facsimile, electronic mail, or other electronic communication device, or such other manner that is reasonably calculated, as the Board determines in its discretion, to provide personal notice to Members. Notice shall be given at least 15, but not more than 60, days before the date of the meeting, by or at the direction of the President, the Secretary, or the officers or Persons calling the meeting.

In case of a special meeting or when otherwise required by law or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice

If posted, notice shall be deemed given when posted. If mailed, the notice of a meeting shall be deemed given when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, electronic mail, or other electronic communication device, notice shall be deemed delivered when transmitted to the Member at his or her address, e-mail address or telephone or fax number as it appears on the Association's records. Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

2.7. Waiver of Notice. Waiver of notice of an Association meeting shall be the equivalent of proper notice. Any Member may waive, in writing, notice of any Association meeting, either before or after such meeting. A Member's attendance at a meeting shall be deemed a waiver by such Member of notice of the meeting, unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at the meeting, unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.8. Adjournment of Meetings. If the Association cannot hold a meeting because a quorum is not present, or if the Members otherwise elect (with the approval of the Class "B" Member during the

Development and Sales Period), a majority of the Members who are present may adjourn the meeting to a time at least 5 but not more than 30 days from the date called for the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, the Association shall give the Members notice of the time and place for reconvening the meeting in the manner prescribed for regular meetings.

2.9. Voting. Members shall have such voting rights as are set forth in the Declaration, which provisions are incorporated herein by this reference.

2.10. Proxies. On any matter as to which a Member is entitled personally to cast the vote for his or her Lot, such vote may be cast in person or by proxy, subject to applicable law.

Every proxy shall be in writing specifying the Lot(s) for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Association's Secretary or person presiding over the meeting prior to or during the roll call for the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, the later, if the timing of the execution thereof can be determined, shall prevail, otherwise both shall be deemed invalid.

Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot(s) for which it was given; (b) the receipt of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is an individual by the Secretary or the person presiding over a meeting of the Association; or (c) 90 days from the meeting date for which the proxy was originally given, unless the proxy specifies a shorter period.

2.11. Majority. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate, totaling more than 50% of the total eligible number.

2.12. Quorum. Except as these By-Laws or the Declaration otherwise provide, Members or their proxies entitled to cast 25% of the total Class "A" votes in the Association and the Class "B" Member, if such Member exists, shall constitute a quorum at all Association meetings. Notwithstanding the above, if HUD or VA has issued project approval for the Community, then the quorum shall be 10% of each class. If no quorum is present at such a meeting, the meeting may be adjourned and reconvened on a later date. At such reconvened meeting, Members or their proxies entitled to cast 15% of the total Class "A" votes in the Association and the Class "B" Member, if such Member exists, shall constitute a quorum.

2.13. Conduct of Meetings. The President shall preside over all Association meetings, at which he or she is present, and the Secretary shall keep (or cause to be kept) the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings. Declarant and Owners may record (audio and visual images) Association meetings subject to such reasonable rules as the Board may impose.

2.14. Action Without a Meeting. Without holding a meeting pursuant to Sections 2.4 or 2.5,

Members may take any action that applicable law requires or permits the Members to take at a meeting (subject to any limitations in the Governing Documents), if approved by Members representing at least the minimum number of votes in the Association necessary to authorize such action at a meeting, if all Members entitled to vote were present and voted. Such approval shall be evidenced by one or more written consents specifically authorizing the proposed action, dated and signed by Members holding the requisite votes. The Association need not give prior notice before soliciting such consent; however, the Association must send written consent forms to all Members for action authorized pursuant to this section to be valid. Members shall sign, date, and deliver such consents to the Association within 60 days after the Association's receipt of the earliest dated consent. The Association's Secretary shall file (or cause to be filed) such consents with the Association's minutes and the consents shall have the same force and effect as a vote of the Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give (or cause to be given) written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

2.15. Order of Business. The order of business at all annual meetings of the Members shall be as follows: (a) roll call to determine whether a quorum is represented; (b) proof of notice of the meeting or waiver of notice; (c) reading of (or waiver of reading) minutes of the preceding annual meeting; (d) reports of officers, if any; (e) reports of committees, if any; (f) election of inspector(s) of election if an election is to be held; (g) election of Directors if applicable; (h) unfinished business, if any; and (i) new business.

### ARTICLE III

#### BOARD OF DIRECTORS: SELECTION, MEETINGS, POWERS

##### A. Composition and Selection.

3.1. Governing Body; Composition. The Board shall govern the Association's affairs. Each director shall have one vote. Directors must be Members or residents of the Community, except in the case of directors that the Class "B" Member appoints. A director must be at least 18 years old. No more than one representative of any Member which is a legal entity, nor more than one occupant of any Lot, shall serve on the Board at a time, except in the case of directors that the Class "B" Member appoints.

3.2. Number of Directors. The Board shall consist of the number of directors provided for in Section 3.5. The initial Board shall consist of the three directors identified in the Articles of Incorporation.

3.3. Directors During Class "B" Control Period. The Class "B" Member shall have complete discretion in appointing, removing, and replacing directors during the Class "B" Control Period, except as otherwise provided in Section 3.5.

##### 3.4. Nomination and Election Procedures.

(a) Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which every eligible person who has an interest in serving as a director may file as a candidate for any position to be filled by Class "A" votes. Nominations for election to the Board also may be made by a nominating

committee. The nominating committee, if any, shall consist of a Chairman, who shall be a Member, and two or more Members or representatives of Members, all appointed by a majority of the Board. The nominating committee, if any, may make as many nominations for election to the Board as it shall in its discretion determine. The Board also shall permit nominations from the floor at any election meeting.

The Board shall give each candidate a reasonable, equal opportunity to communicate his or her qualifications to the Members and to solicit votes.

(b) Election Procedures. A Member may cast the vote(s) assigned to the Lot(s) which he or she owns for each position to be filled at an election. Cumulative voting is not allowed. That number of candidates equal to the number of positions to be filled who receive the greatest number of votes shall be elected.

3.5. Election and Term of Office. Except as these By-Laws may otherwise specifically provide, the election of directors shall take place at the Association's annual meeting. Notwithstanding any other provision of these By-Laws:

(a) Upon termination of the Class "B" Control Period, the President shall call for an election by which the Class "A" Members shall be entitled to elect three of the five directors. The remaining two directors shall be appointees of the Class "B" Member. The directors elected by the Class "A" Members shall not be subject to removal by the Class "B" Member and shall serve until the first annual meeting following the termination of the Class "B" Control Period; however, if such annual meeting is scheduled to occur within 90 days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (b) below.

(b) Not later than the first annual meeting after the termination of the Class "B" Control Period, an election shall be held at which the Class "A" Members shall elect four of the five directors, with the two directors receiving the largest number of votes being elected for a term of two years and the remaining two directors being elected for a term of one year.

Until termination of the Class "B" membership, the Class "B" Member shall be entitled to appoint one director. Upon termination of the Class "B" membership, the director elected by the Class "B" Member shall resign and the remaining directors shall be entitled to appoint a director to serve until the next annual meeting, at which the Class "A" Members shall be entitled to elect a director to fill such position. Such director shall be elected for a term of two years.

Notwithstanding the stated length of any term, directors shall hold office until their respective successors have been elected. Directors elected by the Class "A" Members are hereafter referred to as the "Class "A" Directors".

Upon expiration of the term of each Class "A" Director elected pursuant to this subsection and thereafter, a successor shall be elected for a term of two years.

3.6. Removal of Directors and Vacancies. Any Class "A" Director may be removed, with or without cause, by the vote of Class "A" Members holding a majority of the votes entitled to be cast for the election of such Class "A" Director. Any Class "A" Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Class "A" Director, a successor shall be elected by the Class "A" Members entitled to elect the Class "A" Director so removed to fill the

vacancy for the remainder of such Class "A" Director's term. Class "A" Directors may not be removed by the Class "B" Member.

Any Class "A" Director who has three consecutive unexcused absences from Board meetings, or who is more than 60 days delinquent (or occupies a Lot for which assessments are so delinquent) in the payment of any assessment or other charge due the Association may be removed by a majority vote of the Board, excluding the Class "A" Director at issue. If the Class "A" Director is removed, the Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members entitled to fill such directorship may elect a successor for the remainder of the term. If they fail to do so, the Board may appoint another director to fill the vacancy until filled by election.

This Section shall not apply to directors the Class "B" Member appoints nor to any director serving as Declarant's representative. Such directors may be removed and replaced only by the Class "B" Member or Declarant. The Class "B" Member or Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director appointed by or elected as a representative of the Class "B" Member or Declarant.

B. Meetings.

3.7. Organizational Meetings. Each Board shall hold its first meeting promptly after the annual membership meeting, at such time and place as the Board shall fix.

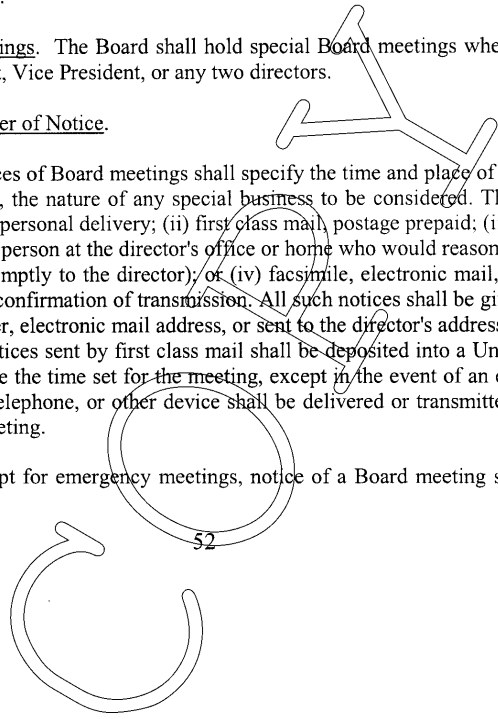
3.8. Regular Meetings. The Board may hold regular meetings at such time and place as the Board shall determine, but the Board shall hold at least one such meeting during each fiscal year during the Class "B" Control Period (which may be the organizational meeting in the first year) and at least one meeting per quarter thereafter.

3.9. Special Meetings. The Board shall hold special Board meetings when called by written notice signed by the President, Vice President, or any two directors.

3.10. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall give notice to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone (either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director); or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address, each as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least 7 business days before the time set for the meeting, except in the event of an emergency. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

(b) Except for emergency meetings, notice of a Board meeting shall be posted in a



conspicuous place within the Community at least 48 hours in advance of the meeting or provided in any other manner reasonably anticipated to provide notice to all Members, including, without limitation, publication in an Association newsletter with Community-wide circulation, posting on a Community cable television channel, or posting on a Community Internet or intranet page. In lieu of notice of each regular Board meeting, the Board may post or publish a schedule of upcoming Board meetings.

(c) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the meeting's purpose. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

(d) Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment.

3.11. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a Board or committee meeting by means of telephone or other electronic means, through which all persons participating in the meeting can hear each other at the same time. Participation in this manner shall constitute presence at the meeting for all purposes. Participants attending by electronic means may vote by electronic transmission.

3.12. Quorum of Board. At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless these By-Laws or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue, notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

3.13. Conduct of Meetings. The President shall preside over all Board meetings at which he or she is present, and the Secretary shall keep (or cause to be kept) a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14. Open Meetings: Executive Session. Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members. However, attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak, and the Board concurs. In such case, the President (or other officer conducting the meeting) may limit the time any such individual may speak. Declarant and Owners may record (audio and video images) Board meetings subject to reasonable rules the Board imposes.

Notwithstanding the above, the President may call a special Board meeting, or adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss with the Association's attorney matters relating to pending or threatened litigation which are protected by

the attorney-client privileges, or to discuss among the Board any other matter of a sensitive nature, if applicable law permits. In such cases, no recording will be permitted.

3.15. Action Without a Formal Meeting. Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all directors sign a consent in writing, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16. Powers. The Board shall have all of the powers and duties necessary for administering the Association's affairs and for performing all of the Association's responsibilities and exercising all of the Association's rights as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those that the Governing Documents or applicable law require to be done and exercised exclusively by the membership generally.

3.17. Duties. The Board's duties shall include, without limitation:

- (a) those obligations set forth in the Declaration and elsewhere in these By-Laws;
- (b) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; however, any reserve funds may be deposited, in the Board's business judgment, in depositories other than banks;
- (c) after termination of the Class "B" Control Period, submitting for bid any planned Association expenditure (whether for capital items, services, maintenance, or otherwise) anticipated to exceed \$15,000.00 in any fiscal year; however, the Board is not obligated to contract with or otherwise retain the services of the lowest bidder not is it obligated to submit for bid the renewal of existing contracts;
- (d) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association if, in the exercise of its business judgment, it deems it prudent to do so;
- (e) keeping books with detailed accounts of the Association's receipts and expenditures; and
- (f) maintaining, and retaining for the time periods required, the "official records" of the Association, as provided in Chapter 720, Florida Statutes, or such other applicable law.

3.18. Compensation. The Association shall not compensate a director for acting as such. The Association may reimburse any director for expenses incurred on the Association's behalf if approved by a majority of the other directors. In addition, nothing herein shall prohibit the Association from compensating a director for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association. The foregoing also applies to any entity with which a director is affiliated.

3.19. Right of Class "B" Member to Disapprove Actions. During the period of Class "B" membership, the Class "B" Member shall have a right, to the extent not prohibited by law, to veto any

action, policy, or program of the Association, the Board, and/or any committee which, in the Class "B" Member's discretion, would tend to impair rights or interests of Declarant, any Affiliate of Declarant's, or Builders, interfere with development or construction of any portion of the Community, or diminish the level of services the Association provides.

(a) Notice. The Association, the Board, and each committee shall give the Class "B" Member written notice of their meetings and proposed actions to be approved at their meetings (or by written consent in lieu of a meeting). The notice shall comply with the requirement for notice to directors under Section 3.10 and shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting.

(b) Opportunity to be Heard. The Association, the Board, and each committee shall give the Class "B" Member the opportunity at any meeting to join in, or to have its representatives or agents join in, discussion from the floor concerning any prospective action, policy, or program which would be subject to the veto right described in this Section.

(c) Exercise of Rights. The Class "B" Member may exercise its veto right at any time within 30 days following the meeting at which such action was proposed or, if the action is approved without a meeting, at any time within 30 days following receipt of written notice of the proposed action. The Class "B" Member, its representatives or agents, shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. This veto right may be used to block proposed actions but shall not include a right to require any action or counteraction by the Association, the Board, or any committee. The Class "B" Member shall not use its veto right to prevent expenditures required to comply with applicable laws.

(d) Condition of Implementation. No action, policy, or program subject to the Class "B" Member's veto right shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met, and then subject to the Class "B" Member's rights under subsection (c).

3.20. Management. The Board may employ a professional managing agent or agents, at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize and as are otherwise within the scope of the Board's authority. The Board may delegate such powers as are necessary to perform the manager's duties, but shall not delegate policy-making authority or the obligation to adopt a budget. The Board may contract with or employ Declarant or any of its Affiliates as managing agent or manager.

The Board may delegate to one or more of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

After termination of the Class "B" Control Period, the Association shall not be bound, either directly or indirectly, by any management contract executed during the Class "B" Control Period unless such contract contains a right of termination, which the Association may exercise with or without cause and without penalty at any time after termination of the Class "B" Control Period upon not more than 90 days written notice. After the Class "B" Control Period terminates, the Association may not terminate any management contract, or retain a new managing agent, without the approval of a majority of the Board of Directors.

The Class "A" Members shall have no right to terminate a management contract during the Class "B" Control Period. Unless the Board otherwise grants such right, or unless the management contract otherwise provides, the Board may act in its discretion with respect to executing and terminating management contracts during the Class "B" Control Period. Any management contract may, among other things, authorize the managing agent to act as the Association's agent with respect to the expenditure of Association funds within the scope of the approved Association budget; however, the managing agent shall not be permitted to spend money in excess of the budget or reallocate greater than 10% of any budget line item without the Board's prior written approval.

3.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board specifically determines otherwise:

(a) Commencing at the end of the quarter in which the first Lot is sold and closed, the Board may prepare financial reports for the Association at least monthly containing:

- (i) an income statement reflecting all income and expense activity for the preceding period on a cash or accrual basis;
- (ii) a statement reflecting all cash receipts and disbursements for the preceding period;
- (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- (iv) a balance sheet as of the last day of the preceding period; and
- (v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and

(b) An annual Financial report consisting of at least the following shall be prepared within 60 days (or such longer period as is permitted by law) after the close of the fiscal year: (i) a balance sheet showing actual receipts and expenditures; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant.

The Association shall provide each Owner or its authorized agent a copy of the annual financial report within 10 business days following receipt of a written request for same. In addition, if applicable law requires, the Association shall send a copy of the annual Financial report to each Member by mail or personal delivery following the close of the fiscal year.

3.22. Right To Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations.

3.23. Fines. The Association may impose fines, in such amounts as permitted by law, for any violation of the Governing Documents except with regard to assessments. To the extent the Declaration or applicable law specifically requires, the Board shall comply with the following procedures prior to imposition of sanctions:

(a) Notice. The Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed fine to be imposed; (iii) a period of not less than 14 days within which the alleged violator may present a written request for a hearing before the Covenants Committee appointed pursuant to Section 5.2; and (iv) a statement that the proposed fine shall be imposed as contained in the notice unless the alleged violator challenges the violation within 14 days of the notice. If a timely request for a hearing is not made, or if otherwise permitted by the Governing Documents and applicable law, the fine stated in the notice shall be imposed upon majority vote of the Covenants Committee. The Board or Covenants Committee may suspend any proposed fine if the violation is cured, or if a diligent effort is being made to cure, within the 14-day period. Such suspension shall not constitute a waiver of the right to fine future violations of the same or other provisions and/or rules by any Person. If a violator repeats the violation, or engages in a similar violation, for which notice was given within 12 months after the date of the first notice, the Board shall have the discretion to impose the proposed fines if the alleged violations were one continuous violation without the need to serve the alleged violator with additional notice.

(b) Hearing. If the alleged violator requests a hearing within the allotted 14-day period, the hearing shall be held before the Covenants Committee. The alleged violator shall be afforded a reasonable opportunity to be heard. Proof of proper notice shall be placed in the minutes of the meeting. A copy of the notice, together with a statement of the date and manner of delivery signed by the officer, director, or agent who delivered such notice shall be considered adequate proof of notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. A written statement of the results of the hearing and the fine, if any, imposed shall be filed with the minutes of the Covenants Committee's meetings.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, subject to any limitations set forth in the Declaration, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the Declaration's dispute resolution procedures, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including, without limitation, reasonable Legal Costs actually incurred.

3.24. Board Training Seminar. The Board may provide, or provide for, as a Common Expense, seminars and continuing educational opportunities designed to educate and inform directors of their responsibilities as directors. Such programs may include instruction on applicable corporate and fiduciary law principles, other issues relating to administering the Community's affairs, and upholding and enforcing the Governing Documents. The Board may retain industry professionals, including property managers, attorneys, and accountants, as appropriate or necessary for such purpose. Each newly elected director and each re-elected director may be required to complete a training seminar within the first six months of assuming the director position.

3.25. Board Standards. In performing their duties, directors and officers shall act as fiduciaries

and are entitled to insulation from liability as provided for directors and officers of corporations by applicable law and as otherwise provided by the Governing Documents.

A director or officer acting in accordance with the business judgment rule shall not be personally liable to the Association or its Members for errors in judgment made in the director's or officer's capacity as such. Unless the Governing Documents require that specific action be taken, the failure to take such specific action shall not, without further showing that the Board acted in violation of the business judgment rule, be deemed a violation of a Board duty. A director or officer shall be considered to be acting in accordance with the business judgment rule so long as the director or officer:

(a) acts within the expressed or implied scope of the Governing Documents and his or her actions are not *ultra vires*;

(b) affirmatively undertakes to make decisions which are necessary for the Association's continued and successful operation and, when decisions are made, they are made on an informed basis;

(c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in such decisions and actions; and

(d) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs.

Board determinations of the meaning, scope, and application of Governing Document provisions shall be upheld and enforced so long as such determinations are reasonable. The Board shall exercise its power in a fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

3.26. Conflicts of Interest; Code of Ethics. Unless otherwise approved by a majority of the other directors, no Class "A" Director may transact business with the Association or the Association contractor during his or her term as director. A Class "A" Director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. A Class "A" Director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members. The Board may void any contract which creates a prohibited conflict of interest.

Notwithstanding the above, the directors appointed by the Class "B" Member may be employed by or otherwise transact business with Declarant or any of its Affiliates, and Declarant and its Affiliates may transact business with the Association or its contractors.

#### **ARTICLE IV**

##### **OFFICERS**

4.1. Officers. The Association's officers shall include a President, Vice President, Secretary, and Treasurer. The officers may, but need not, be Board members, Owners, or residents of the Community; however, so long as there is a Class "B" membership, the appointment of officers who are not residents of the Community shall require the prior written consent of the Class "B" Member. The

Board may appoint such other officers, including, without limitation, one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office. The Board shall elect the Association's officers at the first Board meeting following each Association annual meeting. Officers shall serve until their successors are elected.

4.3. Removal and Vacancies. Any officer may be removed by a vote of at least a majority of the directors. The Board shall appoint a replacement to fill any vacancy in any office for the unexpired portion of the term.

4.4. Powers and Duties. The Association's officers each shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Treasurer shall supervise the preparation of the Association's budget, but may delegate all or part of the preparation and notification duties to a finance committee, managing agent, or both. The Secretary shall prepare or supervise the preparation of meeting minutes as required by applicable law.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other Association instruments shall be executed by an officer, unless the Board provides otherwise, or by such other person or persons as the Board may designate by resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.18.

4.8. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board at which he or she is present. He or she shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including, but not limited to, the power, subject to the provisions of Article V, to appoint committees from among the Members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board, have general supervision, direction, and control of the business of the Association. The President shall be ex-officio a member of all standing committees, and shall have such other powers and duties as may be prescribed by the Board or these By-Laws.

4.9. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President is absent, disabled, or refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be conferred upon him or her by the Board or these By-Laws.

4.10. Secretary. The Secretary shall keep (or cause to be kept) the minutes of all meetings of the Board and the minutes of all meetings of the Association at the Association's principal office or at such other places as the Board may order. The Secretary shall keep (or cause to be kept) the seal of the Association in safe custody and shall have charge of such books and papers as the Board may direct. The Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notice of meetings of the Members of the Association and of the Board required by these By-Laws or by law to be given. The Secretary shall maintain (or cause to be maintained) a book of record Owners, listing the names and addresses of the Owners furnished by the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Lot is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board or these By-Laws. The Secretary may delegate all or a part of such duties to the managing agent.

4.11. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records, and business transactions of the Association, including accounts of all assets, liabilities, receipts, and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board, in accordance with the Declaration and these By-Laws, shall render to the President and Directors, upon request, an account of all of his or her transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws. The Treasurer may delegate a part of such duties to the managing agent.

## ARTICLE V

### COMMITTEES

5.1. General. The Board may create such committees and appoint its members, as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution.

Committees shall exercise only such authority as granted by Board resolution, provided the Board may elect not to follow a committee's advice on any matter. Committees may not act without specific Board authority and may not bind the Association contractually or financially.

5.2. Covenants Committee. The Board shall, from time to time, appoint a Covenants Committee consisting of three persons to serve as a hearing tribunal pursuant to Section 3.23. The Covenants Committee shall be comprised of Members of the Association who are not directors, officers, or employees of the Association or the spouse, parent, child, brother, or sister of a director, officer, or employee.

5.3. Neighborhood Service Area Committees. In addition to any other committees appointed as provided above, each Neighborhood Service Area which has no formal organizational structure or association may elect a Neighborhood Service Area Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood Service Area by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Service Area Committee may advise the Board on any issue but shall not have the authority to bind the Board. Such Neighborhood Service Area Committee, if elected, shall consist of three Members; provided, if

approved by the vote of at least 51% of the Owners of Lots within the Service Area, the number may be increased to five.

Neighborhood Service Area Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board from a Neighborhood Service Area shall be an *ex officio* member of the Neighborhood Service Area Committee. The members of the Neighborhood Service Area Committee shall elect a chairperson from among themselves, who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Neighborhood Service Area Committee shall conduct itself in accordance with the notice, participation, and quorum requirements applicable to the Board under Section 3.10, 3.11 and 3.12. Meetings of a Neighborhood Service Area Committee shall be open to all Owners of Lots in the Neighborhood Service Area and their representatives. Members of a Neighborhood Service Area Committee may act by unanimous written consent in lieu of a meeting.

5.4. Other Committees. In addition to the above, the Board may create additional committees, as it deems necessary and useful. The following are examples of types of committees, along with their purpose, which the Board may create:

(a) Finance Committee – to actively assist the Board, the Treasurer, and the Association's managing agent, if any, in preparing the Association's budget.

(b) Physical Maintenance Committee – to actively assist the Board with maintenance of the Common Maintenance Areas.

(c) Dispute Resolution Committee – to assist in the mediation of disputes concerning the interpretation of Use Restrictions, rules, and other Governing Document provisions and advise the Board on initiating litigation involving the Association (as provided in the Declaration); however, the Dispute Resolution Committee shall not preside over matters relating to the collection of assessments or other fees and charges. Each member of the Dispute Resolution Committee shall attend a Board-approved course on dispute resolution, if the Board so requires.

The Board may establish by resolution the specific scope and limitations on the authority of the above committees.

## ARTICLE VI

### MISCELLANEOUS

6.1. Fiscal Year. The Association's fiscal year shall be the calendar year unless otherwise established by Board resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order* (the edition published on the date closest to the meeting) shall govern the conduct of Association proceedings when not in conflict with applicable law or the Governing Documents.

6.3. Conflicts. Conflicts between or among the Governing Documents and applicable law shall be resolved as directed in the Declaration.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing at reasonable times: the Governing Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Community as the Board shall designate.

(b) Rules for Inspection. The Board may establish reasonable rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; (iii) payment of the cost of reproducing documents requested; and (iv) such other matters as the Board deems appropriate. Records shall be made available within 10 business days of the receipt of a written request by an Owner or his or her authorized agent, or as otherwise required by law.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of inspection includes the right to make a copy of relevant documents at the Association's expense. The Board shall provide for such inspection to take place at the Association's office, the managing agent's office, or at a place within the Community as the Board shall designate.

6.5. Notices.

(a) Form of Notice and Method of Delivery. Except as otherwise provided in the Declaration or these By-Laws or by applicable law, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, by facsimile, electronic mail or other electronic communication device with written confirmation of transmission.

(b) Delivery Address. Notices shall be delivered or sent to the intended recipient as follows:

(i) if to a Member, at the address, facsimile number, or e-mail address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member;

(ii) if to the Association, the Board, or a committee of either, at the address, facsimile number, or e-mail address of the principal office of the Association or its managing agent, or at such other address as the Association shall designate by notice in writing to the Members pursuant to this Section; or

(iii) if to the Declarant, at the principal address of the Declarant as it appears on the Secretary of State's records, or at such other address as the Declarant shall designate by notice in writing to the Association pursuant to this Section.

(c) Effective Date. Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by United States mail, when deposited with the U. S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; however, if such delivery is refused or if the intended recipient has contracted with the private carrier to leave any deliveries without obtaining a signature evidencing receipt, the notice shall be deemed duly given and effective if the attempt to deliver was timely made;

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation of transmission.

6.6. Amendment.

(a) By Class "B" Member. Notwithstanding anything to the contrary provided in these By-laws, prior to the transition of Association control from the Declarant to Owners, Declarant shall have the right to amend these By-laws as it deems appropriate, without the joinder or consent of any person or entity whatsoever, except that the written consent of Builder shall be required.

(b) By the Membership. After the transition of Association control from the Declarant to Owners, these By-Laws may be amended only by the affirmative vote or written consent of Members representing at least 67% of the total Class "A" votes in the Association, and the consent of the Class "B" Member, if such exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. The approval requirements set forth in Article XVI of the Declaration also shall be met, if applicable.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recordation unless a later effective date is specified therein. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant, the Class "B" Member, or the assignee of such right or privilege.

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Newport Isles Property Owners Association, Inc., a Florida corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 5 day of November, 2008

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 5 day of November, 2004

Secretary [SEAL]

EXHIBIT "E"

SOUTH FLORIDA WATER MANAGEMENT DISTRICT PERMIT

*(To be provided and inserted at a later date, when same is made available)*

COPY