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DECLARATION OF COVENANTS AND RESTRICTIONS
FOR NEWPORT UNIT THREE

This Declaration of Covenants and Restrictions is made this 27th day of February, 2003, by Newport Properties, LLC, a Florida limited liability company, hereinafter referred to as "Declarant."

RECITALS:

WHEREAS, Declarant is the owner if the real property known as Newport Unit Three, according to the plat thereof recorded in Plat Book 55, pages 80, 80A through 80F of the current public records of Duval County, Florida, herein after referred to as the "Property"; and,

WHEREAS, Declarant desires to establish an association of owners within the Property which will maintain the property owned by such association and such other property as set forth in the Declaration, including property within the rights of way or easements owned by or dedicated to the City of Jacksonville, Florida and serving the residents of the Property and not being maintained by the City; and

WHEREAS, the Property is subject to a recorded instrument entitled Declaration of Covenants and Restrictions for Newport as recorded in Official Records Volume 7627, page 1416, as amended in Official Records Volume 9187, page 930, and as supplemented in Official Records Volume 9187, page 949, all of the current public records of Duval County, Florida, which instrument imposes upon the Property certain covenants running with the land ("Prior Declaration"); and

WHEREAS, Declarant desires to supplement said covenants by the imposition of the additional covenants herein contained;

NOW THEREFORE, Declarant, in consideration of the premises and the covenants herein contained, and for the purpose of preserving the value and maintaining the desirability of the Property for the benefit of all owners of portions of the Property, hereby declares, that the Property shall be subject to the covenants, restrictions, easements, reservations and liens, herein established, which shall be covenants running with the land and which shall be binding upon and inure to the benefit of Declarant and its successors and assigns.

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WITNESSETH:

WHEREAS, Declarant is the owner of the Property.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, agreements and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof. Any person accepting a deed to any portion of the Property shall be deemed to have agreed to all of the covenants, restrictions, easements, reservations and lien rights, and agreements as set forth herein.

ARTICLE I – DEFINITIONS

The following definitions shall apply wherever the capitalized terms appear in the Declaration; additional capitalized terms are defined in the Master Declaration.

1. “Association” herein, shall mean and refer to the Newport Unit Three Homeowners Association, Inc., a Florida corporation not for profit, its successors and assigns. This is the Declaration to which the Articles of Incorporation (“Articles”) and Bylaws (“Bylaws”) of the Association make reference. Copies of the Articles and Bylaws are attached as Exhibits “A” and “B” respectively.

2. “Associations” herein, shall mean and refer to both the Newport Homeowner Association, Inc. and the Newport Unit Three Homeowners Association, Inc., both Florida corporations not for profit, their successors and assigns.

3. “ARC” shall mean and refer to the Architectural Review Committee as provided in Article IV, paragraph 23.

4. “Architectural Guidelines” shall mean the Architectural Guidelines as established by Declarant, its successors and/or assigns with respect to the Property..

5. “Properties” and “Property” shall mean and refer to that certain real property hereinabove described.

6. “Lot” shall mean and refer to the building plots of land shown upon the recorded subdivision plat of the Property described above.

7. “Declarant” shall mean and refer to Newport Properties, LLC and any person or entity to whom Declarant shall assign its rights and duties under this declaration.

8. "Builder" shall mean and refer to any individual or entity duly licensed and qualified in the State of Florida for the construction of residential dwellings who purchases a Lot or Lots for the sole purpose of constructing a residential dwelling for sale to an Owner.

9. "Plat" shall mean and refer to that certain real property described in the subdivision plat or plats of the Property as recorded in the current public records of Duval County, Florida. This definition shall be expanded to include any Future Development Property which is annexed as hereinafter provided.

10. "Subdivision" shall mean Newport Unit Three in accordance with the Plat.

ARTICLE II – OWNERSHIP AND MEMBERSHIP

1. Membership. Every owner of a Lot which is subject to assessment shall be a member of the Associations. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

2. Voting Rights. The Association shall have two classes of voting membership:

a. CLASS A: Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot; or

b. CLASS B: The Class B member shall be the Declarant and shall have a number of votes equal to twice the number of Lots in the subdivision. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier; or

c. when the Declarant has conveyed one hundred percent (100%) of the Lots in the subdivision; or

d. when Declarant requests that Class B membership be converted to Class A membership.

ARTICLE III – COVENANT FOR MAINTENANCE ASSESSMENTS
(By virtue of the Prior Declaration, owners of a Lot shall be obligated to any and all obligations for Assessments to Newport Homeowners Association, Inc. and in addition thereto the following obligations to Newport Unit Three Homeowners Association, Inc. shall apply)

1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements or maintenance, such assessments to be established and collected as herein provided, and (3) as to the first purchaser of a Lot who is not a Builder who is acquiring the Lot with a purpose to construct a residence thereon for sale in the ordinary course of such Builder's business, a one-time special assessment of \$100.00 as a capital contribution to the Association to be used by and for Newport Unit Three properties only. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such owner's successors in title unless expressly assumed by them, but the lien shall survive any conveyance of title.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, and safety and welfare of the residents in the Property; for the improvement and maintenance of the common areas, perimeter fence, entranceway and islands in roadways, if any; and for the improvement and maintenance of the storm and/or surface water management system and for certain future costs of maintaining the Stormwater Management System. An easement is hereby reserved for ingress and egress across the Property to fulfill such maintenance obligations. Maintenance of the surface water or 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 stormwater management capabilities as permitted by the St. Johns River Water Management District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted, or if modified as approved by the St. Johns River Water Management District. The Association shall execute any minutes or other documents required to cause the permit(s) to be transferred to it from the Declarant, and accepting complete responsibility for the St. Johns River Water Management District permits for the Property.

3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum assessment for this Association shall be \$120.00 per year per Lot.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum assessment may be increased each year but not more than 10% above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum assessment may be increased more than 10% by a vote of two-thirds of the members who are voting in person or by proxy, at a meeting duly called for such purpose.

c. The Board of Directors shall fix the assessment annually at amounts not in excess of the maximum.

4. Special Assessments for Capital Improvements. In addition to the annual Assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any common area, including fixtures and personal property related thereto; provided that any such special assessment shall have the assent of two-thirds of the votes of members who are voting in person or by proxy at a meeting duly called for such purpose.

5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 15 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

6. Uniform Rate of Assessment. Both the annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a quarterly basis or as determined by the Board of Directors.

7. Date of Commencement of Annual Assessments, Due Dates: The annual assessments provided for herein shall commence as to all Lots on the date of the recording of this Declaration in the current public records of Duval County, Florida. No Lot owned by the Declarant shall be subject to any assessment until a residence has been constructed thereon and occupied. No Lot owned by the Builder shall be subject to any assessment until a residence has been constructed thereon and occupied, or one year after conveyance of the Lot from the Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period.

Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. However, failure to receive notice by the Owner shall not result in said assessment being vitiated. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within 15 days after the due date shall bear interest from the due date at the rate of 18% per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the Lot involved, or both. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of such owner's Lot.

All sums assessed to any Lot, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, constitute a lien on such Lot in favor of the Association. The Association may perfect such lien by recording a claim of lien signed by an officer of the Association against any Lot when any assessment is delinquent. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the Person who was the Owner of such Lot when the assessment fell due. The personal obligation for delinquent assessments does not pass to an Owner's successors in title, however, unless assumed expressly in writing .

9. Subordination of the Lien to Mortgages. The lien for the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IV – GENERAL PROVISIONS

1. Storm/Surface Water Management. The St. Johns River Water Management District has jurisdiction over this subdivision and has issued Stormwater Discharge Permit No. 40-031-68507-1 authorizing construction and operation of a storm and/or surface water management system to serve the Property. No alteration to any part of the aforementioned system, including but not limited to, storm drainage retention/detention areas, swales and pipes, will be allowed without the written consent of Declarant and the St. Johns River Water Management District. All clearing, grading and other construction activities must comply with the terms and conditions of the said permit. Specifically, the owners of Lots requiring front, side or rear lot water treatment pursuant to the terms of the permit shall be responsible for the continuing maintenance and compliance with said permit. In the event that any Owner fails to comply with the terms of the permit, the Association shall have the right to enter upon the premises to bring any Lot into compliance and levy a special assessment against the Lot for any costs incurred as a result thereof.

Each Lot owner, including Builders, shall also be responsible for the maintenance, operation and repair of the swales on the Lot. Maintenance operation and repair shall mean the exercise of practices such as mowing and diversion repair which allow the swales to provide drainage, water storage, conveyance or other stormwater capabilities as required by said permit.

2. Conservation Easement and Vegetative Natural Buffer. Pursuant to the provisions of 704.06, Florida Statutes, the Declarant has granted to the St. Johns River Water Management District (the "District") a conservation easement in perpetuity over the property described in the conservation easement recorded of even date herewith in Official Records Book _____, Page _____, of the current public records of Duval, County, Florida. Declarant granted the conservation easement as a condition of permit no. 40-031-68507-1 issued by the District solely to offset adverse impacts to natural resources, fish and wildlife, and wetland functions.

2.1 Purpose. The purpose of the conservation easement is to assure that the conservation easement areas will be retained forever in their existing natural condition and to prevent any use of the conservation easement areas that will impair or interfere with the environmental value of these areas.

2.2 Prohibited Uses. Any activity in or use of the conservation easement areas inconsistent with the purpose of the conservation easement is prohibited. The conservation easement expressly prohibits the following activities and uses:

(a) Construction or placing building road signs, billboards or other advertising utilities or other structures on or above the ground;

(b) Dumping or placing soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials;

(c) Removing or destroying trees, shrubs or other vegetation;

(d) Excavating, dredging or removing loam, peat, gravel, rock, soil, rock or other material substances in such a manner as to affect the surface;

(e) Surface use except for purposes that permit the land or water to remain predominately in its natural condition;

(f) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation;

(g) Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archeological or cultural significance.

2.3 Responsibilities. The Declarant, its successors and assigns are responsible for the periodic removal of trash and other debris which may accumulate in the conservation easement areas.

2.4 Rights of District. To accomplish the purposes stated in the conservation easement, the Declarant conveyed the following rights to the District:

(a) To enter upon and inspect the conservation easement areas in a reasonable manner and at reasonable times to determine if Declarant or its successors and assigns are complying with the covenants and prohibitions contained in the conservation easement;

(b) To proceed at law or in equity to enforce the provisions of the conservation easement and the covenants set forth herein, to prevent the occurrence of any of the prohibited activities set forth herein and require the restoration of areas or features of the conservation easement areas that may be damaged by any activity inconsistent with the conservation easement.

2.5 Amendment. The provisions of the conservation easement may not be amended without the prior written approval of the District.

Portions of the vegetative natural buffer are contained within the conservation easement areas and therefore are subject to the prohibitions and restrictions of the conservation easement.

3. Architectural Requirements. The Architectural Guidelines shall govern structures hereafter erected within the Property (i.e. Newport Unit Three) and said structures shall conform to the requirements of these Architectural Guidelines. Additions, alterations, repairs or any other type of change in any structures that affects the exterior appearance shall conform to the requirements of the Architectural Guidelines. Items to be reviewed by ARC will include any improvements or structure of any kind, including without limitation, any building, dwelling, landscaping, fence, wall, sign, site paving, grading, decorative lighting schemes, painting or alteration of a dwelling (including doors, windows, roof) installation of solar panels or other devices, construction of landscaping fountains, swimming pools, screened enclosures, Jacuzzi, construction of privacy fences, additions of awnings, shelters, gates, flower boxes, shelves and statues. No fence shall be erected which would obstruct the view of an adjacent Lot owner. The evaluation of each submitted to the ARC relates to matters of judgment and taste which cannot be reduced to a simple list of measurable criteria.

4. Garage. Each home shall have an attached two-car garage. No garage shall be permanently enclosed or converted to another use. All garages shall contain at least 400 square feet or usable space appropriate for parking automobiles. All garages must have doors which shall be maintained in an useful condition and shall be kept closed when not in use. Carports will not be permitted.

5. Outbuildings. No outbuilding shall be erected, placed or altered on any Lot without the prior approval of the ARC and as provided in the Architectural Guidelines.

6. Approval of Structure. No residence, structure, wall, swimming pool or dock shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the ARC as to quality of workmanship and materials, harmony of external design with existing structures, and as to location of improvements with respect to topography and finished grade elevation. Approval shall be as provided in

Architectural Guidelines. No outbuildings or drives, walks, fences, walls or swimming pools shall be erected or constructed on any Lot prior to the erection or construction of a permanent residence thereon. Said approval shall be in writing and shall specify the exact nature, size, location and appearance of any such exception. The decision to grant such exception is discretionary with the ARC and shall be capable of being withdrawn should the terms and conditions set forth by the ARC not be complied with by the Lot owner to whom such exception is granted. The decision to grant such exception is discretionary with the ARC and the decision to not grant such an exception shall not be subject to judicial review.

7. Dwelling Size. Unless specifically approved in writing by the ARC, no dwelling shall be permitted on any Lot unless the heated and cooled ground floor area of the main structure, exclusive of open porches and garages, shall contain at least 1800 square feet for a one-story dwelling and at least 1200 square feet for the ground floor of a dwelling of more than one story.

8. Building Location Restrictions. The location of the building on the lot shall conform to the following:

- a) A 20 foot setback from the front Lot line;
- b) A 7.5 foot setback from each side Lot line;
- c) A 10 foot setback from each rear Lot line;
- d) A 10 foot setback on the Lot line considered as the side lot line on any corner lot; and
- e) A 10 foot setback from the top of bank of any lake or pond located within the Property.

Any variances shall require the prior approval of the Declarant as well as the appropriate zoning authorities.

9. Lot Area. No dwelling shall be erected or placed on any Lot having area of less than allowed by applicable zoning regulations. Lots shown on the plat shall be deemed to be in compliance with this provision.

10. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become a annoyance or nuisance to the neighborhood.

11. Recreational and Commercial Vehicles. No commercial vehicles, boats or trailers of any type shall be permitted to be placed on any Lot subject to these covenants, unless such shall be placed or parked in a fenced side yard or fenced rear yard of a Lot and screened from view of passing motorists and neighboring Lots, but not placed in the side yard of a corner Lot on the side abutting a street. No wheeled vehicles of any kind or any other offensive objects may be kept or parked in a

state of disrepair between the paved road and residential structures. No automobiles, trailers, or boats shall be parked in the roadways or on the right-of-way adjoining the lots. For purposes of this paragraph, a vehicle which is a $\frac{3}{4}$ ton or less truck used as transportation to and from the Lot owner's employment shall not be considered a commercial vehicle. No travel trailers or motorized homes shall be permitted unless specifically approved by the ARC.

12. Temporary Structures. No structure of a temporary character, trailer, tent, motorized home, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently.

13. No Subdivision. No Lot located within the Property shall be subdivided to constitute more than one building plot.

14. Mailboxes. No individual Lot owner shall cause to be constructed any mailbox facility unless approved by the Architectural Guidelines.

15. Fences. All fences shall be constructed of and shall have a permanent appearance of natural wood, aluminum, painted PVC or wrought iron, unless otherwise approved by the ARC. Fencing shall not be painted, except that aluminum, PVC and wrought iron fences, if approved, shall be painted black or white. All fences must be approved by the ARC prior to installation. No fence shall be erected which obstructs the view of an adjacent Lot owner. No fence shall be installed which restricts or prohibits ingress and egress as granted by easements herein. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the midpoint of house or the side of the house, in the case of a corner lot unless approved by the ARC and in no event shall any fence exceed a maximum height of six (6') feet or be lower than a minimum of four (4') unless approved by the ARC. All fences shall be constructed and maintained to present a pleasing appearance as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finished grade elevation. It shall be within the sole and exclusive purview and discretion of the ARC to make the determination as to whether or not a fence is pleasing in appearance as provided herein. Chain link shall not be permitted. Declarant reserves the right to release areas from the above fence restrictions. The Declarant has caused certain regulations and rules concerning fencing that are contained in the Architectural Guidelines and prior to the construction or installation of any fencing the plans for the construction and installation shall meet all the criteria and requirements of the aforementioned guidelines.

16. Signs. No sign of any kind shall be displayed to the public view on any Lot without prior approval of the ARC except one sign of not more than four square feet advertising the property for sale. Signs used by a Builder to advertise the Property during the construction and sales period must be approved by the ARC prior to being displayed. The entranceway identification sign shall be exempt from this provision and shall remain for the enjoyment of the owners of all Lots. The ARC shall have the right to promulgate standards for the quality, size, appearance, location and type of all signs to be displayed to public view.

17. Clotheslines. There shall not be permitted any exterior clotheslines on any Lots.

18. 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 any Lot, nor shall oil wells, tanks tunnels, mineral excavation or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

19. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets in reasonable numbers may be kept provided they are not kept, bred or maintained for any commercial use and do not create safety, health or nuisance problems.

20. Exterior Appearance and Maintenance. Every house and Lot shall be maintained so as to present a pleasing appearance. Window coverings and decorations shall be of conventional materials, e.g. draperies, blinds or shutters. Windows shall not be covered with aluminum foil, paper, or the like. Lawns shall be maintained in a neat manner. Houses and all other improvements on a Lot shall be kept in reasonable repair and excessive visible deterioration shall not be allowed. If it becomes necessary for the Declarant to enter upon the premises to correct any violation of this paragraph or becomes necessary for the Declarant to enter upon the premises to correct any violation of the ARC rules and regulations then, and in that event the Declarant shall, by the terms and conditions of these Covenants and Restrictions, have the Owner's permission for such entry. All related costs incurred by the Declarant incident to the correction of either the terms and conditions of this paragraph or a violation of any ARC rules and regulations shall be recoverable by the Declarant, said cost to include a reasonable attorney's fee for the collection of same, in a court of competent jurisdiction. Should the Declarant elect rather than file suit in a court of competent jurisdiction for the collection of aforementioned enumerated costs and expenses, the Declarant shall have the right to file a lien against the subject property where said correction of any violation has occurred and shall have all rights enumerated in these Covenants and Restrictions as the Association concerning the collection of said cost and expenses in the enforcement of such lien.

21. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Rubbish, trash, garbage or other waste shall be kept in closed sanitary containers constructed of metal or rigid plastic. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall not be visible from the street except on scheduled garbage pick up days.

22. Landscaping. The removal of trees is expressly prohibited in the vegetative natural buffer and conservation easement areas. (See, Article IV, Section 2.) The removal of trees is also expressly prohibited in all other areas without the written consent of the ARC except in those portions of these areas where buildings and other improvements shall be located, i.e. homes, patios, driveways, parking and recreational areas.

Cutting down of trees is expressly prohibited without the written consent of the ARC, EXCEPT those areas where buildings and other improvements shall be located; i.e. homes, patios, driveways, parking and recreational areas, etc. Also, selective cutting and thinning for lawns and other general improvements shall be permitted with ARC approval. All disturbed areas on any Lot

must be covered with sod and mulch and maintained to present a pleasing appearance and to prevent the growth of weeds. It is the responsibility of each Lot owner whose Lot abuts a creek or swale to maintain the bank. It is the responsibility of each Lot owner to sod and maintain the area between the front property line of his Lot and the street, as well as between the side property line and the street in the case of corner lots, and between the rear property line and the street in the case of double frontage lots. It is the responsibility of each Lot owner to prevent erosion on all areas of his Lot, including easements, by sodding or other methods which may be deemed appropriate. All Lot owners, including any Builder, shall comply with the City approved Lot Grading Plan. All landscape designs and the installation of such landscape shall be approved by the ARC pursuant to the Architectural Guidelines as promulgated by the Declarant. Any deviations of the landscape designs or the installation from the approved design installation shall result in the Declarant having the right to enter upon the premises to correct such violation. Should the Declarant deem it necessary to enter upon the premises to correct said violation the cost and expenses of same shall be collectable by Declarant pursuant to the same conditions for collection and enforcement as contained in Paragraph 20 aforementioned.

23. Architectural Control. In order to preserve the beauty and aesthetic design of the Property and to promote the value of its Development, the Property is hereby made subject to the following restrictions in this Article IV, and every Owner agrees to be bound hereby. Construction of improvements on the Property shall be approved and supervised by the Architectural Review Committee ("ARC").

(a) The ARC is charged with the review of all plans for the initial construction of improvements upon a Lot. The ARC shall be appointed by Declarant and consist of three members. The Declarant shall have the right to designate a representative to act on the Board's behalf. The ARC shall review and approve all such initial construction, whether performed by any Developer, a Builder to whom a Developer has conveyed one or more Lots, or an Owner. Further, the ARC shall review all plans for any addition, removal change or modification of the improvements upon a Lot.

(b) The ARC shall review and approve all initial construction of improvements and their appurtenances from the start of construction until a single-family residence is constructed on the Lot (the foregoing is hereinafter referred to as "New Construction"), together with any modifications to the New Construction, including, without limitation, the installation or change to the exterior of any building, fence, wall, sign, paving, grading, parking and building addition, screen enclosure, sewer, drain, disposal, landscaping or landscaping device or subject, exterior lighting scheme, fountain, swimming pool, Jacuzzi, awning, shelter and gates (hereinafter jointly referred to as "Proposed Modification").

(c) The ARC shall have the following powers and duties:

(i) To promulgate architectural criteria. In addition to the basic criteria hereinafter set forth, the ARC may promulgate such amendments or modifications thereto as it deems reasonable and appropriate, provided, however, such modifications or amendments shall be consistent with the provisions of this Declaration. Upon

adoption of a modification or amendment to the Architectural Criteria by the ARC, copies of such changes shall be delivered to owners; provided, however, receipt of the modification or amendment to the criteria shall not be a condition precedent to the effectiveness or validity of such change.

(ii) To require submission to the committee as is appropriate, two (2) sets of plans and specifications and to the extent that ARC deems it necessary or appropriate, samples of building materials, colors or such other descriptive information as it specifies.

(iii) To approve or disapprove New Construction or Proposed Modifications, respectively. The determination of the ARC shall be binding upon all owners.

(iv) The ARC shall evaluate the application for the total effect thereof. This evaluation relates to matters of judgment and taste which cannot be reduced to a simple list of measurable criteria. It is possible that New Construction or Proposed Modification might meet the general requirements delineated in Article V hereof and still not receive approval, if in the sole discretion of the ARC, its overall aesthetic impact is unacceptable. The approval of an application for New Construction or Proposed Modification shall not be construed as creating an obligation on the part of the ARC to approve applications involving similar designs pertaining to different Lots.

(v) If any New Construction or Proposed Modifications shall be changed, modified or altered without prior approval of the applicable committee of such change, modification or alteration, and the plans and specifications therefore, if any, then the Owner shall, upon demand, cause the New Construction or Proposed Modifications to be reconstructed or restored to comply with the original plans and specifications, or the plans and specifications originally approved by the applicable committee, and shall bear all costs and expenses of such restoration, including costs and reasonable attorney's fees of the applicable committee.

(vi) Any Owner making, or causing to be made, New Construction or Proposed Modifications agrees and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns to hold the ARC, Association, Declarant and all other Owners harmless from any liability, damage to the Property and from expenses arising from the construction and installation of any New Construction or Proposed Modifications and such Owner shall be solely responsible for the maintenance, repair and insurance of any alteration,

modification or change and/or assuring that the New Construction or Proposed Modifications meet with all governmental approvals, rules and regulations.

(vii) The ARC is hereby authorized to make such changes as they deem necessary to cover the cost of review of the plans and specifications.

(d) The ARC shall approve or disapprove the preliminary and final applications for New Construction or Proposed Modifications within thirty (30) days after each has been submitted to it in proper form together with all supporting information. If the plans are not approved within such period, they shall be deemed approved, however, no plan which is not in compliance with the specific provisions of this Declaration shall be deemed approved.

24. Utility Lines. All water, electrical, telephone, television, gas, and other utility lines shall be placed underground. No antennas of any kind shall be placed on the lot. Satellite dishes must be approved by the ARC and placed in a side or rear yard and fenced or otherwise screened from view so that it is not visible from outside of the Lot, including front and side streets, roads, common areas, neighboring Lots or vacant land and cannot exceed a height, including any poles or additional installation structures of five (5') feet.

25. Roadways. No one, other than Declarant unless specifically authorized by Declarant by written instrument, shall use any Lot or any portion thereof for roadway purposes and no one, other than Declarant, shall construct a driveway upon any Lot except to serve the Lot upon which it is constructed.

26. Drainage and Utility Easements. The Declarant hereby reserves unto itself and its successors and/or assigns, and grants to the Association a perpetual, non-exclusive, alienable and releasable privilege and right on, and under ground to construct, maintain and use electric, telephone, wires, cables, conduits, sewer, water pipes, drainage swales or pipes, and other suitable equipment for the conveyance and use of electricity, telephone, water or other public conveniences or utilities on, in or over a 7.5-foot strip at the back of each Lot and a 7.5 foot strip at the side of each Lot as well as the private easements on the Plat. The Declarant shall have the unrestricted right and power to release said easement without the joinder of the Association. A release of the easement reserved by Declarant in this paragraph is hereby grant where any portion of a dwelling constructed by Declarant or a Builder encroaches onto said easement. The granting of easements as contained in this paragraph shall be subordinate to the Declarant's right to assign said easement to the City of Jacksonville or other parties should the Declarant desire to assign said easement rights.

The private easements noted on the Plat or Plats are and shall remain privately owned and the sole and exclusive property of the Declarant, its successors and assigns.

The Declarant hereby grants to the Association a perpetual, non-exclusive easement over the entire storm drainage retention/detention areas, and the entire surface water or stormwater management system, as necessary for maintenance of the storm drainage retention/detention areas

as required in this Declaration. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales without the prior written approval of the St. Johns River Water Management District. Declarant hereby grants to the Association access to the retention areas over the platted easements that shall be granted to the City of Jacksonville; however, the rights of the Association shall be subordinate to the rights of the City of Jacksonville upon acceptance of the plat by the City of Jacksonville.

27. Enforcement. Any person owning any portion of the Property or the St. Johns River Water Management District, its successors or assigns, may institute proceedings at law or in equity against any person or persons violating or attempting to violate any covenants or, in the case of the St. Johns River Water Management District, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the surface water or stormwater management system, either to restrain any existing or threatened violation or to recover damages. Additionally, the Association shall have the right but not the obligation to enforce the provisions of these Declarations.

28. Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions hereof which shall remain in full force and effect.

29. Indemnification. The owner or owners of all Lots abutting the storm drainage retention/detention areas within the Property shall, by virtue of having acquired said Lots subject to these covenants and restrictions, be deemed to have assumed all of the obligations and responsibilities of Declarant, as set forth in the Plat and have agreed to indemnify Declarant and save Declarant harmless from suits, actions, damages liability and expenses in connection with loss of life, bodily or personal injury, or property damage, or any other damage arising from or out of any occurrence in, upon or at or from the storm drainage retention/detention areas as shown on the Plat, or any part thereof, or occasioned wholly or in part by any act or omission of owners, owners' agents, contractors, employees, servants, licensees, or concessionaires with the Property.

30. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. The Declarant reserves and shall have the sole right to: a) amend these covenants and restrictions so long as the Declarant owns at least one (1) lot within the subdivision; b) to amend these covenants and restrictions at any time if, in the discretion of the Declarant, such amendment is necessary to comply with the aforementioned St. Johns River Water Management District permit; c) to waive as to any Lot any provisions of the covenants and restrictions; and d) to release any building plot from any part of the covenants and restrictions which have been violated (including, without limiting the foregoing, violations of building restriction lines and provisions hereof relating thereto) if Declarant, in its sole opinion, deems such violations to be insubstantial violations or if Declarant, in its sole opinion, deems such violations necessary for construction and/or sales. Declarant may assign its rights to release such violations. Subject to the above rights reserved by the Declarant, this Declaration may be amended by an instrument signed by not less than 66% of the lot owners, **EXCEPT** that the covenants herein contained pertaining to (1) the required maintaining of an owners association or (2) to the surface water or stormwater management system, beyond maintenance of its original condition, including the water management portions

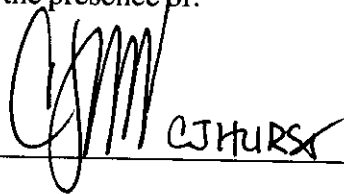
of the common areas, if any, may not be amended without the written approval of the St. Johns River Water Management District.

31. Legal Action on Violation. If any person, firm or corporation, or other entity shall violate or attempt to violate any of these covenants and restrictions, it shall be lawful for the Declarant or any person or persons owning any lot on said land (a) to proceed at law for the recovery of damages against those so violating or attempting to violate any of such covenants and restrictions; and (b) to maintain a proceeding in equity against those so violating or attempting to violate any such covenants and restrictions, for the purpose of preventing or enjoining all or any of such violations or attempted violations. The remedies contained in this paragraph shall be construed as cumulative of all other remedies now or hereafter provided by law. The failure of Declarant, its successors or assigns, to enforce a covenant or restriction or any obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall in no event be deemed as a waiver of the right to enforce the same thereafter as to the same breach or violation thereof occurring prior to or subsequent thereto. Lot owners found in violation of these restrictions shall be obliged to pay attorneys' fees to the successful plaintiff in all actions seeking to prevent, correct or enjoin such violations or in damage suits thereon. All restrictions herein contained herein contained shall be deemed several and independent.

32. Conflict. Pursuant to the authority and rights reserved by Declarant in the Prior Declaration with respect to any conflict or inconsistency between this Declaration and the Prior Declaration, this Declaration shall control.

IN WITNESS WHEREOF, the Declarant has executed this instrument this 27th day of February, 2003.

Signed, sealed and delivered
in the presence of:



P. Susan Foster

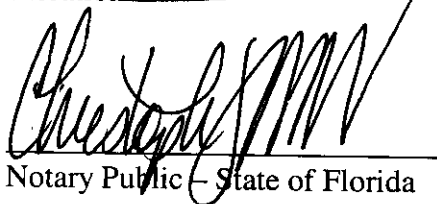
Newport Properties, LLC, a Florida limited liability company

By:  _____

Dallas Lee
Its Managing Member

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 27th day of February, 2003, by **Dallas Lee**, the Managing Member of Newport Properties, LLC, a Florida limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.



Notary Public - State of Florida



Christopher J. Hurst
MY COMMISSION # DD160109 EXPIRES
December 28, 2006
BONDED THRU TROY FAIN INSURANCE, INC

EXHIBIT "A"

**ARTICLES OF INCORPORATION
OF
NEWPORT UNIT THREE HOMEOWNERS ASSOCIATION, INC.**

EXHIBIT "B"

BYLAWS

ARTICLES OF INCORPORATION**OF****NEWPORT UNIT THREE HOMEOWNERS ASSOCIATION, INC.**

A CORPORATION NOT-FOR-PROFIT

We, the undersigned, being desirous of forming a corporation not for profit, do hereby associate ourselves into a corporation for the purposes and with the powers herein specified and do hereby agree to the following Articles of Incorporation:

ARTICLE I. NAME

The name of this corporation shall be:

NEWPORT UNIT THREE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE II. PURPOSE

The purposes and object of the Association shall be to administer the operation and management of **NEWPORT UNIT THREE**, a residential development, (hereinafter "the Development") to be established upon that certain real property in Duval County, Florida, as described in that certain Declaration of Covenants, Conditions and Restrictions for **NEWPORT UNIT THREE**, which shall be recorded in the current public records, Duval County, Florida and to operate, maintain and manage the surface water or stormwater management system(s) in a manner consistent with the St. Johns River Water Management District Permit No. 40-031-68507-1 requirements and applicable District rules and to assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

The Association does not contemplate pecuniary gain or profit to the members thereof and shall undertake and perform all acts and duties incident to the operation and management preservation and architectural control of the residence lots and common areas of the Development in accordance with the terms, provisions, and conditions of these Articles of Incorporation, the By-Laws of the Association and the Declaration.

ARTICLE III. POWERS

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the laws of the State of Florida and the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth in length.

B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

1. Make and establish reasonable rules and regulations governing the use of the Lots, Common Area and Maintenance Area, as such terms are defined in the Declaration.
2. Own, hold, improve, build upon, maintain, operate, lease, sell, manage, transfer, dedicate for public use, and otherwise dispose of and deal with such real and personal property as may be necessary or convenient in connection with the affairs of the Association.
3. To own, manage, administer and operate such property as may be conveyed to it by the Developer, its successors or assigns for the mutual benefit and use of all Members.
4. Tax, levy, collect and enforce payment by all lawful means all charges or assessments against members of the Association and their Lots to defray the Common Expenses of the Development, as will be provided in the Declaration and the By-Laws, including the right to levy and collect adequate assessments against members of the Association for the purpose of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Common Area, the Maintenance Area and other property owned by the Association, which may be necessary or convenient in the operation and management of the Development and in accomplishing the purposes set forth in the Declaration, and to pay all expenses, including office expenses, licenses, taxes, or governmental charges levied or imposed against the property of the Association, incident to the conduct of business of the Association, and to pay the cost of maintenance and operation of the surface water or stormwater management system (including work performed in the retention

- areas, drainage structures and drainage easements).
5. Maintain, repair, replace, operate and manage the Common Area, Maintenance Area, including without limitation, the stormwater management system serving the Development (including but not limited to, retention areas, drainage structures and drainage easements) and any property owned by the Association, including the right to reconstruct improvements after casualty and to further improve and add to the Maintenance Area and other property owned by the Association.
 6. Contract for the management of the Development, the Common Area, the Maintenance Area and other property owned by the Association and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration, the By-Laws.
 7. Enforce the provisions of these Articles of Incorporation, the Declaration, the By-Laws, and all rules and regulations governing the use of the Development which may hereafter be established.

ARTICLE IV. QUALIFICATION OF MEMBERS

The qualifications of members, manner of their admission to and termination of membership shall be as follows:

- A. The owners (as defined in the Declaration and the By-Laws) of all Lots in the Development shall be members of the Association, and no other persons or entities shall be entitled to membership, except the subscribers hereof.
- B. A person shall become a Member by the acquisition of a vested present interest in the fee title to a Lot in the Development. The membership of any person or entity shall be automatically terminated upon his being divested of his title or interest in such Lot.
- C. Transfer of membership shall be recognized by the Association upon its being provided with a certified copy of the recorded deed conveying such fee simple title to a Lot to the new Member.
- D. If a corporation, partnership, joint venture or other entity is the fee simple title holder to a Lot, or the Lot is owned by more than one person, the Lot owner shall designate one person as the Member entitled to cast votes and/or to approve or

disapprove matters as may be required or provided for in these Articles, the By-Laws or the Declaration.

E. Except as an appurtenance to his Lot, no Member can assign, hypothecate or transfer in any manner, his membership in the Association or his interest in the funds and assets of the Association. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration, and the By-Laws hereof.

ARTICLE V. VOTING

A. There shall be two classes of voting membership which classes are more fully defined in the Declaration and the By-Laws.

B. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each "Developed Lot" and for each "Undeveloped Lot Owned By Builders" (Developed Lot defined as having a single family home constructed thereon) in the Development. Such vote may be exercised or cast by the owner or owners in such manner as may be provided in the By-Laws of this Association. Should any Member own more than one Lot, each Member shall be entitled to exercise or cast one vote for each such Lot, in the manner provided for in the By-Laws. Notwithstanding the foregoing, the Developer shall have the right to cast the number of votes allocated to it in the Declaration and By-Laws for so long as it owns any "Undeveloped Lots" as defined in the Declaration and By-Laws or until its right to such votes terminates as provided in the Declaration.

C. Until the recordation of Declaration in the public records of Duval County, Florida, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast a vote on all matters upon which the membership would be entitled to vote.

ARTICLE VI. TERM OF EXISTENCE

Existence of this Association shall commence with the filing of these Articles with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.

ARTICLE VII. OFFICE

The principal office of the Association shall be 3938 Clearwater Lane, Jacksonville, Florida 32223, or such other place as the Board of Directors may designate.

ARTICLE VIII. BOARD OF DIRECTORS

A. The business affairs of this Association shall be managed by the Board of Directors. The number of members of the first Board of Directors shall be One (1).

B. Subject to the Declaration, the Board of Directors shall be elected by the Members of the Association from among the membership at the annual membership meeting as provided in the By-Laws; provided, however, that the Developer shall have the right to elect all of the Directors on the Board subject to the following:

1. Lot owners other than the Developer shall be entitled to elect a majority of the Members of the board of Directors when the Developer has conveyed one hundred percent (100%) of the Lots or at such earlier time as the Developer may elect to voluntarily relinquish control of the Board of Directors, at Developer's sole option.

2. The names and residence addresses of the persons who are to serve as the initial Board of Directors until their successors are chosen, are as follows:

<u>Director</u>	<u>Address</u>
Dallas Lee	3938 Clearwater Lane Jacksonville, Florida 32223

ARTICLE IX. OFFICERS

A. The officers of the Association shall be a President, one or more Vice Presidents, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers of corporations in the State of Florida subject to the directors of the Board of Directors.

B. Officers of the Association may be compensated in the manner to be provided in the By-Laws. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the Development and the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a Member, Director or officer of the Association.

C. The persons who are to serve as officers of the Association until their successors are chosen are:

<u>Officer</u>	<u>Name</u>
President, Secretary	Harry Trevett
Vice President	Dallas Lee
Vice President	Candace Lee

D. The officers shall be elected by the Board of Directors at their annual meeting as provided in the By-Laws. Any vacancies in any office shall be filled by the Board of Directors at any meeting duly held.

E. The president shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by same person. Officers shall be elected annually.

ARTICLE X. BY-LAWS

A. The Board of Directors shall adopt by a majority vote the original By-Laws of the Association.

B. The By-Laws may be amended in accordance with the procedures set forth in the By-Laws.

ARTICLE XI. AMENDMENT OF ARTICLES

A. These Articles of Incorporation may be amended as follows:

1. Amendments shall be proposed by a majority of the Board of Directors.
2. The President, or acting Chief Executive Officer of the Association in the absence of the President, shall thereupon call a special meeting of the Members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from the date on which the Board of Directors approve the amendment proposal. Each Member shall be given written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each Member not less than ten

(10) days nor more than thirty (30) days before the date set for such meeting. Such notice shall be deemed properly given when deposited in the United States mail, addressed to the Member at his post office address as it appears on the records of the Association. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of at least a majority of the members of each class entitled to vote and a majority vote of all members in order for such amendment or amendments to become effective. If so approved, a certified copy of the said amendment or amendments shall be filed in the Office of the Secretary of State of the State of Florida and recorded in the public records of Duval County, Florida.

ARTICLE XII. INDEMNITY

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases where the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event any claim for reimbursement or indemnification hereunder is based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XIII. NON-PROFIT STATUS

No part of the income of this corporation shall be distributed to the Members except upon dissolution or final liquidation and as permitted by the court having jurisdiction thereof.

ARTICLE XIV. RULES OF THE ST. JOHNS RIVER WATER MANAGEMENT DISTRICT - DISSOLUTION

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027 F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

**CERTIFICATE NAMING AGENT UPON WHOM DUE PROCESS
MAY BE SERVED**

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted:

That NEWPORT UNIT THREE HOMEOWNERS ASSOCIATION, INC., a corporation duly organized and existing under the laws of the State of Florida, with its principal office, as indicated in the articles of incorporation at City of Jacksonville, County of Duval, State of Florida, has named DALLAS LEE, located at 3938 Clearwater Lane, Jacksonville, Florida 32223, as its agent to accept service of process within this state.

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



DALLAS LEE

**BYLAWS
OF
NEWPORT UNIT THREE HOMEOWNERS ASSOCIATION, INC.**

**A corporation not for profit
under the laws of the State of Florida**

ARTICLE I

IDENTITY

These are the Bylaws of the **NEWPORT UNIT THREE HOMEOWNERS ASSOCIATION, INC.**, hereinafter called the "Association", a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on _____, 2003.

The Association has been organized for the purpose of performing the functions as are outlined in the covenants, conditions and restrictions as may be recorded, for Newport Unit Three, a subdivision located in Duval County, Florida, including any amendments thereto (the "covenants"), and specifically for the purpose of the continual maintenance of the roads in the subdivision.

The Members of the Association shall be all lot owners, as more particularly defined in the covenants.

The office of the Association shall be at 3938 Clearwater Lane, Jacksonville, Florida, 32223, but may be changed from time to time, and meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

The fiscal year of the Association shall be the calendar year.

The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation not for profit", and the year of incorporation. The seal shall be in the following form:

ARTICLE II

MEMBERS MEETINGS

- A. **Annual meeting.** The annual members meeting shall be held at such location as shall be designated in the Notice of Meeting at 7:00 p.m. on the third Monday of January each year, beginning in 2003, for the purpose of electing directors and transacting business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a legal holiday.
- B. **Special Meetings.** Special meetings of the members shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the entire membership. At a special meeting of the Members, the Association may only conduct that business and address those matters that were stated in the notice of the special meeting to be the purpose thereof.
- C. **Notices.** Notice of all members' meeting stating the time and place and the object for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing by all of the members. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed within the time frame as provided in the covenants. Proof of such mailing shall be given by the affidavit of the person giving the notice.
- D. **Quorum.** A quorum at members' meetings shall be as provided in the covenants.
- E. **Voting Rights.** The voting rights of the members shall be as specified in the covenants.
- F. **Proxies.** Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.
- G. **Adjourned meetings** may be rescheduled as provided in the covenants.

H. **Order of Business.** The order of business at annual members' meetings, and as far as practical at other members' meetings, shall be:

1. Election of chairman of the meeting.
2. Calling of the roll and certifying of proxies.
3. Proof of notice of meeting or waiver of notice.
4. Reading and disposal of any unapproved minutes.
5. Reports of officers.
6. Reports of committees.
7. Election of inspectors of elections.
8. Election of directors.
9. Unfinished business.
10. New business.
11. Adjournment.

I. **Written Consent and Joinder.** In the event that any action is authorized to be taken by the Members at a meeting, it shall be permissible to approve such action by a written consent and joinder by the proportion of Members required to approve such action; provided, however, that notice of the Association's intent to seek written consent and joinder shall be sent to all Members in accordance with the notice provision herein.

ARTICLE III

DIRECTORS

A. **Governing Body.** The affairs of the Association shall be governed by a Board of Directors. Except as provided in paragraph B of this Article, the Directors must be owners and reside in Newport Unit Three; provided, however, no person and his or her spouse may serve on the Board at the same time.

B. **Directors Appointed.** The names of the initial Directors are set forth in the Articles of Incorporation of the Association. Until such time as the Class B membership has ended, the Class B members shall elect all directors and such directors do not have to be residents in Newport Unit Three.

C. **Number.** The Board shall consist of one (1) member.

D. **Term.** The term of office of Directors shall be the calendar year following his election and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

E. **Removal.** Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve until the next annual meeting of the members.

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

G. **Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Director, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members. The committee shall nominate one (1) person for each Director then serving. Nominations for additional directorships created at the meeting shall be made from the floor and other nominations may be made from the floor.

H. **Election.** Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

ARTICLE IV

MEETINGS OF DIRECTORS

A. **Organization Meeting.** The first meeting of the members of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

B. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors.

C. **Special Meetings.** Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

D. **Waiver of Notice.** Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

E. **Quorum.** A quorum at a Director's meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Articles of Incorporation or the Covenants or these By-laws.

F. **Adjourned Meetings.** If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

G. **Action Taken Without a Meeting.** The Board of Directors may take any action without a meeting which it could take at a meeting by obtaining the written consent and joinder of all Directors. Any action so taken shall have the same effect as though taken at a meeting of the Directors.

H. **Joinder in Meeting by Approval of Minutes.** The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

I. **Presiding Officer.** The presiding officer at a Directors' meeting shall be the Chairman of the Board if such an officer has been elected; and, if none, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

ARTICLE V

POWER AND DUTIES OF BOARD OF DIRECTORS

Subject to the provisions of the Covenants, the Board of Directors shall have the following powers and duties:

A. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions in the Covenants or Articles of Incorporation;

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

C. Employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe the duties and compensation of any such employee, and to provide for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

D. Prepare and adopt an annual budget in which there shall be established the contribution of each Owner to the common expenses, subject to the provisions in the covenants;

E. Make assessments to defray the common expenses, establish the means and methods of collecting such assessments, and establish the period of the installment payments of the annual assessment, send written notice of each assessment to every owner subject thereto, and to file and foreclose liens against any property for which assessments are not paid, all as provided in

the Covenants;

F. Provide for the operation, care, upkeep and maintenance of all areas which are the maintenance responsibility of the Association, as set forth in the covenants;

G. Collect the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to administer the Association;

H. Open bank accounts on behalf of the Association and designate the signatories required;

I. Enforce by legal means the provisions of the Covenants and these Bylaws, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

J. Pay the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

K. Keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specify the maintenance and repair expenses and any other expenses incurred, which books and records shall be open for inspection by any of the members at reasonable times and upon reasonable notice;

L. Contract with any person or entity for the performance of various duties and functions;

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

N. Cause any or all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

O. To present to the members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote, a statement of all acts and corporate affairs;

P. To oversee the common areas, enforce rules and regulations, and such other duties relating to the common areas as may be necessary from time to time.

ARTICLE VI

OFFICERS AND THEIR DUTIES

- A. **Enumeration of Offices.** The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Treasurer shall be elected from among the members of the Board of Directors.
- B. **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.
- C. **Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless sooner removed or otherwise disqualified to serve.
- D. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- E. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- F. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the vacancy.
- G. **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to paragraph D of this Article.
- H. **Duties.** The duties of the officers are as follows:

President

The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association. He shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

The Vice President shall act in the place and stead of the President in the event of the

President's absence or inability to act, shall assist the President generally, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

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

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; upon request of the Board of Directors, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

In addition, the Treasurer shall, when requested on behalf of any lot owner, furnish a certificate setting forth whether or not the assessments on a specified lot have been paid, which certificate shall be binding upon the Association as of the date of its issuance, as provided in the Covenants.

ARTICLE VII

COMMITTEES

The Association shall appoint an Architectural Control Committee as provided in the Covenants and a Nominating Committee as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

The foregoing was adopted as the By-laws of Newport Unit Three Homeowners Association, Inc., a corporation not for profit under the laws of the State of Florida.



Dallas Lee

CONSENT AND JOINDER OF MORTGAGEE

The undersigned, Fidelity National Bank, a national banking association organized under the laws of the United States of America, the mortgagee under that certain Mortgage and Security Agreement dated February 8, 2002, and recorded in Official Records Book 10366, page 486, of the current public records of Duval County, Florida, hereby consents and joins in the foregoing Declaration of Covenants and Restrictions for Newport Unit Three, and subordinates its mortgage lien encumbering all or any part of the Property (as described in the foregoing Declaration of Covenants and Restrictions for Newport Unit Three) to the Declaration of Covenants and Restrictions for Newport Unit Three.

IN WITNESS WHEREOF, this Consent and Joinder is executed by the undersigned this 28th day of February, 2003.

Signed, sealed, and delivered in the presence of:

Fidelity National Bank, a national banking association

Maria Doris Greenlee
Witness MARIJE DORIS GREENLEE

By: Michael W. Levitt, VP
Michael W. Levitt
Its Vice President

Witness DEBORAH D. BARBER

STATE OF FLORIDA
COUNTY OF DUVAL

This instrument was acknowledged before me this 28th day of February, 2003, by Michael W. Levitt, the Vice President of Fidelity National Bank, a national banking association, on behalf of the association, who is personally known to me or has produced as identification.

Notary Public
My Commission expires:

(Notarial Seal)

