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DECLARATION OF COVENANTS AND RESTRICTIONS
THE TRAILS SUBDIVISION, UNIT 3
VOLUSIA COUNTY, FLORIDA
AND
NOTICE OF PROVISIONS OF
THE TRAILS HOMEOWNERS ASSOCIATION, INC.

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THIS DECLARATION, made this 1st day of August, 1975,
by THE TRAILS, INC., a Florida Corporation, with its principal
place of business at 501 North Grandview Avenue, Daytona Beach,
Volusia County, Florida, (hereinafter sometimes referred to as
the "Developer");

W I T N E S S E T H:

WHEREAS, the Developer is the record owner in fee simple
absolute of certain real property located in Volusia County,
Florida, and more particularly described in the "Schedule of
Legal Description" which is attached hereto as Exhibit "A", and
made a part hereof, and

WHEREAS, in accordance with the applicable provisions of
State law and local ordinance, the Developer caused the above
described real property to be subdivided into a platted subdivision
known as "The Trails Subdivision, Unit 3" and a subdivision plat
thereof duly filed in the office of the Clerk of the Circuit
Court, Volusia County, Florida, on January 15, 1975, and recorded
in Map Book 33 at pages 155 and 156 of the Public Records of
Volusia County, Florida, and a partial replat filed in the office
of the Clerk of the Circuit Court, Volusia County, Florida recorded
in Map Book 33 at page 189, Public Records of Volusia County, Florida,
and

WHEREAS, it is the intention of the Developer to develop
The Trails Subdivision, Unit 3 in various stages and with various
builders who will acquire parcels within Unit 3 by metes and bounds
descriptions from the Developer as medium density, multi-family
dwellings, excepting the Tennis Club Area (legally described in
Exhibit "B" attached hereto) and, further excepting the commercial
shopping area (legally described in Exhibit "C" attached hereto), and

WHEREAS, there is a need to specify, make and impose covenants,
and to grant necessary easements for the proper use of the subdivision,
and to provide for an effective administration of the common areas
in the subdivision, and

WHEREAS, the Developer has caused to be incorporated in Florida a non-profit corporation known as The Trails Homeowner's Association, Inc. which has been formed to manage the common areas, collect assessments, and generally provide for the orderly enjoyment of The Trails Subdivision, Units 1, 2 and 3, and any future units of The Trails Subdivision hereafter filed by Developer,

NOW THEREFORE, this Declaration is made, filed and recorded by the Developer so that from the effective date hereof, the real property described in the Schedule of Legal Description which is attached hereto as Exhibit "A", is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject to the restrictions, conditions, easements, charges, burdens, assessments, affirmative obligations, and liens (all hereinafter sometimes referred to as the "covenants") hereinafter set forth. This Declaration shall become effective on the date and at the time it is filed and recorded in the Public Records of Volusia County, Florida.

ARTICLE IDEFINITIONS AND DESCRIPTION OF PROPERTY

Section 1.1 Definitions--The following words and terms when used in this Declaration and any supplemental declaration, unless the context shall clearly indicate otherwise, shall have the following meanings:

(a) "Association" shall mean and refer to The Trails Homeowners Association, Inc., a Florida Corporation not for profit, and its successors and assigns, the membership of which will be owners of "dwelling units" or "lots", not only of The Trails Subdivision, Units 1, 2 and 3, but also future units of The Trails Subdivision filed of record in Volusia County, Florida, by the Developer.

(b) "Developer" shall mean and refer to The Trails, Inc., a Florida Corporation, its successors and assigns.

(c) "Lot" shall mean any parcel of land located within The Trails Subdivision, Unit 3, and bearing a number upon the plat of said subdivision from 1 to 3 inclusive, which is intended for use as a site for a multi-family dwelling, except that part of Lot 2 described in Exhibit "B". A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are substantially complete or are subject to ad valorem tax as improved property.

(d) "Dwelling Unit" shall mean one apartment in an apartment building or one condominium unit as defined by any declaration of condominium constructed primarily for use as and zoned for residential dwelling.

(e) "Subdivision" shall mean The Trails Subdivision, Unit 3, as recorded in Map Book 33, pages 155 and 156 of the Public Records of Volusia County, Florida, or, where the context requires, The Trails Subdivision, Units 1 and 2, as recorded in Map Book 33, pages 153 and 154, Public Records of Volusia County, Florida.

(f) "Architectural Control Committee" shall mean a committee appointed by the Board of Directors of the Developer in accordance with Section 2.3.

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Section 1.2--Property subject to Covenants and Restrictions--

The property subject to the Declaration of Covenants and Restrictions is that property described in the Schedule of Legal Description which is attached hereto as Exhibit "A".

ARTICLE IIRESTRICTIVE COVENANTS

Section 2.1--No lot (except Lot 4 of Unit 3) shall be used for any purpose except multi-family dwelling. No building shall be erected, altered, placed or permitted to remain on any lot except those approved by the Architectural Control Committee as hereafter provided.

Section 2.2--No building or structure shall be erected on, placed upon, altered, or permitted to remain on any lot unless and until the owner submits the floor plan, elevation, site clearing plan and abbreviated specifications and such plans have been reviewed and approved by the Architectural Control Committee, as hereinafter provided. The Architectural Control Committee shall review the proposed building or structure (including plans and specifications for same) as to the quality of workmanship and materials, the harmony of the external design and location of the building or structure with existing buildings or structures, the location of the building or structure with respect to topography, vegetation and the finished grade of elevation of the lot, and any other relevant considerations which are based on acceptable standards of planning, zoning, and construction--including considerations based exclusively on aesthetic factors.

Section 2.3--The Architectural Control Committee shall be composed of not less than three (3) nor more than five (5) persons. The members of the Committee shall be appointed for staggered, three-year terms by the Board of Directors of The Trails, Inc., a Florida Corporation. In the event of death, resignation, inability to serve, or other vacancy in office of any member of the Architectural Control Committee, the Board of Directors of The Trails, Inc. shall promptly appoint a successor member who shall serve for the duration of the unexpired term of the member whom he replaced. The membership, rules of procedure and duties of the committee shall be prescribed by and, from time to time, changed or modified by the Board of Directors of The Trails, Inc. When the Board of Directors of The Trails, Inc. deem the circumstances appropriate they shall cause control of the Architectural Control Committee to be turned over to the Board of Directors of The Trails Homeowners Association, Inc.

The Association shall then appoint the membership of the Architectural Control Committee which shall assume the duties and perform the functions as set forth in this Declaration. After turnover of control is perfected, any and all appeals from action of the Architectural Control Committee shall be heard and decided by the Board of Directors of the Association.

Section 2.4--The Architectural Control Committee shall indicate its disapproval of the matters required in Section 2.2 hereof to be acted upon by them, by a written instrument filed with the Secretary of the Board of Directors of The Trails, Inc., and served personally or by certified mail upon all interested parties, identifying the proposed building or structure and the reasons for such disapproval. The decision of the Architectural Control Committee may be appealed in writing, within ten (10) days of receipt of the decision, to the Board of Directors of The Trails, Inc. and the Board shall take action on such appeal and either approve or disapprove the decision of the Architectural Control Committee within two weeks after the receipt of said appeal to the Board of Directors, and the action of the Board shall be final. If there is no appeal within ten (10) days, then the action of the Architectural Control Committee is final. If the Architectural Control Committee fails or refuses to approve or disapprove the aforesaid matters within thirty (30) days after the application or request for action is made and after a floor plan, elevation, site clearing plan and abbreviated specification (including exterior materials and colors) have been certified as received by the committee, then it shall be conclusively presumed, as to all owners and interested persons, that the plans as submitted have been approved by the Architectural Control Committee.

Section 2.5--No structure of a temporary nature or character, including but not limited to, a trailer, house trailer, mobile home, camper, basement, tent, shack, garage, barn, or other similar structure or vehicle, shall be used or permitted to remain on any lot as a storage facility or residence or other living quarters whether temporary or permanent.

Section 2.6--No automobile, truck, boat, boat and trailer, trailer, house trailer, mobile home, camper, or other similar vehicle shall be parked on the street (including the right-of-way) thereof overnight, or for a continuous period of time in excess of ten consecutive hours.

Section 2.7--No boat, boat and trailer, or trailer alone shall be parked (for any period of time in excess of ten consecutive hours) or stored or otherwise permitted to remain on any lot except as approved by the Architectural Control Committee. No automobile, truck, or other commercial vehicle which contains lettering or advertising thereon or which is identified with a business or commercial activity, shall be parked (for any period of time in excess of ten consecutive hours) or stored or otherwise permitted to remain on any lot except in a garage or carport attached to the residence.

Section 2.8--No livestock, poultry, or animals of any kind or size shall be raised, bred, or kept on any lot; provided, however, that dogs, cats, or other domesticated household pets may be raised or kept provided such pets are not kept, bred or maintained for any commercial purposes.

Section 2.9--No sign of any kind shall be erected, permitted to remain on or displayed to public view on or from any lot, except an approved sign giving the name of the occupant of the residence located on said lot or an approved sign advertising the premises for sale or rent. All signs shall be approved by the Association.

Section 2.10--No noxious or offensive activity shall be carried on or suffered to exist upon any lot, nor shall anything be done or permitted to exist on any lot that may be or may eminently become an annoyance or private or public nuisance.

Section 2.11--No lot shall be used or maintained for dumping or discharge of rubbish, trash, garbage, or other solid waste material. All lots shall be kept free of the accumulation of rubbish, trash, garbage, other solid waste materials, and all unsightly weeds and underbrush, except as approved by the Architectural Control Committee. All incinerators or other equipment used for the collection, storage or disposal of solid waste material shall be kept in a clean and sanitary condition. The use of any incinerators or similar equipment or facilities shall be in accordance with applicable state and county environmental laws and ordinances.

Section 2.12--Restrictions regarding the fence, wall, hedge or shrub planting on corner lots at intersections shall be as prescribed

from time to time, in the applicable provision of the Zoning Ordinance of the City of Ormond Beach, Florida.

Section 2.13--No wall, fence, or hedge over six feet in height shall be erected, placed, altered, maintained, or permitted to remain on any lot unless and until the height, type and location thereof have been approved by the Architectural Control Committee in accordance with the procedure and criteria set forth in Section 2.2 hereof.

Section 2.14--No discharge, overflow, or accumulation of sewage effluent from any septic tank, drain field, mobile home storage tank, or other similar container shall be permitted to exist on any lot.

Section 2.15--No driveway shall be constructed, maintained, altered or permitted to exist on any lot if the driveway obstructs or would obstruct or significantly impede the flow of surface drainage in the area adjacent to the lot or in the street right-of-way or swale area adjoining or abutting the lot.

Section 2.16--The owner shall assume and pay as and when the same shall become due the cost of the installation and maintenance of the underground utility system from primary utility lines.

Section 2.17--Trees situated between the building set back lines as established by the City of Ormond Beach and the property lines, having a diameter of eight inches or more (measured four feet from ground level) may not be removed without the prior approval of the Architectural Control Committee. All requests for approval of tree removal shall be submitted to the Architectural Control Committee along with a plan generally locating such tree(s).

ARTICLE III

ASSOCIATION

Section 3.1--To effectively and efficiently provide for the administration of the common areas of the owners of lots or dwelling units in The Trails Subdivision, Units 1, 2 and 3, (and future units of The Trails filed by Developer) a non-profit corporation (known and designated as "The Trails Homeowners Association, Inc.", a non-profit Florida Corporation) has been created. The Association shall operate and manage the common areas, assist in the enforcement of the restrictions and covenants contained herein, and undertake and perform all acts and duties necessary and incident to such duties, all in accordance with the provisions of this Declaration and the Certificate of Incorporation and By-Laws of said Association. True and complete copies of the Certificate of Incorporation and By-Laws of the Association are annexed hereto as Exhibits "D" and "E", respectively, and such documents are expressly made a part hereof.

Section 3.2--The owner of each lot (except Lot 4 of Unit 3) or dwelling unit within The Trails Subdivision, Units 1, 2 and 3, and future units of The Trails filed in the Public Records of Volusia County, Florida, by the Developer, shall automatically become members of the Association upon his, her or their acquisition of and ownership interest in title to any lot or dwelling unit. The membership of such owner shall terminate automatically at the time that such person divests himself or is divested of such ownership interest or title to such lot or dwelling unit, regardless of the means by which such ownership may have been divested.

Section 3.3--No person or corporation or other business entity holding any liens, mortgage or other encumbrance upon any lot or dwelling unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights and privileges, or be charged with any of the duties of such membership; provided, however, that nothing contained herein shall be construed as prohibiting membership in the Association of a person, corporation, or other business entity which acquires title to a lot or dwelling unit either by foreclosure or by voluntary conveyance from its mortgagor or his successor or assign.

Section 3.4--In the administration, operation and management of the common areas and the enforcement of these covenants and restrictions, the Association shall have and is hereby granted full power and authority to enforce all the provisions of this Declaration, to levy and collect assessments in accordance herewith, and to adopt, promulgate, and enforce such rules and regulations governing the use and enjoyment of the common areas and the administration of the aforesaid covenants and restrictions as the Board of Directors of the Association may from time to time deem appropriate and in the best interests of the Association.

ARTICLE IVCOVENANTS FOR MAINTENANCE ASSESSMENTS

Section 4.1--Creation of Lien and Personal Obligation. The Developer covenants, and each owner or tenant of each and every lot or dwelling unit shall by acceptance of a deed or other instrument of conveyance therefore, whether or not it shall be so expressed in any such deed or instrument, be deemed to covenant and agree to all the terms, covenants, conditions, restrictions, and other provisions of this Declaration and to promptly pay to the Association or its successors or assigns the following:

(a) All annual assessments or charges, and

(b) All special assessments or charges for the purposes set forth in Section 4.2 of this article. Such assessments or charges shall be fixed, established, levied, and collected from time to time as hereinafter provided. The annual and special assessments (together with such interest thereon and the cost of collection including reasonable attorneys' fees as hereinafter provided) shall be a charge and continuing lien on the real property and improvements thereon against which such assessment is made. Each such assessment (together with such interest thereon and the cost of collection including reasonable attorneys' fees) shall also be the personal obligation of the person who was the "owner" of such real property at the time when the assessment first became due and payable, and in the case of co-ownership or co-tenancy of a lot or dwelling unit each owner or tenant shall be jointly and severally liable for the entire amount of the assessment and the aforesaid interest, collection costs, and attorneys' fees.

Section 4.2--Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement, and operation of the Common Areas and Properties and to provide services which the Association is authorized to provide including, but not limited to, the payment of taxes, governmental assessments and insurance thereon, construction of improvements, repair, replacement, and to acquire additions to the Common Areas and Properties, payment of the cost to acquire

labor, services, equipment, materials, management, and supervision, necessary to carry out the authorized functions of the Association, and for the payment of principal, interest and other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized functions, including the payment of mortgages covering the common area and property at the time of conveyance to the Association. No initiation fee may be charged to members of the Association as a pre-condition to use of such facilities. The Association shall not be bound in setting assessments in subsequent years by the amount of the assessments set in earlier years. Notwithstanding any of the provisions of this Article, in no event shall the assessments and other revenues collected by the Association exceed its expenses and reasonable reserves to an extent which would violate the Association's non-profit status.

Section 4.3--The initial regular monthly assessment is hereby set at the rate of \$10.00 per lot or dwelling unit. Lots or dwelling units owned by Developer shall not be subject to assessments, either regular or special. Developer guarantees the initial assessment shall not exceed \$20.00 per month per lot or dwelling unit until the owners have excluding the Developer 51% of the votes in the Association or June 30, 1980, whichever occurs first. The Developer agrees to turnover control of the Architectural Control Committee and the common areas to the Association not later than June 30, 1980. After turnover of control has occurred, regular monthly assessments shall be determined at the annual meeting of the directors of the Association. The regular assessment may be increased beyond that set at the annual meeting upon approval by 60% of the voting members in attendance in person or by proxy at any regular or special meeting of the Association, but only after notice of the recommendation is given to all members at least ten (10) days prior to the date of said meeting; provided, however, that nothing herein shall be construed to preclude the Board of Directors of the Association from fixing and levying an emergency assessment not to exceed one month's regular assessment, which emergency assessment may be levied without notice to the membership and without the holding of any special or regular meeting of said membership of the Association.

Anything in the preceeding paragraph to the contrary notwithstanding, for two years after the date of conveyance by the Developer

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to a Builder or until a Certificate of Occupancy is issued, the owner shall not be obligated to pay the regular monthly assessment.

Section 4.4--Developer contemplates the development of lot 1, part of 2 and 3 of Unit 3 as multi-family dwellings, each building containing several dwelling units. Nothing herein shall prohibit the owner of such multi-family dwelling from leasing a dwelling unit and requiring the tenant of said dwelling unit to reimburse the owner for the monthly assessment against said dwelling unit. In that event, however, the lessor must deliver his proxy to the tenant for one vote and permit the tenant to exercise the vote as he sees fit. Such proxy shall be in full force and effect so long as tenant has legal possession of the dwelling unit. On the first day of each month the owner of any apartment building shall certify to the secretary of the Association the names of all tenants who are residents of such apartment as of that date. So long as the tenant has legal possession, the owner's right to enjoy recreational areas of The Trails Subdivision, Unit 3, shall abate in favor of the tenant.

Section 4.5-- Reserved for future use.

Section 4.6--Assessments which are not paid on or before the date the same shall become due shall be delinquent, and each delinquent assessment shall bear interest at ten per cent (10%) per annum until it is paid in full. In addition to the accrual of interest, when an assessment becomes delinquent in payment, the Association may file a claim of lien to perfect the lien for such assessment as against third persons, against the dwelling unit and other property of the owner(s) who defaulted in the payment of such assessment. There shall be no exemption from the payment of any assessment or installment thereof by waiver of the use of the common areas by abandonment of the lot or dwelling unit, by extended absence from the subdivision, or by or for any other reason, except as provided in paragraph 4.3.

Section 4.7--The Association, upon written request of any owner, shall furnish to a prospective purchaser or prospective mortgagee or other authorized person a statement of the current status of the assessments on such owner's lot or dwelling unit. When executed by the Treasurer of the Association, the statement shall be binding on the Association, and any purchaser or mortgagee may rely upon such statement as an accurate statement of the status of assessments.

Section 4.8--All revenue collected by the Association shall be segregated, held and used as the separate property of the Association, and such revenue may be applied by the Association, at the discretion of the Board of Directors, towards the payment of any expenses of operation and maintenance of the common areas. Revenue collected by the Association from an owner of a lot or dwelling unit may be co-mingled with monies collected from other owners.

Section 4.9--Although all funds and other assets of the Association, and any profits derived therefrom, shall be held for the benefit of the members of the Association, no member of said Association shall have the right to assign, encumber, hypothecate, pledge, or in any manner transfer his membership or interest in or to said funds and assets, except as an appurtenance to his lot or dwelling unit. When an owner of a lot or dwelling unit shall cease to be a member of the Association by reason of the divestment by him of his ownership of said lot or dwelling unit, by whatever means that occurs, the Association shall not be required to account to said owner for any share of the funds or assets of the Association.

Section 4.10--Recognizing that proper management and operation of the common area and property (including improvements thereto) result in benefit to all members of the Association, the Association is hereby granted a lien upon all the real property within The Trails Subdivision, Unit 3, and the present and future interests of each member of the Association in the common area and property and improvements thereto, to secure the prompt payment of each and all assessments made and levied in accordance with this Declaration, and each owner shall be personally liable for, and this lien shall secure, the full amount of such assessment, and the costs and expenses,

including attorneys' fees which may be incurred by the Association in enforcing this lien or the provisions of this Declaration.

Section 4.12--The lien herein established may be foreclosed in the same manner as real estate mortgages may be foreclosed in the State of Florida. The lien granted herein shall also secure such payment of or advances for taxes and payments on superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to protect its interests, and the Association shall be entitled to interest computed on the basis of advances made from time to time at the highest legal rate of interest on all such advances.

Section 4.13--All persons, firms, corporations, and other business entities, which shall acquire, by whatever means, any interest in the ownership of any lot or dwelling unit, or who may be given or who may acquire a mortgage, lien or other encumbrance of a lot or dwelling unit are hereby placed on notice of the lien rights granted to the Association under this Declaration, and all of such persons, firms, corporations, and other business entities shall acquire their rights, title and interest in and to said lot or dwelling unit expressly subject to the lien rights provided herein.

Section 4.14--The lien created pursuant to this Declaration shall be effective from and after the recording in the Public Records of Volusia County, Florida, of a "claim of lien" stating the description of the property encumbered by the lien, the name of the record owner of the property, the amounts due and the date when the same became due. The lien shall continue in effect until all sums secured by the lien have been fully paid. The claim of lien may include assessments which are due and payable when the claim is made and recorded, plus interest, collection costs, attorneys' fees, and advances to pay taxes and prior encumbrances and interest thereon, all as provided herein. The claim of lien shall be signed and verified by the President or Vice President of the Association. When full payment of all sums secured by such lien is made, the claim of lien shall be satisfied of record by the President or Vice President of the Association.

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The claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any claim of lien if the said mortgage or claim of lien is recorded prior to the Association's claim of lien.

ARTICLE VAMENDMENT AND TERMINATION

The Developer hereby reserves the right to amend, modify or rescind such parts of these restrictions as it in its sole discretion deems necessary or desirable so long as it is (a) the sole owner of the property to which these restrictions apply, or in the alternative, (b) such amendment or modification does not substantially change the character, nature, or general scheme of development of The Trails Subdivision, Unit 3.

In addition to the manner of amendment set forth in the preceeding paragraph, the record owners of ninety per cent (90%) of lots or dwelling units in The Trails Subdivision, Units 1, 2 and 3, and any future units of The Trails Subdivision recorded by the Developer may amend or modify such provisions of this Declaration as they deem necessary or desirable.

In such event, the President and Secretary of the Association shall execute a certificate under oath reciting that the amendment was adopted at a meeting duly called and at which a quorum was present in person (or by proxy) and that at least ninety per cent (90%) of those entitled to cast a vote approved the amendment. Such certificate, together with the amendment adopted, shall be filed in the Public Records of Volusia County, Florida. It shall not be necessary for the record owners to join in any document to effectuate such amendment.

ARTICLE VI
USE OF COMMON PROPERTY

The common areas, as hereinabove specifically described, or hereafter designated by developer, shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the owners of lots and dwelling units lying within The Trails Subdivision, Units 1, 2 and 3, as herein above described, and any future unit of The Trails Subdivision hereinafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., for the use of such owners and the use of their immediate families, guests, lessees, invitees, and other similarly situated, for all proper and normal residential purposes, for the furnishing of services and facilities for which the same are reasonably intended, and for the quiet enjoyment of said owners.

By accepting any instrument of conveyance or by taking possession or occupancy of any dwelling unit or lot in any existing unit of The Trails Subdivision or any future unit of The Trails Subdivision hereafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., each such person does agree to abide by and comply with all rules and regulations promulgated by the Association now in effect or which may hereafter be adopted, it being understood that the compliance with such rules and regulations is necessary for the orderly enjoyment of all common areas and recreational facilities now existing or which may hereafter be designated by The Trails, Inc.

ARTICLE VIICOVENANTS AGAINST PARTITION
AND
SEPARATE TRANSFER OF MEMBERSHIP RIGHTS

Recognizing that the full use and enjoyment of any lot or dwelling unit (except Lot 4 of Unit 3) within The Trails Subdivision, Units 1, 2 and 3, and any future unit of The Trails Subdivision hereinafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., is dependent upon the use and enjoyment of the common areas and the improvements made thereto, and that it is in the interests of all of the owners that the membership rights in the common areas be retained by the owners of lots and dwelling units, it is therefore declared that the membership rights of any owner in the common area shall remain undivided, and such owners shall have no right at law or equity to seek partition or severance of such membership rights in the common areas. In addition, there shall exist no right to transfer the membership rights in the common areas in any other manner than as an appurtenance to and in the same transaction with, a transfer of title or lease to the lot or dwelling unit in The Trails Subdivision, Units 1, 2 and 3, and any future unit of The Trails Subdivision hereinafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., provided, however, that nothing herein shall preclude a conveyance by the Developer of any undivided interest in the common areas to the owners of lots or dwelling units within the subdivision for the purpose of effectuating the intent of this Declaration. Any conveyance or transfer of a lot or dwelling unit in The Trails Subdivision shall include the membership rights in the common areas appurtenant to such lot or unit whether or not such membership rights shall have been described or referred to in the deed by which said lot or unit is conveyed.

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ARTICLE VIII

COVENANTS TO RUN WITH LAND

The restrictions and burdens imposed by the provisions and covenants of this Declaration shall constitute covenants running with the land, and each shall constitute an equitable servitude upon the owner of each lot and dwelling unit and the appurtenant undivided interest in the common areas and upon the heirs, personal representatives, successors, and assigns of each owner, and the same shall likewise be binding upon the Developer and its successors and assigns. This Declaration shall be binding and in full force and effect for a period of 30 years from the date this Declaration is recorded, after which time this declaration shall be automatically extended for successive ten year periods, unless an instrument, signed by seventy-five (75%) per cent of the then recorded owners of the lots or dwelling units in The Trails Subdivision, Units 1, 2 and 3, is recorded containing an agreement of the said owners with respect to the alteration, change, modification or repeal, in whole or in part, of the provisions of this Declaration.

IN WITNESS WHEREOF, the Developer has hereunto set its hand and seal the day and year first above written.

WITNESSES:

Philip H. Langford
James A. Zerk

THE TRAILS, INC.

By: C. W. Singletary, Jr.

Attest: William G. Heath

(CORP SEAL)

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 1st day of August, 1975, by C. W. Singletary, Jr. and William G. Heath, president and secretary, respectively, of THE TRAILS, INC., a Florida Corporation, on behalf of the Corporation.

Philip H. Langford
Notary Public
My commission expires 5-31-76

NOTARY PUBLIC, STATE OF FLORIDA at LARGE
MY COMMISSION EXPIRES MAY 31, 1976
Bonded By American Bankers Insurance Co.

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EXHIBIT "A"

SCHEDULE OF LEGAL DESCRIPTION

The Trails Subdivision, Unit #3 as recorded in the Official Records of Volusia County, Florida, in Plat Book #33, pages 155 and 156, as amended by partial replat filed in the Office of the Clerk of the Circuit Court, Volusia County, Florida, in Plat Book 33, page 189.

EXHIBIT "B"

LEGAL DESCRIPTION OF TENNIS CLUB AREA

Part of Lot 2, THE TRAILS SUBDIVISION, and being more particularly described as follows: Beginning at a point on the Northerly line of Lot 2, THE TRAILS SUBDIVISION, UNIT 3 as shown on map in Map Book 33, page 155 of the Public Records of Volusia County, Florida, said point being 208.3 feet westerly of the northeasterly corner of said Lot 2; thence S 9° 09' 13" E 560 feet, thence S 68° 00' 00" W 550 feet; thence N 22° 00' 00" W 300 feet; thence N 0° 34' 04" W 435.54 feet to a point on the southerly right-of-way line of THE TRAILS, an 80 foot R/W Street, the said right-of-way line being also along a curve concave to the southeast with a central angle of 8° 06' 32" and a radius of 1722.95 feet; thence Northeasterly along the said curve and said right-of-way line for an arc distance of 243.84 feet to the point of tangent of said curve; thence continue along the said right-of-way line N 87° 01' 13" E 196.16 feet to the point of beginning, containing 8.54 acres more or less.

EXHIBIT "C"

LEGAL DESCRIPTION OF COMMERCIAL SHOPPING AREA

Lot #4, Unit #3 of The Trails Subdivision as recorded in Plat Book #33, pages 155 and 156, of the Public Records of Volusia County, Florida.

EXHIBITS "A", "B" & "C"

ARTICLES OF INCORPORATION

OF

THE TRAILS HOMEOWNERS ASSOCIATION, INC.
(A Non-profit Florida Corporation)

We, the undersigned, hereby associate ourselves together for the purpose of becoming incorporated under the laws of the State of Florida, in accordance with the provision of the Statutes of said State, providing for the formation, liabilities, rights, privileges, and immunities of corporations not for profit.

ARTICLE I

The name of this Corporation shall be:

The Trails Homeowners Association, Inc.

ARTICLE II

The general nature of the business to be transacted is as follows:

A. To enforce the terms, covenants, conditions and restrictions appertaining to The Trails Subdivision, Units 1, 2 and 3, recorded in the Public Records of Volusia County, Florida, in Map Book 33, pages 153 through 156, inclusive, and any future units of The Trails Subdivision recorded in the Public Records of Volusia County, Florida, by The Trails, Inc., a Florida Corporation.

B. To accomplish the foregoing purposes, the corporation shall have all corporate powers permitted under Florida law, including the power to mortgage and borrow monies.

ARTICLE IIIQUALIFICATION OF MEMBERS AND MANNER OF THEIR ADMISSION

Any person, firm, corporation, or other business entity coming within the following categories shall automatically

EXHIBIT D

become members of this association:

A. The record title holder of a present vested fee simple interest in any lot or dwelling unit of The Trails Subdivision, Units 1, 2 or 3, or any future unit of The Trails Subdivision, hereafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., a Florida Corporation.

B. If the record title holder described in paragraph A designates in writing to the Secretary of this association, the tenant shall be a member of this association. However, the owner's membership privileges during the period of such tenancy shall abate and shall be exercisable only by the tenant. When the tenancy ceases to exist, the owner of such dwelling unit shall so certify to the secretary of this Association and the owner shall be entitled to resumption of all membership privileges unless a new tenant is in possession of the dwelling unit.

C. The membership of any tenant or record owner shall automatically terminate when such person is no longer entitled to immediate possession and enjoyment of a lot or dwelling unit in The Trails Subdivision, hereafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., a Florida Corporation.

D. When a corporation or partnership is an owner or tenant of a dwelling unit or lot, only the President of the corporation or its designate or the senior partner shall be entitled to exercise membership privileges.

ARTICLE IV

TERM OF EXISTENCE

This corporation shall have perpetual existence.

ARTICLE V

NAMES AND ADDRESSES OF SUBSCRIBERS

Louis R. Browning

Post Office Box 1027
Ormond Beach, Florida

George C. Boone, Jr.	501 North Grandview Daytona Beach, Florida
C. W. Singletary, Jr.	501 North Grandview Daytona Beach, Florida

ARTICLE VI

MANAGEMENT AND TIME OF ELECTION

A. The affairs and property of this corporation shall be managed and governed by a Board of Directors composed of not less than five (5) nor more than fifteen (15) members.

B. Directors shall be elected by the voting membership at the regular annual meeting of the membership of the corporation to be held on the first Saturday of October of each year, at such place as may be designated by the board.

C. All officers shall be elected by the Board of Directors in accordance with the By-Laws at the regular annual meeting of the Board of Directors to be held immediately following the annual meeting of the membership. The Board of Directors shall elect from among the members of the corporation, a President, Vice President, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer and such other officers as it may deem desirable.

ARTICLE VII

NAMES OF OFFICERS

The names of the officers who shall serve until the first election are as follows:

President	C. W. Singletary, Jr.
Vice President & Secretary/Treasurer	William G. Heath
Vice President	Gerald E. Upson
Vice President	Louis R. Browning

ARTICLE VIII

BOARD OF DIRECTORS

The following five (5) persons shall constitute the first Board of Directors. Said First Board of Directors may

appoint five (5) successors to serve as an interim Board of Directors until the first election of the Board of Directors at the first regular annual meeting of the members.

George C. Boone, Jr.	501 North Grandview, Daytona Beach, Florida
C. W. Singletary, Jr.	501 North Grandview, Daytona Beach, Florida
William G. Heath	501 North Grandview, Daytona Beach, Florida
Gerald E. Upson	Post Office Box 1027, Ormond Beach, Florida
Louis R. Browning	Post Office Box 1027, Ormond Beach, Florida

ARTICLE IX

BY-LAWS

The By-Laws of this Corporation may be made, altered, amended, or rescinded by such modification signed by at least a two-thirds (2/3) vote of all members of the Association.

ARTICLE X

AMENDMENT OF ARTICLES OF INCORPORATION

An affirmative vote of seventy-five per cent (75%) of the qualified voting members of the corporation shall be necessary to amend these Articles of Incorporation.


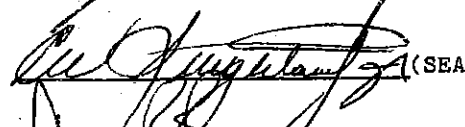

ARTICLE XI

No dividend shall be paid and no part of the income shall be distributed to its members, directors or officers. The Corporation may, however, pay a reasonable amount to its members, directors and officers for services rendered and may confer benefits upon its members in conformity with the purposes set forth in Article II and upon dissolution or final liquidation, may make distribution to its members, as permitted by the court having jurisdiction thereof and no such payment, benefit or distribution shall be determined to be a dividend or a disbursement of income.

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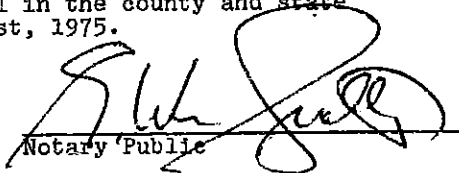
WITNESS THE HANDS AND SEALS of the incorporators
and subscribers in Volusia County, State of Florida, this
1st day of August, 1975.

 (SEAL)
 (SEAL)
 (SEAL)

STATE OF FLORIDA
COUNTY OF VOLUSIA

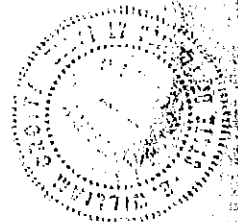
Before me, the undersigned authority, personally appeared
LOUIS R. BROWNING, GEORGE C. BOONE, JR. and C. W. SINGLETARY, JR.,
to me well known to be the incorporators and subscribers to the
foregoing Articles of Incorporation of The Trails Homeowners
Association, Inc., who being by me first duly sworn, acknowledged
that they signed the same for the purposes therein expressed.

WITNESS my hand and seal in the county and state
aforesaid, this 1st day of August, 1975.


Notary Public

My commission expires: _____

NOTARY PUBLIC: STATE OF FLORIDA - AT LARGE
MY COMMISSION EXPIRES JUNE 29, 1978
BONDED THRU GENERAL INSURANCE UNDERWRITERS



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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, the following is submitted, in compliance with said Act:

First--That THE TRAILS HOMEOWNERS ASSOCIATION, INC.

desiring to organize under the laws of the State of FLORIDA
with its principal office, as indicated in the articles of
incorporation at City of DAYTONA BEACH County
of VOLUSIA, State of FLORIDA
has named PHILIP J. CHANFRAU, JR.

located at 501 North Grandview Avenue, Daytona Beach, Florida
(Street address and number of building,
Post Office Box address not acceptable)

City of Daytona Beach, County of Volusia
State of Florida, as its agent to accept service of process
within this state.

ACKNOWLEDGEMENT: (MUST BE SIGNED BY DESIGNATED AGENT)

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 Philip J. Chanfrau, Jr.
Philip J. Chanfrau, Jr.
(Resident Agent)

BY-LAWS

OF

THE TRAILS HOMEOWNERS ASSOCIATION, INC.
(A Non-Profit Florida Corporation)

ARTICLE I

Section 1. Personal Applications. All present or future owners, tenants, future tenants of The Trails Subdivision, Units 1, 2 and 3, as per map in Map Book 33, pages 153 through 156, Public Records of Volusia County, Florida, and any future units of The Trails Subdivision hereafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc., are subject to residential or commercial property in The Trails Subdivision, Units 1, 2 and 3, or and future units in The Trails Subdivision filed by The Trails, Inc. in the Public Records of Volusia County, Florida, or the mere act of occupancy or use of any of said property will signify that these By-Laws are accepted, ratified and will be complied with.

Section 1. Voting. There shall be 990 votes initially, each of which shall be owned by The Trails, Inc. One vote shall pass automatically with the title to each lot. When a lot is developed, and a certificate of occupancy has been issued, the number of votes appurtenant to such lot shall automatically increase to the number of dwelling units actually constructed on such lot as defined by the Declaration of Covenants and Restrictions pertaining to the subdivision of The Trails, Inc. in which such lot is situate. The Trails, Inc. reserves the right to exercise all votes not so automatically conveyed. The owner of each lot or dwelling unit, except the Developer, shall be liable for all assessments against said lot or dwelling unit as per the recorded Declaration of Covenants and Restrictions pertaining to the subdivision in which said lot or dwelling unit is situate.

Section 2. Majority of Owners. As used in these By-Laws, the term "Majority of Owners" shall mean those owners as well as the developer holding 51 per cent of the votes. There shall be 990 memberships initially, each membership being entitled to one (1) vote. The Trails, Inc. shall be a member of the organization so long as it holds title to any property in The Trails Subdivision, Units 1, 2 and 3 or any future units. The Trails, Inc. reserves the right to vote all memberships not owned by other members of The Trails Homeowner's

Association, Inc. The Trails, Inc. anticipates there shall be 990 lots or dwelling units in the development of all units of The Trails Subdivision, including future units upon completion of the development of all phases of The Trails Subdivision. In the event there are more than 990 lots or dwelling units, then the number of memberships shall automatically be increased by the actual number of lots or dwelling units existing and the number of votes shall be increased to correspond with the number of memberships.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "Majority of Owners", as defined in Section 2 of this Article, shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. The Board of Directors of the Association shall have the right to appoint a proxy committee, and the proxy committee appointed by the Board of Directors shall be entitled to cast the vote for the person signing the proxy. The proxies shall be mailed out to all persons entitled to vote at least 15 but not more than 30 days prior to a meeting of the Association, and any person wishing to vote by proxy shall have his proxy properly signed and in the hands of the Secretary at least five (5) days prior to the date of the meeting.

ARTICLE III

Section 1. Association Responsibilities. The membership as defined in these By-Laws and in Section 3.2 of Article III of the Declaration of Covenants and Restrictions of The Trails Subdivision, Units 1, 2 and 3, to which these By-Laws are attached as an Exhibit, which constitutes the Association of Owners (hereinafter referred to as "Association") will have the responsibility of administering the common areas, approving the annual budget, establishing and collecting monthly assessments. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of the members.

Section 2. Place of Meetings. Meetings of the Association shall be held at the recreation area of the subdivision or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The annual meetings of the Association shall be held at the recreation area of the Subdivision or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 4. Special Meetings. It shall be the duty of the president to call a special meeting of members as directed by resolution of the Board of Directors or upon a petition signed by a majority of the members and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at least 15 but not more than 30 days prior to such meeting. The mailing of a notice by United States Mail, postage prepaid, shall constitute notice served.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either by proxy or in person, may adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and qualification. The affairs of the Association shall be governed by a Board of Directors of no less than five (5) nor more than fifteen (15) members. The members of

the initial Board need not be owners or tenants of The Trails Subdivision referred to above.

Section 2. Powers and Duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members.

Section 3. Other Duties. In addition to the duties imposed by these By-Laws, or by resolution of the Association, the Board of Directors shall be responsible for the following:

a) Care, upkeep and surveillance of the common areas and all islands lying within the road right of ways.

b) Collection of monthly assessments from the owners, and setting the monthly assessment. The assessment shall be effective upon its adoption and shall be due quarterly. Notice of the amount of such assessment shall be given to each owner personally or by mail, telephone, or telegraph. Assessments remaining unpaid for thirty (30) days after the due date shall constitute a lien on said property and bear interest at the rate of ten per cent (10%) until paid in full. Enforcement of the lien shall be by the foreclosure and in such event the Board shall be entitled to reasonable reimbursement for attorneys' fees and court costs.

c) Shall, at its option, adopt any rules and regulations which are, or may become, relative to the general use of the common areas which are subject to the use of all members.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a majority vote of the members shall be filled by the vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 5. Removal of Directors. At the regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the voting members present in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

Section 7. 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, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least twenty (20) days prior to the day named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director given personally or by mail, telephone or telegraph which notice shall state the meeting time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director of any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting

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of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, Vice President and Secretary/Treasurer, all of whom shall be elected by the Board of Directors and all of whom shall be members of the Board of Directors. The Directors may appoint an assistant treasurer and an assistant secretary and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote by a majority of the Board of Directors present at any regular or special meeting, any officer may be removed either with or without cause. The Board may at such meeting elect a successor for the removed officer.

Section 4. President. The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association. He shall have all of the general powers and duties which are usually vested in the office of the president of an association including, but not limited to, the power to appoint committees from among the members. From time to time he may, in his discretion, decide and acquire the necessary staff appropriate to assist in the conduct of the

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Section 5. Vice President. The Vice President shall preside at all meetings of the Association in the absence of the President. affairs of the Association.

Section 6. Secretary/Treasurer. As Secretary he shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct and he shall, in general, perform all of the duties incident to the office of the Secretary. As Treasurer, he shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may, from time to time, be designated by the Board of Directors.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 1. Assessments. All of the members, but excluding the developer, are obligated to pay monthly assessments imposed by the Board of Directors to meet all project communal expenses, including specifically but not by way of limitation, fire and extended coverage and vandalism and malicious mischief and public liability insurance, amortization of mortgages, and taxes on the recreational facilities and common areas.

Section 2. Maintenance and Repair.

a) Every member must perform all maintenance, upkeep and repair work within his own lot or dwelling unit which, if omitted, would detrimentally affect the aesthetic appearance of the subdivision or a part belonging to the other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

b) A member shall reimburse the Association for any expenditure incurred in repairing or replacing any part of the communal facilities damaged through the fault of any agent, guest, or lessee of such member.

Section 3. Use of Property. Usage of all property shall be limited to usage as described by duly regulated ordinances now in effect or which may become in effect in the City of Ormond Beach, Volusia County, Florida, and further limited by the Declaration of Covenants and Restrictions of The Trails Subdivision, Units 1, 2 and 3, and future units of The Trails Subdivision, Units 1, 2 and 3, filed in the Public Records of Volusia County, Florida by the Developer, referred to above to which these By-Laws are an exhibit.

Section 4. Rules and Conduct. Conduct of members shall be governed by rules and regulations, which from time to time may be approved by the Board of Directors.

ARTICLE VII

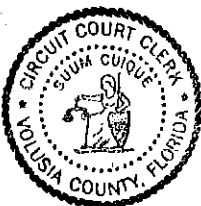
AMENDMENTS TO THE BY-LAWS

Section 1. By-Laws. These By-Laws may be amended by a vote of two-thirds (2/3) of those entitled to vote.

ARTICLE VIII

SALES OR LEASE OF PROPERTY

The Association shall in no way restrict the sale or lease of property within The Trails Subdivision, Units 1, 2 and 3, referred to above or any future units of The Trails Subdivision hereafter filed in the Public Records of Volusia County, Florida, by The Trails, Inc.



STATE OF FLORIDA, VOLUSIA COUNTY
I HEREBY CERTIFY the foregoing is a true copy
of the original filed in this office. This 8-

9th day of July 15
Clerk of Circuit and County Court

By Medwa Seery
Deputy Clerk