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✓ This Instrument Prepared By:
Donald E. Hawkins
Hawkins and Hawkins
501 South Ridgewood Avenue
Daytona Beach, Florida 32114

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DECLARATION
OF
COVENANTS AND RESTRICTIONS
BULOW SUGAR MILL PLANTATION, INC.
AND
NOTICE OF PROVISIONS OF
SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.

THIS DECLARATION, made on the date hereinafter set forth by Bulow Sugar Mill Plantation, Inc., a Florida corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of the real property described in Exhibit "A" attached hereto and made a part hereof ("Total Property") and intends to develop same in sections, and as developed committed to land use hereunder, as part of a planned unit development to be known as Sugar Mill Plantation, Phase I (and herein referred to as "Sugar Mill Plantation"); and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities of Sugar Mill Plantation as are hereby or as may be hereafter established; and

WHEREAS, Declarant desires to provide a method whereby portions of the Total Property may become committed to the provisions of this Declaration (such portions of the Total Property to be hereinafter referred to as "Committed Property"); and

WHEREAS, Declarant has caused the Total Property to be platted as Sugar Mill Plantation, Phase I, which plat contains 111 lots and is recorded in Map Book 29, Pages 11 and 12, Public Records of Flagler County, Florida, the lands contained within said plat are hereby committed to the provisions of this Declaration and are herein referred to as "Committed Property"; and

WHEREAS, the Committed Property is part of Sugar Mill Plantation community as approved by the Order and Resolution granting a request for zoning; and

WHEREAS, in order to serve the needs of proper development and to provide for the effective administration of the common areas in the development, it is necessary to impose covenants and restrictions and to grant easements; and

WHEREAS, the Declarant has caused to be incorporated Sugar Mill Plantation Homeowners' Association, Inc., a non-profit Florida corporation

which has been formed to manage the common areas, collect assessments, provide architectural control and to generally provide for the orderly enjoyment of the development.

NOW, THEREFORE, this Declaration is made, filed and recorded by the Declarant and from the effective date hereof, the real property described in Exhibit "A" is, and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the restrictions, conditions, easements, assessments, affirmative obligations, and liens (all hereinafter sometimes referred to as the "covenants") hereinafter set forth. This Declaration shall become effective on the date it is recorded in the Public Records of Flagler County, Florida.

ARTICLE I

DEFINITIONS

The following words and terms when used in this Declaration and any supplemental Declaration shall have the following meanings, unless the context shall clearly indicate otherwise:

Section 1.1. "Architectural Review Committee" or "Committee" shall mean a committee initially appointed by the Declarant and subsequent to turnover by the Board, in accordance with Article VI for the purpose of review and approval or disapproval of plans for improvements within the subdivision and other duties.

Section 1.2. "Association" shall mean the Sugar Mill Plantation Homeowners' Association, Inc., a Florida corporation not for profit, and its successors and assigns, the membership of which will be all record owners of "lots", in Sugar Mill Plantation Phase I, filed for record in Flagler County.

Section 1.3. "Board" shall mean the Board of Directors of the Association.

Section 1.4. "Building" shall mean any structure having a roof supported by columns or walls for the housing or enclosure of persons or chattels.

Section 1.5. "Common Areas" shall mean all real property (including any improvements thereto) owned by the Association for the common use and enjoyment of the owners.

Section 1.6. "Committed Property" means those portions of the Total Phase I Property which become committed to the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Declaration by the method outlined in Section 2.2 herein.

Section 1.7. "Declarant" shall mean Bulow Sugar Mill Plantation, Inc., a Florida corporation its successors and assigns. A successor or assignee shall become the Declarant only if the instrument by which such successor or assignee assumes the interest of Gene White and Sarah E. White as Trustees for White Family Trust #3, in this development expressly provides that such successor or assignee shall become Declarant hereunder. A builder, contractor, or other person which purchases one or more lots for the purpose of constructing homes shall not be deemed to be a "Declarant".

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Section 1.8. " Dwelling Unit" means any residential dwelling unit intended as an abode for one family constructed on Committed Property.

Section 1.9. "Family" shall mean one or more person related by blood, adoption or marriage living and cooking together as a single housekeeping unit, exclusive of household servants. Two (2) persons living and cooking together as a single housekeeping unit though not related by blood, adoption or marriage shall be deemed to constitute a family for purposes of this Declaration.

Section 1.10. "Lot" shall mean and refer to any plot or parcel of land shown upon any recorded plat of Committed Property with the exception of the common areas.

Section 1.11. "Member" shall mean a member of the Association which shall include all lot owners. Membership in the Association and attendant voting rights automatically vest upon acquiring fee ownership of a lot and terminate upon transfer of said ownership.

Section 1.12. "Occupant" shall mean the occupant of a lot who shall be either the owner or one who, to the exclusion of and with the permission of the owner, holds possession of the dwelling on the lot.

Section 1.13. "Owner" shall mean and refer to the record title holder, whether one or more persons or entities, of any "lot" which is part of the property.

Section 1.14. "Plat" means the instrument entitled Sugar Mill Plantation, as recorded in the Public Records of Flagler County, Florida.

Section 1.15. "Replat" means an instrument filed among the Public Records of the County in the manner required by law and executed by Developer or consented to by Developer by written instrument recorded among the Public Records of the County whereby a portion of the Total Property is described and is subdivided into lots, blocks, parcels or tracts.

Section 1.16. "Replat Declaration" means a document containing a declaration of covenants, restrictions and conditions and any supplements or amendments thereto which may be recorded among the Public Records of the County and either executed by Developer or consented to by Developer by written instrument recorded among the Public Records of the County with respect and applicable to a portion of Sugar Mill Plantation, which is included in a particular replat or replats or a portion thereof.

Section 1.17. "Structure" the term "structure" shall include, but is not limited to, dwelling, houses, homes, garages, shed, out-buildings, radio or television antennas, porches, balconies, patios, screen enclosures, swimming pools, fences, barbecue grills, recreation facilities such as basketball courts or goals, tennis courts, shuffleboard courts and other type courts and lawn decorative objects such as statues, bird baths, etc.

Section 1.18. "Uncommitted Property" means the portions of the Total Phase I property other than Committed Property.

Section 1.19. "Institutional Mortgagee" means (a) any lending institution having a first mortgage lien upon a lot or dwelling unit

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including any of the following institutions: a federal or state savings and loan or building and loan association, or bank or real estate investment trust, or mortgage banking company doing business in the State of Florida; or (b) any "secondary mortgage market institution" including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and such other generally recognized institution which has acquired a first mortgage upon a lot or dwelling unit; (c) any pension or profit-sharing funds qualified under the Internal Revenue Code; or (d) any and all investing or lending institutions, or the successors and assigns of such lenders.

ARTICLE II

PLAN FOR DEVELOPMENT OF SUGAR MILL PLANTATION PHASE I

Section 2.1. Committed and Uncommitted Property. Developer has acquired and is the owner of the Total Property and intends to develop or cause to be developed thereon or upon portions thereof a multiphased, planned community to be known as Sugar Mill Plantation, Phase I in accordance with the applicable zoning regulations of the County. The Total Property is presently zoned as a Planned Unit Development (a "P.U.D.") which would permit one hundred eleven (111) dwelling units. The actual boundaries for any portion of the Total Property will be set forth and determined only by the filing of a plat for the portion of the Total Property shown thereon. The commitment to boundary determination and commitment to use shall occur only upon same being specified in a plat or replat and in a supplement to or amendment of this Declaration, a replat declaration or an amended declaration. Developer reserves the right not to incorporate any Uncommitted Property as part of Sugar Mill Plantation and/or to make such use of all Uncommitted Property as shall be permitted by the applicable zoning regulations of the County. Hence, notwithstanding anything to the contrary herein contained in any of the Sugar Mill Plantation documents, only Committed Property shall be subject to the Sugar Mill Plantation documents.

Section 2.2. Committing Uncommitted Property. Declarant may from time to time determine to commit all or any part of the Total Property to the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Declaration. This determination shall be made in the sole discretion of Declarant. Such and each commitment of a portion of Uncommitted Property to this Declaration shall be made by filing a plat or replat of the property to be committed and by a recitation to that effect in a supplement or amendment to this Declaration, a replat declaration or in an amended declaration, which shall include a legal description of the portion of Uncommitted Property then becoming Committed Property. Upon the recording thereof, the portion of Uncommitted Property in question shall thereupon be Committed Property as fully as though originally designated herein as Committed Property. Should Declarant determine at any time that all or any part of the Total Property shall not become Committed Property, Declarant shall execute a statement ("Statement") to that effect containing a legal description of such property. Upon the recording of this Statement among the Public Records of the County, the property described therein shall no longer be Uncommitted Property and may be developed and/or used by Developer for any purposes consistent with the applicable zoning regulations.

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Section 2.3. Uses of Committed Property. All Committed Property shall be subject to the use limitations, restrictions and other provisions, if any, imposed thereon as may be set forth in this Declaration, a replat or a replat declaration. In addition to any other provisions thereof, the provisions of this Declaration, a replat or a replat declaration may restrict specified portions of Committed Property to those uses provided in "Sugar Mill Plantation - Final Development Plan" adopted by the Declarate.

ARTICLE III

PROPERTY RIGHTS - COMMON AREAS

Section 3.1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common areas and in and to the access easements thereto which are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of lots lying within Committed Property as herein defined, which rights shall be appurtenant to and shall pass with the title every lot, subject to the following superior rights:

- (a) The right as provided in this Declaration and its Exhibits to suspend the voting rights and the right to the use of any common areas except dedicated streets and to the use of any recreational facilities by an owner for any period during which any assessment against the owner's lot remains unpaid; and for a period not to exceed sixty (60) days for any violation of this Declaration or of its Exhibits or any infraction of the Associations's published Rules and Regulations.
- (b) The right of the Association to grant permits, licenses, and easements over the common areas for utilities, roads and other purposes necessary or useful for the proper maintenance or operation of the subdivision.

Section 3.2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment in the common areas and facilities to the members of his family, his tenants, or contract purchasers who reside upon such owner's lot.

Section 3.3. Obligations for Compliance. By accepting an instrument of conveyance or by taking possession or occupancy of a dwelling unit or lot, each such person does agree to abide by and comply with this Declaration and its Exhibits and with all Rules and Regulations promulgated by the Association now in effect or which may hereafter be adopted, it being understood that such compliance is necessary for the orderly enjoyment of the common areas and recreational facilities.

Section 3.4. Title to Common Areas. The common areas shall be deeded to the property owners 1/111 each and controlled by the Association subject to 7.24 and any other property of the Association held by Declarant shall be deeded to or otherwise transferred to the Association at or prior to the time the majority of the Board of Directors of the Association are elected by the lot owners other than Declarant.

Section 3.5. No Value to Common Areas. The common areas have no value except their use value to the unit owners. The use value of the

common areas is part of the lot value and represents a portion of the consideration paid for each lot.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 4.2. The maximum number of members of the Association shall be the owners of 111 lots. The membership shall be the owners of the 111 lots in the Committed Property. The Association shall have two classes of voting membership:

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 owns an interest in a lot, all such persons shall be members. The vote for such lot shall be exercised by one owner designated in writing by all owners, but in no event shall more than one vote be cast for any lot. The right of a Class A member to vote is automatically suspended during the period when any assessment against the lot owned by the member is delinquent and unpaid.

Class B. The Class B member(s) shall be the Declarant and it shall be entitled to three (3) votes for each lot owned. 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:

(a) when the total votes outstanding in the Class A membership equal or exceed 84 votes based upon the maximum of 111 lots or in the event such lesser maximum number is established in accordance with Section 4.3,

(b) ten years following the date of conveyance of the first lot by Declarant.

Section 4.3. In the event the Declarant shall file a "Statement" as provided in Section 2.2 of this Declaration, declaring that the property described therein is no longer Uncommitted Property, then the maximum number of votes of the Association shall be the total number of lots in all Committed Property.

Section 4.4. Tenants Not Entitled to Membership of Voting Rights. Nothing herein shall prohibit the owner of a lot from leasing or renting a dwelling unit thereon. In the event the dwelling unit is leased or rented, however, the owner retains the right to vote, and is prohibited from transferring the right to vote to the tenant. On the first day of each tenancy the owner of any dwelling unit which has been leased or rented shall certify in writing to the Secretary of the Association the names of all tenants and persons authorized to reside in the dwelling unit as of that date and the length of their tenancy.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within Committed Property, hereby covenants, and each owner of any lot by acceptance of a deed therefor, 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, part of which shall be designated as a reserve fund; and (2) special assessments or charges for the purposes set forth herein, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. Such personal obligation shall not pass to successors in title unless expressly assumed by them.

Section 5.2. Making of Assessments. All assessments or charges shall be fixed, established and levied by the Board of Directors, and collected from time to time as hereinafter provided. Assessments against the owners shall be made for the calendar year annually in advance on or before December 1st preceding the year for which the assessment is made and shall be payable in twelve (12) equal monthly installments on the 1st day of each month commencing January 1 of the year for which the assessment is made. A written notice of the proposed annual assessment shall be sent to every record lot owner every year at least thirty (30) days in advance of the annual assessment period. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installment on such assessments shall be due upon each installment payment date until changed by an amended assessment. Both annual and special assessments must be fixed at a uniform rate for all lots. When additional property is committed to this Declaration, the assessment for the additional lot shall be the same as the assessment on previously committed lots until the end of the budget year. The budget and assessment for the following year shall cover all lots in Committed Property. The annual and special assessments (together with such interest thereon and the cost of collection including reasonable attorneys' fees as herein provided) shall be a charge and continuing lien on the real property and improvements thereon against which such assessment is made. In case of joint ownership of a lot, each owner shall be individually, jointly and severally liable for the entire amount of the assessment and the aforesaid interest, collection costs, and attorneys' fees.

Section 5.3. Purpose of Annual Assessment. A portion of the annual assessment shall be levied by the Association for maintenance items within Committed Property as follows:

- (a) To maintain the naturally vegetated or landscaped areas that are retained within the road rights-of-way and in the event such naturally vegetated or landscaped areas within the road rights-of-way are not properly maintained, Flagler County is hereby authorized to do so and to charge the expense of so doing to the Association provided appropriate notice has been issued by the County to the Association

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has failed to comply.

(b) To maintain the Internal Stormwater Management System, including lakes, retention areas, swales, ditched and related control structures and in the event such lakes, retention areas, swales, ditches, and related control structures are not properly maintained, Flagler County is hereby authorized to do so and to charge and expense of so doing to the Association provided appropriate notice has been issued by the County to the Association and the Association has failed to comply.

(c) To maintain the greenbelt areas, lakes, open spaces, parks and active recreation areas, for which the Association is responsible.

(d) For such other purposes as may be required by the Plan For Development.

In addition to those purposes required in (a), (b), (c) and (d) above, a portion of the annual assessment shall be made and used exclusively for the general maintenance, operation, improvement and enhancement of the common areas and property to provide for the payment of or for governmental assessments or charges, taxes, insurance, repairs, replacement, construction or improvements, for the payment of the cost of labor, services, equipment, materials, management and supervision necessary to carry out the duties and function of the Association, and for the payment of principal, interest and other charges connected with loans made to the Association for the purpose of enabling the Association to perform its authorized functions. A deferred maintenance reserve account shall be established out of the regular annual assessment, for the periodic maintenance, repair and replacement of improvements to the common areas, the amount of the deferred maintenance reserve shall be based upon the estimated life and estimated construction or replacement costs calculated on accepted engineering principles.

Section 5.4. Purpose of Special Assessments. Special assessments may be levied for those purposes set forth in this Declaration and its Exhibits. Special assessments shall include assessments made against individual lots. In the event a lot owner shall fail to perform any repairs, maintenance, upkeep or other duty which are the responsibility of the lot owner as provided in the Declaration, the By-Laws or the Rules and Regulations of the Association, the Association may give the lot owner ten (10) days written notice to perform the repair, maintenance, upkeep or other duty as required, and in the event the lot owner shall fail to do so, the Association may at its expense cause such repair, maintenance, upkeep or other duty to be performed and shall levy an assessment against the lot for the cost thereof plus a ten (10%) percent service charge. In addition to the duties of the lot owners set forth elsewhere in this Declaration or its Exhibits, in the event an owner of any lot in the property shall fail to maintain the lot and the improvements situate thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall give the lot owner ten (10) days written notice to perform the maintenance and in the event the lot owner shall fail to do so the Association shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance plus ten (10%) percent service charge shall be added to and become part of the assessment to which such lot is subject.

In addition to the assessment 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 the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the approval of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a duly constituted meeting called for this purpose. The Association shall not be bound in setting assessments in subsequent years by the amount of the assessments set in earlier years. Notwithstanding any of the provisions of this Article, in no event shall the assessments and other revenue collected by the Association exceed its expenses and reasonable reserves to an extent which would violate the Association's non-profit status.

Section 5.5. Maximum Assessment. The maximum annual assessment to be paid monthly to the Association shall not exceed \$20.00 per lot per month until the members other than Declarant elect a majority of the Board of Directors. Thereafter the Board, without concurrence of the members, may determine the annual assessment in such amount as is reasonably necessary to fulfill the duties of the Association.

Section 5.6. Assessments Against Lots Owned By Contractors. Until such time as lot owners other than Declarant elect a majority of the Board of Directors, a licensed contractor who owns unimproved lots, uncompleted dwelling units, or completed dwelling units for which a certificate of occupancy has been issued by the County and which have never been occupied, the assessment against such lot shall be twenty-five (25%) percent of the annual assessment. Full assessment shall commence the month following initial occupancy.

Section 5.7. Assessments Against Lots Owned By Declarant. The assessments provided for herein shall not be levied or enforced against the Declarant and any lots owned by or in which Declarant owns an interest during the period of time Declarant shall fund any deficiency between assessments levied and actual expenses of the Association. The obligation of the Declarant to fund any deficiency between assessments levied and actual expenses of the Association shall cease when the lot owners other than Declarant elect a majority of the Board of Directors. The assessments provided for herein, but only to the extent of twenty-five (25%) percent thereof, shall be levied and enforced against Declarant and any lots owned by Declarant effective for the month following the month in which Declarant shall cease to fund any deficiency between assessments collected and actual expenses of the Association, or at the end of the annual budget year for the year in which control of the Association is released by the Declarant to Class A members, whichever first occurs.

Upon transfer of title of a Declarant-owned lot, or lot owned by a licensed contractor as provided in 5.6 above, such lots shall be assessed in the amount established against lots owned by the Class A members of the Association, prorated as of, and commencing with, the month following the date of transfer of title. Notwithstanding the foregoing, those lots from which Declarant or a licensed contractor derives any rental income, or holds an interest as mortgagee or contract seller, shall be assessed at the same amount as is hereinabove established for lots owned by Class A members of the Association, prorated as of, and commencing with, the month following the execution of the rental agreement or mortgage, or the

contract purchaser's entry into possession as the case may be.

Section 5.8. Delinquent Assessments. Assessments which are not paid on or before the date the same shall become due shall be delinquent, and such delinquent assessment shall bear interest at twelve (12%) percent per annum until it is paid in full. In addition to the accrual of interest when an assessment becomes delinquent in payment, the Association may file a claim of lien against the lot to perfect the lien for such assessment. There shall be no exemption from the payment of any assessment or installment thereof by waiver of the use of the common areas by abandonment of the lot or dwelling unit, by extended absence from the subdivision or by or for any other reason, except as provided in Sections 5.6 and 5.7.

Section 5.9. Contribution to Working Capital. Each lot purchaser shall at the time of closing pay to the Association the sum of \$40.00 as a contribution to working capital in order to establish a working capital fund. Said payment is not to be considered as an advance payment of regular assessments. The Declarant shall have the responsibility to see that said working capital fund is maintained for the use and benefit of the Association and is turned over to the Association at the time control thereof passes to the unit owners other than Declarant.

Section 5.10. Request For Status of Assessments. Upon written request of an owner, or a mortgagee, the Association shall furnish to a mortgagee or to one designated at the request of the owner such as a prospective purchaser or prospective mortgagee or other authorized person, a statement of the current status of the assessments on such owner's lot or dwelling unit. When executed by the Treasurer or other designated officer of the Association, the statement shall be binding on the Association and any purchaser or mortgagee may rely upon such statement as an accurate statement of the status of assessments.

Section 5.11. Foreclosure of Assessment Lien. The lien herein established may be foreclosed in the same manner as real estate mortgages may be foreclosed in the State of Florida. The lien granted herein shall also secure the payment of or advances for taxes and payments on superior mortgages, liens or encumbrances, insurance premiums and other sums which may be required to be advanced by the Association in order to protect its lien, and the Association shall be entitled to interest computed on the basis of advances made from time to time at the highest legal rate of interest on all such advances.

Section 5.12. Notice of Lien Rights. All persons, firms, corporations and other business entities, which shall acquire, by whatever means, any interest in the ownership of a lot or dwelling unit, or who may be given or who may acquire a mortgage, lien or other encumbrance on a lot or a dwelling unit, are hereby placed on notice of the lien rights granted to the Association under this Declaration, and all such persons, firms, corporations and other business entities shall acquire their right, title and interest in and to said lot or dwelling unit expressly subject to the lien rights provided herein.

Section 5.13. Homestead. By acceptance of a deed thereto, the owner of each lot shall be deemed to acknowledge conclusively that the obligations evidenced by the assessments provided for in Section 5.1 of this Article V are for the improving and maintenance of any homestead maintained by such owner or such owner's lot.

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Section 5.14. Procedure for Filing Claim of Lien, Etc. The lien created pursuant to this Declaration shall be effective from and after the recording in the Public Records of Flagler County, Florida, of a "Claim of Lien" stating the description of the property encumbered by the lien, the name of the record owner of the property, the amounts due and the date when the same become due. The lien shall continue in effect until all sums secured by the lien have been fully paid. The claim of lien may include assessments which are due and payable when the claim is made and recorded, plus interest, collection costs, attorneys' fees, and advances such as those to pay taxes and prior encumbrances and interest thereon, all as provided herein. The claim of lien shall be in the name of and under the seal of the Association and shall be signed and verified by the President or Vice President of the Association. When full payment of all sums secured by such lien is made, the claim of lien shall be satisfied of record by the Association. A claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any claim of lien, provided the same mortgage or claim of lien is recorded prior to the recording of the Association's claim of lien.

Section 5.15. Handling and Safeguarding of Association Funds. All revenue collected by the Association shall be segregated, held and used as the property of the Association, and such revenue may be applied by the Association, at the discretion of the Board, towards the payment of any expenses of operation and maintenance of the Association and of the common areas. Revenue collected by the Association from an owner of a lot may be commingled with monies collected from other owners. After the Board of Directors is elected by lot owners other than Declarant, fidelity bonding shall be obtained on all officers and directors of the Association who control or disburse funds of the Association in an amount to be determined by the Board of Directors and in the event insurance proceeds are payable to the Association as provided in Section 8.6 of this Declaration, then such fidelity bonding shall be increased by the amount of the insurance proceeds and maintained at such amount until such proceeds have been disbursed in the manner elsewhere stated in this Declaration, at which time the Board of Directors may again determine the amount of the fidelity bonding.

Section 5.16. Members Have No Ownership in Association Funds. Although all funds and other assets of the Association, and any profits derived therefrom, shall be held for the benefit of the members of the Association, no member of said Association shall have the right to assign, encumber, hypothecate, pledge, or in any manner transfer his membership or interest in or to said funds and assets, except as an appurtenance to his lot. When an owner of a lot or dwelling unit shall cease to be a member of the Association by reason of the divestment of ownership of said lot, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1. Establishment and Purpose of Architectural Review Committee. In order to ensure an acceptable level of development quality which remains responsive to the existing environmental conditions of the Committed Property, to ensure good quality architectural design which is

appropriate in scale for the neighborhood, to protect property value and to preserve the natural beauty of the area, the Sugar Mill Plantation Phase I Architectural Review Committee is hereby established. The Architectural Review Committee is referred to in this Article VI as the Committee.

Section 6.2. Composition and Appointment of Architectural Review Committee. The Architectural Review Committee shall initially be composed of three (3) persons. The members of the original Committee shall be appointed by the Declarant and need not be lot owners. In the event of death, resignation, inability to serve, or other vacancy in office of any member of the original Architectural Review Committee, the Declarant shall promptly appoint a successor. The membership, rules of procedure and duties of the original Committee shall be prescribed by and any, from time to time, be changed or modified by the Declarant. When the Declarant deems the circumstances appropriate, but not later than the date upon which Class B membership shall cease as provided in Section 4.2 of this Declaration, the membership of the Committee shall increase to five (5) persons and control of the Architectural Review Committee shall pass to the Board. The Board shall then appoint the permanent Architectural Review Committee consisting of five (5) persons, all of whom shall be members of the Association, which shall assume the duties and perform the functions as set forth in this Declaration. Committee members shall serve a term of three (3) years in staggered terms. The initial members shall be appointed two (2) for a term of three (3) years, two (2) for a term of two (2) years and one (1) for a term of one (1) year. Thereafter, they shall be appointed for terms of three (3) years. Committee members may be removed by affirmative vote of two-thirds (2/3) of the Board of Directors. After turnover of control is completed, all appeals from actions of the Architectural Review Committee shall be heard and decided by the Board.

Section 6.3. Powers of Architectural Review Committee. The Architectural Review Committee is hereby granted the power to:

- (a) Establish general Rules and Regulations to implement the purposes set forth herein. Establish Rules and Regulations governing the procedures of the Committee and the form and contents of plans and specifications to be submitted for approval or with respect to the approval or disapproval of certain types of alterations, additions or modifications to improvements. Establish Rules and Regulations to regulate animals, signs, storage and use of machines, garbage containers, trash containers, plantings and maintenance and removal of vegetation on the property. Establish a schedule of reasonable fees to cover the costs of the Committee for the processing of applications by the Committee.
- (b) Develop forms to be used in the application and approval process.
- (c) Receive and examine each Application for Approval to Build and, if approved, issue an Approval to Build.
- (d) Disapprove an Application for Approval to Build on one or more of the following grounds:
 - (1) Failure to comply with the Rules and Regulations of the Committee.
 - (2) Failure to provide information requested by the Committee.

(3) Objection to the site plan, exterior design, appearance or materials, including but not limited to color, color scheme, finish, proportion, style of architecture or parking area.

(4) That the proposed improvements would, in the judgment of the Committee, be inharmonious or incompatible with the general plan of the community, or of the immediate area or with the improvements or use in the vicinity.

(e) Enforce the requirements of this Article VI and the Rules and Regulations of the Committee and to that end the Committee has the power in the event of non-compliance to:

(1) Issue an order that the violation or non-compliance be corrected within a reasonable time certain (not less than ten (10) days), and if not corrected within the time set then may recommend to the Board that a fine be imposed and assessed against the lot involved in an amount not to exceed \$150.00, with each day the violation continues after the date set for action to be a separate violation and the fine reimposed each day until the matter is corrected;

(2) Issue an order that corrective action be taken and specifying a reasonable time certain within which corrective action shall be taken and if not taken within the time set, recommend to the Board that the Association take the corrective action at the expense of the Association and impose an assessment against the lot involved in the amount of the cost of the corrective action plus a ten percent (10%) service charge;

(3) Issue an order that a structure or a portion of a structure which constitutes the violation or non-compliance be removed within a reasonable time certain and in the event that the same is not removed within the time recommended to the Board, that the Association remove the structure at the expense of the Association and impose an assessment against the lot involved in the amount of the cost of the removal plus a ten percent (10%) service charge; or

(4) The Committee may take or recommend such other action as it deems appropriate.

(5) In cases where there is a recommendation to the Board for a fine, corrective action by the Association, removal of improvements by the Association or other action which involves the imposing of a lien on the lot involved, the Board shall give the lot owner and other appropriate parties no less than ten (10) days written notice that the Board will consider the recommendations of the Committee (specifying in detail the recommendations) at a date, time and place certain and that the lot owner and other appropriate parties may appear before the Board and be heard at that time. A record will be made of the proceeding and the decision of the Board.

(6) The Board is hereby granted the authority to impose reasonable fines not to exceed \$150.00 with each day the

violation continues after the date set for action to be a separate violation and the fine reimposed each day until the matter is corrected. The Board is also granted the authority to direct that corrective action or removal may be done at the expense of the Association and a ten percent (10%) service charge added. Such fine and cost of corrective action and removal plus the service charge shall be an assessment and lien against the lot involved and may be enforced and collected as other assessments.

Section 6.4. Architectural Control Committee Approval Required Prior to Commencing Construction. Except for dwelling units, buildings and other structures and improvements constructed, installed or placed by or with the approval of the Declarant; landscaping and plantings by or with the approval of the Declarant; and additions, alterations, modifications and changes to any of the foregoing by or with the approval of the Declarant (collectively "Declarant improvements"), which Declarant improvements are not subject to the approval of the Architectural Review Committee, no improvements or structures of any kind shall be erected, placed or maintained in any portion of Committed Property; and no addition, alteration, modification or change to any such improvement, structure, landscaping or planting shall be made without the prior approval of the Architectural Review Committee as hereinafter provided.

Prior to applying for a building permit for any building or structure or any type of alteration, addition or modification to existing improvements and prior to commencing any grading or construction of any building or structure for which a building permit is not required, a lot owner shall, in accordance with the Rules and Regulations of the Committee, file with the Architectural Control Committee an Application for Approval to Build with required supporting documents and if the Committee approves the application, it shall issue to the lot owner an Approval to Build. Upon receipt of the Approval to Build, the lot owner may apply to the appropriate building department for a building permit or in the case where a building permit is not required, the lot owner may commence construction. It is possible that in certain unusual circumstances, even after receiving Architectural Review Committee approval to build, it may be necessary to obtain a variance prior to obtaining a building permit from the building official. Any and all approvals or disapprovals of the Committee shall be in writing and shall be sent to the respective lot owner. In the event the Committee fails to approve or to disapprove in writing any proposed plans and specifications within thirty-five (35) days after submission to the Committee of such plans and specifications and any and all other reasonably requested information and material related thereto, then said plans and specifications shall be deemed to have been approved by the Committee and the appropriate written approval delivered forthwith.

The Committee shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. Any member of the Committee or its representatives shall have the right, during reasonable hours, to enter upon any Lot to inspect any Lot and any improvements thereon for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry.

Section 6.5. Protection of Committee and Association. Neither the

Architectural Review Committee, its individual members, or the Association, the Board or its individual members or their employees or agents shall be liable to anyone submitting plans for approval or to any owner, member or other person in connection with any submission of plans for approval, or the approval or disapproval thereof, including without limitation, mistakes in judgment, negligence or misfeasance. Any person submitting plans to the Committee agrees, by submission of plans, that no action or suit will be brought against the Committee, its individual members, the Association, the Board or its individual members, employees or agents thereof, in connection with such submission. The Committee shall not be responsible for reviewing, nor shall its approval of any plans and specifications be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building codes, and such approval does not warrant the design of the structure approved. It is possible that in certain unusual circumstances, even after receiving Architectural Review Committee approval to build, it may be necessary to obtain a variance prior to obtaining a building permit from the building official.

Section 6.6. Transfer of Architectural Control to Board. The Board has the option at any time to disband the Architectural Review Committee and to assume its duties and responsibilities.

ARTICLE VII

PROTECTIVE COVENANTS

Section 7.1. Completion of Structures. All structures must be substantially completed in accordance with the plans and specifications approved by the Architectural Control Committee as set forth in Article VI within twelve (12) months after commencement of construction, except that the Board may grant extensions where such completion is impossible or is the result of matters beyond the control of the owner, such as strikes, casualty losses, national emergency or acts of God.

Section 7.2. Residential Use. Each lot shall be used only for single family, private residence purposes, and no more than one (1) residence shall be located on any one lot.

Section 7.3. Garages. The Architectural Review Committee shall have the option of requiring entry to garages be at the side or rear of the property so as to avoid exposure of garages and garage doors to the street front view. The Architectural Review Committee shall make such decisions based upon accessibility, lot size and shape and existing vegetation. Each residence shall have a garage which shall be constructed and maintained so as to be suitable for the storage of two (2) or more automobiles. Garage doors shall normally remain closed.

Section 7.4. Motorized Vehicles. All motor vehicles shall carry a current year's license tag registration and be maintained in proper operating condition so as not to be a nuisance by noise, exhaust emissions, or otherwise. All motor vehicles, including, but not limited to, automobiles, trucks, trail bikes, motorcycles, and dune buggies shall be driven only upon paved streets; no motor vehicles shall be driven on pathways or upon unpaved areas.

Section 7.5. Parking. No trucks or commercial vehicles (except

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during the period of approved construction), campers, mobile homes, motor homes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on the lots or common areas, except in areas which may be designated by the Board. However, this provision does not require the Board to designate such an area. This prohibition against parking shall not apply to temporary parking of trucks or commercial vehicles, for repair services, pick-up, delivery and other commercial services, and shall not apply to business or commercial automobiles or to panel or pick-up trucks with not over 3/4 ton capacity when such vehicles are used as personal transportation by the owner or occupant of a dwelling. Automobiles and light trucks used for personal transportation shall be parked only in the respective dwelling owner's garage or driveway.

Section 7.6. Repairs. Except for emergency repairs, no owner of a lot shall repair or restore any vehicle, boat or trailer upon any portion of the Property except within the confines of a garage or other building or in an area which may be designated by the Board for such purposes, however, this provision does not require the Board to designate such an area.

Section 7.7. Pets. No livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats and other generally recognized household pets may be kept, provided they are reasonable in number, and provided further that they are not maintained or bred for any commercial purpose and the proper restraint and control are used in the keeping of them.

Section 7.8. Clothes Drying Equipment. No outdoor clotheslines or other outdoor clothes drying apparatus shall be permitted on any lot, except as approved in writing by the Board.

Section 7.9. Trash and Garbage. Storage, collection and disposal of trash shall be in compliance with the rules set from time to time by the Board.

Section 7.10. Antennas. Declarant and the Association have the option and authority to (1) install a master community antenna television system, in which event the Declarant or the Association have the authority to operate such system and to charge the expense of operating such system to each lot as part of the regular maintenance assessment, or (2) authorize a franchised and licensed cable television company to install television service to each lot; and under either option service to each lot shall be underground and exterior television, radio, ham radio, or other antennas are prohibited. In the event the Declarant or the Association does not exercise either option (1) or (2) above, exterior television or other antennas are permitted only after an Approval to Build has been issued by the Architectural Review Committee.

Section 7.11. Signs. No signs of any type shall be displayed to public view on the Property or any portion thereof except those conforming with the sign regulations adopted by the Architectural Review Committee. Such regulations shall be controlling over all signs including for sale, for rent or for lease signs and in all events shall provide for a maximum sign size of 14" x 20".

Section 7.12. Transmission. All public or private transmission and

service wiring for electrical, gas, telephone and cable television communication services and service lines must be installed and buried underground, where permitted, in accordance with the applicable codes that may be imposed.

Section 7.13. Wells. No wells for the supply of water shall be located, constructed or used within the area covered by these restrictions other than those for the sole purpose of lawn watering and irrigation.

Section 7.14. Maintenance of Easements. Easements for the installation and maintenance of utilities and stormwater retention and drainage facilities are created as shown and described on the recorded plat or plats of Committed Property. Within these easements, no structure, planting or other material shall be placed or permitted to remain that may damage or interfere with the installation and maintenance of utilities, change the direction of flow of drainage in the easements or obstruct or retard the flow of water drainage in the easement unless authorized in writing by the proper count or state agency. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except where the Association, a public authority, governmental agency or utility company is responsible for such maintenance.

Section 7.15. Easement to Maintain Standard, Etc. For a period of five (5) years after the date of conveyance of the first lot, the Declarant reserves a blanket easement and right on, over and under the ground within the Committed Property to make corrective changes in order to maintain drainage for the property and to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut trees, bushes or shrubbery, grade the soil, or to take any other similar corrective action reasonably necessary to accomplish such purpose. Following such work the Declarant shall restore the affected property to its original condition as nearly as practicable. The Declarant shall give reasonable notice of its intent to take such corrective action to all affected owners, unless in the opinion of the Declarant an emergency exists in which case such notice is excused.

Section 7.16. Authority of Board to Grant Easements. The Board of Directors is hereby vested with the authority to grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the development.

Section 7.17. Maintenance of Internal Stormwater Management System. The Internal Stormwater Management System within the Committed Property, including lakes, retention areas, swales, ditches and related control structures, shall be maintained by the Association. Flagler County is hereby vested with the right to maintain, at the expense of the Association, the Internal Stormwater Management System in the event that the lakes, retention areas, swales, ditches and related control structures are not properly maintained, provided appropriate notice has been issued by the County and the Association has failed to comply.

Section 7.18. Enforcement of Public Easements. The County of Flagler is hereby vested with the power to enforce all public easements which run to the direct benefit of the public in general.

Section 7.19. Areas to be Maintained in Natural State. Except as

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otherwise provided in this Declaration and except for those areas dedicated to and accepted by a governmental agency or utilized in the providing of community services, all parks, greenbelts and other common areas within the Committed Property shall be generally retained in their natural state by the Association. If these non-dedicated areas are improved or changed from their natural state, they shall be maintained by the Association.

Section 7.20. Maintenance of Street Lights. Street lighting will be installed within the Committed Property. Declarant reserves the right to cause the creation of a special service district to provide such street lighting.. In the event a governmental unit, including special service district, or public utility company, does not install, maintain and pay for the operation of street lights, the street lights will be installed by the Declaration, at or before unit owners other than the Declarant are entitled to elect a majority of the Board of Directors. Thereafter, the Association shall maintain and keep each of said street lights in operation and shall pay for the electric power necessary to operate them. In the event a governmental unit, including a special service district, shall accept the maintenance of the street lights and the committed property, then the Association shall no longer be responsible for the maintenance thereof.

Section 7.21. Tree Removal Restriction. No trees measuring three and one-half (3 1/2") inches or more in diameter, four (4') feet above ground level, may be removed without the written approval of the Architectural Review Committee unless located within ten (10') feet of the main dwelling, accessory building or approved site for such building. The Architectural Review Committee may establish, in the interest of preserving desirable vegetation for environmental stability, restrictions on the clearing of additional vegetation in designated areas. Trees and vegetation to be removed in connection with initial home construction shall be specified on the site plans, with removal authorized upon approval. Trees immediately adjacent to the construction area shall be protected to avoid damage during construction.

Section 7.22. Maintenance. It shall be the responsibility of each lot owner to prevent any unclean, unsightly or unkept conditions of buildings or grounds from developing which may tend to decrease the beauty of the neighborhood. Such responsibility may require preventative measures to be taken at the lot owner's expense to ensure desirable conditions for existing vegetation. Lot owners shall be required to provide for irrigation of lawn and landscaping of all areas from the front of homes extending to the street.

Section 7.23. Temporary Structures, Etc. No structure of a temporary nature or character, including, but not limited to, a trailer, house trailer, mobile home, camper, tent, shack, shed, barn or other similar structure or vehicle, shall be used or permitted to remain on any lot as a storage facility or residence, or other living quarters whether temporary or permanent, except those used as temporary construction and sales offices during construction by Declarant or by a licensed contractor so authorized.

Section 7.24. Nuisance. An owner, his family, and lessees, shall not do or keep and shall not cause anything to be done or kept on his lot which shall constitute a nuisance under the laws of the State of Florida, or which will obstruct or interfere with the rights of other owners or the Association or among other owners by unreasonable noises, odors or otherwise, nor shall any owner, his family, and lessees commit or permit

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any nuisance, immoral or illegal act within the Property.

Section 7.25. Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration shall be interpreted or construed to prevent Declarant, its transferees, or its or their contractors or subcontractors from doing or performing on all or any part of the Committed Property actually owned or controlled by Declarant, its transferees, or its or their contractors or subcontractors as the case may be, whatever they determine to be reasonably necessary or advisable in connection with the completion of the development of the Property, including, without limitation:

(a) erecting, constructing, and maintaining thereon such structures and vehicles as may be reasonably necessary for the conduct of Declarant's business of completing and establishing the Property as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

(b) maintaining such sign or signs thereon as may be reasonably necessary in connection with the sale, lease or other transfer of the Property in parcels;

(c) provided, however, that operations being conducted under subparagraphs (a) and (b) immediately above shall be permitted upon only those parts of the Property owned or controlled by the party causing or conducting said operations. As used in this Section, the term "its transferees" specifically does not include purchasers of lots improved as completed residences, or to purchasers of unimproved lots who are not contractors or builders.

Section 7.26. Driveways and Walkways. All homes shall have a suitably constructed driveway leading to the garage. Such driveways shall be appropriately paved and shall include cement paving from the border of the lot to the public right of way or street. All homes shall additionally have a concrete sidewalk to be three feet in width from property line to property line in the front of the residence. The specifications and locations of which to be determined by the Architectural Review Committee.

Section 7.27. Fences. Fences are not required of lots within the subdivision unless required by other governmental laws or regulations. If fences are constructed by lot owners they may not include chain link or wire fences which are specifically prohibited.

Section 7.28. Minimum Home Square Footage. All homes constructed within the Subdivision shall contain a minimum of 2,000 square feet of enclosed floor space exclusive of any garage area.

ARTICLE VIII

HOMEOWNERS' ASSOCIATION GENERAL PROVISIONS

Section 8.1. Creation of Association. To effectively provide for the administration of the Association and of the common areas by the owners of lots in the Committed Property, a non-profit corporation, Sugar Mill Plantation Homeowners' Association, Inc., a non-profit Florida corporation,

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has been created. The Association shall own, operate, manage and maintain the common areas, enforce the restrictions and covenants contained herein, the By-Laws of the Association and the Rules and Regulations adopted by the Association, and shall perform all acts necessary and incident to such duties, including the right to merge with other homeowners' associations in the Sugar Mill Plantation community, all in accordance with the provisions of this Declaration and the Articles of Incorporation and By-Laws of said Association. A copy of the Articles of Incorporation, Sugar Mill Plantation Homeowners' Association, Inc., is attached as Exhibit "B", and a copy of the By-Laws of said corporation are attached hereto as Exhibit "C".

Section 8.2. Membership in Association. The owner or owners of each lot or dwelling unit in Sugar Mill Plantation, and the owners of each lot or dwelling unit in additional portions of the Total Property which may become Committed Property from time to time, shall automatically become members of the Association upon his, her or their acquisition of an ownership interest in the title to any lot. The membership of such owner shall terminate automatically at the time and that such owner is divested of such ownership interest or title to such lot, regardless of the means by which such ownership may have been divested.

Section 8.3. Lienholders Not Entitled to Membership. No person, Corporation, or other business entity holding any lien, mortgage or other encumbrance upon any lot shall be entitled to virtue of such lien, mortgage, or other encumbrance, to membership in the Association or to any of the rights and privileges, or be charged with any of the duties of such membership; provided, however, that nothing contained herein shall be construed as prohibiting membership in the Association of a person, corporation or other business entity which acquires title to a lot either by foreclosure or by voluntary conveyance in lieu of foreclosure from a mortgagor, his successor or assign.

Section 8.4. Power of Board to Adopt By-Laws and to Make and Enforce Rules and Regulations. By-Laws of the corporation may be adopted by the initial Board of Directors and may be altered, amended or rescinded in the manner provided for in the By-Laws. The Board may at any meeting of the Board adopt Rules and Regulations or amend, modify or rescind the then existing Rules and Regulations for the operation and use of the common areas and enforcement of these covenants and restrictions and the conduct of lot owners, their tenants and guest; provided, however, that such Rules and Regulations are not inconsistent with the terms or provisions of these documents. Copies of any Rules and Regulations promulgated, amended or rescinded shall be mailed or delivered to all lot owners shown on the records of the Association at that time and shall not take affect until 48 hours after such delivery or mailing. The Board of Directors of the Association is hereby granted the authority to appoint committees of unit owners for the purpose of regulating the Association, which committees shall include architectural review as provided in Article VI, traffic control, budget, election and a review committee for the purpose of enforcing the terms of these documents, the Rules and Regulations of the Association, and the Rules and Regulations of the committees, all in accordance with the procedures contained in the By-Laws. The authority hereby granted includes the power for the review committee to punish for violations including the authority to issue reprimands, suspend the lot owner's right to use the recreational facilities and the common areas, except dedicated streets, for up to sixty (60) days, recommend to the Board

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of Directors fines which may be imposed by the Board of Directors of the Association in such reasonable sum as it may deem appropriate but not to exceed any limitation on the amount of such fine set by the Statues of the State of Florida, and may be assessed only after written notice to the unit owner and other parties and an opportunity for them to appear and be heard before the Board of Directors, which fines may be enforced as assessments, and to take other lawful and appropriate action.

Section 8.5. Protection of Declarant. As long as the Declarant has rights an obligations under this Declaration the Association shall not use its resources in opposition to the Declarant's Plan For Development.

Section 8.6. Insurance Requirements. It shall be the responsibility of the Association to obtain liability and hazard insurance on all common areas owned or maintained by the Association and to keep same in effect at all times. All insurance policies purchased by the Association shall be for the benefit of the Association of the lot owners and shall provide that all proceeds covering losses shall be paid to the Association. Insurance policies shall contain a provision that the proceeds covering property losses shall be paid over to the Association only, after the Association has provided proof that the fidelity bonding of the officers and directors of the Association has been increased by the amount of such proceeds as provided in Section 5.15 of this Declaration. The duty of the Association shall be to receive and hold the insurance proceeds and other funds that are paid to it in trust for the purposes elsewhere stated in this Declaration and for the benefit of the unit owners. In the event of any casualty or loss to any of the common areas, the Association shall receive all insurance proceeds therefrom for the benefit of itself and the lot owners, which proceeds shall be used to the extent needed solely to reconstruct, replace or repair promptly the facilities so damaged. Any excess insurance proceeds not required for the aforesaid reconstruction, replacement or repairs shall be paid over to the general fund of the Association.

Section 8.7. Any Management Agreement Must Allow Termination on Ninety Days Notice. Any agreement for the professional management of the common property or recreational areas or any other contract providing for services of the Declarant, sponsor or builder, may not exceed three (3) years. Any such agreement must provide termination by either party without cause and without payment of a termination fee by written notice delivered no less than ninety (90) days prior to the termination date.

Section 8.8. Annual and Special Meetings of Association. The annual meeting of the Association shall be held on the first Monday of December of each year at such time and place within Flagler County as may be designated by the Board. The date of the annual meeting may be changed by vote of the Association at any annual or special meeting. Special meetings of the Association may be called by the Board at any time or must be called by the Board upon presentation of a petition signed by the owners of twenty-five (25) lots. Written notice of meetings specifying the date, time and place shall be given to each lot owner not less than ten (10) nor more than thirty (30) days prior to the meeting.

Section 8.9. Quorum for Meeting of Association. A quorum for any duly constituted meeting of the members of the Association shall be majority of all the votes of each class of membership present at the meeting, or represented by proxy. If a quorum is not present at any

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meeting when first called, the Board may call a second meeting at which quorum of the first meeting shall be reduced by fifty (50%) percent. The notice for the first called meeting may include the calling of and date for the second called meeting and shall be sufficient for any adjournment thereof.

ARTICLE IX

AMENDMENT

Section 9.1. Amendment Prior to Turnover. Until the Board of Directors of the Association is elected by lot owners other than the Declarant and control of the Association turned over, all amendments or modifications to this Declaration shall be made only by Declarant without the requirement of the Association's consent or the consent of the lot owners; provided, however, that the Association shall, forthwith upon request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request.

Section 9.2. Amendment Subsequent to Turnover. Subsequent to election of the Board of Directors by unit owners other than Declarant the Board of Directors may by resolution propose changes or amendments to this Declaration. In addition, the record owners of twenty-five (25%) percent of lots within 113 may, by written petition, propose that changes be made to these Covenants and Restrictions. Such proposed amendment shall be presented at the next regular or at a special meeting of the members duly called. Approval requires the affirmative vote of a majority of the then record owners of lots within Committed Property. Immediately after approval by the members or amendment by Declarant, a certificate executed in the name of the Association by its President and Secretary and containing the approved amendment shall serve as proof of such amendment and shall be recorded in the Public Records of Flagler County, Florida.

Notwithstanding the foregoing paragraph of this Article, no amendment which modifies or terminates the obligation of the Association to maintain the common areas or perform other duties required by the Plan for Development or by the Phase I - Final Development Plan shall be effective without the approval of the County of Flagler.

This Article shall not apply to a supplement or amendment to this Declaration or an amended declaration filed by Declarant for the purpose of committing additional property to the land use provisions and other benefits, burdens, restrictions, covenants and provisions of this Declaration as provided in Section 2.2.

ARTICLE X

COVENANTS AGAINST PARTITION
AND

SEPARATE TRANSFER OF MEMBERSHIP RIGHTS

Recognizing that the full use and enjoyment of any lot within the Committed Property is dependent upon the use and enjoyment of the common areas and the improvements made thereto, and that it is in the best

interest of all of the owners that membership rights to use the common areas be retained by the owners of the lots, it is therefore declared that the membership rights of any owner to use the common areas shall remain undivided, and such owners shall have no right at law or equity to seek partition or severance of such membership rights to use the common areas. In addition, there shall exist no right to transfer the membership rights to use the common areas in any other manner than as an appurtenance to and in the same transaction with, a transfer of title to or lease of the lot or dwelling unit; provided, however, that nothing herein shall preclude a conveyance by the Declarant herein of any undivided interest in the common areas to the owners of lots within the subdivision for the purpose of effectuating the intent of this Declaration. Any conveyance or transfer of a lot shall include the membership rights and the use of the common areas appurtenant to such lot, which membership rights represent a portion of the value of the lot, whether or not such membership and use rights shall have been described or referred to in the deed by which said lot or unit is conveyed.

ARTICLE XI
COVENANTS FOR BENEFIT OF MORTGAGEES

Section 11.0. Joinder and Consent of Mortgagee. The Joinder and Consent of Mortgage in this Declaration is attached hereto as Exhibit "D" and by reference hereof made apart hereof.

Section 11.1. Notice of Association. An owner who mortgages a lot shall notify the Association through its Secretary of the name and address of the mortgagee and shall file with the Secretary a copy of such mortgage; and the Association shall maintain such information in a book entitled "Mortgagees of Lots".

Section 11.2. Notice of Unpaid Assessments. The Association shall, upon the request of a mortgagee, report any unpaid assessment due from the owner of a lot upon which such mortgage holds a mortgage.

Section 11.3. Availability of Information. The Association shall make available to lot owners and lenders, and to holder, insurers or guarantors of any first mortgage, current copies of the Declaration and all amendments, all Rules and Regulations with amendments, and the books, records, accounts and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours at the Association office or under other reasonable circumstances.

Section 11.4. Financial Statements. Any holder, insurer or guarantor of an institutional mortgage or of a first mortgage is entitled, upon written request, to a copy of the financial statement of the Association for the immediately preceding fiscal year.

Section 11.5. Lender's Notices. Upon written request to the Association identifying the name and address of the holder, insurer or guarantor of a mortgage, shall be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the lot securing its mortgage.
- (b) Any delinquency of sixty (60) days in the payment of assessment or charges owed by the owner of any lot upon which it holds a mortgage.
- (c) A lapse, cancellation or material modification of any

insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action that requires the consent of mortgage holders.

Section 11.6. Benefit of Mortgagees. All of the provisions of this Article XI are for the benefit of mortgagees, may be enforced by a mortgagee and may be amended or repealed only with the written consent of all mortgagees, however, additional provisions for the benefit of mortgagees may be added without such consent.

ARTICLE XII

COVENANTS TO RUN WITH LAND

The restrictions and burdens imposed by the provisions and covenants of this Declaration shall constitute covenants running with the land, and each shall constitute an equitable servitude upon the owner of each lot within Committed Property and the undivided interest in the common areas and upon the heirs, personal representatives, successors and assigns of each owner, and the same shall likewise be binding upon the Declarant and its successors and assigns. This Declaration shall be binding and in full force and effect for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive ten-year periods, unless an instrument, signed by ninety (90%) percent of the then record owners of the lots or dwelling units in Sugar Mill Plantation Phase I is recorded prior to the expiration of the original 30 year-period or prior to the expiration of any successive ten-year, containing an agreement of the said owners which alters, changes, modifies, or repeals, in whole or in part, the provisions of this Declaration, then and in that event the alteration, change, modification or repeal shall take effect upon the expiration of the period and be effective for subsequent periods unless this Declaration is repealed completely.

Notwithstanding the language contained in this Article, no amendment which modifies or terminates the obligation of the Association to maintain the common areas or perform other duties required by the Second Amended Plan For Development or by the Phase I - Final Development Plan shall be effective without the approval of the County of Flagler.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1. The Association, the Declarant, a builder, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all covenants, restrictions, reservations, liens and charges now or hereafter imposed by those Covenants and Restrictions, and any amendments thereto. The party enforcing same shall be entitled to recover all costs and expenses incurred, including reasonable attorneys' fees. The failure of the Association to enforce any rights, privileges, covenant or condition granted to it by these Covenants and Restrictions, or any other mentioned document, shall not constitute a waiver of its right to enforce such of these Covenants and Restrictions in the future.

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Section 13.2. In the event that any part of these Covenants and Restrictions be adjudged, for any reason, by a Court of competent jurisdiction to be null and void, said judgment shall not in any manner whatsoever affect, modify, change, abrogate, or nullify any of the Covenants and Restrictions not so expressly held to be void and these covenants shall continue unimpaired and in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed in its name and under its corporate seal this 19th day of September, 1990.

Witnesses:

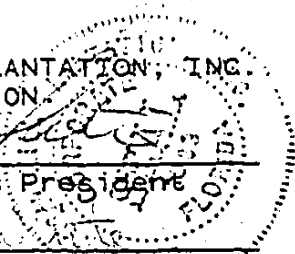
Leslie B. Coe

Bonnie H. Daubner

BULOW SUGAR MILL PLANTATION, INC.
A FLORIDA CORPORATION

By: Gene White
Gene White, as President

By: Sarah E. White
Sarah E. White, as Secretary/
Treasurer



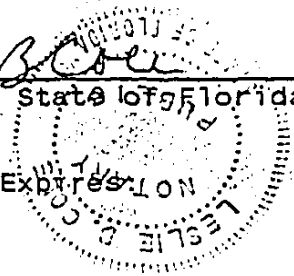
STATE OF FLORIDA
COUNTY OF VOLUSIA

I HEREBY CERTIFY that on this day, before me, an office duly authorized in the State aforesaid and in the County aforesaid to administer oaths and take acknowledgments, personally appeared GENE WHITE, AS PRESIDENT and SARAH E. WHITE, AS SECRETARY/TREASURER, to me known to be the persons described in and who executed the foregoing DECLARATION OF COVENANTS AND RESTRICTIONS, BULOW SUGAR MILL PLANTATION, INC., FLAGLER COUNTY, FLORIDA AND NOTICE OF PROVISIONS OF SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC., and they acknowledged before me that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State last aforesaid, this 19th day of September, 1990.

Leslie B. Coe
Notary Public, State of Florida
at Large

My Commission Expires February 22, 1993



NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: FEB. 22, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

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LEGAL DESCRIPTION PHASE 1

PART OF LOT 7, BULOW GRANT, SECTION 38, TOWNSHIP 12 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE VOLUSIA-FLAGLER COUNTY LINE WITH THE EASTERLY RIGHT-OF-WAY LINE OF OLD KINGS ROAD, A 100 FT RIGHT-OF-WAY, SAID COUNTY LINE BEING THE SOUTHERLY LINE OF THE AFORESAID SECTION 38; THENCE N 14° 26' 31" W ALONG THE SAID EASTERLY RIGHT-OF-WAY LINE FOR A DISTANCE OF 1216.06 FT.; THENCE N 14° 35' 31" W ALONG SAID EASTERLY RIGHT-OF-WAY LINE A DISTANCE OF 8.87 FT. TO THE POINT OF TANGENCY OF A CURVE CONCAVE NORTHEASTERLY, SAID POINT ALSO BEING THE POINT OF CUSP; THENCE SOUTHEASTERLY, DEPARTING SAID EASTERLY RIGHT-OF-WAY, ALONG SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 89° 51' 00", A RADIUS OF 25.00 FT; A CHORD DISTANCE OF 35.31 FT., BEARING S59° 31' 01" E, AN ARC DISTANCE OF 39.20 FT TO THE POINT OF TANGENCY THEREOF; THENCE N 75° 33' 29" E A DISTANCE OF 100.02 FT TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY; THENCE ALONG SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 90° 00' 00", A RADIUS OF 25.00 FT, A CHORD DISTANCE OF 35.36 FT, BEARING N 30° 33' 29" E, AN ARC DISTANCE OF 39.27 FT TO THE POINT OF TANGENCY THEREOF; THENCE N 14° 26' 31" W A DISTANCE OF 97.80 FT; THENCE N 75° 33' 29" E A DISTANCE OF 50.00 FT. TO THE POINT OF CURVATURE OF CURVE CONCAVE EASTERLY; THENCE NORTHERLY ALONG SAID CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 30° 13' 06", A RADIUS OF 175.00 FT., A CHORD DISTANCE OF 91.23 FT, BEARING N 00° 40' 02" E, AN ARC DISTANCE OF 92.30 FT TO A POINT THEREIN; THENCE S 74° 13' 25" E A DISTANCE OF 118.06 FT; THENCE N 67° 50' 43" E A DISTANCE OF 313.26 FT; THENCE S 21° 12' 46" E A DISTANCE OF 513.98 FT; THENCE S 16° 37' 59" E A DISTANCE 395.86 FT. THENCE N 73° 22' 01" E A DISTANCE OF 271.46 FT. THENCE S 16° 37' 59" E A DISTANCE OF 185.00 FT; THENCE N 73° 22' 01" E A DISTANCE OF 50.00 FT; THENCE N 16° 37' 59" W A DISTANCE OF 185.00 FT; THENCE N 73° 22' 01" E A DISTANCE OF 766.54 FT; THENCE S 16° 37' 59" E A DISTANCE OF 460.00 FT. TO THE SOUTHERLY LINE OF THE AFORESAID LOT 7, ALSO BEING THE SOUTHERLY LINE OF THE AFORESAID SECTION 38; THENCE S 73° 22' 01" W ALONG THE SAID SOUTHERLY LINES FOR A DISTANCE OF 1918.08 FT TO THE AFORESAID EASTERLY RIGHT-OF-WAY LINE OF OLD KINGS ROAD AND THE POINT OF BEGINNING, CONTAINING 32.40 ACRES, MORE OR LESS.

EXHIBIT A

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State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on September 12, 1990, as shown by the records of this office.

The document number of this corporation is N39924.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
13th day of September, 1990.



Jim Smith
Secretary of State

CR2E022 (8-89)

EXHIBIT "B"

OFF 0438 PAGE 0664

ARTICLES OF INCORPORATION
OF

SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.
(A Non-Profit Florida Corporation)

FILED
1990 SEP 12 PM 12:16
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

We, the undersigned incorporators, do hereby associate ourselves together for the purpose of forming a corporation not for profit under Chapter 617 of the Florida Statutes, and do hereby make, subscribe, acknowledge and file the following Articles of Incorporation as the Charter for such Association.

ARTICLE I - NAME/PRINCIPAL PLACE OF BUSINESS

The name of this Corporation is SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.

The principal place of business is 116 West Ocean Dunes Road, Daytona Beach, Florida, and at such other place or places in the State of Florida as may be determined by the Corporation.

ARTICLE II - NATURE OF BUSINESS

The purpose for which this corporation is organized is for the maintenance and operation of Sugar Mill Plantation, including enforcement of covenants and restrictions and other related business.

ARTICLE III - MEMBERSHIP

The qualification of members and the manner of their admission shall be as follows: Any person or persons who hold title in fee simple to a residence on real property in Sugar Mill Plantation

shall, by virtue of such ownership, be a member of this corporation. Class and Rights of such members are defined in the Covenants & Restrictions for Sugar Mill Plantation Phase I, as recorded in the public records of Flagler County, Florida.

ARTICLE IV - TERM OF EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE V - SUBSCRIBERS

The names and residences of the subscribers to these Articles of Incorporation are as follows:

GENE WHITE	116 West Ocean Dunes Road Daytona Beach, FL 32118
SARAH E. WHITE	116 West Ocean Dunes Road Daytona Beach, FL 32118

ARTICLE VI - BOARD OF DIRECTORS

The affairs of the corporation are to be managed initially by a Board of Directors, who will be elected each year at the annual meeting of the Homeowners' Association, as provided for in the By-Laws. At such time as the Developer has relinquished control of the Homeowners' Association, the Board may be composed of any odd number of Directors that the members decide, as provided for in the By-Laws. The length of term of the office of the Board of Directors, other than the officers, shall be fixed by the By-Laws of this corporation. The names and addresses of the two (2) initial Directors are as follows:

<u>Name</u>	<u>Address</u>
GENE WHITE	116 West Ocean Dunes Road Daytona Beach, FL 32118
SARAH E. WHITE	116 West Ocean Dunes Road Daytona Beach, FL 32118
DAVID GALLOWAY	116 West Ocean Dunes Road Daytona Beach, FL 32118

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ARTICLE VII - REGISTERED OFFICE AND REGISTERED AGENT

The Corporation shall designate DONALD E. HAWKINS as its Registered Agent, and shall maintain its registered office at 501 South Ridgewood Avenue, Daytona Beach, Florida 32114, pursuant to Section 607.034, Fla.Stat.

ARTICLE VIII - OFFICERS

The officers of the Corporation shall be a President, Secretary and Treasurer. The Board of Directors may, at their discretion, provide for each other officer as they see fit. Until the first annual meeting of the Corporation, the following shall be the officers of the Corporation:

<u>Name</u>	<u>Office</u>
GENE WHITE	President
SARAH E. WHITE	Secretary/Treasurer

The above officers shall hold office for one (1) year from their election or until their successor or successors are duly elected and qualified. All officers shall be elected by the membership at the regular annual meeting of the corporation. The manner of the election of officers may be prescribed by the Board of Directors in accordance with the By-Laws of this corporation, provided, however, that all members of this corporation in good standing shall be given notice of such election.

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ARTICLE IX - BY-LAWS

The By-Laws of the corporation are to be made, altered or rescinded by a two-thirds (2/3) vote of the members and Directors of the corporation. The By-Laws of this corporation may contain the following:

1. Prescribe that an incorporator or member shall not have any vested right, interest or privilege of, in or to the assets, functions, affairs or franchises of the corporation, or any right, interest or privilege which may be transferrable or inheritable or which shall continue if his membership ceases or while he is not in good standing, provided, however, that before his membership shall cease against his consent, he shall be given an opportunity to be heard, unless he is absent from the County where the corporation is located.

2. Delegate to its Board of Directors the power of fixing regular or special meetings and assessing fines in such sums as may be fixed or the limits or occasions determined by said By-Laws. The amount of dues so fixed shall become, on and after notice, an indebtedness to the corporation collectable by due course of law. The failure to pay any dues or fines assessed shall render the member liable to expulsion.

ARTICLE X - AMENDMENTS TO ARTICLES OF INCORPORATION

Amendments to these Articles of Incorporation may be proposed and adopted as follows: An Amendment may be proposed by either the Board of Directors or by any owners, and may be considered at any

meeting of the homeowners, regular or special, of which notice has been given according to the By-Laws, which includes a notice of the substance of the proposed Amendment. The Amendment must be approved by a vote of two-thirds (2/3) of the members of the corporation. Each residence within Sugar Mill Plantation shall have one (1) full vote, which vote shall be cast by a designated owner.

ARTICLE XI - ANNUAL MEETINGS

The regular annual meeting of the members of the Homeowners' Association shall be held on the 1st day of January of each year, beginning in 19 91, or such other date within that month as is fixed by the Board of Directors.

ARTICLE XII - CORPORATE POWERS

This corporation shall have all the powers permitted by law, together with such additional specific powers as are contained in the By-Laws.

This corporation shall have the following powers, in addition to such other powers as may be vested in corporations not for profit under the laws of the State of Florida, from time to time, to wit:

1. Have succession by its corporate name for the period set forth in its Articles of Incorporation.
2. Sue and be sued and appear and defend in all actions and proceedings in its corporate name to the same extent as a natural person.
3. Adopt and use a common corporate seal and alter the same,

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provided, however, that such seal shall always contain the words "Corporation Not for Profit".

4. Elect or appoint such officers and agents as its affairs shall require, and allow them reasonable compensation.

5. Adopt, change, amend and repeal By-Laws, not inconsistent with law or its Articles of Incorporation, for the administration of the affairs of the corporation and the exercise of its corporate powers.

6. Increase, by a vote of its members cast as the By-Laws may direct, the number of its Directors, managers or trustees so that the number shall not be less than three (3), but may be any number in excess thereof.

7. Make contracts and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage and pledge of all or any of its property, franchises or income.

8. Conduct its affairs, carry on its operations and have offices and exercise the powers granted by this part in any state, territory, district or possession of the United States or any foreign country.

9. Purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use or otherwise deal in and with real or personal property, or any interest therein, wherever situated.

10. Sell, convey, mortgage, pledge, lease, exchange, transfer

or otherwise dispose of all or any part of its property and assets.

11. Purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose of and otherwise use and deal in and with, shares and other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associates, partnerships or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district municipality or of any instrumentality thereof.

12. Lend money for its corporate purposes, invest and reinvest its funds and take and hold real and personal property as security for the payment of funds so loaned or invested.

13. Have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is organized.

ARTICLE XIII - CORPORATE EARNINGS

No part of the net earnings of this corporation shall inure to the benefit of any member or individual, except through the acquisition, construction, management, maintenance or care of the Association property, or through the rebate of the excess membership dues, fees or assessments. In the event of the liquidation or dissolution of the corporation, whether voluntary or involuntary, no member shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance

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of all money and other property received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed, subject to any property Order of a Court of competent jurisdiction exclusively for purposes within those set forth in Article II of this certificate, and as provided by the U.S. Internal Revenue Code and its regulations as the same now exist, or as they may be hereafter amended from time to time.

IN WITNESS WHEREOF, WE, the undersigned, being the original subscribers to the capital stock of this Corporation, for the purpose of forming a Corporation under the Laws of the State of Florida, do make and file this Certificate of Incorporation, hereby declaring and certifying that the facts herein stated are true, and do respectively agree to take the number of shares of stock hereinabove set forth, and accordingly hereunder have set our hands and seals this 5th day of September, 1990.

Gene White
GENE WHITE

Sarah E. White
SARAH E. WHITE

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STATE OF FLORIDA)
COUNTY OF VOLUSIA) SS:

BEFORE ME, the undersigned authority, this day personally appeared GENE WHITE, and SARAH E. WHITE, to me well known to be the persons described in and who executed the foregoing Articles of Incorporation, and acknowledged before me that they executed the same for the purposes expressed therein as their voluntary act and deed, and that the facts set forth therein are true and correct.

WITNESS my hand and official seal in the County and State last aforesaid this 5th day of September, 1990.

Debra A. Tabit

NOTARY PUBLIC
State of Florida at Large

My Commission Expires: 11-1-93

NOTARY PUBLIC, STATE OF FLORIDA,
MY COMMISSION EXPIRES: NOV. 1, 1993,
BONDED THRU NOTARY PUBLIC UNDERWRITERS,

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CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN THIS STATE,
AND NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

FILED
SEP 12 PM 12:16
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.

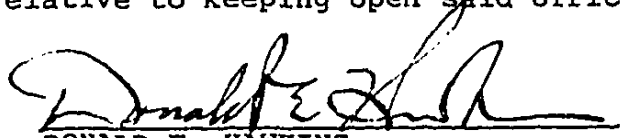
(A Non-Profit Florida Corporation)

In compliance with Section 48.091, Fla.Stat., the following
is submitted:

That SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC., a
non-profit Florida corporation, desiring to organize under the laws
of the State of Florida, with its principal office as indicated in
the Articles of Incorporation at the City of Daytona Beach, County
of Volusia, State of Florida, has named DONALD E. HAWKINS, 501
South Ridgewood Avenue, Daytona Beach, Volusia County, Florida, as
its agent to accept service of process within this State.

ACKNOWLEDGEMENT

Having been named to accept service of process for the 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 Act relative to keeping open said office.


DONALD E. HAWKINS
Registered Agent

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BY-LAWS
OF
SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.

(A corporation not for profit under
the laws of the State of Florida.)

ARTICLE I

IDENTITY

1.1 Name. The name of the Association is SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.

1.2 Location. The principal office of the Association shall be located in Volusia County, Florida, but it may maintain other offices for the transaction of business at such places as the Board of Directors ("The Board") may from time to time determine.

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

1.4 The seal of the corporation shall bear the name of the corporation, the word "Florida", and the year of incorporation.

ARTICLE 2

PURPOSE

2.1 The purpose for which the Association is organized is to provide an entity to carry out and accomplish the purposes described in the Declaration of Covenants and Restrictions for Sugar Mill Plantation, Phase I, and to undertake such management, maintenance, operation, ownership and other duties with respect to the subdivision described in the above Declaration and to any other land or property which may be submitted to said Declaration in accordance therewith.

ARTICLE 3

MEMBERSHIP, VOTING, QUORUM, PROXIES

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3.1 The qualification of members, the manner of their admission to membership and termination of such membership and voting by members, shall be as set forth in Article III of the Articles of Incorporation of the Association. The provisions of said Article III of the Articles of Incorporation are incorporated by reference.

3.2 At members' meetings, a quorum shall consist of the persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Covenants and Restrictions, the Articles of Incorporation, or other provisions of these By-Laws. Members represented by a valid proxy shall also be counted for the purpose of determining a quorum. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

3.3 Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

3.4 During any period in which a lot or lots shall be in default in the payment of any assessments levied by the Association, the voting rights of such member and the right of the occupants of such lot or lots to use the Association's facilities may be suspended by the Board of Directors until such dues have been paid. Such rights may also be suspended, for a period not to exceed 30 days for violation of any rules and regulations established by the Board of Directors.

ARTICLE 4

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

4.1 The Annual members' meeting shall be held at such place in Volusia or Flagler County, Florida, as shall be designated by the Board of Directors, at 7:30 o'clock P.M., Eastern Standard Time, on the 2nd Monday in January of each calendar year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that is that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

4.2 Special members' meetings 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 written request from members of the Association owning lots to which a majority of the total votes of the Association membership are pertinent.

4.3 Notice of all members' meetings, stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. 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 not less than ten days nor more than 30 days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meetings may be waived before or after meetings.

4.4 Voting. The person entitled to cast the votes appurtenant to a particular parcel shall be as provided in Article IV, Section 4.2 of the Declaration of Covenants and Restrictions, which section is incorporated herein.

4.5 Adjourned meetings. If any meeting of members cannot be organized because a quorum is not present, the members who are present,

either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

ARTICLE 5

BOARD OF DIRECTORS

5.1 The Board of Directors of the Association shall consist of three (3) persons, who need not be members of the Association, and who may be authorized representatives, officers or employees of a corporate member of the Association. The Class "B" member shall have the right to designate and select all of the members of the Board of Directors of the Association until January 1, 1993, and thereafter shall designate a majority of the persons to serve on the Board of Directors until the termination of the Class "B" membership as provided in Article III of the Articles of Incorporation and in Article IV, Section 4.2 of the Declaration of Covenants and Restrictions Bulow Sugar Mill Plantation, Inc.

5.2 Selection of Directors shall be conducted in the following manner:

(a) The Class "B" member shall, at the beginning of the election of the Board of Directors, designate and select the members of the Board of Directors that it shall be entitled to designate in accordance with the provisions of the Articles of Incorporation, and upon such designation and selection by the Class "B" member by written instrument presented to the meeting at which such election is held, the individual so designated and selected by the Class "B" member shall be directors of the Association for all purposes, and shall henceforth perform the offices and duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

(b) The member or members of the Board of Directors whom the Class "B" member shall not be entitled to designate and select shall be elected

by a majority of the votes cast at the meeting of the Association immediately following the designation and selection of the members of the Board of Directors whom the Class "B" member shall be entitled to designate and select.

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(c) Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining directors, except that should any vacancy in the Board of Directors occur in any directorship previously filled by any person designated and selected by the Class "B" member, such vacancy shall be filled by the Class "B" member designating and selecting, by written instrument delivered to any officer of the Association, the successor director to fill the vacated directorship for the unexpired term thereof.

(d) The term of office of each directors selected by the Class "A" membership shall be one year, and the term of office of the directors selected by the Class "B" member shall be as provided in the Articles of Incorporation.

(e) Voting for directors shall be non-cumulative.

(f) In the event that the Class "B" member, in accordance with the right and privilege to it, selects any person or persons to serve on any Board of Directors of Association, the said Class "B" member shall have the absolute right at any time, in its sole discretion to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacement of any person or persons designated by the Class "B" member to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or person designated as successor or successors to the persons so removed from said

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Board of Directors. The removal of any director and the designation of the successor shall be effective immediately upon delivery of such written instrument by the Class "B" member to any officer of the Association.

5.3 The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors, at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present. The outgoing President of the Board of Directors will preside over said organizational meeting until the new officers are appointed.

5.4 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. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

5.5 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 votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

5.6 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.

5.7 A quorum at a directors' meeting shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors,

except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Covenants and Restrictions. If any Directors' meeting cannot be organized because a quorum has not attended, or because a greater percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Covenants and Restrictions. If any Directors' meeting cannot be organized because a quorum has not attended, or because a greater percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Covenants and Restrictions, the Directors who are present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the present of such Director for the purpose of determining a quorum.

5.8 The presiding officer of Directors' meetings shall be the President, and, in his absence, the Vice President shall preside.

5.9 All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under common law and the statutes, the Articles of Incorporation of the Association, these By-Laws and the Declaration of Covenants and Restrictions, and shall include, without limiting the generality of the foregoing, the following:

(a) To make, levy and collect assessments against members and members' lots to defray the costs of the Association and to use the proceeds of said assessments in the exercise of the powers and duties granted to the Association;

(b) The maintenance, repair, replacement, operation and management of the Association property whenever the same is required to be done and

accomplished by the Association for the benefit of its members;

(c) The reconstruction of improvements after casualty, and the further improvement of the property of the Association, both real and personal;

(d) To make and amend regulations governing the use of the Association property, so long as such regulations do not conflict with the restrictions and limitations which may be placed upon the use of the property under the terms of the Articles of Incorporation and the Declaration of Covenants and Restrictions;

(e) To acquire, operate, manage and otherwise deal with property, real and personal, as may be necessary or convenient in the operation and management of the Association, and in accomplishing the purposes set forth in the Declaration of Covenants and Restrictions;

(f) To contract for the management of the Association and to delegate to such contractor all of the powers and duties of the Association and its Board of Directors, excepting only those specifically required by the Articles of Incorporation or the Declaration of Covenants and Restrictions to have the approval of the Board of Directors of the membership of the Association;

(g) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Covenants and Restrictions and the regulations hereafter promulgated governing use of the Association property and the lots subject to assessment;

(h) To pay all taxes and assessments which are liens against any part of the Association property, and to assess the same against the members and their respective lots;

(i) To carry insurance for the protection of the Association against casualty and liability;

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(j) To employ personnel for reasonable compensation to perform the services required for proper administration of the Association.

5.10 The undertakings and contracts authorized by the Board of Directors, all or a majority of whom may be selected by the Class "B" membership, shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors elected by the membership as a whole, so long as the undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with the Articles of Incorporation.

ARTICLE 6

OFFICERS

6.1 The executive officers of the Association shall be a President, who shall be a director, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors at any meeting. Any person may hold two or more offices except that the President shall not be also the Secretary, an Assistant Secretary, or the Vice President. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

6.2 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.

6.3 The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also

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shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

6.4 The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

6.5 The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

6.6 The compensation of any employee of the Association shall be fixed by the Directors. The Board of Directors is not precluded from employing a director as an employee of the Association and compensating him as an employee, nor precluded from contracting with a director for the management of the condominium.

ARTICLE 7

FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Covenants and Restrictions and Articles of Incorporation shall be supplemented by the following provisions:

7.1 The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each lot. Such an account

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shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

7.2 Budget. The Directors shall adopt a budget for each calendar year that shall contain estimates of the cost of performing all functions of the Association, and shall designate in such budget the proposed assessment against each lot.

(a) Copies of the proposed budget and proposed assessment shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors at any time in their sole discretion to levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

(b) The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

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(c) Fidelity bonds may be required by the Board of Directors from all officers, employees or any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

ARTICLE 8

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of all Association meetings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of Florida.

ARTICLE 9

AMENDMENTS

These By-Laws may be amended in the following manner:

9.1 Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the directors, or by members of the Association owning lots to which there are appurtenant at least 25% of all votes of the entire membership, whether meeting as members or by instrument in writing signed by the proposing members.

9.2 Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting

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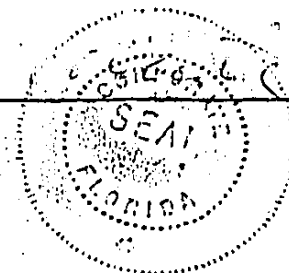
in the same form and in the same manner as notice of the call of a Special Meeting of the members if required as herein set forth.

9.3 In order for such amendment or amendments to become effective, the same must be approved by the affirmative vote of members owning lots to which there are appurtenant at least half of the total votes of the entire membership. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Volusia County, Florida, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

9.4 At any meetings held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

9.5 Notwithstanding the foregoing provisions of this Article 9, no amendment to these By-Laws which shall abridge, amend or alter the right of the Class "B" member to designate and select members of each Board of Directors of the Association may be adopted or become effective without the prior written consent of the Class "B" member. The foregoing were adopted as the By-Laws of the Sugar Mill Plantation Homeowners' Association, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of subscribers and directors, on September 19, 1990.

PRESIDENT



JOINDER AND CONSENT OF MORTGAGEE IN
DECLARATION OF COVENANTS AND RESTRICTIONS
BULOW SUGAR MILL PLANTATION, INC.
AND NOTICE OF PROVISIONS OF
SUGAR MILL PLANTATION HOMEOWNERS' ASSOCIATION, INC.

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SUN BANK OF VOLUSIA COUNTY, the owner and holder of a mortgage encumbering the land described in the Declaration of Covenants and Restrictions Bulow Sugar Mill Plantation, Inc. and Notice of Provisions of Sugar Mill Plantation Homeowners' Association, Inc., to which this Joinder is attached, hereby consents to and joins in the said Declaration thereof and agrees that the lien of its mortgage, to the extent of the encumbrance upon the land described in the Declaration of Covenants and Restrictions Bulow Sugar Mill Plantation, Inc. and Notice of Provisions of Sugar Mill Plantation Homeowners' Association, Inc. and Exhibit A attached hereto, shall be upon the platted subdivision of Sugar Mill Plantation, Phase I, according to the Declaration thereof, together with all of the appurtenances, including, but not limited to, any common elements appurtenant to the platted subdivision so encumbered and to the undivided shares of the common elements and the undersigned further acknowledges that upon recordation in the Public Records of Volusia County, Florida, the covenants and restrictions shall run with the land.

Nothing contained herein shall be deemed to or in any way limit or affect the mortgage held by SUN BANK OF VOLUSIA COUNTY, or the priority of the lien created thereby and the sole purpose

Exhibit "D"

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of this Joinder is to acknowledge the consent of said Mortgagee to the Declaration of Covenants and Restrictions Bulow Sugar Mill Plantation, Inc. and Notice of Provisions of Sugar Mill Plantation Homeowners' Association, Inc. as hereinabove provided.

IN WITNESS WHEREOF, the undersigned has caused this Joinder and Consent to be executed this 14th day of September, 1990.

WITNESSES:

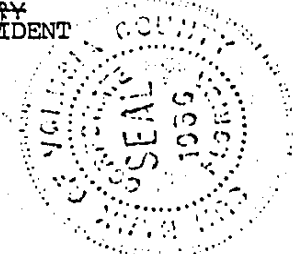
Maie Hinton
David Marks

SUN BANK OF VOLUSIA COUNTY

BY: [Signature]

ATTEST: [Signature] V.P.
SECRETARY
VICE PRESIDENT

(CORP. SEAL)



STATE OF FLORIDA
COUNTY OF VOLUSIA

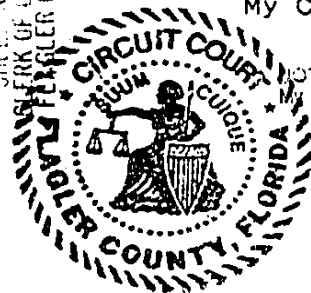
The foregoing instrument was acknowledged before me by RICHARD G. LUCE as Vice President and DAVID R. PIJOT as Secretary of Sun Bank of Volusia County, a Florida corporation, on behalf of the corporation for the purposes therein expressed.

WITNESS my hand and seal in the State and County aforesaid this 13th day of September, 1990.

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FILED & RECORDED
O.R. BOOK 438 PAGE 688

90 SEP 20 P3:11

[Signature]
CLERK OF CIRCUIT COURT
VOLUSIA COUNTY, FLA.



Maie Hinton
Notary Public, State of Florida,
at Large

My Commission Expires:

NOTARY PUBLIC, State of Florida at Large
Commission Expires July 25, 1993

