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 Bill Kinsaul, Clerk Bay County, Florida Deputy Clerk DL Trans # 1438727

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**DECLARATION OF COVENANTS AND RESTRICTIONS  
 FOR SUGAR SAND**

THIS DECLARATION, made this 7<sup>th</sup> day of December, 2017, by FARMDALE, LLC, a Florida Limited Liability Company, hereinafter called "Developer".

W I T N E S S E T H:

WHEREAS, Developer owns certain land in Bay County and is developing Sugar Sand, a subdivision development (hereafter the "Project"); and

WHEREAS, the Project is a 64 lot single family residential project depicted upon one or more plats to be recorded in the public records of Bay County, Florida (all such plats being sometimes collectively referred to herein as "Sugar Sand").

NOW, THEREFORE, the Developer declares that the real property described in Exhibit A (the "Property") is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration, restrictions, easements, charges and liens hereafter provided in the Declaration of Covenants and Restrictions for Sugar Sand ("Declaration") hereinafter set forth.

**ARTICLE I  
 DEFINITIONS**

Section 1.1 The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

- (a) "Architectural Guidelines" refers to the Architectural Review Process, Builder & Contractor Standards and Pattern Book for the Sugar Sand Project.
- (b) "Articles" shall mean and refer to the Articles of Incorporation of the Association.
- (c) "Association" shall mean and refer to Sugar Sand Homeowners Association, Inc., a not-for-profit Florida corporation, as described in the Articles of Incorporation of the Association.
- (d) "Builder" shall mean and refer to purchasers of one or more Lots that are engaged in the regular business of constructing residential buildings and that intend to construct homes on the Lots purchased within the Project or that intends to re-sell the Lots to a person or entity engaged in such business.
- (e) "By-Laws" shall mean and refer to the By-Laws of the Association.
- (f) "Common Area" shall mean all of the area so designated on the Plat, in this Declaration or in the Bylaws, or otherwise designated as such in an instrument executed by the Developer and recorded in the public records of Bay County, Florida. Not later than the end of the Development Period, the Developer will convey the Common Area to the Association by quit claim deed, or assignment of easement as the case may be, free and clear of any liens.
- (g) "Common Expense" shall mean and include all of the line items for the budget as set forth in the Bylaws, and the Common Expenses mentioned in the Articles and elsewhere in this Declaration, including but not limited to the following: all of the costs of operating, maintaining, repairing and replacing the Common Areas and any property belonging to or being operated by the Association, including areas outside of Common Areas, such as but not limited to areas subject to permits that benefit the Project issued by the Florida Department of Environmental Protection, U.S. Army Corps of Engineers or U.S. Fish

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and Wildlife Service, regardless of whether inside of or outside of Project boundaries; the operation and maintenance of any storm water management facilities serving the Project, whether located in the Common Area or otherwise; such maintenance shall be in accordance with applicable permit(s); the front gate at the entrance of the Project as well as the electricity and water for landscaping and the landscaping itself; street lighting, including associated lease expense, if any, and electricity for street lights; the rental cost, if any, associated with any fire hydrant located on the Property; liability and casualty insurance, as well as directors and officers liability insurance; the amounts and particular coverages shall be matters for determination within the sound business judgment of the directors of the Association; and the cost of operating and management of the Association.

(h) "Conservation Easement" or "Conservation Easements" mean and refer to the Conservation Easements described in Article VI, Sections 6.3(a) and 6.3(b) of this Declaration.

(i) "Developer" shall mean and refer to Farmdale, LLC, a Florida Limited Liability Company, its successors and assigns.

(j) "Development Period" shall mean and refer to the period beginning with the recording of the Declaration the public records of Bay County, Florida, until the Developer has transferred control of the Association to Owners other than the Developer, as prescribed by Ch. 720.301, et. seq., Florida Statutes.

(k) "Environmental Resource Easement" or "Environmental Resource Easements" mean and refer to the Environmental Resource Easements described in Article VI, Sections 6.4(a) and 6.4(b) of this Declaration.

(l) "Governing Documents" shall mean this Declaration, Articles and Bylaws of the Association, Conservation Easements, Environmental Resource Easements, Architectural Guidelines, Regulations, Plat, and Budget for the Association.

(m) "Home" shall mean and refer to any house, situated upon a Lot. A "Home" shall be deemed to exist when a "Certificate of Occupancy" or equivalent has been issued for it.

(n) "Lot" shall mean and refer to any of the lots described in Exhibit A, as it may be amended from time to time, and the plural shall mean and refer to all of said lots.

(o) "Member" shall mean and refer to all of the persons or entities who are members of the Association, as provided in Article III, Section I, hereof.

(p) "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot or Home. A mortgagee under a mortgage encumbering any Lot or Home shall not be considered an Owner unless and until such mortgagee has acquired record title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(q) "Lot Owner" shall mean the owner of any lot at Sugar Sand.

(r) "Plat" shall refer to the recorded plat of the Project.

(s) "Project" refers to Sugar Sand.

(t) "Project Ecologist" refers to the professional with special expertise with regard to the various regulatory permits under which the Project is required to operate and that will review plans for Lot development for compliance with such regulatory permits.

(u) "Property" refers to the real property described on Exhibit A, attached hereto as amended from time to time.

(v) "Sugar Sand" refers to the Project

(w) "Utility Services" refers to utility services provided to Sugar Sand, including but not limited to electricity, gas, water, trash disposal, sewer, telephone, cable television, voice and data service. Additionally, the Association Board of Directors shall have the authority to negotiate master contracts for any of the foregoing types of utility services for service to individual Lots and their Lot Owners, when in the judgment of the Board of Directors it is determined to be in the best interest of the Owners to do so. In such event, the expense of such master contract shall be billed as a Common Expense of the Association where the burden of payment is expected to fall equally upon each Lot Owner, but if the level of service and level of cost may vary from Lot Owner to Lot Owner, then such expense will not be a Common Expense of the Association. Rather, the Association may serve as a single point of billing and collection as a matter of convenience to the utility and the Lot Owners to facilitate handling the purchase of such service on a bulk basis, with each Lot Owner's actual charges for such service being added to that Owner's bill for Association assessments.

## **ARTICLE II**

### **PROPERTY SUBJECT TO THIS DECLARATION**

**Section 2.1 Existing Property.** The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Bay County, Florida, and is the Property, more particularly described on Exhibit A, attached hereto, as it may be amended from time to time. The Property consists of Lots, as described on the Plat, and Common Areas labeled on the Plat as:

Tract A- Common Area Conservation and Wildlife Habitat,  
Tract B-Common Area Wildlife Corridor,  
Tract C-Common Area Wildlife Habitat,  
Tract D- Common Area Wildlife Corridor,  
Tract E-Common Area Beach Access Dune Walkover,  
Tract F- Common Area Wildlife Corridor,  
Tract G- Common Area Wildlife Corridor,  
Tract H-Common Area Stormwater Pond, Private  
Tract J- Common Area Conservation and Wildlife Habitat, and  
Tract K-Lift Station.

**Section 2.2 Additions to Existing Property.** Developer reserves the right to amend this Declaration from time to time to add property that is adjacent to the Project, subjecting same to this Declaration and submitting same to the jurisdiction of the Association. This right may be exercised in Developer's sole discretion, before or after transfer of control of the Association, and with no requirement of a vote of the membership or joinder of any Lot Owner, or any lienholder holding a lien on any Lot. Except as otherwise provided in this Section, all parties having a record interest in the property to be added and all parties having a record interest in any mortgage encumbering the property being added must either join in the execution of such amendment or execute, with the requirements for deed, and record, a consent to such amendment or to an agreement subordinating their interest to such amended Declaration.

## **ARTICLE III**

### **MEMBERSHIP AND VOTING RIGHTS**

**Section 3.1 Association Membership.** Every person or entity who owns fee simple title to a Lot at Sugar Sand shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

**Section 3.2 Association Voting Rights.** The voting rights of the Members in the Association shall be as provided in the By-Laws of the Association.

**ARTICLE IV**  
**COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 4.1 Creation of the Liens and Personal Obligations of Assessments. Each Lot Owner within the Project hereby Declaration and by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to personally covenant and agree to pay to the Association:

- (a) Annual assessments based on the annual budget for Common Expenses adopted in the manner provided for in the By-Laws; and
- (b) Special assessments for Common Expenses as fixed and established from time to time as hereinafter provided.
- (c) All amounts due the Association by reason of charges or expenses chargeable to a Lot Owner because of the provisions of this Declaration, the Articles or Bylaws.
- (d) The annual and special assessments, together with such interest and cost of collection as hereinafter provided, shall be a charge and continuing lien on each Lot against which it is made. Each such assessment, together with such interest and cost of collection as hereinafter provided, shall also be the personal obligation of the person or entity that was the Owner of such property at the time when the assessment became due.

Section 4.2 Purpose of Annual and Special Assessments. The annual and special assessments levied by the Association on each Lot, in equal proportionate shares, shall be used for the purpose of promoting the health, safety, enjoyment and welfare of the Owners of Lots and for the payment of Common Expenses.

Section 4.3 Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence on the date when the Developer has substantially completed installation of all horizontal infrastructure for the Project, as confirmed by the Board of Directors of the Association, herein called the "Date of Commencement".

(a) Annual Assessments shall be levied for each calendar year, or the balance of the first calendar year in which it is imposed, and shall be due in quarterly installments on the first day of each calendar quarter. Provided, however, the Board of Directors, by motion passed at any regular or special meeting thereof with a quorum present, may determine that assessments shall be collected in other installments, such as monthly or annual installments.

(b) The amount of the first annual assessment shall be an amount which bears the same relationship to the annual assessment provided for in this Article as the number of days remaining in the year of the first annual assessment (from and including the month of the Date of Commencement) bears to three hundred sixty-five. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

Section 4.4 Annual Assessment. The annual assessment for the initial year of operation of the Association shall be as follows:

(a) For each Lot \$2,500.00, annually, \$625.00, quarterly. Special assessments and individual assessments could also apply from time to time, and when applicable, they would be in addition to the annual assessment.

(b) For convenience, the Association may round off assessments for each Lot, up or down, provided the rounding difference involved is not more than \$10.00. The annual assessments are subject to proration as elsewhere provided in this Article, and are subject to increase or decrease in subsequent years as provided herein below.

(c) While the Developer is in control of the Association, the Developer is excused from payment of its share of the operating expenses and assessments related to its Lots and in lieu thereof will pay any operating expenses incurred that exceed the assessments receivable from other Members and other income of the Association, including but not limited to operating capital contributions to the Association; provided, in any event, the Developer shall not be obligated to pay for repairs, replacements or other losses or damage occasioned by Acts of God, casualty losses, emergencies or other contingencies that are outside the realm of usual operating expenses or are not usually included in the annual budget of the Association. The period of guarantee, unless extended as hereafter provided, shall terminate not later than two (2) calendar years thereafter or upon transfer of control of the Association to Lot Owners other than the Developer, whichever occurs first. During this period, the Developer guarantees that the Assessments for Common Expenses imposed on the Lot Owners other than the Developer shall not increase over the following dollar amount per Lot per quarter: \$625.00. The Developer shall pay any amount of Common Expenses incurred during the period and not produced by the Assessments at the guaranteed level receivable from other Lot Owners. Upon termination of this guarantee, the Developer shall pay Assessments for Common Expenses for Lots owned by the Developer. Notwithstanding anything to the contrary herein provided regarding the expiration of the guarantee period, the Developer may extend the initial two year guarantee period (or subsequent guarantee periods) to provide one or more additional one or two year guarantee periods upon like terms and conditions as herein provided. To effect such extension, Developer shall file written notice thereof with the Secretary of the Association who shall file or cause said notice to be filed with the minutes of the Association's Board of Directors.

Section 4.5 Special Assessments. In addition to the annual assessments referred to in this Article, the Association may levy in any assessment year a special assessment, applicable to the time required for payment. Such special assessment may be adopted in the manner provided for in the By-Laws.

Section 4.6 Change in Annual Assessments. Subject to any limitations elsewhere provided, the Association may increase or decrease from year to year the amount of the annual assessments for the Project as necessary to defray the Project common expenses. Additionally, an annual assessment may be amended by adopting an amended budget during any budget year.

Section 4.7 Individual Assessments. The Board of Directors is authorized to impose individual charges on Lots and Lot Owners for expenses that are specific to their particular Lot. Such charges are the joint and several obligation of each Lot Owner. To secure the payment of individual assessments, the Association has a lien on the Lot of the Owner on which such charges are imposed. The charges may be collected in the manner that other debts owed to the Association are collected and the Association's lien for individual assessments may be foreclosed in the manner in which mortgages on Lots are foreclosed. Individual assessment liens secure the individual charge involved, interest on such charge at the same rate applicable to interest on unpaid general and special assessments, as well as all costs of collection, including attorney fees incurred by the Association whether suit be filed or not. The notice provisions applicable to general and special assessment liens shall apply also to individual assessment liens. Charges for non-compliance with provisions of this Declaration and regulations of the Association are designated individual assessments. Charges for individual owner contributions for beach mouse habitat maintenance are also designated individual assessments. The Association may designate other individual charges as individual assessments.

(a) Charges and Liens to Cure Owner Non-Compliance. Individual charges and liens may be imposed by the Board of Directors on Owners who fail to carry out any duty or obligation (other than payment of assessments, whether annual or special) or who fail to comply with any covenant or restriction applicable to the Owner. For example, if an Owner failed to comply with the bear proof trash receptacle requirement found in the Architectural Guidelines, Tyndall Air Force Base Restrictions, and the Association expended funds to bring the Lot Owner's trash receptacle into compliance, then after the notice from the Board as elsewhere provided, the Board would be authorized to charge the cost of the remedial action to the offending Lot Owner. If not paid, the Board, is authorized to impose an individual assessment lien to collect same, as provided above. Notwithstanding the foregoing, the Board of Directors may not impose a lien to recover any fines or other forms of punitive monetary damages.

(b) Charges and Liens for Payment of Beach Mouse Habitat Maintenance. Pursuant to Environmental Resource Easements that are for the benefit of the Project, individual Lot Owners are required to contribute to the expenses of maintaining the habit of the St. Andrews beach mouse ("SABM"). The location of the

Project is within the existing habitat of the SABM. The Association's interpretation of the permit conditions for development of the Project within the habitat of the SABM is that such contributions are not required to be made until a certificate of occupancy has been issued for a home constructed on a Lot. Once due, such contributions will be an annual expense of each such Lot Owner. The annual contribution amount that regulatory authorities have initially set is \$120.00, but that amount could be changed in the future by regulatory authority. The Association will bill each affected Owner annually and will remit same to the regulatory agency involved. Notwithstanding the foregoing, the Developer has agreed during the Development Period to pay each Lot Owner's annual charge for beach mouse habitat maintenance, and for convenience, the Association shall during this period bill the Developer for such Owners' annual contribution. At the end of the Development Period, each Lot Owner shall pay from his or her own funds the charges for beach mouse habitat maintenance, and upon failure to pay as required, the Association may impose an individual charge and assessment lien and enforce it as provided above.

Section 4.8 Duties of the Board of Directors. The Board of Directors of the Association shall fix the Date of Commencement and the amount of any assessment for any assessment period and shall provide notice thereof to the Lot Owners and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be open to inspection by any Owner. The Association shall, within the time limits set forth for furnishing or providing access to records considered to be "official records" of the Association, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member.

Section 4.9 Effect of Nonpayment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due, then such assessments shall become delinquent and shall, together with such interest and cost of collection as hereinafter provided, become a continuing lien on the Lot which shall bind such property in the hand of the then Owner, his heirs, devisees, personal representatives, successors and assigns. Each Lot Owner agrees that said Owner shall be personally liable for and promptly pay as and when due to the Association all assessments as provided herein and in the Articles of the Association and the By-Laws. Each Lot Owner agrees and understands that in the event that a Lot Owner fails to make payment as and when due, the Association shall have the right to record a lien against the Lot in the form of a statement signed by the President or Vice-President of the Association in recordable form. The Association shall have the right to enforce the lien in the manner provided under Florida law for foreclosure of mortgage liens. Each Lot Owner shall pay interest on the amount owed at the highest rate permitted by law and all court costs and attorney fees incurred in collection, including preparation and filing of any assessment lien, as well as all fees incurred in foreclosure of such lien. This lien shall be subordinate to the lien of mortgages recorded prior to recording of the lien hereunder, and also subordinate to a deed given to a mortgagee if and only if given in lieu of foreclosure of such prior recorded mortgage and in full satisfaction thereof. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the highest rate permitted by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property (or both) and there shall be added to the amount of such assessment, all costs of collection, including but not limited to the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney fee to be fixed by the Court together with costs of the action.

Section 4.10 Working Capital Contribution. Each purchaser of a Lot from the Developer, including a purchaser that is a Builder, shall pay to the Association a sum equal to one quarter of the then annual assessment as a contribution towards operating capital of the Association. Such fee shall not be considered to be a prepayment of assessments otherwise due from an Owner to the Association.

Section 4.11 Association Owner Account Set Up Fee. When a purchaser takes title to his Lot in the Project, it is necessary for the Association to update its records and accounts of the Association to reflect the new information regarding such new Lot Owner. To help defray the cost of such updating, each new Lot Owner that acquires title from any source other than the Developer shall pay a one-time fee to the Association, such fee to be set from time to time by the Board of Directors, but initially such fee shall be in the amount of \$50.00.

Section 4.12 Lot Owner Liability. Where Lots are owned by more than one person or entity, liability for payment of assessments or liens created hereunder shall be the joint and several liability of each such Lot Owner. A

Lot seller's sale of his Lot to a Lot purchaser does not eliminate the Lot seller's liability for his unpaid assessments; rather, in such event, both the Lot seller and Lot purchaser are jointly and severally liable for such unpaid assessment. If Lot purchaser pays the assessment that was incurred during the Lot seller's ownership, and if there is no agreement to the contrary, the Lot purchaser shall have a cause of action against the Lot seller for the unpaid assessment incurred during the Lot seller's ownership, together with interest, costs and attorney fees incurred in collecting such amount.

Section 4.13 Association Responsibility. In addition to other responsibilities of the Association elsewhere provided, the Association has the responsibility for the operation and maintenance of any storm water management facilities serving the Project, whether located in the Common Area or otherwise; such maintenance shall be in accordance with applicable Florida Department of Environmental Protection permit(s).

## ARTICLE V

### PROJECT ARCHITECTURAL REVIEW COMMITTEE

Section 5.1 Architectural Objectives. The homes in the Project will be in the vernacular architectural tradition of the Florida Gulf Coast. The selection of natural materials, simple details, and clean lines will convey a visible respect for the landscape. Within this particular style, individual expression and diversity is encouraged. The chief concern is that the community be basically homogenous. Continuity of design character, however, is of major importance. To ensure that the Project is constructed as envisioned, owners are required to design their homes according to the Architectural Guidelines for Sugar Sand which are incorporated herein by reference.

(a) The Architectural Guidelines for Sugar Sand include a description of the Architectural Review Process, Builder & Contractor Standards and Pattern Book.

(b) All portions of the Architectural Guidelines shall have the same force and effect as the requirements of this Declaration, and it is the obligation of each Lot Owner, and any construction personnel entering on the Project, to comply with same.

Section 5.2 Appointment of Committee. There shall be appointed by the Developer during the Development Period, an Architectural Review Committee (the "ARC"), which committee shall consist of at least three voting persons and two non-voting persons, namely, a Project Architect and a Project Ecologist. After the Development Period, the appointments to the ARC shall be made by the Association Board of Directors. Directors serving on the Association Board of Directors are eligible to serve at the same time as members of the ARC. The ARC shall exercise the powers and authorities set forth in this Declaration as respects the Project, except that any litigation shall be brought in the name of the Association. The ARC is an official committee of the Association, and its records are considered part of the Official Records of the Association.

Section 5.3 Appointment of Project Architect. The Developer will appoint a Project Architect who will serve as a non-voting advisor to the ARC. The Project Architect will review the construction plans of Owners when they are submitted to the ARC, all with a view towards having the Owner's construction comply with the Architectural Guidelines. The cost of the Project Architect's services for reviewing plans of Owners will be paid solely from the Owner review fee and will not be a Common Expense of the Association.

Section 5.4 Appointment of Project Ecologist. To better enable the Project to self-regulate consistent with the environmental permits under which it operates, the Developer will appoint a Project Ecologist who will serve as a non-voting advisor to the ARC. Among other things, the Project Ecologist will monitor on-going site improvements and signage requirements and will review construction plans of Owners when they are submitted to the ARC, all with a view towards having the Project comply with the habitat goals for the St Andrew beach mouse ("SABM"). When construction on all Lots has been completed, and from time to time thereafter, the Project Ecologist will provide to the ARC, and others as required, a report on the then existing status of the habitat goals for the SABM. The cost of the Project Ecologist consulting services that are for the benefit of the Owners and the Association in general, and are not paid from fees charged to an Owner during his Lot design review process required by the Architectural Guidelines shall be Common Expenses and shall be paid by the Association.

Section 5.5 Modification and Amendment of Architectural Guidelines. The Architectural Review Committee is hereby delegated during the Development Period the power and authority to modify the Architectural Guidelines. Thereafter, the Architectural Guidelines may be modified only upon recommendation of the Board of Directors that is thereafter duly approved by a majority vote of the Owners at a duly called meeting of the owners, a quorum being present. Notwithstanding the procedures for amendment contained herein, but in addition thereto, the ARC has authority to grant waivers and variances from these restrictions and guidelines, as elsewhere provided.

Section 5.6 Review by ARC. By virtue of this Declaration, the ARC is granted and delegated all authority contemplated by the Architectural Guidelines and all ARC decisions and actions with respect thereto are final and binding on all interested parties and not subject to review or approval by the Association.

Section 5.7 Attorney Fees. In all litigation involving this Declaration, including the Articles and By-Laws attached as exhibits hereto, or incorporated by reference, such as the Architectural Guidelines for Sugar Sand, and any regulations promulgated by the Association pursuant to the Declaration, the prevailing party shall be entitled to collect and shall be awarded attorney fees and court costs.

## **ARTICLE VI** **EASEMENTS**

Section 6.1 Entrance Roadway. The entrance roadway as shown on the Plat ("Entrance Roadway") is a part of the Common Area of Sugar Sand. The Entrance Roadway is subject to an easement granted by Developer to Sugar Sand Partners, LLC, for its convenient use for ingress, egress and for utility purposes as appears at Official Records Book 3854 Page 1250, public records of Bay County, Florida.

Section 6.2 Utility Easements on the Plat. Easements are reserved as depicted on the Plat for the purposes and uses described thereon. Each utility shall have the duty to avoid conflicts with other utility services and facilities then installed. Additionally, the Developer, during the Development Period, and thereafter the Association, reserves the right to and may grant permits, licenses and easements over, under or upon portions of the Property, including Lots, for utility service or drainage or other purposes reasonably necessary or useful for the proper maintenance or operation of the Project or that otherwise serve to further the development of the Project.

Section 6.3 Conservation Easements. Two Conservation Easements have been recorded in the public records of Bay County, Florida which are beneficial to the Project.

(a) Farmdale, LLC Conservation Easement. The Farmdale, LLC, Conservation Easement is noted on the Plat and has been recorded at Official Records Book 3768, Page 1456, public records of Bay County, Florida. The expenses of the management plan for said Easement are the responsibility of the Association and are Common Expenses of the Association.

(b) Off-Site Conservation Easement. The Off-Site Conservation Easement has been recorded at Official Records Book 3768, Page 1424, public records of Bay County, Florida. The Off-Site Conservation Easement is beneficial to the Project and therefore the expenses of its management plan have been assumed by the Association and are Common Expenses of the Association.

Section 6.4 Environmental Resource Easements. Two Environmental Resource Easements have been recorded in the public records of Bay County, Florida which are beneficial to the Project.

(a) Farmdale, LLC Environmental Resource Easement. The Farmdale, LLC, Environmental Resource Easement is noted on the Plat and has been recorded at Official Records Book 3768, Page 1498, public records of Bay County, Florida. The expenses of the management plan for said Easement are the responsibility of the Association and are Common Expenses of the Association.

(b) Off-Site Environmental Resource Easement. The Off-Site Environmental Resource Easement has been recorded at Official Records Book 3768, Page 1516, public records of Bay County, Florida. The Off-Site



Environmental Resource Easement is beneficial to the Project and therefore the expenses of its management plan have been assumed by the Association and are Common Expenses of the Association.

Section 6.5 Notice of Conservation Easement and Environmental Resource Easement Requirements.

THE PROPERTY, AND CERTAIN OFF- SITE PROPERTY AREAS, ARE SUBJECT TO ONE OR MORE CONSERVATION EASEMENTS AND ENVIRONMENTAL RESOURCE EASEMENTS. THE ASSOCIATION HAS AN OBLIGATION TO ASSURE THE CONTINUED COMPLIANCE WITH SAID EASEMENTS, AND THE ASSOCIATION SHALL HAVE THE RIGHT TO BRING AN ACTION, AT LAW OR IN EQUITY, AGAINST ANY OWNER VIOLATING ANY PROVISION OF ANY SUCH EASEMENTS, INCLUDING ANY PROVISION OF THEIR RESPECTIVE MANAGEMENT PLANS. IN ADDITION, THE ASSOCIATION SHALL HAVE THE RIGHT TO PERFORM SUCH OTHER ACTIONS AS MAY BE REQUIRED OR PERMITTED UNDER SAID EASEMENTS IN ALL AREAS SUBJECTED TO SAID EASEMENTS. THE ASSOCIATION SHALL ASSUME THE PRIMARY OBLIGATION FOR COMPLYING WITH THE MANAGEMENT PLANS RELATIVE TO SAID EASEMENTS, BUT INDIVIDUAL OWNER COMPLIANCE IS ALSO REQUIRED AND EQUALLY IMPORTANT.

ANY OWNER OWNING A LOT WITHIN THE PROJECT SHALL BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO COMPLY WITH THE REQUIREMENTS APPLICABLE TO INDIVIDUAL LOT OWNERS WITH RESPECT TO SAID EASEMENTS, ANY PERMITS RELATED THERETO, THE MANAGEMENT PLANS (INCLUDING BIOLOGICAL OPINION CONDITIONS AND OBLIGATIONS) RELATED THERETO, ANY LAWS OR REGULATIONS RELATED THERETO, AND SHALL ALSO BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO COMPLY WITH ANY RESTRICTIONS AND PROHIBITIONS APPLICABLE TO INDIVIDUAL LOT OWNERS IMPOSED BY SAID EASEMENTS AND THEIR RESPECTIVE MANAGEMENT PLANS. IN THE EVENT THAT ANY OWNER VIOLATES THE TERMS AND CONDITIONS APPLICABLE TO INDIVIDUAL LOT OWNERS WITH RESPECT TO SAID EASEMENTS, THEIR MANAGEMENT PLANS, OR ANY LAW OR REGULATION RELATED TO THEM AND FOR ANY REASON THE DEVELOPER OR THE ASSOCIATION IS CITED THEREFOR, THE OWNER HEREBY AGREES TO INDEMNIFY AND HOLD THE DEVELOPER AND THE ASSOCIATION HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION ALL COSTS AND ATTORNEY FEES AS WELL AS ALL COSTS OF CURING SUCH VIOLATION. NO PERSON SHALL ALTER THE DRAINAGE FLOW OF THE SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM WITHOUT THE PRIOR WRITTEN APPROVAL OF THE ASSOCIATION, THE UNITED STATES ARMY CORP OF ENGINEERS (THE "ACOE"), AS THEIR INTEREST MAY APPEAR, OR THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (THE "FDEP") OR SUCH OTHER REGULATORY BODY EXERCISING JURISDICTION OVER SUCH EASEMENT AREAS.

The Developer during the Development Period, and thereafter the Association Board of Directors, reserves and is vested with the unilateral authority to specify more particularly the area of easements affecting any part of the Property, to have the easement areas surveyed, or to otherwise clarify their limits and the cost of same shall be a Common Expense of the Association. Such authority includes the authority to increase or decrease the burden on the burdened estates so long as such modification is consistent with the limitations imposed by the Conservation Easements and Environmental Resource Easements and their underlying regulatory permits and is in the furtherance of the development and/or operation of the Project in the sole judgment of the Developer, during the Development Period, and thereafter in the sole judgment of the Association Board of Directors.

Section 6.6 Owner Easements For Ingress, Egress, Utilities and Over Recreational Areas as Appurtenances.

Each Owner of a Lot shall have an easement for use and enjoyment over and across the Common Areas that are intended for Owner use and enjoyment such as but not limited to easements for ingress, egress, utilities and recreational purposes; for example, but without limitation, Common Areas include interior roadways, boardwalks, paths and dune walkovers. The Conservation Easements noted in Sections 6.3(a) and 6.3(b), above, are not available for use and enjoyment by Owners; rather, the areas encumbered have been set aside and subjected to restrictions and limitations which supersede and take priority over any other rights of Owners for use and enjoyment of Common Areas. The Environmental Resource Easements noted in Sections 6.4(a) and 6.4(b) above are for the protection of the habitat of the SABM and Owner uses and activities are limited to those permitted by those easements. Common Areas may be designated on the Plat, or may be designated by the Developer in an instrument recorded in the public

records of Bay County, Florida. The foregoing easements and other rights created herein for Owners shall be appurtenant to the Lot of that Owner and all conveyances of title to the Lot shall include a conveyance of the appurtenant easements and rights as are herein provided, even though no specific reference to such easements and rights appears in any such instrument.

Section 6.7 Rental Management and Beach Services Management. During the Development Period, the Developer reserves the right to designate the exclusive rental manager for any property rentals within Sugar Sand. Also during the Development Period, the Developer reserves the right to designate the exclusive provider of beach services within Sugar Sand. "Beach Services" include sale or rental of any product, service or equipment permitted by applicable land use or zoning regulations including but not limited to the following, to wit: equipment sales and rentals of beach chairs, beach umbrellas, floats, kayaks or paddle boards or surf boards, and the sale of beach related merchandise such as sunglasses or suntan products, food and refreshments which may include alcoholic beverages. The following are not permitted at Sugar Sand, and are not included in the term "Beach Services"; parasail, parasailing type services or activities or services or activities using jet skis or other personal watercraft. After the Development Period, the Association board of directors shall designate the exclusive rental manager for any property rentals within Sugar Sand and the exclusive provider of Beach Services for Sugar Sand Owners, their guests, tenants and invitees. These provisions are to assure consistent service for Sugar Sand. Developer reserves for itself, its successors and assigns, and for any person or entity that it designates that is providing Rental Management or Beach Services for Sugar Sand, non-exclusive easements for ingress and egress over and across the Common Areas for access to the beach and an easement for convenient storage of rental equipment used in providing Beach Services over and across the southernmost portion of Common Area Tract E and Lots 25-42 lying south of the vegetation line of said properties.

Section 6.8 Coastal Erosion. Coastal beaches may be subject to periodic erosion from tropical cyclones and severe storm events such that post event emergency measures are required or long term maintenance is recommended or desired.

(a) Easement for Emergency Measures. Developer reserves for itself, its successors and assigns, for the benefit of real property within the Project, a temporary easement for emergency measures, such as but not limited to ingress and egress to removal of storm debris and placement of erosion control devices that would be beneficial to real property within the Project. Such easement shall extend from the CCCL as shown on the Plat to the southernmost boundary of Project as the Primary Easement Area, including access thereto, but shall also extend over any other area of the Project as an Incidental Easement Area where such measures do not interfere with use of a Lot or the use of any Common Area. The Primary Easement Area shall also include the following real property not included in the Project, but owned by Developer: the area waterward of the southernmost boundary of the Project to the approximate mean high waterline of the Gulf of Mexico. Provided, however, any such emergency measures that impact the areas encumbered by the Conservation Easement or Environmental Resource Easement, as recorded in the public records of Bay County, Florida, must be approved by the entities holding enforcement rights with respect to those easements. This easement for emergency measures authorizes the Developer to grant permission to any governmental entity, or to any contractor or subcontractor acting under the direction of any governmental entity, to carry out the emergency measures on real property within the Project, subject to the limitations above. The rights of the Developer hereunder are assignable, and may be assigned to the Association.

(b) Easement for Publicly Funded Beach Protection Measures. Developer reserves for itself, its successors and assigns, for the benefit of real property within the Project, a perpetual easement for construction, repair and replacement of beach protection measures such as but not limited to dune construction or enhancement, beach restoration and renourishment according to plans for any public project for such measures. Such easement shall extend over and across an area whose northern boundary will be an erosion control line as described in 161.141, Florida Statutes, to be determined by an erosion control study performed as part of a public beach protection measures project, and shall extend waterward to the approximate mean high waterline of the waters of the Gulf of Mexico; part of such easement area is not included in the Project but is owned by Developer, namely: the area waterward of the southernmost boundary of the Project to the approximate mean high waterline of the Gulf of Mexico, but all of such easement area shall be waterward of the CCCL as shown on the Plat. Provided, however, any such beach protection measures that impact the areas encumbered by the Environmental Resource Easement, as recorded in the public records of Bay County, Florida, must be approved by the entities holding enforcement rights with respect to those easements. This easement for beach protection measures authorizes the Developer to grant

permission to any governmental entity, or to any contractor or subcontractor acting under the direction of any governmental entity, to carry out the beach protection measures on real property within the easement area for the beach protection measures, subject to the limitations above, and for the public's traditional uses of the addition to the sandy beach, consistent with Section 161.141, Florida Statutes. Notwithstanding such Developer power and authority, the Developer shall not exercise such power and authority unless the Owners, by majority vote, have determined that participation in such a public project is in the Owners' best interests. The rights of the Developer hereunder are assignable, and may be assigned to the Association. Agreement to participate in a publicly funded beach protection measure will be voluntary, and may be conditioned upon providing some benefit to the public from the expenditure of public funds and consistent with Section 161.141, Florida Statutes. Failure to participate may prohibit the use of public funds to pay for such beach protection measures.

(c) Easement for Privately Funded Beach Protection Measures. Developer reserves for itself, its successors and assigns, for the benefit of real property within the Project, a perpetual easement for construction, repair and replacement of beach protection measures such as but not limited to dune construction or enhancement, beach restoration and renourishment according to plans for any private project for such measures. Such easement shall extend over and across an area whose northern boundary will be a control line to be determined by a study performed as part of the private beach protection measures project, and shall extend waterward to the approximate mean high waterline of the waters of the Gulf of Mexico; part of such easement area is not included in the Project but is owned by Developer, namely: the area waterward of the southernmost boundary of the Project to the approximate mean high waterline of the Gulf of Mexico, but all of such easement area shall be waterward of the CCCL as shown on the Plat. Provided, however, any such beach protection measures that impact the areas encumbered by the Environmental Resource Easement, as recorded in the public records of Bay County, Florida, must be approved by the entities holding enforcement rights with respect to those easements. This easement for beach protection measures authorizes the Developer to grant permission to any entity, or to any contractor or subcontractor acting under the direction of any entity, to carry out the beach protection measures on real property within the easement area for the beach protection measures, subject to the limitations above. Notwithstanding such Developer power and authority, the Developer shall not exercise such power and authority unless the Owners, by majority vote, have determined that participation in such a private project is in the Owners' best interests. While public benefit from the expenditure of public funds would not be a condition for privately funded beach protection measures, private funding would have to be arranged, and that would be a consideration for the Owners in reaching a determination about whether or not such a private project would be in the Owners' best interest. The rights of the Developer hereunder are assignable, and may be assigned to the Association.

## **ARTICLE VII** **TYNDALL AIR FORCE BASE** **COMPATIBILITY COVENANTS & RESTRICTIONS**

Section 7.1 Tyndall Air Force Base. The Project is situated along the eastern border of Tyndall Air Force Base ("AFB"). In order to remain compatible with a continuation of Tyndall AFB's missions and operations, the Developer, its successors in interest, and the Association, acknowledge the existence of certain compatibility Declaration and restrictions ("Tyndall AFB Compatibility Declaration & Restrictions") which are detailed in the Architectural Guidelines.

Section 7.2 Force and Effect; Modification. All parts of the Architectural Guidelines, including the Tyndall AFB Compatibility Covenants & Restrictions, are hereby incorporated by reference into this Declaration the same as if fully set forth, and shall have the same force and effect as other covenants and restrictions that are set out in this Declaration. However, the Architectural Guidelines, including the Tyndall AFB Compatibility Covenants & Restrictions, are not subject to the Amendment process set forth in Article VIII below, but rather may be amended or otherwise modified in the manner provided for in the Architectural Guidelines.

## **ARTICLE VIII** **BUILDOUT REQUIREMENTS**

Section 8.1 Developer's Intent. It is Developer's intent to allow for development and to discourage speculation which results in empty Lots. Therefore, the Owner of a Lot must begin construction of a residence on the Lot, in accordance with plans and specifications approved by the Architectural Review Committee ("ARC"), within a limited period of time as described in Section 8.2, unless the deed or other recorded instrument from the Developer

modifies or releases the restriction as to that Lot. The right to enforce this Article VIII is held originally by the Developer, who may assign these rights at any time to the Association. The time limit for construction does not apply to any Lots held by the Developer. A residence shall be considered complete if it has received Final Construction Approval from the ARC.

#### Section 8.2 Construction Buildout Requirement.

(a) Start of Construction Requirement. Owner shall start construction of the residence on the Lot no later than the Required Commencement Date (as hereafter defined) and diligently pursue construction until completion, including landscaping. Unless otherwise specified on the deed or other recorded instrument executed by Developer ("Alternative Commencement Date"), the "Required Commencement Date" shall mean two years from the date of the deed conveying the Lot from the Developer to the Owner or the Owner's predecessor(s) in title, as may be the case. Owner must submit plans and begin the architectural review process in sufficient time to begin construction on time. Construction shall be considered to have started when laying the foundation is started or, if foundation piles are used in the foundation, when the first foundation pile is installed.

(b) Construction Completion Requirement. Owner shall complete construction of the residence on the Lot within thirty-six (36) months of the start of construction. Construction shall be considered completed for the purposes of Section 8.3(d) imposition of liquidated damages, when Final Construction Approval has been provided by the ARC. The Architectural Guidelines require, among other conditions, issuance by Bay County of a certificate of occupancy for the residence in order to obtain Final Construction Approval for a residence.

#### Section 8.3 Enforcement.

(a) Events of Default. If Owner fails to comply with the requirements of Section 4.2, then Developer shall have the right, but not the obligation, to repurchase the Lot for the amount set out in Section 8.3(b). These rights shall be in addition to the Developer's rights to enforce the terms and provisions of this Declaration as elsewhere provided.

(b) Repurchase Price. The repurchase price shall be equal to the amount paid by the Owner of the Lot (or Owner's predecessor(s) in title) to Developer for the original purchase of the Lot or the current fair market value of the unimproved Lot, whichever is less, plus the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the ARC. Any mortgage or lien on the Lot and all closing costs for the repurchase, along with resale fee of 10% shall be deducted from the amount paid to Owner by Developer. Lots repurchased by the Developer shall not be subject to any construction deadlines until re-sold by the Developer, at that point the construction deadlines will begin anew unless otherwise specified in the documents effecting the repurchase or resale.

(c) Time of Exercise. Unless Owner has obtained a release and satisfaction as provided in Section 4.1, and except as provided in Section 8.4, Developer may exercise its rights against Owner at any time up to four years after the Required Commencement Date. Developer may exercise its enforcement rights by recording, within four years after the Required Commencement Date, a lien or other notice of its intent to exercise its rights.

(d) Liquidated Damages. If Owner fails to comply with the requirements of Section 8.2(a) or 8.2(b), then Developer shall have the right to impose, and Owner is obligated to pay Developer, liquidated damages in the amount of 1% per month of the Lot purchase price paid by Owner to Developer ("Construction Commencement or Completion Liquidated Damages"). If Owner fails to comply with the requirements of Section 8.2(c), then Developer shall have the right to impose, and Owner is obligated to pay Developer, liquidated damages in the amount of \$200.00 per day ("Section 8.2(c) Liquidated Damages"). The Construction Commencement or Completion Liquidated Damages, as well as the Section 8.2(c) Liquidated Damages, are appropriate and necessary to address Owner's noncompliance because of the difficulty in ascertaining with precision the actual damages Developer will incur as a result of the breach of the construction commencement or completion deadlines or the deadline established by Section 8.2(c). The Construction Commencement or Completion Liquidated Damages, as well as the Section 8.2(c) Liquidated Damages, shall accrue on a daily basis, constitute a debt owed by the Owner, and shall become a lien on the Owner's Lot each day they accrue. The Construction Commencement or Completion Liquidated Damages, as well as the Section 8.2(c) Liquidated Damages, are due and payable without demand by the

Developer. The Construction Commencement or Completion Liquidated Damages constitute both damages and an increase in the consideration payable to the Developer for the Lot, given that the Developer would not have sold the Lot to the Owner for the price specified at the time of sale in the absence of the construction commencement and completion deadlines. The Owner's failure to commence or complete construction in a timely manner shall constitute a new breach of the requirements each day the failure continues, which shall result in the imposition of the Construction Commencement or Completion Liquidated Damages, and/or the Section 8.2(c) Liquidated Damages, each such day, as applicable. Owner may stop the accrual of the Construction Commencement or completion Liquidated Damages, and/or the Section 8.2(c) Liquidated Damages, by commencing or completing construction in accordance with Section 8.2(a) or 8.2(b), or by complying with the requirements of Section 8.2(c), as applicable. In the event the Owner conveys its interest in the Lot or the Owner's interest in the Lot is involuntarily sold or otherwise transferred or conveyed, the accrued Construction Commencement or Completion Liquidated Damages, as well as the Section 8.2(c) Liquidated Damages, shall remain a debt due and payable by the original Owner and shall remain a lien on the Lot; the Construction Commencement or Completion Liquidated Damages shall continue to accrue at a rate of 1% of the purchase price paid to Developer by the original Owner of the Lot; the Section 8.2(c) Liquidated Damages shall continue to accrue at a rate of \$200 per day; and the new Owner of the Lot shall be responsible for paying any additional Construction Commencement or Completion Liquidated Damages, as well as the Section 8.2(c) Liquidated Damages, that accrue following any such sale or transfer. Developer may seek to collect the Construction Commencement or Completion Liquidated Damages, as well as the section 8.2(c) Liquidated Damages, through any means available, including but not limited to action against any current or past Owner, action seeking foreclosure of the lien and payment of the damages through public sale of the Lot. In addition to the foregoing remedies, an Owner's deposit required by the ARC to be posted in connection with construction, or any part thereof, may be applied to pay any damages or liquidated damages owed by Owner to Developer, if not needed to remedy any part of an Owner's failure to comply with approved plans and specification.

(e) Suspension. The Developer and the Association, as applicable, shall have the right to suspend the voting rights of an Owner and the right to use the Common Areas by the Owner, his guests or invitees until the full payment of all obligations currently due or overdue; provided, however, such suspensions may not be imposed unless an obligation under this Article VIII is more than 90 days delinquent.

(f) Limited Exceptions Regarding Construction Commencement Liquidated Damages.

(i) If Owner fails to commence construction by the Required Commencement Date (or, if applicable, fails to commence construction by the Alternative Commencement Date), but Owner completes construction within the Total Time, then Developer will waive or refund to Owner any construction commencement liquidated damages that have accrued or have been paid. For example, for purposes of clarification only and without limitation, if Owner's commencement deadline is 24 months after the date of the deed from Developer, Owner's deadline to complete construction is 36 months after commencing construction, Owner commences construction on the thirtieth month (i.e. six months late), and Owner completes construction on the seventeenth month following commencement of construction (i.e. seven months early), then this particular Owner in this particular circumstance would not be subject to any construction commencement liquidated damages.

(ii) If Owner fails to commence construction by the Required Commencement Date (or, if applicable, fails to commence construction by the Alternative Commencement Date), but Owner completes construction prior to the expiration of 36 months from the date of commencement, and also exceeds the Total Time, Owner's construction commencement liquidated damages shall nonetheless be reduced to account for the completion of construction prior to the expiration of the 36 month construction completion period. For example, for purposes of clarification only and without limitation, if Owner's commencement deadline is 24 months after the date of the deed from Developer, Owner's deadline to complete construction is 36 months after commencing construction, Owner commences construction on the thirtieth month (i.e. six months late), and Owner completes construction on the thirty-second month following commencement of construction (i.e. four months early), then this particular Owner in this particular circumstance would be subject to construction commencement liquidated damages of only two months (six months late regarding commencement, minus four months early completion.)

(iii) Only for the purposes of this Section 8.3(f), the phrase "Total Time" means the time period for Owner to commence construction plus 36 months. For example, for purposes of clarification only and without limitation, if Owner's construction commencement deadline is 24 months after the date of the deed from

Developer, and Owner's deadline to complete construction is 36 months after commencing construction, then the Total Time for this particular Owner in this particular circumstance would be months from the date of the deed.

Section 8.4 Subordination to Mortgage.

(a) Effect. Developer agrees to subordinate its right of repurchase to a Mortgage under the terms of this section, which shall be effective whether or not noted in the deed. A Mortgagee in accepting a mortgage on a Lot subject to this right of repurchase agrees to these terms. Except as described in this section, Developer's right of repurchase shall not be subordinate to any other encumbrances.

(b) Mortgage Foreclosure. If Mortgagee files a foreclosure of its mortgage or accepts a deed in lieu of foreclosure before the Required Commencement Date or within three years thereafter and a release and satisfaction has not been recorded as provided in Section 8.1, Developer shall be notified of the foreclosure action or conveyance. Developer's rights of enforcement under Section 8.3 shall not be extinguished by foreclosure or deed in lieu of foreclosure but shall continue as a restriction on the Lot.

(c) Extension. If Mortgagee has acquired title through a foreclosure or a deed in lieu, then Mortgagee may give notice to Developer that it wishes to extend the Required Commencement Date or, if construction has begun, extend the time for construction. Developer shall be given thirty (30) days after such notice from Mortgagee in which to exercise a repurchase right by payment to Mortgagee of the foreclosure judgment (or amount owed, for deed in lieu), plus interest at the stated rate of the note (not default rate) provided by the mortgage at the time of foreclosure or deed in lieu. Developer may exercise such rights whether or not the conditions for default under Section 8.3 are met at the time the notice is given. If Developer does not exercise its repurchase right, then Developer shall grant, in recordable form, an extension of the construction period provided in Section 8.2 as follows:

(i) If construction of the residence has not started, the new Required Commencement Date shall be four years from the foreclosure judgment or deed in lieu.

(ii) If construction of the residence has started, Mortgagee shall be allowed six months from the date of the foreclosure judgment or deed in lieu to contract with a builder and to receive approval for any modifications to the approved plans and specifications. Mortgagee or Mortgagee's assignee must then diligently pursue construction until completion, including landscaping. Construction shall be completed within 18 months from the date of the foreclosure judgment or deed in lieu. Subject to the extended dates, Developer's rights of enforcement under Section 8.3 shall continue as a restriction on the Lot. Mortgagee or any other person or entity who may become an Owner of the Lot following any extension of the Required Commencement Date in accordance with this Section 8.4 shall be subject to the enforcement rights set forth in Section 8.3, including but not limited to the imposition and accrual of Liquidated Damages. The calculation of the Liquidated Damages amount shall be calculated in the manner set forth in Section 8.3, which is 1% per month of the purchase price paid to Developer by the original Owner.

(d) Mortgage. As used in this section, a "Mortgagee" is any institutional lender that holds a bona fide first mortgage encumbering a Lot as security for the performance of an obligation. The term "institutional lender" specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and Fannie Mae, HUD, FHA, VA or similar agency.

(e) Successor Owner. If a new successor Owner acquires a Lot from a Mortgagee or at a foreclosure sale, and the commencement or completion deadline applicable to the Lot have been extended by operation of Section 8.4(c), said successor Owner shall be subject to the extended commencement and/or completion deadlines that were applicable to the Mortgagee; provided, however, that the successor Owner shall have no more than two years to commence construction as measured from the date the successor Owner takes possession of the Lot. If there has been no extension of the construction commencement or completion deadline by operation of Section 8.4(c), then the successor Owner shall take Ownership of the Lot subject to the construction commencement and completion deadlines applicable to the original Owner of the Lot. In any event, the successor Owner shall be responsible for complying with all provisions of this Declaration, as it may be amended from time to time, including but not limited to all construction commencement and completion deadlines and corresponding remedy provisions.

Section 8.5 Resale Restriction; Right of First Refusal. If Owner has not constructed a residence on the Lot in accordance with approved plans and specifications prior to reselling the Lot, the Lot shall remain subject to the requirements and remedies set out in this Article VIII. The requirement to begin construction as described in Section 8.2 shall continue to run from the original deed, unless the Developer in Developer's sole discretion agrees to an extension or the Required Commencement Date has been adjusted under Section 8.4. In the event of such a proposed sale, Developer shall have a right of first refusal to repurchase the Lot on the same terms and conditions as Owner intends to sell. Developer shall have five (5) business days from receipt of Owner's written notice to notify Owner whether Developer will exercise its right. If Developer does not exercise its right, then Owner may sell the Lot to another purchaser, but only for the same price and terms offered to Developer. If Owner does not consummate that sale, Developer's right of first refusal applies to all subsequent offers. Developer's right of first refusal shall automatically terminate when Developer no longer has any Lots for sale in Sugar Sand.

#### **ARTICLE IX** **USE RESTRICTIONS**

Section 9.1 The use of the Sugar Sand Property shall be in accordance with the following provisions. Neither the Association nor any Lot Owner shall use any of the Sugar Sand Property for commercial purposes, except as permitted below.

Section 9.2 Homes. Each of the Homes shall be used primarily for residential purposes, excepting only home office use of a Home which is permitted so long as its customers, clients or vendors do not come and go from the Home. Only entire Homes may be rented.

Section 9.3 Common Areas. The Common Areas shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Lot Owners, their guests and tenants. —

Section 9.4 Nuisances. No nuisances shall be allowed upon the Sugar Sand Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

Section 9.5 Rental Management; Beach Services. Except as provided in Article VI, Section 6.3, no part of the Sugar Sand Property shall be used as a location for conducting rental management services for Sugar Sand Homes or for providing Beach Services.

Section 9.6 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Sugar Sand Property nor any part of it and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

Section 9.7 Regulations. Reasonable regulations concerning the use of Sugar Sand Property may be made and amended from time to time by the Board of Directors of the Association.

Section 9.8 Proviso. Provided, however, that until Developer has completed all of the contemplated improvements and closed the sales of all developer-owned Lots included within Sugar Sand, neither any Lot Owner nor the Association nor the use of any part of Sugar Sand shall interfere with the completion of the contemplated improvements and the sale of the Lots and Homes. Further, until such time as the Developer completes and sells all of the Lots and Homes in Sugar Sand the Developer reserves the right to prohibit access to any portion of the Common Areas or uncompleted Lots, and to utilize various portions of the Common Areas or the Lots in connection with such construction and development. Also, the Developer may make such use of unsold developer-owned Lots and Common Areas as may facilitate completion and sale of Lots, including but not limited to the maintenance of a sales office, the showing of any Lots, and the lighting and display of signs and rental of unsold Homes, provided that the cost of such lighting is paid for by the Developer. The sales office, the furniture and furnishings in all model Homes, signs and all items pertaining to sales are not owned by the Association and shall remain the property of the Developer. The Developer shall have the absolute right to rent or lease unsold developer-owned Homes subject to any duly adopted regulations enacted by the Association which are also applicable to all other owners and Lots.



**ARTICLE X**  
**PROJECT PERMITS; COORDINATED MANAGEMENT**

**Section 10.1 Project Permits.** The Conservation Easements and the Environmental Resource Easements implement the conditions and requirements of their respective underlying permits: Florida Department of Environmental Protection Permit No. 03-0338825-001-EI and No. 03-0338825-002-EI along with U.S. Army Corps of Engineers Permit No. SAJ-2015-03481 ("Project Permits"). Project Permits also include a permit for the storm water management system that serves the Project and the permit that will be necessary to build the Dune Walkover that serves the Project. Any other permits that the Developer may hereafter acquire for the Project are beneficial to the Project and are also included in the meaning of "Project Permits".

**Section 10.2 Association Temporary Authority.** In addition to the dedications contained in the Plat, the Developer hereby designates and assigns to the Association such rights and interests in the Project Permits as may be necessary or useful as of the date of recording this Declaration to enable the Association to carry out the management plan responsibilities of the Project Permits on behalf of the Developer for the benefit of all Owners at Sugar Sand. Developer reserves all other rights and interests under the Project Permits during the Development Period. The Association will join in this Declaration for the purpose of expressly assuming its responsibilities under this Temporary Authority.

**Section 10.3 Association Ingress & Egress.** To the extent that the Association does not already have ingress and egress rights to the lands covered by the Conservation Easements and the Environmental Resource Easements by virtue of other instruments or documents of record in the public records of Bay County, Florida, Developer hereby assigns to the Association its such easement rights as it holds for ingress and egress to those lands so as to better enable the Association to carry out its management plan responsibilities of the Project Permits.

**ARTICLE XI**  
**GENERAL PROVISIONS**

**Section 11.1 Amendments.** Anything in this Declaration to the contrary notwithstanding, this Declaration of Covenants and Restrictions may be amended, including as to matters involving vested rights, in the following manner: from time to time by the Developer during the Development Period in the furtherance of the development of the Project. Such Developer amendment shall not require the consent of the Owners or the Association or any mortgagee or other holder of a lien on any Lot. After the Development Period, the Association may amend the Declaration by recording among the Public Records of Bay County, Florida, an instrument executed by the President and attested to by the Secretary of the Association indicating that at a meeting called for that purpose (or in writing, without a meeting, as the case may be), the fee Owners of two-thirds (2/3) of the Lots in the Project have approved such amendment. Provided, however, that no amendment affecting the rights or obligations of the Developer, its successors or assigns, may be made after the Development Period without the written consent of the Developer, its successors and/or assigns.

**Section 11.2 Duration.** The Covenants and Restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, the Association, or the Owner of any land subject to this Declaration and their respective legal representatives, heirs, successors, and assigns.

**Section 11.3 Notices.** Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

**Section 11.4 Enforcement.** Enforcement of these Covenants and Restrictions shall be by a proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Developer, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition, the Developer and the Association shall have the right, whenever there shall have been built on any Lot any structure which is in violation of these Covenants and Restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owners; and such entry and abatement or removal shall not be deemed a trespass. The



Developer's or the Association's cost of such abatement or removal, along with attorney fees and costs of suit, are secured by an individual lien which may be enforced and foreclosed as elsewhere provided herein.

Section 11.5 Interpretation. The following rules of priority and control shall be followed in interpreting and construing the following.

(a) The provisions of the Declaration of Covenants and Restrictions, Articles and Bylaws shall be given priority in the order just stated.

(b) The Architectural Guidelines are hereby incorporated by reference and made a part of this Declaration of Covenants and Restrictions, the same as if fully set forth and shall be given the same force and effect and the same priority as the Declaration of Covenants and Restrictions.

(c) As between any applicable governmental regulation, and either the Declaration of Covenants and Restrictions, the following shall apply: (1) where a governmental regulation has a provision but the Declaration of Covenants and Restrictions do not, the governmental regulation shall control; (2) where governmental regulations have no provision but the Declaration of Covenants and Restrictions does have a provision, then such provision in the Declaration of Covenants and Restrictions shall control; (3) where governmental regulations have a provision and the same subject is also dealt with in the Declaration of Covenants and Restrictions, the more restrictive, conservative or burdensome of the choices shall control.

Section 11/6 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision hereof, which shall remain in full force and effect.

Section 11.7 Information. The Association is required to make available to Lot Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Articles, By-Laws, regulations concerning the Project and the books, records and financial statements of the Association. "Available" means available for inspection and copying, upon request, during normal business hours or under other reasonable circumstances. The Association reserves the right to impose reasonable charge for copies and for the time required by its employees or representatives to respond to requests for copies as described in the By-Laws.

Section 11.8 Financial Statements. Any holder of a first mortgage shall be or is entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 11.9 Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the property number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any property on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a property subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of 60 days;

(c) Any lapse or cancellation of any insurance policy maintained by the Association.

Section 11.10 Access Control; Security. Neither the Developer nor the Association shall in any way be considered an insurer or guarantor of security within the Project. Neither shall the Developer nor the Association be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Lot Owners and occupants of any dwelling, tenants, guests and invitees of any Lot Owner, as applicable, acknowledge that neither the Developer nor the Association represents or warrants that any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems (if any are present) will prevent loss by fire, smoke, burglary, theft, hold-up or otherwise, nor that fire protection, burglar alarm systems, access control systems, patrol services, surveillance

equipment, monitoring devices or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Each Lot Owner and occupant of any dwelling and each tenant, guest and invitee, as applicable, of a Lot Owner acknowledges and understands that neither the Developer nor the Association is an insurer and that each Lot Owner and occupant of any dwelling and each tenant, guest and invitee of any Lot Owner, by accepting title to a Lot or making any use of any part of the Project Common Areas assumes all risks for loss or damage to persons, to dwellings and to the contents of thereof and further acknowledges that neither the Developer nor the Association has made any representations or warranties nor has any Lot Owner, occupant, tenant, guest or invitee of any Lot Owner relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire protection, burglar alarm systems, access control systems patrol services, surveillance equipment, monitoring devices or other security systems recommended or installed through any security measures undertaken within the Project.

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File # 2018000910 BK: 3968 PG: 1560, Pages: 19 of 40

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 7<sup>th</sup> day of December, 2017.

Signed, Sealed and Delivered  
in the presence of:

Rob Blue, Jr.  
Witness Signature **ROB BLUE, JR.**

Witness Printed Name

D. Faucheux  
Witness Signature **JO FAUCHEUX**

Witness Printed Name

FARMDALE, LLC, a Florida  
Limited Liability Company

Zach Ferrell  
By: Zach Ferrell  
Its: Sole Member

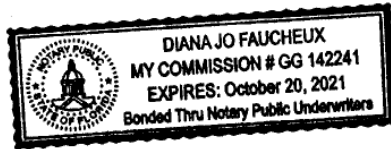
STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before methis 7<sup>th</sup> day of Dec, 2017, by Zach Ferrell,  
Sole Member of FARMDALE, LLC, a Florida Limited Liability Company, who:

☒ is personally known to me  
or  
produced \_\_\_\_\_ as identification.

(SEAL)

Diana Jo Faucheux  
Notary Public



File # 2018000910 BK: 3968 PG: 1561, Pages: 20 of 40

JOINDER

The undersigned, Sugar Sand Homeowners Association, Inc., a Florida not-for-profit corporation ("Association"), hereby joins in this Declaration for the purpose of expressly assuming its responsibilities hereunder, including Section 10.2 Association Temporary Authority.

IN WITNESS WHEREOF, the Association has caused these presents to be executed this 7<sup>th</sup> day of December, 2017.

Signed, Sealed and Delivered  
in the presence of:

SUGAR SAND HOMEOWNERS  
ASSOCIATION, INC., a Florida  
corporation

Rob Blue Jr.  
Witness Signature  
**ROB BLUE, JR.**

Witness Printed Name

Zach Ferrell  
By Zach Ferrell  
As: President

Jo Faucheux  
Witness Signature  
**JO FAUCHEUX**

Witness Printed Name

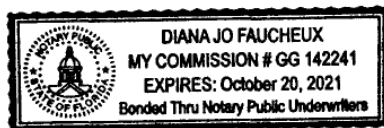
STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of Dec., 2017, by Zach Ferrell, as President of Sugar Sand Homeowners Association, Inc. a Florida corporation, who:

☒ is personally known to me  
or  
produced \_\_\_\_\_ as identification.

(SEAL)

Diana Jo Faucheux  
Notary Public



### MORTGAGEE JOINDER, CONSENT AND SUBORDINATION TO DECLARATION

For Ten Dollars (\$10.00) and other good and valuable consideration, the adequacy receipt of which are hereby acknowledged, Centennial Bank, the owner and holder of a Mortgage and Security Agreement dated July 12, 2016, in the original principal amount of \$2,656,182.00, given by Farmdale, LLC ("Grantor") to Centennial Bank ("Mortgagee"), encumbering the real property described on Exhibit "A" attached hereto ("Declaration Land"), which is recorded in Official Records Book 3813 at Page 574, modified on November 22, 2016 recorded in Official Records Book 3854 at Page 1380 and further modified on January 12, 2017 recorded in Official Records Book 3879 Page 1477 and that certain Assignment of Leases, Rents and Profits recorded in Official Records Book 3813, at Page 586, and that certain UCC-1 Financing Statement recorded in Official Records Book 3813, at Page 590, amended at Official Records Book 3854 Page 1244, and further amended at Official Records Book 3854 at Page 1385, all of the Public Records of Bay County, Florida, along with State of Florida UCC Filings as follows, # 201608844828 dated September 14, 2016, # 201609657193 dated December 12, 2016 and # 201609826904 dated December 30, 2016, and an additional Mortgage dated November 13, 2017, in the original amount of \$3,008,438.00, given by Farmdale, LLC, ("Grantor") to Centennial Bank ("Mortgagee"), encumbering the real property described on Exhibit "A" attached hereto ("Declaration Land"), which is recorded in Official Records Book 3959 Page 1875 (said Mortgage, Assignment of Leases, Rents and Profits, and UCC-1 Financing Statements, as modified, and the additional Mortgage, are hereinafter referred to as the "Mortgage"), consents to and subordinates the lien of its Mortgage, as it has been, and as it may be, modified, amended and assigned from time to time, to the Declaration of Covenants and Restrictions, executed by Farmdale, LLC, with the intent that the Mortgage shall be subject and subordinate to said Declaration.

IN WITNESS WHEREOF, this Mortgagee Joinder, Consent and Subordination to Declaration is made this 19<sup>th</sup> day of December, 2017.

CENTENNIAL BANK

BY: Joey Ginn  
AS: Market President

WITNESSES:

Rob Blue Jr  
(Signature)

Rob Blue Jr  
(Print Name)

Sherry L. Harmon  
(Signature)

Sherry L. Harmon  
(Print Name)

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of December, 2017, by Joey Ginn, Market President of Centennial Bank, on behalf of the bank and who is personally known to me  
(SEAL)

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

NOTARY PUBLIC, STATE OF FLORIDA

Sherry L. Harmon  
(Signature)

Sherry L. Harmon  
(Print Name)



EXHIBIT ALegal Description for Declaration of Covenants and Restrictions for Sugar Sand,  
also referred to as Declaration Land

COMMENCE AT THE NORTHEAST CORNER OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 12 WEST, BAY COUNTY, FLORIDA; THENCE SOUTH 02 DEGREES 18 MINUTES 25 SECONDS EAST ALONG THE EAST LINE OF SAID SECTION 16 FOR 1199.66 FEET; THENCE SOUTH 22 DEGREES 47 MINUTES 45 SECONDS WEST FOR 2814.97 FEET TO THE POINT OF BEGINNING. THENCE CONTINUE SOUTH 22 DEGREES 47 MINUTES 45 SECONDS WEST FOR 1809.69 FEET; THENCE NORTH 69 DEGREES 58 MINUTES 55 SECONDS WEST FOR 991.08 FEET TO THE WEST LINE OF THE EAST HALF OF SAID SECTION 16; THENCE NORTH 00 DEGREES 29 MINUTES 29 SECONDS EAST ALONG SAID WEST LINE FOR 1820.86 FEET TO A LINE BEARING NORTH 73 DEGREES 05 MINUTES 00 SECONDS WEST FROM THE POINT OF BEGINNING; THENCE SOUTH 73 DEGREES 05 MINUTES 00 SECONDS EAST FOR 1689.87 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH AN 80-FOOT WIDE STRIP, BOUNDED ON THE NORTH BY THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 98, BOUNDED ON THE SOUTH BY A LINE BEARING SOUTH 73 DEGREES 05 MINUTES 00 SECONDS EAST AND LYING 40 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE: COMMENCE AT THE NORTHEAST CORNER OF SECTION 16, TOWNSHIP 6 SOUTH, RANGE 12 WEST, BAY COUNTY, FLORIDA; THENCE SOUTH 02 DEGREES 18 MINUTES 25 SECONDS EAST ALONG THE EAST LINE OF SAID SECTION 16 FOR 1199.66 FEET; THENCE SOUTH 22 DEGREES 47 MINUTES 45 SECONDS WEST FOR 1580.58 FEET TO THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 98; THENCE NORTH 56 DEGREES 01 MINUTE 25 SECONDS WEST ALONG SAID SOUTH RIGHT OF WAY LINE FOR 954.95 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE. THENCE SOUTH 33 DEGREES 58 MINUTES 35 SECONDS WEST FOR 464.50 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 1200.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE FOR AN ARC DISTANCE OF 180.68 FEET, THE CHORD OF SAID ARC BEARING SOUTH 38 DEGREES 17 MINUTES 24 SECONDS WEST FOR 180.51 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 475.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE FOR AN ARC DISTANCE OF 439.36 FEET, THE CHORD OF SAID ARC BEARING SOUTH 16 DEGREES 06 MINUTES 18 SECONDS WEST FOR 423.87 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 475.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE FOR AN ARC DISTANCE OF 237.32 FEET, THE CHORD OF SAID ARC BEARING SOUTH 03 DEGREES 55 MINUTES 10 SECONDS WEST FOR 234.86 FEET; THENCE SOUTH 18 DEGREES 13 MINUTES 58 SECONDS WEST FOR 115.29 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1200.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE FOR AN ARC DISTANCE OF 128.08 FEET, THE CHORD OF SAID ARC BEARING SOUTH 15 DEGREES 10 MINUTES 30 SECONDS WEST FOR 128.02 FEET TO THE TERMINUS OF SAID CENTERLINE.

SUBJECT TO THE INGRESS, EGRESS AND UTILITY EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 3854, PAGE 1250, OF THE PUBLIC RECORDS OF BAY COUNTY, FLORIDA.

Source: Buchannan & Harper, 10/31/17

EXHIBIT B

**CERTIFICATE REGARDING  
FIRST AMENDED & RESTATED  
ARTICLES OF INCORPORATION  
OF  
SUGAR SAND HOMEOWNERS ASSOCIATION, INC.**

THE UNDERSIGNED, hereby certifies that Article III, POWERS, of the Articles of Incorporation of Sugar Sand Homeowners Association, Inc. as set forth in the First Amended & Restated Articles of Incorporation of Sugar Sand Homeowners Association, Inc., was duly approved by the Board of Directors as prescribed in Article IX, (B)(2) of the Articles of Incorporation of Sugar Sand Homeowners Association, Inc. and that following such approval, the First Amended & Restated Articles of Incorporation of Sugar Sand Homeowners Association, Inc. which incorporated said amendment into Article III, POWERS, was duly approved by the Board of Directors as prescribed in Article IX (B)(2) of the Articles of Incorporation of Sugar Sand Homeowners Association, Inc.

DATED this 14 day of November 2017.

SUGAR SAND HOMEOWNERS ASSOCIATION,  
INC., a Florida Corporation

*Jo Faucheux*  
Witness Signature  
**JO FAUCHEUX**

Witness Printed Name

BY: *Zach Ferrell*  
AS: Director

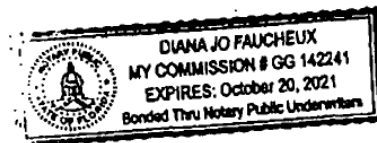
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TALLAHASSEE, FLORIDA

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of November 2017, by Zach Ferrell, who is personally known to me.

(SEAL)

*Diana Jo Faucheux*  
Notary Public



Prepared by:  
Rob Blue, Jr., Esq.  
Burke, Blue & Hutchison, P.A.  
221 McKenzie Avenue  
Panama City, FL 32401

FIRST AMENDED & RESTATED  
ARTICLES OF INCORPORATION  
OF  
SUGAR SAND HOMEOWNERS ASSOCIATION, INC.  
(A Not-for-Profit Corporation)

FILED  
7 NOV 22 PM 2:34  
CLERK OF CIRCUIT COURT  
ALACHUA COUNTY, FLORIDA

The undersigned, by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes (effective in 2016), to serve as a homeowners association under applicable provisions of 720.301-.312, Florida Statutes (effective in 2016), and certify as follows:

ARTICLE I

NAME; DEFINITIONS. The name of the corporation shall be "Sugar Sand Homeowners Association, Inc." (the "Association") and its initial mailing and principal address is 17216 Panama City Beach Parkway, Panama City Beach, FL 32413. The president of the corporation is authorized to establish additional or other mailing addresses as needed from time to time hereafter. Capitalized terms used herein and in the Bylaws for the Association shall have the same meaning as ascribed to them in the Declaration of Covenants and Restrictions for Sugar Sand. Sugar Sand is hereafter referred to sometimes as the "Project".

ARTICLE II

PURPOSE. This Association is being formed to serve as a "homeowners association" under applicable provisions of 720.301-.317, Florida Statutes (effective in 2016), and, more particularly, to provide an entity for the operation, management, maintenance and control of the Project, located in Bay County, Florida. As a "homeowners association" (also referred to herein as the "Association"), it will have authority to do any and all things necessary and proper for the Association to carry out its duties and responsibilities as set forth in the Declaration of Covenants and Restrictions (the "Declaration") for the Project for the benefit of and on behalf of the members of this corporation and other lawful occupants.

ARTICLE III

POWERS. The Association shall have all of the powers provided for under 720.301-.317, Florida Statutes (effective in 2016), as well as such powers as are applicable to "homeowners associations" as may be contained in Chapters 617 and 607, Florida Statutes (effective in 2016). The powers of the Association shall include and be governed by the following provisions:

(A) The Association shall have all the common law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles or the Declaration.

(B) The Association shall have all of the powers and duties set forth in these Articles and the Declaration, as they may be amended from time to time, and all of the powers and duties reasonably necessary to operate the Project that may not be specifically set forth either in these Articles or in said Declaration, including but not limited to the following:

(1) To hold title to and own fee simple or other lesser interest in real, personal or mixed property, wherever situated, including easements, and to lease, mortgage and convey same; and the authority to carry out and perform all of the requirements, duties and obligations under easements and permits for easements including but not limited to Stormwater, Conservation and Environmental Resource Easements that serve or are associated with the Project or the Association.

(2) To make and collect assessments against the owners of lots and to impose liens on lots included in the Project to defray the costs, expenses and losses of the Project and to defray the costs,



expenses and losses of any other business, enterprise, venture or property interest of the Association, or that serves or is associated with the Project or the Association, including but not limited to any of the following: (i) the Stormwater Management System serving or associated with the Project as exempted or permitted by applicable regulatory authority; and any (ii) Conservation or Environmental Resource Easement serving or associated with the Project or the Association.

(3) To use the proceeds of the assessments in the exercise of these powers and duties.

(4) To maintain, repair, replace and operate the property of the Project or any other property of the Project or that serves or that is associated with the Project or the Association, including, but not limited to, any of the following: (i) the Stormwater Management System serving or associated with the Project as exempted or permitted by applicable regulatory authority; and (ii) any Conservation or Environmental Resource Easement serving or associated with the Project or the Association.

(5) To purchase insurance upon the property operated by the Association and insurance for the protection of the Association and its members.

(6) To reconstruct improvements after casualty and to further improve the property operated by or associated with the Project or the Association .

(7) To make and amend reasonable rules and regulations respecting the use of the Common Area or any property belonging to, operated by or associated with the Project or the Association, including any portions of the Stormwater Management System serving the Project as exempted or permitted by applicable regulatory authority and any Conservation Easement or Environmental Resource Easement serving or associated with the Project or the Association.

(8) To enforce by legal means the provisions of the Declaration and rules and regulations for the use of the property serving or associated with the Project or the Association.

(9) To contract for the management of the Association and to delegate to such contractor the authority to carry out the duties of the Association except such as are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.

(10) To contract with the Developer, its successors and assigns, their officers, directors or shareholders.

(11) To acquire fee simple title, lease, acquire memberships or acquire other possessory or use interests in and to operate lands and facilities whether or not contiguous to the lands included within the Project, intended to provide for the enjoyment, recreation or other use or benefit of the members or a substantial number of the members of the Association.

(12) To employ personnel to perform the services required for the proper operation, management, maintenance or control of the Association or of any property of the Project or of the Association, including but not limited to, any of the following: (i) the Stormwater Management System serving or associated with the Project or with the Association as exempted or permitted by applicable regulatory authority; and (ii) any Conservation or Environmental Resource Easement serving or associated with the Project or the Association.

(13) To hire attorneys or other professionals for the purposes of bringing legal action or enforcing rights in the name of and on behalf of any members of the Association; and to bring such action in the name of and on behalf of the members.

(C) All funds and the title of all properties acquired by the Association and their proceeds shall be held for the benefit of the members in accordance with the provisions of the Declaration and the By-Laws of the Association.

(D) The powers of the Association shall be subject to and be exercised in accordance with the provisions of the Declarations and the By-Laws.

#### ARTICLE IV

##### MEMBERS.

(A) The members of the Association shall consist of all of the record owners of lots in the Project.

(B) After receiving any approval of the Association required by the Declaration, change of membership in the Association shall be established by recording in the public records of Bay County, Florida, a deed or other instrument establishing record title to a lot in the development and the delivery to the Association of a copy of such instrument. The owner designated by such instrument, thus becomes a member of the Association and the membership of the prior owner is terminated.

(C) The share of a member in funds or assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his lot.

(D) The owner of each lot shall be entitled to one (1) vote as a member of the Association. The manner of exercising voting rights shall be determined by the By-Laws of the Association.

#### ARTICLE V

##### DIRECTORS.

(A) The affairs of the Association will be managed by a Board consisting of not less than three (3) directors nor more than seven (7) directors, as determined from time to time by the Bylaws. Except for directors appointed during the period the Developer is entitled to appoint the directors of the Association, Directors must be members of the Association.

(B) The names and addresses of the members of the first Board of Directors who have been designated as such by the Developer and who shall hold office until their successors are designated or elected as herein provided and have qualified or until removed as herein provided are as follows:

##### NAME

##### ADDRESS

Zach Ferrell  
President

17216 Panama City Beach Parkway  
Panama City Beach, FL 32413

Brent Faison  
Vice President

17216 Panama City Beach Parkway  
Panama City Beach, FL 32413

Allen Harden  
Secretary/Treasurer

17216 Panama City Beach Parkway  
Panama City Beach, FL 32413

Until lot owners other than the Developer are entitled to elect members of the Board of Directors, the members of the Board of Directors shall be designated by the Developer and may be changed from time to time as the Developer, in its sole discretion, may determine.

(C) Until lot owners other than the Developer are entitled to elect at least a majority of the Board of Directors, the Board of Directors shall consist of three (3) members. The first election of Directors shall not be held until three months after 90 percent of the lots have been conveyed to members other than the Developer, or until the Developer elects to terminate its control of the Association, whichever occurs first. For purposes of this provision, the term "members other than the Developer" shall not include builders, contractors, or others who purchase a lot for the purpose of constructing improvements thereon for resale. If the Developer elects to terminate its control of the Association early, the members shall accept control at that time, shall participate in the required election of directors and thereafter shall assume the responsibilities that follow from such control in the interest of all the members.

(D) The Developer is entitled to elect at least one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least 5 percent of the lots. After the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned lots in the same manner as any other lot owner, except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

(E) Beginning with the election at which lot owners other than the Developer are entitled to elect at least a majority of the Board of Directors, the affairs of the Association will be managed by a Board consisting of seven (7) directors, or such lesser number as may be specified from time to time in the Bylaws.

(F) After lot owners other than the Developer are entitled to elect a majority of the members of the Board of Directors, Directors of the Association shall be elected at an annual meeting of the members in the manner determined by the By-Laws and, thereafter, directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

#### ARTICLE VI

OFFICERS. The affairs of the Association shall be administered by its officers. The officers shall be elected by the Board of Directors at its first meeting following the meeting at which directors have either been designated by the Developer or elected, as may be the case, and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Zach Ferrell President	17216 Panama City Beach Parkway Panama City Beach, FL 32413
Brent Faison Vice President	17216 Panama City Beach Parkway Panama City Beach, FL 32413
Allen Harden Secretary/Treasurer	17216 Panama City Beach Parkway Panama City Beach, FL 32413

#### ARTICLE VII

INDEMNIFICATION. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he

may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors and officer's liability insurance providing coverage to the officers and directors of the Association at the expense of the Association, and shall also be authorized to purchase an umbrella liability policy over and above the limits of such directors and officers liability policy.

#### ARTICLE VIII

BY-LAWS. The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

#### ARTICLE IX

AMENDMENTS. Amendments to the Articles of Incorporation shall be proposed and adopted, including as to matters involving vested rights, in the following manner:

(A) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(B) A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing provided such approval is delivered to the secretary or assistant secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(1) Not less than two-thirds (2/3) of the voting interests of the entire membership of the Association.

(2) Until the transfer of control from the Developer to owners other than the Developer, by two-thirds (2/3) of the directors.

(C) Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon their lots in the Project.

(D) Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to Farndale, LLC, a Florida liability company or any successor developer, by these Articles, the Declaration or by the By-Laws without the prior written consent of Farndale, LLC, a Florida liability company, a Florida corporation, its successors or assigns, or a successor developer.

(E) A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Bay County, Florida.

#### ARTICLE X

TERM. The term of the Association shall be perpetual.

#### ARTICLE XI

INCORPORATOR. The incorporator's name and mailing address are shown below:

##### NAME

##### ADDRESS

Zach Ferrell

17216 Panama City Beach Parkway  
Panama City Beach, FL 32413

#### ARTICLE XII

APPOINTMENT OF REGISTERED AGENT AND OFFICE. Rob Blue, Jr., is hereby appointed to serve as Registered Agent of the Association. The street address of the Registered Office of the Registered Agent is 221 McKenzie Avenue, Panama City, Florida 32401.

#### ARTICLE XIII

DISPOSITION OF ASSETS UPON DISSOLUTION. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to one or more appropriate public agencies or utilities to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused, or cannot be made for one reason or another, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes, as nearly as practicable the same as those to which they were required to be devoted by the Association. No disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded Declaration, unless made in accordance with the provisions hereof.

#### ARTICLE IX

ASSIGNMENT BY INCORPORATOR. When this corporation comes into existence legally, as recognized by the Florida Department of State, all rights of the incorporator, including the right to participate in the further organization of the corporation shall be deemed assigned automatically to the initial Directors designated by the Developer hereunder, and thereupon the incorporator shall have no further duty or responsibility whatever with respect to the Association.

IN WITNESS WHEREOF, the incorporator has affixed his signature this 14<sup>th</sup> day of Nov., 2017.

Zach Ferrell  
Zach Ferrell

STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of Nov., 2017, by Zach Ferrell,  
who did take an oath and who:

✓ is personally known to me  
or  
produced \_\_\_\_\_ as identification.

(SEAL)

Diana Jo Faucheux  
Notary Public



File # 2018000910 BK: 3968 PG: 1572, Pages: 31 of 40

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

In pursuance of Chapter 48.091, Florida Statutes (2016), the following is submitted, in compliance with said Act:

First -- That Sugar Sand Homeowners Association, Inc., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the By-Laws at 17216 Panama City Beach Parkway, Panama City Beach, FL 32413, has named Rob Blue, Jr., located at 221 McKenzie Avenue, City of Panama City, County of Bay, State of Florida 32401, as its agent to accept service of process within this state.

## ACKNOWLEDGMENT:

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

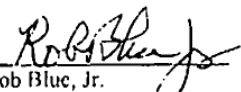
By:   
Rob Blue, Jr.  
(Registered Agent)

EXHIBIT C**BY-LAWS****OF****SUGAR SAND HOMEOWNERS ASSOCIATION, INC.  
a corporation not-for-profit  
under the laws of the State of Florida**

1. Purpose; Definitions. These are the By-Laws of Sugar Sand Homeowners Association, Inc., called "Association" in these By-Laws, a corporation not-for-profit under the laws of the State of Florida. Capitalized terms used herein shall have the same meaning as ascribed to them in the Declarations of Covenants and Restrictions for Sugar Sand (the "Project"), and in the Articles of Incorporation of this corporation. This Association has been formed to serve as a homeowners association under applicable provisions of 720.301-.312, Florida Statutes (2016), and, more particularly, to provide an entity for the operation, management, maintenance and control of the Project, which is located in Bay County, Florida.
2. Offices. The initial office of the Association shall be at 17216 Panama City Beach Parkway, Panama City Beach, FL 32413. The Association Board of Directors may from time to time, designate a different location for the Association office.
3. Fiscal Year. The fiscal year of the Association shall be the calendar year.
4. Seal. The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not-for-profit," and the year of incorporation, "2017" an impression of which is as follows:
5. Members Meetings. The annual Members meeting shall be held each year at such location within Bay County as may be designated in the notice for the meeting on a date during the months of September, October, November or December, as from time to time determined by the Board of Directors. The Members may transact at the annual members meeting any business authorized to be transacted by the Members. After the termination of the Development Period, the business of the annual Members meeting shall include election of directors.
6. Special Meetings. Special meetings must be held when called by the President or Vice President or by a majority of the Board of Directors, and must be called within sixty (60) days by such officers upon receipt of a written request from members holding twenty percent (20%) of the voting interests of the entire membership. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.
7. Notice. Notice of all members meetings stating the time and place and identifying each agenda item 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 fourteen (14) days nor more than sixty (60) days prior to the date of the meeting; or, in the alternative, such notice may be delivered by electronic transmission to those members who consent to receive notice by electronic transmission; provided, however, notices with respect to recall elections may not be provided by electronic transmission. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association members meeting were mailed or hand delivered in accordance



with this provision, to each member at the address last furnished to the Association. Notice of meeting may be waived before the meeting.

8. Right to Petition. If 20 percent of the total voting interests petition the board to address an item of business, the board shall at its next regular board meeting or at a special meeting of the board, called not later than 60 days after the receipt of the petition, take the petitioned item up on an agenda.

9. Quorum. A quorum at members meetings shall consist of persons holding one-fourth of the voting interests of the entire membership. The acts approved by a majority of the voting interests present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater voting interest is required by the Declaration of Covenants and Restrictions, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies shall be counted as voting interests present.

10. Members Vote. At any meeting of the members, the voting interest that each Lot Owner shall be entitled to cast is one (1) vote for each Lot he owns, which shall not be cumulative. Whenever the decision of a Lot Owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by written agreement as well as by duly recorded vote and shall, in either event, be expressed by the same person who would cast the vote of the Lot Owner if in an Association meeting.

11. Multiple Ownership.

a. If a Lot is owned by one (1) person or entity, the right to vote on behalf of such Lot shall be established by the record title to the lot. If a Lot is owned by more than one (1) person, the person or entity entitled to cast the vote for it shall be designated by a voting certificate signed by all of the record owners thereof and filed with the Secretary of the Association. If a Lot is owned by a corporation, the person entitled to cast the vote for it shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the Lot concerned. A certificate designating a person entitled to cast the vote of a Lot may be revoked by any owner thereof. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose. The Association may charge a fee for changing its records to be consistent with any change in a voting certificate.

b. Notwithstanding the provisions of Subparagraph (a) of this paragraph regarding Multiple Ownership, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote.

(1) Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(2) Where only one (1) spouse is present at a meeting, the spouse present may cast their Voting Interest without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, their Voting Interest shall not be considered.

(3) Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the Voting Interest, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Voting Member by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Voting Member by the other spouse, the Voting Interest shall not be considered.

12. Proxies. Votes may be cast in person or by proxy subject to the following provisions. A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

13. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the voting interests who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

14. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be:

- a. Election (or appointment) of chairman at meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Election of inspectors of an election.
- f. Report of officers.
- g. Report of committees.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

15. Right to Speak and Attend. Members have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda. Notwithstanding any provision to the contrary in the governing documents or any rules adopted by the board or by the membership, a member and a Lot Owner have the right to speak for at least three minutes on any item, provided that the member or Lot Owner submits a written request to speak prior to the meeting. The Association may adopt reasonable written rules governing the frequency, duration and other manner of member statements.

16. Reservation by Developer. During the time the majority of the directors serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or appoint a representative to chair meetings of members and directors.

17. Number of Directors. The affairs of the Association shall be managed by a Board of Directors.

18. Election of Directors. During the Development Period, the number of directors shall be three (3) and they shall be appointed by the Developer. After the Development Period, the number of directors shall be five (5). The number of directors may be changed by amendment of these Bylaws. After the Development Period, directors shall be elected in the following manner:

- a. Election of directors shall be held at the annual members meeting.
- b. Election of directors shall take place at the annual members meeting.
- c. Nominations for director positions shall be made from the floor.
- d. The election shall be by secret ballot (unless dispensed by unanimous consent) and election of directors shall be by a plurality of the votes cast. The owner of each parcel shall be entitled to cast a vote for each open position being filled by the election. There shall be no cumulative voting.

e. Except for vacancies occasioned by recall of directors by members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors.

f. Provided, however, that notwithstanding the provision of paragraph 18(a) through (d) above, until required by the 720.307, Florida Statutes (2016), or until the Developer elects to terminate its control of the Association, whichever occurs first, the initial directors of the Association shall serve, and in the event of vacancies, such vacancies shall be filled by appointment by the Developer.

g. Except for members appointed to the Board or Directors by the Developer, any member of the Board of Directors may be recalled according to the procedures and provisions contained in 720.303(10), Florida Statutes (2016). Notices with respect to recall elections may not be provided by electronic transmission.

h. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors, or by election at the next annual meeting, in the sole discretion of the Board of Directors.

19. Director's Term. The terms of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

20. Director's Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be affixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

21. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or electronic transmission, at least two (2) days prior to the day named for such meeting.

22. Special Meeting. Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-fourth (1/4) of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or electronic transmission, the time, place and purpose of the meeting.

23. Open Meetings of the Board of Directors. Meetings of the Board of Directors shall be open to all Lot Owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by Lot Owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years. Director meeting may be conducted telephonically provided that a means of participation by any Lot Owner is provided, such as use of a speaker phone at a location where Lot Owners may attend.

24. Voting At Meetings of the Board of Directors. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This provision also applies to the meetings of any committee or other similar body, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific Lot owned by a member of the Association.

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

26. Quorum. A quorum at director's meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration of Covenants and restrictions, the Articles of Incorporation of the Association or these Bylaws.

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

28. Director Action.

a. Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing or otherwise concurring in the minutes of that meeting shall constitute the presence of such director at such meeting; however, it shall not constitute the presence of such director for the purpose of determining a quorum.

b. Presumption of Consent. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each member present shall be recorded in the minutes.

29. Presiding Officer. Subject to the reserved rights of the Developer during the Development Period to designate a presiding officer, the presiding officer of directors meetings shall be the chairman of the board if such an officer has been elected; and if none, the President shall preside; and if neither a chairman of the board, nor the President is present, then the Vice President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

30. Order of Business. The order of business at a Directors meeting shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Agenda approval
- d. Reading and disposal of any unapproved minutes.
- e. Report of officers and committees.
- f. Election of officers.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

Provided however, agenda item f. will only be applicable in the case of an organizational meeting of directors following an annual meeting of members.

31. Notice by Electronic Transmission. Notwithstanding anything to the contrary elsewhere provided in these Bylaws, notice of meetings of members (except member meetings called to recall board members), Board meetings and committee meetings may be given by electronic transmission to Lot Owners who consent to receive notice by electronic transmission.

32. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under applicable law, the Declaration of Covenants and Restrictions for the Project, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the voting interests when such approval is specifically required.

33. Officers. The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. 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 necessary or convenient to manage the affairs of the Association.

34. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

35. Vice President. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

36. Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by owners and directors at all reasonable times. The Secretary shall attend to the giving and serving of all notices to the members and directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to instruments requiring a seal when duly signed. If an Assistant Secretary is appointed, the Assistant Secretary shall perform the duties of the Secretary in the Secretary's absence.

37. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; they shall submit treasurer's reports to the Board of Directors at reasonable intervals; they shall make the treasurer's records available for inspection by directors or members at reasonable times; and they shall perform all other duties incident to the office of treasurer.

38. Officer and Director Compensation. Officers and Directors shall not receive compensation.

39. Fiscal Management. Provisions for fiscal management of the Association, as set forth in the Declaration of Covenants and Restrictions for the Project, in the Articles of Incorporation and these By-Laws shall be supplemented by the following provisions:

a. Budgets. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated receipts and expenditures arising out of the use, ownership, operation and maintenance of the Common Areas. All budgets adopted by the Board of Directors shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following:

- (1) Administration of the Association
- (2) Management fee
- (3) Maintenance
- (4) Common Area expense for recreational and other commonly used facilities
- (5) Taxes upon Association Property
- (6) Taxes upon leased area
- (7) Insurance
- (8) Security provisions
- (9) Other expenses
- (10) Operating Capital
- (11) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common areas of the Association.)
- (12) Limited Voluntary Deferred Expenditure Account(s) - These type account(s) are not created pursuant to 720.303(d), Florida Statutes (2016), are not reserve accounts, are not subject to the restrictions on use of such funds set forth in such statute, nor are the amounts set aside in such accounts calculated as reserves are calculated per that statute

b. Adoption of Budgets. The annual budget shall be adopted by the Board of Directors in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

c. Assessments. By adopting the annual budget, the Board of Directors will be making assessments against each Owner and Lot for its share of the items of such budget. The assessments shall be made for the fiscal year annually in advance by adoption of an annual budget and shall be due in equal, quarterly installments on the first day of each month of each quarter of the year for which the assessments are made, or may be ordered paid annually, in the discretion of the Board of Directors. If an annual assessment is not made as required, an assessment shall be deemed presumed to have been made in the amount of the last prior assessment and quarterly installments of such assessments shall be due on the first day of each month of each quarter of the year until a new annual budget is adapted. In the event the annual assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend the budget and shall make amended assessments for the balance of the year in sufficient amounts to meet the anticipated expenses for the year.

40. Special Assessments. Assessments for common expenses that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the After such notice, Special Assessments may be made in one of two ways, depending on the purpose of the Special Assessment. When the purpose of the Special Assessment is limited to the payment of costs of reconstruction and repair, it may be made by the Board of Directors, without approval of the Owners or their mortgagees, upon a 2/3's vote of the directors, a quorum being present. Such assessment shall be effective and paid as determined by the Board of Directors and indicated in the notice of assessment. All other Special Assessments must be approved in writing by three-fourths (3/4) of the Owners and thereupon the Special Assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment. A Special Assessment may not be levied at a board meeting unless the notice of the meeting includes a statement that a Special Assessment will be considered and the nature of the assessment. Written notice of any meeting at which Special Assessments will be considered or at which amendments to rules regarding Lot use will be considered must be mailed, delivered, or electronically transmitted to the members and Lot Owners and posted conspicuously on the property or broadcast on closed-circuit cable television not less than 14 days before the meeting.

41. Individual Assessments. In addition to any other lien rights, the Association has the power and authority to impose individual assessments and individual liens as provided in the Declaration of Covenants, and Restrictions. The Association's power and authority in this regard is hereby delegated to its Board of Directors which may act by majority vote at any duly called and noticed meeting at which a quorum is present. The meeting notice for a Board meeting at which imposition of an individual assessment lien is to be voted on must include voting on the assessment lien as an agenda item and the Lot number and Owner's name involved must be included in such agenda item.

42. Depository. 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 from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the directors.

43. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Articles of Incorporation or these By-Laws.

44. Official Records. The Official Records of the Association shall at all reasonable business hours be subject to inspection by any Owner or Owner representative. The Declaration, Articles and Bylaws of the Association, as they may be amended from time to time, shall be available for inspection by any Owner or Owner representative at the principal office of the Association where copies may be purchased at a reasonable cost.

45. Suspensions and Fines. The Board of Directors of the Association, upon reasonable notice of not less than 14 days and an opportunity for hearing, may suspend, for a reasonable time, the rights of a member or a member's tenants, guests, or invitees, or both, to use common areas and facilities and may levy reasonable fines not

to exceed \$100.00 per violation against any member, tenant, guest, or invitee, where the violation is of one or more provisions of the Declaration of Covenants and Restrictions for the Project, the Association Articles or By-Laws or reasonable written rules and regulations of the Association. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No suspension or fine may be levied except after giving reasonable notice and opportunity for a hearing to the owner and, if applicable, his tenant, guest or invitee. The hearing must be held before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, guardian, child, brother, or sister of an officer, director, or employee; neither shall such committee members be a spouse, parent, guardian, child, brother or sister of the person alleged to have committed the violation that is under consideration by the committee. If the committee, by majority vote, does not approve a proposed fine, it may not be imposed. The Notice shall include the following:

- a. Statement of date, time and place of hearing.
- b. Statement of provisions allegedly violated (Declaration of Covenants and Restrictions, Articles, By-Laws, Rules) and
- c. Short and plain statement of the matters asserted by the Association.

The party against whom the suspension or fine may be levied shall have an opportunity to respond, to present evidence and to provide written or oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the committee. If the committee approves the proposed suspension or fine, the Board of Directors shall receive the report of the committee and if the Board approves the recommendation of the committee, the Board may levy the suspension or fine. Fines shall be the personal obligation of the person or entity fined. Provided, however, suspension of common area use rights shall not impair the right of an owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from his lot, including, but not limited to, the right to park.

46. Transfer Fee. No fee shall be charged by the Association in connection with a transfer, lease, sale or sublease of a Lot which is subject to approval of the Association or its Board of Directors, in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed \$50.00. No charge shall be made in connection with an extension or renewal of a lease.

47. Amendments. In addition to any other method provided under the Declaration or Articles of Incorporation, these By-Laws may be amended, including as to matters involving vested rights, in the following manner:

- a. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- b. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the voting interests of the Association. Directors and voting interests not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:
  - (1) Not less than a majority of the voting interest of the membership of the Association, except that where any voting interest requirement in these Bylaws is set at a level which exceeds a majority of the voting interest, the vote to change such requirement must equal or exceed such higher voting level; or
  - (2) Until the transfer of control from the Developer to owners other than the Developer, by two-thirds (2/3) of the directors.
- c. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be

inserted in the text underlined, and the words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlying and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

"Substantial rewording of By-Law. See By-Law for present text."

Non-material errors or omissions in the By-Law process shall not invalidate an otherwise promulgated amendment.

48. Priority. In the case of any conflict between the Declaration, the Articles or the Bylaws, the Declaration shall control, followed by the Articles and then the Bylaws.

49. Alternate Dispute Resolution; Mediation; Arbitration. Members are encouraged to engage in voluntary mediation of disputes involving the Articles of Incorporation or Bylaws of the Association, or any dispute under 720.301-720.312, Florida Statutes (2003), before filing a complaint in a court of competent jurisdiction. Disputes between an Association and a Lot Owner regarding use of or changes to the Lot or the common areas and other covenant enforcement disputes, disputes regarding amendments to the Association documents, disputes regarding meetings of the board and committees appointed by the board, membership meetings not including election meetings, and access to the official records of the Association shall be filed with the department for mandatory mediation before the dispute is filed in court pursuant to §720.311. If mediation is not successful in resolving all issues between the parties, the parties may file the unresolved dispute in a court of competent jurisdiction or elect to enter into binding or nonbinding arbitration pursuant to the procedures set forth in §718.1255 and rules adopted by the division. If all parties do not agree to arbitration proceedings following an unsuccessful mediation, any party may file the dispute in court. A final order resulting from nonbinding arbitration is final and enforceable in the courts if a complaint for trial de novo is not filed in a court of competent jurisdiction within 30 days after entry of the order.

50. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the public records of Bay County, Florida.

The foregoing were adopted as the By-Laws of Sugar Sand Homeowners Association, Inc., a corporation under the laws of the State of Florida.



**Third Amendment to Declaration of Covenants and  
Restrictions for Sugar Sand**

File # 2019107395  
BK 4203, PG: 909 Pages: 1 of 3  
Recorded 12/19/2019 3:23 PM  
Bill Kinsaul, Clerk, Bay County, FL  
Deputy Clerk KB Trans # 1576891

WHEREAS, Farmdale, LLC, a Florida limited liability company ("Developer") recorded the Declaration of Covenants and Restrictions for Sugar Sand (the "Project") on January 4, 2018, at Official Records Book 3968, Page 1542, public records of Bay County, Florida ("Declaration"), and recorded a First Amendment to Declaration of Covenants and Restrictions on April 17, 2018, at Official Records Book 3998, Pages 1-2, public records of Bay County, Florida ("First Amendment") and recorded a Second Amendment to Declaration of Covenants and Restrictions on July 2, 2019, at Official Records Book 4140, Pages 587, public records of Bay County, Florida ("Second Amendment"); and

WHEREAS, Developer reserved the right to amend the Declaration in the furtherance of the development of the Project; and

WHEREAS, the amendment set forth below amend certain provisions of Article VIII, Buildout Requirements, all of which are in the furtherance of the development of the Sugar Sand Project.

NOW THEREFORE, the Developer declares that the Declaration is hereby amended as follows, and that the Property described in the Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration as hereby amended as hereinafter set forth.

1. Recitals. The recitals above are true and correct and are incorporated herein by reference.

2. Amendment.

a. The portions of Declaration, Article VIII, Buildout Requirements, appearing below are hereby amended to read as follows. (Deleted text is indicated by strike over and new text is indicated by underlining.)

**ARTICLE VIII  
BUILDOUT REQUIREMENTS**

Section 8.1 Developer's Intent. It is Developer's intent to allow for development and to discourage speculation which results in empty Lots. Therefore, the Owner of a Lot must begin construction of a residence on the Lot, in accordance with plans and specifications approved by the Architectural Review Committee ("ARC"), within a limited period of time as described in Section 8.2, unless the deed or other recorded instrument from the Developer modifies or releases the restriction as to that Lot. Clarifying, it is the Developer's further intent that the provisions of this Article operate as a condition-subsequent providing the Developer a personal right of enforcement that is not enforceable by Lot Owners. The right to enforce this Article VIII is held originally by the Developer, who may assign these rights at any time to the Association. The time limit for construction does not apply to any Lots held by the Developer. A residence shall be considered complete if it has received Final Construction Approval from the ARC.

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**Section 8.2 Construction Buildout Requirement.**

(a) Start of Construction Requirement. Owner shall start construction of the residence on the Lot no later than the Required Commencement Date (as hereafter defined) and diligently pursue construction until completion, including landscaping. Unless otherwise specified on the deed or other recorded instrument executed by Developer ("Alternative Commencement Date"), the "Required Commencement Date" shall mean two years from the date of the deed conveying the Lot from the Developer to the Owner or the Owner's predecessor(s) in title, as may be the case. Owner must submit plans and begin the architectural review process in sufficient time to begin

construction on time. Construction shall be considered to have started when laying the foundation is started or, if foundation piles are used in the foundation, when the first foundation pile is installed. For all Lots conveyed by Developer on or before April 1, 2020 the Required Commencement Date will not apply. Rather, the Developer has established April 1, 2020 as the Alternative Commencement Date that will be applicable to those Lots.

(b) Construction Completion Requirement. For all Lots conveyed by Developer on or before the Alternative Commencement Date, the Owners thereof shall complete construction of the residence on their Lots within thirty-six (36) months from their Alternative Commencement Date. As to all other Lots, Owners thereof shall complete construction of the residence on their Lots within thirty-six (36) months from the date of the deed conveying the Lot from the Developer to the Owner or the Owner's predecessor(s) in title, as may be the case.

Construction shall be considered completed for the purposes of Section 8.3(d) imposition of liquidated damages, when Final Construction Approval has been provided by the ARC. The Architectural Guidelines require, among other conditions, issuance by Bay County of a certificate of occupancy for the residence in order to obtain Final Construction Approval for a residence.

3. Remainder. All other portions of the Declaration remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 10th day of December, 2019.

Signed, Sealed and Delivered  
in the presence of:

Jenny Bomar  
Witness Signature  
Jenny Bomar  
Witness Printed Name  
Rob Blake Jr  
Witness Signature  
Rob Blake Jr  
Witness Printed Name

FARMDALE, LLC, a Florida  
Limited Liability Company

Zach Ferrell  
By: Zach Ferrell  
Its: Sole Member

STATE OF FLORIDA  
COUNTY OF BAY

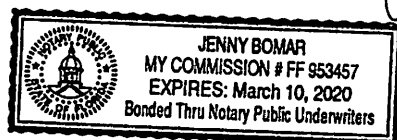
The foregoing instrument was acknowledged before me this 10th day of December, 2019, by Zach Ferrell, Sole Member of FARMDALE, LLC, a Florida Limited Liability Company, who:

\_\_\_\_\_ is personally known to me  
or  
produced FL Driver License as identification.

X 087-0

(SEAL)

Jenny Bomar  
Notary Public



**JOINDER**

The undersigned, Sugar Sand Homeowners Association, Inc., hereby joins in this Third Amendment to Declaration of Covenants and Restrictions for Sugar Sand and finds that the Amendment is in the furtherance of the development of Sugar Sand, that it is reasonable and that it is in the best interest of the Association and its members.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 10th day of December, 2019.

Signed, Sealed and Delivered  
in the presence of:

Jenny Bomar  
Witness Signature

Jenny Bomar  
Witness Printed Name

Rob Blue Jr  
Witness Signature

Rob Blue Jr  
Witness Printed Name

SUGAR SAND HOMEOWNERS  
ASSOCIATION, INC.,  
a Florida not for profit corporation

Zach Ferrell  
By: Zach Ferrell  
Its: President

STATE OF FLORIDA  
COUNTY OF BAY

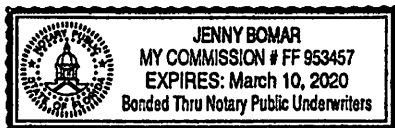
The foregoing instrument was acknowledged before me this 10th day of December, 2019, by Zach Ferrell, President of Sugar Sand Homeowners Association, Inc., who:

\_\_\_\_\_ is personally known to me  
or  
produced FL Drivers License as identification.

X 0870

(SEAL)

Jenny Bomar  
Notary Public



File # 2018022221, OR BK: 3998 PG: 2313, Pages: 1 of 2, Recorded 4/17/2018 at 8:27 AM,  
Bill Kinsaul, Clerk Bay County, Florida Deputy Clerk RM Trans # 1455394

**First Amendment to Declaration of Covenants and  
Restrictions for Sugar Sand**

WHEREAS, Farmdale, LLC, a Florida limited liability company ("Developer") recorded the Declaration of Covenants and Restrictions for Sugar Sand (the "Project") on January 4, 2018, at Official Records Book 3968, Page 1542, public records of Bay County, Florida ("Declaration"); and

WHEREAS, Developer reserved the right to amend the Declaration in the furtherance of the development of the Project; and

WHEREAS, the amendments set forth below serve to clarify the intent of the Developer with respect to Buildout Requirements and are in the furtherance of the development of the Project.

NOW THEREFORE, the Developer declares that the Declaration is hereby amended as follows, and that the Property described in the Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration as hereby amended, as hereinafter set forth.

1. Recitals. The recitals above are true and correct and are incorporated herein by reference.
2. Amendment. The portions of Declaration Article VIII, Buildout Requirements, appearing below are hereby amended to read as follows:

**ARTICLE VIII  
BUILDOUT REQUIREMENTS**

**Section 8.3 Enforcement.**

(a) Events of Default. If Owner fails to comply with the requirements of Section 8.24.2, then Developer shall have the right, but not the obligation, to repurchase the Lot for the amount set out in Section 8.3(b). These rights shall be in addition to the Developer's rights to enforce the terms and provisions of this Declaration as elsewhere provided.

(b) Repurchase Price. The repurchase price shall be equal to the amount paid by the Owner of the Lot (or Owner's predecessor(s) in title) to Developer for the original purchase of the Lot or the current fair market value of the unimproved Lot, whichever is less, plus the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the ARC. Any mortgage or lien on the Lot and all closing costs for the repurchase, along with resale fee of 10% shall be deducted from the amount paid to Owner by Developer. Lots repurchased by the Developer shall not be subject to any construction deadlines until re-sold by the Developer, at that point the construction deadlines will begin anew unless otherwise specified in the documents effecting the repurchase or resale.

(c) Time of Exercise. Unless Owner has obtained a release and satisfaction as provided in Section 8.14.1, and except as provided in Section 8.4, Developer may exercise its rights against Owner at any time up to four years after the Required Commencement Date. Developer may exercise its enforcement rights by recording, within four years after the Required Commencement Date, a lien or other notice of its intent to exercise its rights.


3. Remainder. All other portions of the Declaration unchanged and in full force and effect.

(Signature Element On Next Page)

File # 2018022221 BK: 3998 PG: 2314, Pages: 2 of 2

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 11th day of April, 2018.

Signed, Sealed and Delivered  
in the presence of:

  
\_\_\_\_\_  
Witness Signature  
Allen J. Harden  
\_\_\_\_\_  
Witness Printed Name


Cheryl B. Burton  
\_\_\_\_\_  
Witness Signature  
Cheryl B. Burton  
\_\_\_\_\_  
Witness Printed Name

STATE OF FLORIDA  
COUNTY OF BAY

FARMDALE, LLC, a Florida  
Limited Liability Company

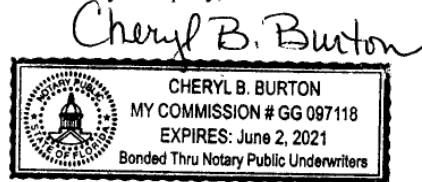
  
\_\_\_\_\_  
By: Zach Ferrell  
Its: Sole Member

Additional Witness

  
\_\_\_\_\_  
Witness Signature  
Rob Blue Jr  
\_\_\_\_\_  
Witness Printed Name

The foregoing instrument was acknowledged before me this 11th day of April, 2018, by Zach Ferrell, Sole Member of FARMDALE, LLC, a Florida Limited Liability Company, who:

✓ is personally known to me  
or  
produced \_\_\_\_\_ as identification.



(SEAL)

Notary Public

File # 2019060397, OR BK: 4140 PG: 587, Pages: 1 of 3, Recorded 7/2/2019 at 8:07 AM,  
 Bill Kinsaul, Clerk Bay County, Florida Deputy Clerk GB Trans # 1541931

127

**Second Amendment to Declaration of Covenants and  
 Restrictions for Sugar Sand**

WHEREAS, Farmdale, LLC, a Florida limited liability company ("Developer") recorded the Declaration of Covenants and Restrictions for Sugar Sand (the "Project") on January 4, 2018, at Official Records Book 3968, Page 1542, public records of Bay County, Florida ("Declaration"), and recorded a First Amendment to Declaration of Covenants and Restrictions on April 17, 2018, at Official Records Book 3998, Pages 1-2, public records of Bay County, Florida ("First Amendment"); and

WHEREAS, Developer reserved the right to amend the Declaration in the furtherance of the development of the Project; and

WHEREAS, the amendments set forth below serve to provide to clarify certain provisions of Article VIII, Buildout Requirements, all of which are in the furtherance of the development of the Sugar Sand Project.

NOW THEREFORE, the Developer declares that the Declaration is hereby amended as follows, and that the Property described in the Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration as hereby amended, as hereinafter set forth.

1. Recitals. The recitals above are true and correct and are incorporated herein by reference.

2. Amendment.

a. The portions of Declaration Article VIII, Buildout Requirements, appearing below are hereby amended to read as follows:

**ARTICLE VIII  
 BUILDOUT REQUIREMENTS**

Section 8.1 Developer's Intent. It is Developer's intent to allow for development and to discourage speculation which results in empty Lots. Therefore, the Owner of a Lot must begin construction of a residence on the Lot, in accordance with plans and specifications approved by the Architectural Review Committee ("ARC"), within a limited period of time as described in Section 8.2, unless the deed or other recorded instrument from the Developer modifies or releases the restriction as to that Lot. Clarifying, it is the Developer's further intent that the provisions of this Article operate as a condition-subsequent providing the Developer a personal right of enforcement that is not enforceable by Lot Owners. The right to enforce this Article VIII is held originally by the Developer, who may assign these rights at any time to the Association. The time limit for construction does not apply to any Lots held by the Developer. A residence shall be considered complete if it has received Final Construction Approval from the ARC.

\*\*\*\*\*

Section 8.2 Construction Buildout Requirement.

(a) Start of Construction Requirement. Owner shall start construction of the residence on the Lot no later than the Required Commencement Date (as hereafter defined) and diligently pursue construction until completion, including landscaping. Unless otherwise specified on the deed or other recorded instrument executed by Developer ("Alternative Commencement Date"), the "Required Commencement Date" shall mean two years from the date of the deed conveying the Lot from the Developer to the Owner or the Owner's predecessor(s) in title, as may be the case. Owner must submit plans and begin the architectural review process in sufficient time to begin construction on time. Construction shall be considered to have started when laying the foundation is started or, if foundation piles are used in the foundation, when the first foundation pile is installed. For all Lots conveyed by

Developer on or before the date of this amendment to the Declaration the Required Commencement Date will not apply. Rather, the Developer has established January 1, 2020 as the Alternative Commencement Date that will be applicable to those Lots.

(b) Construction Completion Requirement. Owner shall complete construction of the residence on the Lot within thirty-six (36) months of the start of construction. Construction shall be considered completed for the purposes of Section 8.3(d) imposition of liquidated damages, when Final Construction Approval has been provided by the ARC. The Architectural Guidelines require, among other conditions, issuance by Bay County of a certificate of occupancy for the residence in order to obtain Final Construction Approval for a residence.

3. Remainder. All other portions of the Declaration unchanged and in full force and effect.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 26th day of June, 2019.

Signed, Sealed and Delivered  
in the presence of:

Mary A. Barnes  
Witness Signature  
Mary A. Barnes  
Witness Printed Name

Jo Fauchey  
Witness Signature  
Jo Fauchey  
Witness Printed Name

FARMDALE, LLC, a Florida  
Limited Liability Company

Zach Ferrell  
By Zach Ferrell  
Its: Sole Member

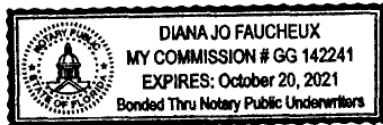
STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 26th day of June, 2019, by Zach Ferrell, Sole Member of FARMDALE, LLC, a Florida Limited Liability Company, who:

✓ is personally known to me  
or  
produced \_\_\_\_\_ as identification.

(SEAL)

Diana Jo Fauchey  
Notary Public



**JOINDER**

The undersigned, Sugar Sand Homeowners Association, Inc., hereby joins in this Second Amendment to Declaration of Covenants and Restrictions for Sugar Sand and finds that the Amendments are in the furtherance of the development of Sugar Sand, that they are reasonable and that they are in the best interest of the Association and its members.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 26th day of June, 2019.

Signed, Sealed and Delivered  
in the presence of:

SUGAR SAND HOMEOWNERS  
ASSOCIATION, INC.,  
a Florida not for profit corporation

Mary A. Barnes  
Witness Signature

Mary A. Barnes  
Witness Printed Name

J. Fauchoux  
Witness Signature

J. Fauchoux  
Witness Printed Name

Zach Ferrell  
By: Zach Ferrell  
Its: President

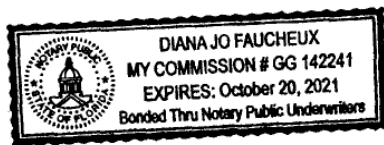
STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 26th day of June, 2019, by Zach Ferrell, President of Sugar Sand Homeowners Association, Inc., who:

☒ is personally known to me  
or  
produced \_\_\_\_\_ as identification.

(SEAL)

Diana Jo Fauchoux  
Notary Public





File # 2019107395, OR BK: 4203 PG: 909, Pages: 1 of 3, Recorded 12/19/2019 at 3:23 PM,  
Bill Kinsaul, Clerk Bay County, Florida Deputy Clerk KB Trans # 1576891

**Third Amendment to Declaration of Covenants and  
Restrictions for Sugar Sand**

WHEREAS, Farmdale, LLC, a Florida limited liability company ("Developer") recorded the Declaration of Covenants and Restrictions for Sugar Sand (the "Project") on January 4, 2018, at Official Records Book 3968, Page 1542, public records of Bay County, Florida ("Declaration"), and recorded a First Amendment to Declaration of Covenants and Restrictions on April 17, 2018, at Official Records Book 3998, Pages 1-2, public records of Bay County, Florida ("First Amendment") and recorded a Second Amendment to Declaration of Covenants and Restrictions on July 2, 2019, at Official Records Book 4140, Pages 587, public records of Bay County, Florida ("Second Amendment"); and

WHEREAS, Developer reserved the right to amend the Declaration in the furtherance of the development of the Project; and

WHEREAS, the amendment set forth below amend certain provisions of Article VIII, Buildout Requirements, all of which are in the furtherance of the development of the Sugar Sand Project.

NOW THEREFORE, the Developer declares that the Declaration is hereby amended as follows, and that the Property described in the Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration as hereby amended as hereinafter set forth.

1. Recitals. The recitals above are true and correct and are incorporated herein by reference.

2. Amendment.

a. The portions of Declaration, Article VIII, Buildout Requirements, appearing below are hereby amended to read as follows. (Deleted text is indicated by strike over and new text is indicated by underlining.)

**ARTICLE VIII  
BUILDOUT REQUIREMENTS**

Section 8.1 Developer's Intent. It is Developer's intent to allow for development and to discourage speculation which results in empty Lots. Therefore, the Owner of a Lot must begin construction of a residence on the Lot, in accordance with plans and specifications approved by the Architectural Review Committee ("ARC"), within a limited period of time as described in Section 8.2, unless the deed or other recorded instrument from the Developer modifies or releases the restriction as to that Lot. Clarifying, it is the Developer's further intent that the provisions of this Article operate as a condition-subsequent providing the Developer a personal right of enforcement that is not enforceable by Lot Owners. The right to enforce this Article VIII is held originally by the Developer, who may assign these rights at any time to the Association. The time limit for construction does not apply to any Lots held by the Developer. A residence shall be considered complete if it has received Final Construction Approval from the ARC.

\*\*\*\*\*

Section 8.2 Construction Buildout Requirement.

(a) Start of Construction Requirement. Owner shall start construction of the residence on the Lot no later than the Required Commencement Date (as hereafter defined) and diligently pursue construction until completion, including landscaping. Unless otherwise specified on the deed or other recorded instrument executed by Developer ("Alternative Commencement Date"), the "Required Commencement Date" shall mean two years from the date of the deed conveying the Lot from the Developer to the Owner or the Owner's predecessor(s) in title, as may be the case. Owner must submit plans and begin the architectural review process in sufficient time to begin

construction on time. Construction shall be considered to have started when laying the foundation is started or, if foundation piles are used in the foundation, when the first foundation pile is installed. For all Lots conveyed by Developer on or before April 1, 2020 the Required Commencement Date will not apply. Rather, the Developer has established April 1, 2020 as the Alternative Commencement Date that will be applicable to those Lots.

(b) Construction Completion Requirement. For all Lots conveyed by Developer on or before the Alternative Commencement Date, the Owners thereof shall complete construction of the residence on their Lots within thirty-six (36) months from their Alternative Commencement Date. As to all other Lots, Owners thereof shall complete construction of the residence on their Lots within thirty-six (36) months from the date of the deed conveying the Lot from the Developer to the Owner or the Owner's predecessor(s) in title, as may be the case. Construction shall be considered completed for the purposes of Section 8.3(d) imposition of liquidated damages, when Final Construction Approval has been provided by the ARC. The Architectural Guidelines require, among other conditions, issuance by Bay County of a certificate of occupancy for the residence in order to obtain Final Construction Approval for a residence.

3. Remainder. All other portions of the Declaration remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 10th day of December, 2019.

Signed, Sealed and Delivered  
in the presence of:

Jenny Bomar  
Witness Signature  
Jenny Bomar  
Witness Printed Name  
Rob Blue Jr  
Witness Signature  
Rob Blue Jr  
Witness Printed Name

FARMDALE, LLC, a Florida  
Limited Liability Company

Zach Ferrell  
By: Zach Ferrell  
Its: Sole Member

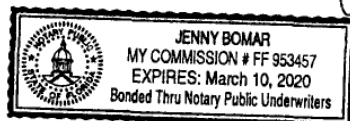
STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 10th day of December, 2019, by Zach Ferrell, Sole Member of FARMDALE, LLC, a Florida Limited Liability Company, who:

\_\_\_\_\_ is personally known to me  
or  
produced FL Driver License as identification.  
X 087-0

(SEAL)

Jenny Bomar  
Notary Public



**JOINDER**

The undersigned, Sugar Sand Homeowners Association, Inc., hereby joins in this Third Amendment to Declaration of Covenants and Restrictions for Sugar Sand and finds that the Amendment is in the furtherance of the development of Sugar Sand, that it is reasonable and that it is in the best interest of the Association and its members.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed this 10th day of December, 2019.

Signed, Sealed and Delivered  
in the presence of:

Jenny Bomar  
Witness Signature

Jenny Bomar  
Witness Printed Name

Rob Blue Jr  
Witness Signature

Rob Blue Jr  
Witness Printed Name

SUGAR SAND HOMEOWNERS  
ASSOCIATION, INC.,  
a Florida not for profit corporation

Zach Ferrell  
By: President

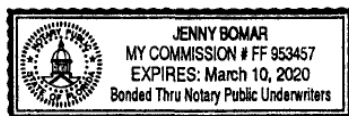
STATE OF FLORIDA  
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 10th day of December, 2019, by Zach Ferrell, President of Sugar Sand Homeowners Association, Inc., who:

\_\_\_\_\_ is personally known to me  
or  
produced FL Drivers License identification.

X 0870

(SEAL)



Jenny Bomar  
Notary Public