CHRG: ITT $24.00
R/R: C. DUKES
FINANCE DEPT.

OFF REC 0409 PAGE 0224

L/SP-97
Rev: 08/29/89

PLAT AGREEMENT, ISLAND ESTATES

THIS AGREEMENT is entered into this 19th day of September, 1989 between ADMIRAL CORPORATION of 1 Corporate Drive, Palm Coast, Florida 32151 ("Developer") and the Board of Commissioners of Flagler County, Florida, County Courthouse, Bunnell, Florida 32110 (the "County"), and they are collectively referred to as "the parties".

WHEREAS, Developer has applied for and the County has approved a plat of the Island Estates Subdivision, located on State Road A1A in Flagler County, Florida,

In consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows in regard to the plat:

1. Performance Bond

Prior to recordation of the plat, Developer shall post a performance surety bond in lieu of installation of improvements as provided in Section 71.01 of Flagler County Ordinance No. 78-8.

2. Plat Recordation

The plat shall be recorded at Map Book 28 Page 43-51, of the Public Records of Flagler County, Florida.

3. Bonded Improvements

Along with improvements required by the plat, the bonded improvements shall also include:

1. A two-lane bridge at the north end of Island Estates (the north bridge) with an at-grade intersection with S.R. A1A; and
2. A bridge on the east side of Island Estates (the new south bridge) equal in width and adjacent to the existing bridge on the east side of Island Estates (the existing south bridge), and Developer anticipates commencing construction of the new south bridge after completion of the north bridge.

4. Phases

Island Estates will be developed in three phases, as shown by the attached Exhibit A. Exhibit A may be modified by Developer with the concurrence of the County Engineer.

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5. Intersections with S.R. A1A

(a) Developer will install turn lanes and intersection improvements along S.R. A1A at the locations of the north and south bridges, concurrently with the construction of the bridges, according to Florida Department of Transportation requirements.

(b) Developer shall install, at no expense to the County, signalization of the intersection at the north bridge according to Florida Department of Transportation requirements. Contingent upon the Florida Department of Transportation giving its consent, the signalization will be completed on or before December 31, 1991, or on completion of the first 50 dwelling units on Island Estates, whichever occurs first.

6. Building Permits

Along with fulfilling all County regulations for the issuance of building permits, the following additional requirements shall apply to Island Estates:

(a) building permits for dwellings in each phase will not be issued until the water supply system, wastewater collection system, roads and road drainage are completed for the phase for which the particular permit is sought; and

(b) Building permits for Island Estates will not be issued until access to the island is available by means of two bridges capable of bearing the loads for which the bridges are designed; one of the bridges must be the north bridge, and the existing south bridge may be the other; and

(c) Building permits for Island Estates will not be issued until the intersection improvements at the north bridge (except signalization) are complete.

(d) In recognition of developer's planned phasing of the bridges, this rule means that building permits will be issued when the northern bridge is complete enough

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to bear traffic for which it was designed. The existing bridge is adequate to provide a second means of access.

7. Finished Floor Elevations

(a) The minimum finished floor elevation for each lot is indicated on the plat. For each dwelling, upon completion of the lowest floor or slab, a certification by a Florida licensed engineer or surveyor indicating that the minimum floor elevation has been met will be submitted to the County. The County building department will not approve inspections subsequent to the slab inspection until this provision has been met.

(b) The minimum floor elevation for Island Estates, including garage floors, is elevation 8.0 NGVD.

8. Drainage Easements and Stormwater Retention Areas

(a) Drainage easements for roadway stormwater runoff will be dedicated to the appropriate homeowner's association, which will be responsible to maintain functional drainage on all such easements.

(b) The appropriate homeowner's association will maintain stormwater retention areas on road rights-of-way.

(c) The retention area for each dwelling unit, if any, will be located on the dwelling unit lot, and the lot owner will be responsible to maintain it.

9. Setbacks

Setbacks are defined in Flagler County Ordinance No. 84-3. Minimum setbacks for Island Estates are:

Front Yard - 30 feet
Rear Yard - 20 feet
Side Yard - 20 feet

Except as provided herein, no building or structure may be located above ground within the rear yard setback, including dwelling units, garages, swimming pools, get-wet pools, hot tubs, screened enclosures, patios or fences. Subject to approval by the County and the Hammock Dunes Design Review Committee (which approval is

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not guaranteed by this provision), structures which may encroach into the rear-yard setback include boat docks, boat houses, viewing decks, gazebos, walkways and similar structures accessory to providing water access or views.

10. Miscellaneous

(a) This agreement has been negotiated fully between the parties as an arms-length transaction. Both parties participated fully in the preparation of this Agreement. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen and selected the language.

(b) This Agreement shall be recorded in the Public Records of Flagler County.

11. Dwelling Units

Flagler County Resolution No. 84-7, the Hammock Dunes Development Order, Exhibit 17.5.2, allocates a total of 897 dwelling units to Clusters 17 and 18, which comprise Island Estates. The Island Estates plat proposes 200 dwelling units. Of the difference of 697 units, Developer and County agree to the reallocation of 134 units (15 percent) to other clusters. This Agreement will result in a reduction of 563 dwelling units in Hammock Dunes Development Order.

The Board of Commissioners of Flagler County, Florida

By: _____
Chairman

Admiral Corporation

By: W. D. McGee
Exec. Vice President

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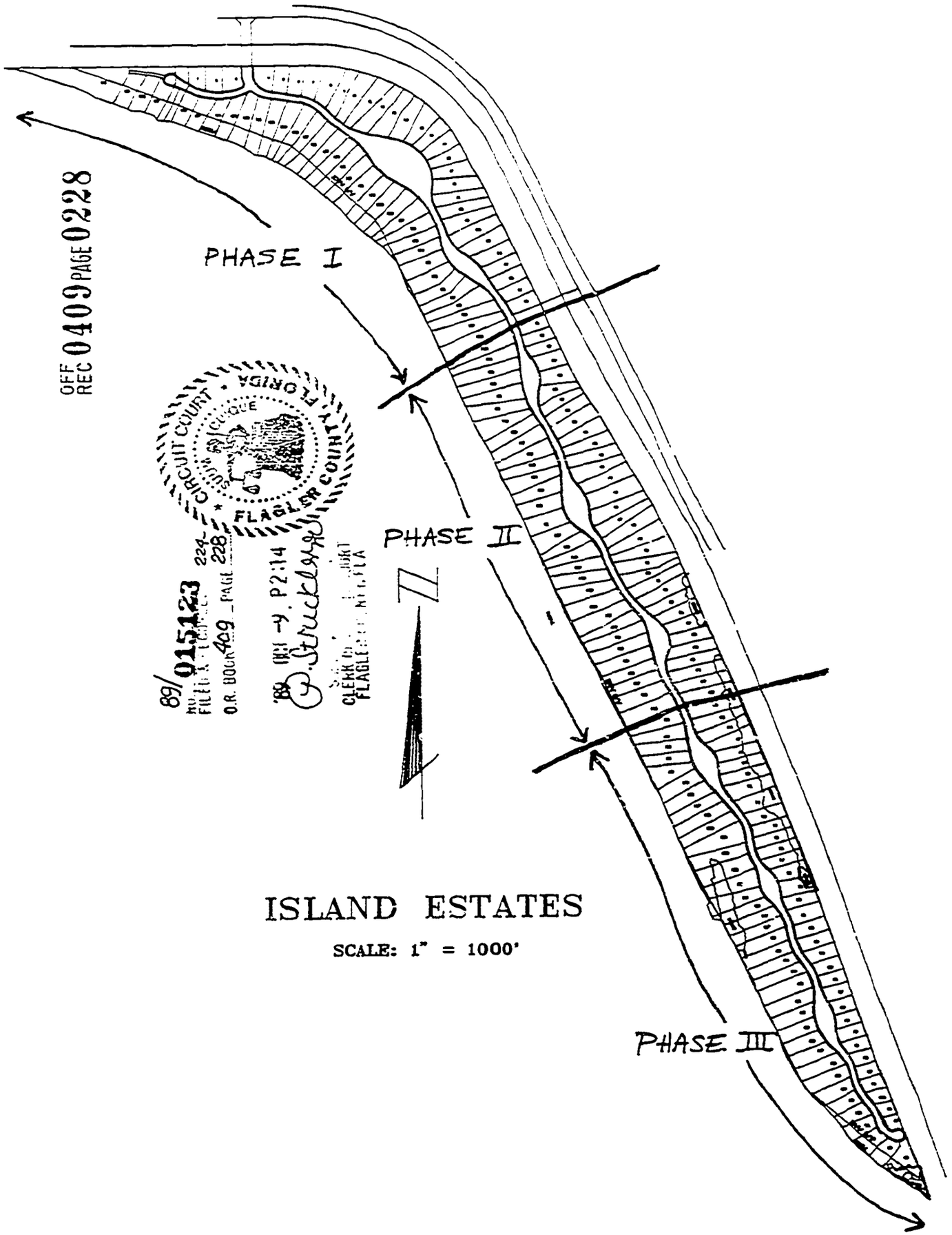

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CLERK OF CIRCUIT COURT FLAGLER CO. FLA

Exhibit A

$393.00

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DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS OF
ISLAND ESTATES NEIGHBORHOOD

A NEIGHBORHOOD OF

Hammock Dunes™
Private Community

HAMMOCK DUNES℠ IS A SERVICE MARK OF
ITT COMMUNITY DEVELOPMENT CORPORATION

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DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ISLAND ESTATES NEIGHBORHOOD

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This DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS OF ISLAND ESTATES NEIGHBORHOOD is made this 1st day of November, 1989 by ITT Community Development Corporation, a Delaware corporation, its successors and assigns (the "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is presently developing a planned community located in Flagler County, Florida (the "County") known as Hammock Dunes℠ Private Community of which the Island Estates Neighborhood is a part; and

WHEREAS, Declarant by this Declaration of Protective Covenants, Conditions and Restrictions of Island Estates Neighborhood (the "Declaration") imposes the covenants, conditions and restrictions contained herein upon the "Land," the legal description of which is attached hereto and made a part hereof as Exhibit "A"; and

WHEREAS, Declarant has determined that the Land is Committed Property, as that term is defined in the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes (the "Master Declaration"), and is subject to the specific Land Use Classifications as set forth in the Island Estates Property Plan which is attached hereto and made a part hereof as Exhibit "B"; and

WHEREAS, Island Estates Neighborhood is a Neighborhood created pursuant to Article 7 of the Master Declaration and this Declaration is a "Neighborhood Declaration" pursuant to Article 7.01 of the Master Declaration; and

WHEREAS, Declarant has created pursuant to Article 7.03 of the Master Declaration, a Subassociation which shall be responsible for the operation of the Island Estates Neighborhood. This Subassociation is the Island Estates Neighborhood Association, Inc., a Florida corporation not for profit. A true copy of the Articles of Incorporation of the Association is attached hereto as Exhibit "C" and made a part hereof. A true copy of the By-Laws of the Association is attached hereto as Exhibit "D" and made a part hereof. The Association is NOT a condominium association under Chapter 718, Florida Statutes; and

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WHEREAS, the Master Declaration provides that the Hammock Dunes Owners' Association, Inc. (the "Owners Association) also has jurisdiction over the Island Estates Neighborhood, to the extent set forth in the Master Declaration; and

WHEREAS, the Island Estates Neighborhood is, for the purposes of this Declaration and the Master Declaration, a part of the Fish Island Community.

NOW, THEREFORE, Declarant declares that the Land is and shall be owned, used, sold, conveyed, encumbered, demised and occupied subject to the provisions of this Declaration, which shall run with the Land and be binding on all parties having any right, title or interest in the Land or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

I. DEFINITIONS

A. The terms contained in this Declaration shall have the meanings given such terms in the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes except as may otherwise be set forth herein.

B. "Annual Assessment" shall mean the annual assessment due from each Lot in the Neighborhood, which shall be the Neighborhood Common Expense Assessment plus the Operating Expenses as more fully described in Article VIII(A) hereof.

C. "Articles" shall mean the Articles of Incorporation of the Island Estates Neighborhood Association, Inc.

D. "Assessments" shall mean any assessments made by the Association in accordance with this Declaration including, but not limited to, assessments for Neighborhood Common Expenses and Special Assessments, as may be further set forth in this Declaration, as well as any assessments assessed by the Owners' Association which are to be collected by the Association.

E. "Association" shall mean the Island Estates Neighborhood Association, Inc., a Florida corporation not for profit.

F. "Base Assessments" shall mean those Assessments for which all Members of the Owners' Association are responsible in the manner set forth in Article VIII(A)(1)(a) herein and in Article 10.01(c)(2) of the Master Declaration.

G. "Board of Administrators" shall mean the governing body of the Owners' Association.

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H. "Board of Directors" or "Board" shall mean the governing body of the Association.

I. "Budget" shall mean the budget adopted by the Board, as discussed in Article VIII of this Declaration.

J. "By-Laws" shall mean the By-Laws of the Association.

K. "Clubs" shall mean and refer to Hammock Dunes Club, Inc., a Florida corporation not for profit, and any other recreational-type club or country club which may be established in conjunction with the Total Property, as described further in Article 2 of the Master Declaration.

L. "Committed Property" shall mean those portions of the Total Property which are subjected to specific Land Use Classifications, including the Land.

M. "Common Areas" shall mean the Land Use Classification assigned to all real property, including any improvements and fixtures thereon, owned by, leased to, or the use of which has been granted to the Owners' Association as set forth in the Master Declaration. Common Areas have not been, and are not intended to be, submitted to the condominium form of ownership.

N. "Community" shall mean a portion of the Committed Property comprised of one or more Neighborhoods or Tracts or both, and designated as such by Declarant, which may share certain services or facilities.

O. "Community Assessments" shall mean those assessments due from Members of the Fish Island Community for those Operating Expenses which have been incurred to benefit primarily the Members of the Fish Island Community.

P. "Community Common Areas" shall mean all real property including any improvements and fixtures thereon owned by, leased to, or their use of which has been primarily granted to a Community for the common use and enjoyment of the Owners in such Community.

Q. "County" shall mean Flagler County, Florida.

R. "Declarant" shall mean ITT Community Development Corporation, a Florida corporation, its nominees, successors and/or assigns.

S. "Design Review Committee" shall mean the body established by the Board of Administrators to administer the Development Codes to control the initial design and location of all Structures, and all alterations and modifications to existing Structures and improvements to the Committed Property as fully discussed in

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Z. "Island Estates" shall mean that Neighborhood on the Total Property which is comprised of the Land, as may be expanded as provided for in Article II(D) herein.

AA. "Island Estates Property Plan" shall mean and refer to that property plan of the Land annexed here to as Exhibit "B" and made a part hereof. The Island Estates Property Plan shows and identifies, among other things, the pertinent Land Use Classifications of the Island Estates Neighborhood, and each Lot.

BB. "Land" shall mean the real property subject to this Declaration, as more fully described in Exhibit "A" attached hereto.

CC. "Land Segment" shall mean a portion of the Committed Property which is designated by Declarant in writing as a Land Segment, all as more fully described in Articles 8.04 and 10.01 of the Master Declaration.

DD. "Land Use Classifications" shall mean one of the specific uses which Declarant has determined to assign to Committed Property, which Land Use Classifications are more fully described in Article 5, land may be expanded in accordance with Article 5, of the Master Declaration.

EE. "Lot" shall mean that portion of the Committed Property upon which a Dwelling Unit is to be built. Each Lot is shown on the Island Estates Property Plan, attached hereto as Exhibit "B," as may be amended from time to time.

FF. "Master Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes.

GG. "Master Documents" shall mean the Master Declaration and the Articles of Incorporation, By-Laws and the Rules of the Owners' Association.

HH. "Members" shall mean members of the Owners' Association.

II. "Neighborhood" shall mean the Island Estates Neighborhood.

JJ. "Neighborhood Assessments" shall mean those assessments assessed by the Owners' Association and due from Members of the Island Estates Neighborhood for those Operating Expenses which have been incurred to benefit primarily the Members of the Island Estates Neighborhood.

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KK. "Neighborhood Common Areas" shall mean all real property including any improvements and fixtures thereon, the use of which has been primarily granted to the Island Estates Neighborhood for the common use and enjoyment of the Owners in the Island Estates Neighborhood.

LL. "Neighborhood Common Expenses" shall mean the expenses for which the members of the Island Estates Neighborhood are liable to the Association and include, but are not limited to, the costs and expenses incurred by the Association in (i) fulfilling its obligations under the Master Documents, the Neighborhood Documents and applicable law; (ii) fulfilling its obligations under the Order; and (iii) administering, operating, and/or owning the Neighborhood Common Areas, all as fully described in the Neighborhood Documents.

MM. "Neighborhood Members" shall mean the members of the Association.

NN. "Neighborhood Property" shall mean and refer to the Land and all improvements thereon submitted to this Declaration and all easements and rights appurtenant thereto intended for use in connection therewith.

OO. "Neighborhood Turnover" shall mean a date no later than one hundred twenty (120) days after Declarant has conveyed ninety percent (90%) of the Dwelling Units permitted to be constructed in the Island Estates Neighborhood.

PP. "Operating Expenses" shall mean the expenses which are due to the Owners' Association from the Members and include, but are not limited to, the cost and expenses incurred by the Owners' Association in (a) fulfilling its obligations under the Master Documents and under applicable law; (b) fulfilling obligations under the Order, and (c) administering, operating, and owning the Common Areas and Neighborhood Common Areas, all as more fully described in Article 11 of the Master Declaration.

QQ. "Order" shall mean the Development Order for Hammock Dunes adopted pursuant to Section 380.06(20), Florida Statutes, on March 30, 1984, by resolution of the Board of County Commissioners of the County regarding the development of the Total Property.

RR. "Owner" shall mean a record owner of a fee interest in a Unit, but excluding those having an interest in a Unit merely as security for the performance of an obligation.

SS. "Owners' Association" shall mean the Hammock Dunes Owners' Association, Inc., a Florida corporation not for profit, its successors or assigns. The Owners' Association is <u>NOT</u> a condominium association.

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TT. "Person" shall mean any individual, corporation, governmental agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

UU. "Rules" shall mean the rules and regulations promulgated by the Board in accordance with the provisions of this Declaration.

VV. "Special Assessments" shall mean those Assessments more particularly described in Article VIII(A)(2) of this Declaration and Article 10.03 of the Master Declaration.

WW. "Structure" shall mean that which is built or constructed, or any work artificially built up or composed of parts joined together in some definite manner, the use of which requires more or less permanent or temporary location on the ground, or which is attached to something having a permanent or temporary location on the ground. The term shall be construed as if followed by the words "or part thereof."

XX. "Supplement" shall mean an instrument executed by Declarant for such purposes as are more fully described in this Declaration and the Master Declaration.

YY. "Total Property" shall mean the real property subject to the Master Declaration, as is legally described in the Master Declaration, of which the Land is a part.

ZZ. "Tract" shall mean any specifically delineated portion of the Total Property designated by Declarant or as otherwise shown or fully discussed in the Master Declaration.

AAA. "Unit" shall mean Dwelling Units, Tracts, and Land Segments.

BBB. "Voting Member" shall mean the Person who shall represent the Dwelling Unit Owners of the Island Estates Neighborhood at meetings of the Owners' Association, as set forth more fully in the Articles and By-Laws of the Owners' Association.

II. DESCRIPTION OF ISLAND ESTATES NEIGHBORHOOD

A. Neighborhood Property.

1. The Neighborhood Property shall contain Neighborhood Common Areas and single-family detached residential Dwelling Units intended to be built upon the Lots.

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2. Portions of the Neighborhood Property will be Neighborhood Common Areas. The current Neighborhood Common Areas are shown on the Island Estates Property Plan. The Association is responsible to maintain the Neighborhood Common Areas. Notwithstanding anything provided herein, however, Declarant reserves the right, until such time as it no longer has any interest in the Total Property, by means of a Supplement recorded in the Public Records of the County, without the joinder of any other Person being required, to redesignate any of the Neighborhood Common Areas as Community Common Areas or Common Areas, or to provide that the maintenance responsibility of the Neighborhood Common Areas, whether or not redesignated as Community Common Areas or Common Areas, is the responsibility of the Owners' Association.

3. Declarant shall have the right, but shall not be obligated, to designate additional real property as part of the Island Estates Neighborhood by executing and recording a Supplement or other instrument intended to have the same effect in the Public Records of the County, without the consent of any Person. Declarant makes no representation regarding the size of such real property, if any. Such real property may be designated as Common Area, Community Common Area, Neighborhood Common Area, or any other Land Use Classification. That portion of real property, if any, added by Declarant to the Island Estates Neighborhood shall be subject to the provisions of this Declaration. Some of the effects of adding such real property to the Island Estates Neighborhood may be to increase the number of Lots, the number of Persons using the Neighborhood Common Areas, the size of the Assessments and Neighborhood Common Expenses and the total number of votes which may be cast pertaining to Neighborhood affairs. Notwithstanding anything provided herein, the maximum number of Dwelling Units to be constructed in the Island Estates Neighborhood shall be four hundred (400).

4. The use of the waterways abutting the Island Estates Neighborhood is subject to the various restrictions set forth in this Declaration and the Master Declaration. THE ASSOCIATION, OWNERS' ASSOCIATION OR DECLARANT IS NOT RESPONSIBLE TO ASSIST AN OWNER IN ANY WAY TO OBTAIN ANY REQUISITE LICENSE OR APPROVAL TO CONSTRUCT ANY DOCK, BOAT SLIP, OR OTHER STRUCTURES ON ANY OF THESE WATERWAYS. SUCH LICENSES AND APPROVALS ARE THE SOLE RESPONSIBILITY OF THE OWNER. DECLARANT FURTHER MAKES NO REPRESENTATION CONCERNING THE ABILITY OF ANY UNIT OWNER TO OBTAIN THE REQUISITE LICENSES AND APPROVALS TO CONSTRUCT ANY DOCK, BOAT SLIP, OR OTHER STRUCTURE ON ANY OF THESE WATERWAYS. Additionally, an Owner whose Lot abuts the FEC canal east of Island Estates may have to also seek an easement from the owner of the FEC canal for access to the waterway over any portion of land owned by the owner of the FEC canal which is between the Lot and the waterway. Declarant makes no representation concerning the ability of an owner to obtain such an easement, and Declarant, the Owners' Association or the

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Association is not responsible to assist any Owner in obtaining such an easement.

5. Subject to the provisions of Article II(A)(2) above, the two (2) bridges and the roadways providing access to the Island Estates Neighborhood from Highway A1A are Neighborhood Common Areas, and the costs for maintenance thereof shall be assessed as a Neighborhood Common Expense. The roadways connecting those bridges to Highway A1A are subject to an easement in favor of the State of Florida or its designees to widen Highway A1A. The ownership of these roadways shall not affect the designation of the roadways as Neighborhood Common Areas.

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6. Subject to the provisions of Article II(A)(2) above, Declarant shall have the right, but not the obligation, to add portions of real property between Highway A1A and the Atlantic Ocean to the Island Estates Neighborhood and to provide that such real property is Common Area, Neighborhood Common Area or Community Common Area for the purpose of beach access. Such real property, if any, may or may not include certain facilities, such as a dune walkover, gazebo, running water and parking areas. The costs of maintenance of this area, if any, shall be a Neighborhood Common Expense, or an Operating Expense assessed as a Community Assessment or Base Assessment, as appropriate. Notwithstanding anything provided herein, DECLARANT HAS NO OBLIGATION TO PROVIDE ANY BEACH FACILITIES OR BEACH ACCESS.

B. Hammock Dunes Club.

1. The Hammock Dunes Club is a private, equity membership Club, and it is subject to those documents promulgated by the Hammock Dunes Club. Any Lot Owner interested in membership in the Hammock Dunes Club should contact the Hammock Dunes Club.

2. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE OWNERSHIP OF A UNIT, OR MEMBERSHIP IN THE OWNERS' ASSOCIATION, DOES NOT CONFER ANY OWNERSHIP INTEREST IN OR RIGHT TO USE ANY OF THE HAMMOCK DUNES CLUB FACILITIES OR OTHER CLUB FACILITIES IN ANY MANNER.

III. HAMMOCK DUNES OWNERS' ASSOCIATION, INC. AND ISLAND ESTATES NEIGHBORHOOD ASSOCIATION, INC.

A. Hammock Dunes Owners' Association, Inc.

1. The Owners' Association manages and administers certain parts of the Total Property which may include the Neighborhood Common Areas. The duties and responsibilities of the

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Owners' Association are more specifically set forth in the Master Documents.

2. Membership.

(a) Every Lot Owner shall be a Member of the Owners' Association. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot. The votes of members other than Declarant shall be cast at meetings of the Members of the Owners' Association by their Voting Members as set forth more fully herein and in the Master Documents.

(b) The Voting Member for Island Estates Neighborhood shall have the same number of votes as the number of Lots in the Island Estates Neighborhood and shall cast the votes of the Members he represents as such Voting Member determines to be in the best interests of the Neighborhood at meetings of the Members called for such purpose. Nothing herein contained shall require that the Voting Member cast in the same manner all of the votes he is entitled to cast at the meetings of the Members of the Owners' Association, and the Voting Member may cast fewer than the total number of votes possessed by the Members he represents.

(c) The Voting Member of the Island Estates Neighborhood shall be the President of the Association, or in his absence, the Vice President.

(d) At the Turnover meeting and thereafter, the Voting Member may cast his vote for Administrator only for the Administrator vacancy set aside for the Fish Island Community. "Turnover" shall mean a date no later than one hundred twenty (120) days after Declarant has conveyed ninety (90%) percent of the Dwelling Units permitted to be constructed on the Total Property, at which time Declarant shall no longer have the right to appoint a majority of the Board of Administrators. Notwithstanding anything provided herein, in electing an Administrator, the Voting Member is entitled to one (1) vote only, regardless of the total number of Members in the Island Estates Neighborhood.

(e) At all meetings of Members, Members may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Owners' Association. No proxy shall extend beyond a period of eleven (11) months.

3. The Master Documents impose certain rights and obligations on the Unit Owners. The Master Documents set forth the manner in which the Unit Owners in the Neighborhood, their family members, guests, invitees and lessees may use and enjoy the Common Areas and the sharing of Operating Expenses. The Neighborhood Property and the provisions of this Declaration are subject to the Master Documents. Further, all the covenants set

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forth in the Master Documents including, but not limited to, the affirmative covenants and obligations to pay Operating Expenses, as therein set forth, shall run with the Neighborhood Property, and any assessments for Operating Expenses made pursuant to the Master Documents against any Unit shall be assessable against all of the Neighborhood Property as a whole.

B. Island Estates Neighborhood Association, Inc.

1. Each Lot Owner shall be a member of the Association in accordance with the provisions of the Articles. The Association is a Neighborhood Association as defined in the Master Declaration and shall have all of the privileges, duties, and obligations of a Neighborhood Association, as set forth in the Master Declaration.

2. The Association may or may not operate other neighborhoods within the Community of which the Island Estates Neighborhood is a part and the Unit Owners in such neighborhoods shall be members of the Association.

3. Once title to a Neighborhood Common Area(s), or any portion thereof, becomes vested in the Association, such Neighborhood Common Area(s) shall not be abandoned, partitioned, alienated, released, transferred, hypothecated, or otherwise encumbered without first obtaining, until Neighborhood Turnover, the written approval of Declarant, and at least two-thirds (2/3) of the owners of Units in the Neighborhood excluding Declarant; and after Neighborhood Turnover, not less than a majority of the Units in the Neighborhood.

4. The Association shall make available to owners of Units, any Institutional Mortgagee, Declarant and/or the Owners' Association, current copies of the Neighborhood Declaration, By-Laws, other rules concerning the Neighborhood, and the books, records and financial statements of the Association. "Available" as used in this paragraph shall mean available for inspection, upon request, during normal business hours, or under reasonable circumstances.

5. The Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Neighborhood Common Area(s) or for making emergency repairs which are necessary to prevent damage to the Neighborhood Common Areas to another Unit or Units.

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IV. EASEMENTS

A. Perpetual Nonexclusive Easement to Public Ways. The walks and other rights-of-way on the Neighborhood Property shall be and the same are hereby declared and reserved to be subject to a perpetual nonexclusive easement over and across the same for ingress, egress and access to and from the public ways in favor of the Owners' Association, the Association, the Declarant, and the Lot Owners for their use and for the use of their families, guests, invitees, and lessees and for all proper and normal purposes. The easement rights hereunder shall be used in a manner consistent with the structural design of any improvements on the Neighborhood Property and shall not be used in a manner so as to create a nuisance, and shall be subject to any use restrictions set forth herein or promulgated by the Board of Directors.

B. Easements and Cross-Easements on Neighborhood Property. Declarant, for itself, its successors and assigns, the Association, and the Owners' Association, reserves the right to impose upon the Neighborhood Property henceforth and from time to time such easements and cross-easements for ingress and egress and the installation, maintenance, construction and repair of facilities, including, but not limited to, electric power, telephone, governmental purposes and services, sewer, water, gas, drainage, irrigation, lighting, television transmission, limited access assurance services, garbage and waste removal and the like as it deems to be in the best interest of, and necessary and proper for, the Neighborhood Property and the remainder of the Total Property.

C. Easement for Encroachments. All of the Neighborhood Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon the Neighborhood Property or improvements contiguous thereto, or caused by minor inaccuracies in building or rebuilding of such improvements. The above easements shall continue until such encroachments no longer exist.

D. Easement of Enjoyment and Use. Every Owner of a Lot in the Island Estates Neighborhood shall have a non-exclusive right and easement of enjoyment and use in and to the Neighborhood Common Areas for their intended purposes, which right and easement shall be appurtenant to and shall pass with the title to the Lot, subject to the Master Documents, this Declaration, and all applicable governmental regulations.

E. Easements for Drainage Swale Maintenance. There is hereby created in favor of the Association, its successors and assigns, an easement over any portion of the Neighborhood Property, including without limitation the Lots, for access to and maintenance of any portion of Neighborhood Property which is a drainage swale.

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V. OCCUPANCY AND USE RESTRICTIONS

A. Lot Area and Width; Setback; Size of Dwelling Unit; Structures.

1. Minimum Lot Size - No Dwelling Unit shall be built on any Lot having an area less than 17,516 square feet. Further, subdivision of any Lot within Island Estates Neighborhood is prohibited.

2. Setbacks - No part of any Dwelling Unit shall be located nearer than: 30 feet to the front Lot line; 30 feet to the side of a corner Lot; 20 feet to the side Lot line, and 20 feet from the rear Lot line.

3. Minimum Dwelling Unit Size - No Dwelling Unit shall contain less than 2,500 square feet of air-conditioned enclosed living area. An enclosed garage for a minimum of two cars shall be provided.

4. Determination of Square Footage - The method of determining the square footage of the enclosed living area of a Dwelling Unit, structure or addition thereto, shall be to multiply together the horizontal dimensions of the walls forming the outer boundaries of the Dwelling Unit, Structure or addition for each floor level. Open porches, atriums, screened-in patios, courtyards, garages and other similar type space shall not be taken into account in calculating the minimum air-conditioned enclosed living area square footage as required herein.

5. Use - All Lots are restricted to use for a single-family detached residence, designed for and occupied by one family. No more than one (1) Dwelling Unit with a private attached garage may be built on a Lot. No Dwelling Unit may exceed 35 feet in height. Buildings accessory to the use of a Dwelling Unit may be erected, provided such accessory buildings are not used for rental purposes and provided further that prior written approval is first obtained from the Design Review Committee. A construction shed or trailer may be temporarily placed upon a Lot and remain there during active construction of a residence for a period not to exceed six (6) months; otherwise, no portable buildings, tents, trailers or other temporary buildings may be placed upon a Lot.

6. Businesses - No trade, business, professional office, or any other type of commercial activity shall be conducted on any Lot or in any Dwelling Unit; however, notwithstanding this restriction, Declarant and its assigns shall not be prohibited from operating sales models and/or a sales office on any Lot.

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7. Entity Owner
the name of a corporation,
individual or individuals,
delivered to the Secretary
family or person as the occu
Board of Directors approves,
designations in any twelve
designated family or individu
occupy the Dwelling Unit.

8. Guests - Two (2
to occupy any Dwelling Unit at
be able to promulgate rules an
of guests permitted and the le

9. Insurance Rates
suffer anything to be done or
the insurance rates on his
Neighborhood Common Areas or wh
the rights of other Unit Owners

10. Contractors - Al
conducted or supervised by a co
Florida. All such contractors
contractors set forth in the
Estates. The Unit Owner is respo
meets the requirements set forth
Review Manual for Island Estate
ASSOCIATION, NOR THE OWNERS' ASSOC
OWNER'S FAILURE TO DETERMINE WHETH
SELECTS IS LICENSED IN THE STATE OF
REQUIREMENTS OF THE DESIGN REVIEW

B. Uses and Other Restricti

1. Rules and Regulatio
shall, from time to time, promulga
respect to the Island Estates Neigh
in the best interests of the Island
Unit Owners. No Unit Owner shall
unreasonable noises or otherwise, no
or permit to be committed any nuisa
on his Lot or on the Neighborhood Co

2. Pets. A Unit Owner
harbor domesticated household pets i
provisions immediately following. Suc
areas designated for such purpose; pr
leashed whenever outside the Unit.
shall also abide by any rules and reg
Board of Directors in this regard. Vio

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of any of said rules and regulations may result in the termination of the Unit Owner's right to keep such pet. A Unit Owner shall not keep any livestock or poultry in his Dwelling Unit or upon his Lot, nor may any of the same be raised, bred, or kept upon the Common Areas or any portion of the Neighborhood Property. A maximum of two (2) dogs, cats or other domesticated household pets may be kept on any Lot or Dwelling Unit. For purposes of this paragraph, a domesticated household pet is an animal which may traditionally be kept within one's Dwelling Unit, such as a dog, cat, bird or hamster.

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3. Development Codes. A Unit Owner shall be required to comply with the Development Codes, as more fully set forth in the Master Documents, provided, however, that the Board of Directors may promulgate development codes pertaining solely to the Neighborhood Property ("Design Review Manual for Island Estates"), subject to Declarant's approval prior to Turnover. The criteria for establishing the Design Review Manual for Island Estates include considerations relating to: (a) engineering matters, such as Lot elevations; (b) aesthetic matters, such as preserving views of the Intracoastal Waterway; (c) facilitation of utility and sewer connections; and (d) other matters in Declarant's sole discretion.

4. Garages. The garage door of any Dwelling Unit shall remain closed except when being used for access to or ingress from the garage.

5. Parking. No motor vehicle or trailer, including but not limited to pick-up trucks, vans, trucks over one ton capacity, trucks used for commercial purposes, boats, campers, motor homes or similar recreational vehicles may be parked or stored on any Lot unless same are parked or stored in an enclosed garage. Notwithstanding the above, personal passenger vehicles may be parked on the paved portion of a Lot, provided, however, that no personal passenger vehicle may be parked on the paved portion of a Lot if that vehicle contains any permanent lettering or signs thereon. On-street parking is prohibited. Additionally, subject to Article V(B)(19) herein, no vehicle of any type shall be operated on any Neighborhood Common Areas other than paved roadways.

6. Signs. No sign of any type shall be erected or displayed on any Lot provided, however, that a builder advertising his Lot or Dwelling Unit during the construction period shall be permitted to have signs for those purposes if such signs have received the prior written approval of the Design Review Committee.

7. Satellite Dishes and Antennae. No electronic, satellite dishes or other type antenna or dish may be erected on a Lot or attached to any Dwelling Unit thereon. Provided, however,

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any such electronic or other type antenna or dish may be installed within the attic space of a Dwelling Unit.

8. Swimming Pools. Swimming pools (including their screen enclosures, if any), deck area, patios, hot tubs and sun decks must be approved in writing by the Design Review Committee prior to construction. None of the Structures described in this paragraph shall be constructed closer than 20 feet from the rear Lot line or side Lot lines without prior written approval of the Design Review Committee.

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9. Walls and Fences. No wall, fence or hedge shall be erected or maintained on any Lot unless approved in writing by the Design Review Committee as to the type, style, location, material, height and color.

10. Trees. No Person, without the prior written consent of the Design Review Committee, shall remove any live tree with a trunk of three (3) inches or more in diameter (as measured four (4) feet from ground level) from any Lot.

11. Lot Elevations. To preserve and maintain proper drainage in the Island Estates Neighborhood, no changes in grades or elevations of any portion of a Lot (including the swale areas) shall be made without the prior written approval of the Design Review Committee. Final floor elevations and all other applicable grades must be shown on the construction drawings and approved by the Design Review Committee prior to construction.

12. Drainage Swales. The Association shall maintain any drainage swales within the Neighborhood Property which are for the purpose of providing drainage from any right-of-way. The location, width, depth and invert grades of culverts and dipped driveways shall be established by the Design Review Committee from time to time. No driveway shall be constructed, maintained, altered or permitted to exist on any Lot if, in the opinion of the Design Review Committee, its obstructs, would obstruct or otherwise impede the flow of surface drainage.

13. Road Rights-of-Way; Mailboxes. No Person shall place any items, objects or shrubs in or on any road right-of-way, except with the prior written approval of the Design Review Committee. Provided, however, mailboxes may be installed at the edge of pavement in accord with U.S. Postal Service regulations and the requirements of the Design Review Committee.

14. Drilling; Mining. No oil drilling, oil development operations, oil refining, quarrying, natural gas or mining operations of any kind shall be permitted upon or in any Lot. To minimize the removal of ground and surface water in any appreciable quantities and avoid unnecessary saltwater intrusion or diminution

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or material alteration of the aquifer, the construction and/or use of individual wells for any purpose on any Lot is prohibited.

15. Fertilizers. Only biodegradable fertilizers, pesticides and fungicides approved by the United States Environmental Protection Agency and the Florida Department of Environmental Regulation shall be used within the Island Estates Neighborhood.

16. Power Lines. All electric power lines or utility lines, including telephone and cable television, servicing the Dwelling Unit or any portion of the Lot shall be installed underground.

17. Landscaping; Containers; Garbage. All yards of Lots shall be sodded or otherwise appropriately landscaped and kept as a lawn which shall extend to the pavement line of the street. The Lot Owner shall maintain all lawns and landscaping on that Owner's Lot to the edge of any pavement. No graveled, blacktopped or paved parking strips, except as approved in writing by the Design Review Committee, are permitted. All garbage containers, trash containers, oil tanks, gas tanks, and other similar type receptacles must be hidden from view from adjoining properties and the road. All garbage and rubbish contained in a receptacle shall be placed at curbside or street edge on the morning designated for pickup service. All such receptacles shall be removed from curbside or street edge during the same day as said pickup service.

18. Wetlands; Sanctuaries. To reduce damage and prevent injury to the environment, no wetlands or Sanctuaries may be cleared, filled or disturbed in any way unless done in accordance with the Order and the Master Documents, and then approved by the Design Review Committee.

19. Neighborhood Common Areas. Nothing shall be stored, constructed within, or removed from the Neighborhood Common Areas other than by Declarant, the Association or the Owners' Association, except with the prior written approval of Declarant or the Board of Directors. Additionally, no moped, motor bike, dirt bike, mini-bike, ATV, go-cart or other such vehicles shall be operated on any portion of the Neighborhood Common Areas.

20. Docks; Boat Slips. Any dock, boat slip or other Structure constructed on or abutting any waterway must first be approved by the Design Review Committee. Any government licensing requirement for these Structures, or easement required to construct such Structure, is the responsibility of the Unit Owner, and not Declarant, the Association nor the Owners' Association. Declarant makes no representation concerning the ability of any Unit Owner to obtain the requisite easement, licenses and approvals to construct these Structures, and Declarant further makes no

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representation concerning the establishment of a "no wake" zone on any waterway abutting Island Estates.

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VI. LEASES AND TENANTS

A. Application. This Declaration and the Master Documents shall apply not only to Unit Owners, but also to any lessee or tenant or the party who is occupying a Dwelling Unit by way of lease express or implied, license or invitation.

B. Leasing Requirements and Limitations. Each time a Unit Owner leases his Unit, he shall give written notice of such lease to the Association together with the name and address of the lessee and such other information as the Association may reasonably require on forms that are supplied by the Association. No Unit Owner may lease his Dwelling Unit for a term of less than three (3) months or for a term of more than two (2) years. A Unit Owner may only lease his Dwelling Unit once in any twelve (12) month period. However, if a tenant defaults under the terms of a lease and the lease is therefore prematurely terminated, the Board of Directors may, in its sole discretion, permit a second lease within such twelve (12) month period.

C. Failure to Notify. Failure of a Unit Owner to notify any person of the existence of the provisions of this Declaration shall not in any way act to limit the right of the Association to enforcement of the provisions of this Declaration against such person.

D. Enforcement. The Association may enforce the provisions of this Declaration against any person occupying a Unit whether Unit Owner, lessee, tenant, invitee, guest or other person. Further, each Unit Owner hereby irrevocably delegates to the Association the power for the Association to enforce any provisions of any lease or license or other agreement permitting occupancy of the Dwelling Unit to the extent it may against a Unit Owner. The right of enforcement includes the right to evict such lessee, tenant, invitee, guest or other such person pursuant to Florida Statutes, in the event any such person violates any of the provisions of this Declaration. Declarant shall be entitled to all costs thereof including, but not limited to, attorneys' fees.

E. Right to Use Facilities. During any period when Unit Owner has leased his Dwelling Unit or otherwise permitted his Dwelling Unit to be occupied only by someone other than Unit Owner, the Unit Owner's right to use any of the recreational facilities otherwise available to Unit Owners shall be suspended.

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VII. MAINTENANCE, REPAIRS AND ALTERATIONS

A. Unit Owners.

1. Except as set forth below in this Article VII, each Unit Owner shall maintain in good condition and repair and replace at his expense when necessary all portions of his Lot and Dwelling Unit.

2. Each Unit Owner must perform promptly all such maintenance and repairs which, if not performed, would affect a Dwelling Unit or Lot belonging to any other Unit Owner or the Neighborhood Property. Each Unit Owner shall be liable for any damages that arise due to his failure to perform the above maintenance, repairs and replacement. Each Lot and Dwelling Unit shall be maintained and repaired in accordance with the Development Codes. Each Unit Owner shall pay for any utilities which are separately metered and charged to his Lot or Dwelling Unit.

3. No Unit Owner shall make any alteration in or on the Neighborhood Common Areas, or the portions of a Lot or Dwelling Unit which may be maintained by the Association or the Owners' Association, remove any portion thereof, make any additions thereto or do anything which shall or may jeopardize or impair the safety or soundness of the Neighborhood Property or which, in the sole opinion of the Board of Administrators, would detrimentally affect the architectural design of the Neighborhood Property. Any alteration or addition to the Neighborhood Property by a Unit Owner shall be deemed to detrimentally affect the architectural design of the Neighborhood Property, unless made pursuant to the Development Codes.

4. No Unit Owner shall paint, stain, alter, decorate, enclose or change the Neighborhood Common Areas.

5. Each Unit Owner shall promptly report to the Association or its agents any defect or need for repair on the Neighborhood Property for which the Association is responsible to maintain and repair upon the Unit Owner being aware of such defect or need.

6. Each Unit Owner acknowledges and recognizes that any officer of the Association or any agent of the Board of Directors shall have the irrevocable right to have access to each Lot and Dwelling Unit from time to time during reasonable hours as may be necessary for emergency repairs to prevent damage to the Neighborhood Common Areas, or to another Lot or Dwelling Unit.

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B. The Association.

1. Except as required of Unit Owners in Paragraph A above, or in the Master Documents, the Association shall repair, maintain and replace as necessary the Neighborhood Common Areas.

2. The Association shall maintain any drainage swales located on the Neighborhood Property which are for the purpose of providing drainage from any right-of-way. The costs of maintenance of the drainage swales shall be assessed as a Neighborhood Common Expense.

3. The Association shall have the right to make or cause to be made structural changes and improvements of the Neighborhood Common Areas which are approved by the Board of Directors and which do not prejudice the right of any Unit Owner or any Institutional Mortgagee; provided, however, except in the case of an emergency, if the cost of the same shall exceed Five Thousand and No/100 Dollars ($5,000.00), the affirmative vote representing seventy-five percent (75%) of the Lots shall be required in addition to such Board approval, and the cost of such alterations and improvements shall be assessed against the Unit Owners in the manner provided in the By-Laws.

4. Declarant may assign to the Association, and the Association shall accept, any obligation set forth in any agreement (including without limitation that Plat Agreement, Island Estates between Admiral Corporation and the County, as recorded in Official Records Book 409, Page 224 of the Public Records of the County) which requires Declarant to maintain, repair or replace any portions of the Neighborhood Common Areas, including without limitation those Neighborhood Common Areas which are bridges. Costs to maintain, repair and replace such Neighborhood Common Areas shall be a Neighborhood Common Expense.

VIII. NEIGHBOREOOD COMMON EXPENSE ASSESSMENTS, OPERATING EXPENSES AND OTHER ASSESSMENTS

A. Annual and Special Assessments.

1. Annual Assessments.

(a) The Association, by the Board of Directors, shall prepare and adopt in accordance with the By-Laws annual budgets (the "Budget") for the operation and management of the Association and the Neighborhood which shall also set forth Neighborhood Common Expenses. The Budget shall also disclose the Unit Owners' shares of the Operating Expenses. The total Neighborhood Common Expenses shall be divided equally among all Lots in the Island Estates Neighborhood. The resulting Unit

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Owner's share of Neighborhood Common Expenses which is the "Neighborhood Common Expense Assessment" shall be assessed against each Unit Owner annually as part of the Annual Assessment. The Annual Assessment shall also include, in addition to a Neighborhood Common Expense Assessment, such Unit Owners' applicable portion of Operating Expenses, which shall be estimated by the Board of Directors if not yet available from the Owners' Association.

(b) Neighborhood Common Expenses shall include the funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of the Neighborhood Common Areas and the Structures thereon in an amount determined by the Association. The Reserves shall be deposited in a separate account in the name of the Association. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

2. Special Assessments. The Unit Owners shall be obligated to pay such Special Assessments as shall be levied in addition to the Annual Assessment by the Board of Directors against their Unit or Units, whether as a result of (a) extraordinary items of expense, (b) the failure or refusal of other Unit Owners to pay their Annual Assessment, (c) such other reason or basis determined by the Board of Directors which is not inconsistent with the terms of the Master Documents or this Declaration, or (d) special assessments levied by the Owners' Association pursuant to the Master Documents. Special Assessments may be assessed against individual Units, a particular group of Units, or all Units within the Island Estates Neighborhood.

B. Liability for Assessments.

1. By acceptance of a deed or other instrument of conveyance of a Unit, each Owner thereof, other than Declarant, acknowledges that the record owners for each Unit shall be personally liable, jointly and severally, to the Association, for the payment of the Annual Assessment or of any Special Assessments levied against their Unit and for all costs of collecting such Assessments, including but not limited to, interest, late fees and court costs and attorneys' fees at all trial and appellate levels. Annual Assessments shall be payable in not more frequently than monthly installments in advance during the year in which such Annual Assessments apply. In the event of a default by a Unit Owner in the payment of an installment or an Annual Assessment or in the payment of a Special Assessment, the Board of Directors may accelerate any remaining installments of the Annual Assessment or any portion thereof of such Unit Owner, and upon written notice thereof to such Unit Owner, the entire unpaid balance of the Annual Assessment shall become due upon the date stated in such notice,

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which date shall not be less than ten (10) days after the date of such notice. If any Assessments are not paid within twenty (20) days after their respective due date, the Association, by action of the Board of Directors may proceed to enforce and collect any of such delinquent Assessments or any portion thereof against the Unit Owner owing the same in any manner provided for under Florida law, including foreclosure and sale of the Unit.

2. The Association may at any time require Unit Owners to maintain with the Association a deposit to cover future Assessments.

3. By the acceptance of a deed or other instrument of conveyance of a Unit, each Unit Owner thereof, other than Declarant, recognizes and covenants that he is jointly and severally liable with the Unit Owners of all Units in the Neighborhood for the total Annual Assessments. Accordingly, it is recognized and agreed by each Unit Owner, his heirs, executors, successors and assigns that in the event Unit Owners fail or refuse to pay their Annual Assessment or any portion thereof or their respective portions of any Special Assessments or other Assessments, then the other Unit Owners may be responsible for increased Annual Assessments or other Assessments, due to the nonpayment by such other Unit Owners, and such increased Annual Assessment or Special or other Assessment can and may be enforced by the Association and Declarant in the same manner as all other Assessments hereunder as provided in this Declaration.

4. Any and all Assessments made or collected by the Association in accordance with the provisions of this Declaration with interest thereon at the highest rate allowed by law, and if there is no limit established by law, then as established by the Association and costs of collection, including, but not limited to, reasonable attorneys' fees as hereinafter provided, are hereby declared to be a charge and continuing lien upon the Unit against which each such Assessment is made. Each Assessment against a Unit, together with interest thereon at the highest rate allowed by law, and if there is no limit established by law then as established by the Association, and costs of collection thereof, including attorneys' fees as hereinafter provided, shall be the personal obligation of the Unit Owner of each such Unit assessed. Said lien shall be effective only from and after the time of the recordation among the Public Records of Flagler County, Florida, of a written acknowledged claim of lien by the Association setting forth the amount due to the Association as of the date the claim of lien is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the claim of lien in recordable form. Notwithstanding anything to the contrary herein contained, when an Institutional Mortgagee holding a first mortgage of record obtains title to a Unit as a result of foreclosure of its mortgage, or by deed in lieu of

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foreclosure, such acquirer of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Unit or chargeable to the former Unit Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless the Assessment against the Unit in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the subject mortgage.

5. Annexed hereto as Exhibit "E" is a schedule of the Island Estates Neighborhood Common Expenses ("Original Neighborhood Common Expense Neighborhood Assessment") for the period commencing with the date hereof and ending on December 31, 1989 ("Original Assessment Period"). Notwithstanding the foregoing, Declarant reserves the right in its sole and absolute discretion, to extend the Original Assessment Period beyond December 31, 1989, and thereafter on one or more occasions to again extend it. Declarant shall advise the Association in a written notice of any such extension of the Original Assessment Period and the amount of the new Neighborhood Common Expense Assessment at least thirty (30) days prior to the termination of the Original Assessment Period, or any extension thereof. Thereafter, the amount of such Neighborhood Common Expense Assessment during such extended Original Assessment Period shall be the amount set forth by Declarant in the notice to the Association. Notwithstanding anything contained herein, the Original Assessment Period shall terminate no later than the date of the "Neighborhood Turnover Meeting" as that term is defined in the Articles. Declarant states that during any Original Assessment Period, the Original Neighborhood Common Expense Assessment will not be increased, except as set forth in this subparagraph 5, and Declarant will pay all Neighborhood Common Expense Assessments not paid for by Original Neighborhood Common Expense Assessments assessed against Unit Owners other than Declarant ("Declarant's Payment"). In no event, however, shall the Original Neighborhood Common Expense Assessment include any amount attributable to a Special Assessment, casualty loss, or liability less. No Neighborhood Common Expense Assessments shall be made against Units owned by Declarant during the Original Assessment Period or any extension thereof. Upon the termination of Declarant's Payment, Assessments shall be determined as provided in Paragraph A of this Article VIII, the other subparagraphs of this Paragraph B, and the Master Documents.

C. Working Capital Fund. The initial grantee of any Dwelling Unit shall be required to pay to the Association for that Dwelling Unit an amount equal to one-sixth (1/6) of the annual Neighborhood Common Expenses due for that Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each Unit and maintained in an account for the use and benefit of the Neighborhood. The purpose of the fund is to insure that the

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X. CASUALTY INSURANCE AND DESTRUCTION OF IMPROVEMENTS

A. Each Unit Owner shall be responsible for the purchase of casualty insurance for all of his personal property and his Unit. The Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage for the Neighborhood Common Areas in Island Estates, including fire and extended coverage insurance, vandalism and malicious mischief insurance and, if the Association so determines, flood insurance sponsored by the Federal government, all of which insurance shall insure all of the insurable improvements on and within the Neighborhood Common Areas, including personal property owned by the Association, in and for the interest of the Association, all Unit Owners, the Neighborhood, and Institutional Mortgagees, as their interests may appear, in a company acceptable to the standards set by the Board of Directors. The Association shall purchase insurance for any Structure located within the Neighborhood Common Areas in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage as determined annually by the Board of Directors. The Board of Directors may determine the kind of coverage and proper and adequate amount of insurance. The casualty insurance shall contain an "agreed amount endorsement" or its equivalent, "inflation guard endorsement", and if determined necessary, an "increased cost of construction endorsement", or "continuant liability from operation of building laws endorsement" or a "demolition endorsement" or the equivalent. The casualty insurance shall insure any Structure located within the Neighborhood Common Areas from loss or damage caused by or resulting from at least the following: fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, windstorm, vandalism, malicious mischief, flood and/or water damage, debris removal and demolition, and such other risks as shall customarily be covered with respect to projects or developments similar to the structure in construction, location and use.

The Association may, to the extent possible and not inconsistent with the foregoing, obtain one (1) policy to insure all of the insurable improvements within the Neighborhood Common Areas. The premiums for such coverage and other expenses in connection with such insurance shall be paid by the Association and charged to Unit Owners as part of the Neighborhood Assessments. The company or companies with which the Association shall place its insurance coverage, as provided in this Declaration, and the insurance agent or agents placing such insurance must be authorized

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to do business in the State of Florida. The Association shall have the right to designate an insurance trustee (the "Insurance Trustee") to act as an insurance trustee in the manner provided in this Declaration, which Insurance Trustee shall be a commercial bank or trust company which is authorized to do business in the State of Florida and, thereafter, at any time and from time to time, the Owners' Association shall have the right to change the Insurance Trustee to another such bank or trust company provided such Insurance Trustee shall be acceptable to the Listed Mortgagees holding first mortgages encumbering fifty-one percent (51%) of the Dwelling Units encumbered by first mortgages held by Listed Mortgagees.

B. All such aforesaid policies shall provide that they may not be cancelled without at least ten (10) days' prior written notice to the Association and Listed Mortgagees and insurance purchased by the Association shall be deposited with the Insurance Trustee upon its written acknowledgement that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its services as Insurance Trustee. The Board of Directors is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association in which Unit Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premiums on policies, the renewal of policies, the sufficiency of the coverage of any such policies or any failure to collect any insurance proceeds under any policies.

C. In the event of any damage to the Neighborhood Common Areas, no mortgagee shall have any right to participate in the determination of whether the Neighborhood Common Areas are to be rebuilt nor shall any mortgagee have the right to apply insurance proceeds received by the Insurance Trustee to the repayment of its loan, unless such proceeds are distributed to Unit Owners and/or their respective mortgagees.

D. The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it as such Insurance Trustee and to hold such proceeds in trust for the Association, Unit Owners and Institutional Mortgagees under the following terms:

1. If a loss of Five Thousand Dollars ($5,000.00) or less as determined by detailed estimates or bids for repair and reconstruction obtained by the Board of Directors occurs to any Neighborhood Common Area or to any Lots and Neighborhood Common Area which are contiguous, the Insurance Trustee shall pay the

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proceeds received as a result of such loss to the Association. Upon receipt of such proceeds, the Association shall promptly cause the necessary repairs to be made to the Neighborhood Common Areas and to any such damaged contiguous Lots. In such event, should the insurance proceeds be insufficient for the repair of all of the damage to the Lots contiguous thereto, the proceeds shall be applied first to completely repair the Neighborhood Common Areas, and the balance of the funds shall be apportioned by the Association to repair the damage to the Lots, which apportionment shall be made to each Unit in accordance with the proportion of damage sustained by each of such Lots as estimated by the insurance companies whose policies cover such damages. Any deficiency between such proceeds apportioned to a damaged Lot and the cost of the repair of such damaged Lot shall be borne by the Lot Owner. Upon satisfactory completion of such repairs, the Association shall provide the Institutional Mortgagee holding the highest dollar indebtedness encumbering the Neighborhood Common Areas with an affidavit stating that the repairs have been completed in a manner acceptable to the Association.

2. If the Insurance Trustee receives proceeds in excess of Five Thousand Dollars ($5,000.00) as a result of damages to any Neighborhood Common Areas or to any Lots and Neighborhood Common Areas which are contiguous, then the Insurance Trustee shall hold in trust all insurance proceeds received with respect to such damages together with any and all other monies paid to Insurance Trustee pursuant to the following subparagraph 2(c) and shall distribute such funds in the following manner:

(a) The Board of Directors shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same;

(b) If the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements or if the insurance proceeds together with the funds described in subparagraph 2(c) below are sufficient for such purpose, then such damaged improvements shall be completely repaired and restored. The Board of Directors shall negotiate for the repair and restoration of such damaged Neighborhood Common Areas and the Association shall negotiate and enter into a construction contract with a contractor to do the work on a fixed price basis or on any other reasonable terms acceptable to the Board of Directors, which contractor shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provisions for progress payments to be contained in such construction contract; provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and

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executed affidavits required by law, the Association or any respective Institutional Mortgagees.

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(c) If the insurance proceeds are insufficient to repair and replace all of the damaged improvements within the Neighborhood Common Areas alone or to Neighborhood Common Areas and Lots contiguous to such damaged Neighborhood Common Areas, the Board of Directors shall hold a special meeting to determine a Special Assessment against all of the Unit Owners to obtain any necessary funds to repair and to restore such damaged improvements. Such Special Assessment need not be uniform as to all Lots, but may be in accordance with such factors as the Board of Directors shall consider to be fair and equitable under the circumstances. Upon the determination by the Board of the amount of such Special Assessment, the Board of Directors shall immediately levy such Special Assessment against the respective Dwelling Units setting forth the date or dates of payment of the same, and any and all funds received from the Unit Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 2(b) immediately preceding. If the deficiency between the estimated cost of the repair and replacement of the damaged Neighborhood Common Areas and the insurance proceeds exceeds the sum of Fifty Thousand ($50,000.00) Dollars, and Owners of three-fourths (3/4) of the Lots advise the Board of Directors in writing on or before the date for the first payment thereof that they are opposed to a Special Assessment, then the Insurance Trustee shall divide the net insurance proceeds into as many shares as there are Lots existing in the Neighborhood and shall promptly pay each share of such proceeds to the Unit Owners and Institutional Mortgagees of record as their interests may appear (an "Insurance Proceeds Distribution"). In making such distribution to the Unit Owners and the Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Unit Owners and their respective Institutional Mortgagees. Any Insurance Proceeds Distribution shall also require the approval of Listed Mortgagees holding first mortgages encumbering fifty-one percent (51%) of the Units encumbered by first mortgages held by Listed Mortgages.

3. If after the completion of and payment for the repair and reconstruction of the damage to the Neighborhood Common Areas, and after the payment of the Insurance Trustee's fee with respect thereto, any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed in the manner of the Insurance Proceeds Distribution. However, if such repairs and replacements were paid for by any Special Assessment as well as by the insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement or reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee

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shall be distributed to the Unit Owners in proportion to their contributions by way of Special Assessment.

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4. If the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay for any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any Institutional Mortgagee may be enforced by an Institutional Mortgagee.

5. Any repair, rebuilding or reconstruction of damaged Neighborhood Common Areas shall be substantially in accordance with the architectural plans and specifications for (a) the originally constructed Neighborhood Common Areas, (b) reconstructed Neighborhood Common Areas or (c) new plans and specifications approved by the Board of Directors; provided, however, any material or substantial change in new plans and specifications approved by the Board of Directors from the plans and specifications or previously constructed Neighborhood Common Areas shall require approval by Listed Mortgagees holding first mortgages encumbering fifty-one (51%) of the Units encumbered by first mortgage held by Listed Mortgagees.

6. The Board of Directors shall determine, in its sole and absolute discretion, whether damage or loss has occurred to improvements within Lots or Neighborhood Common Areas alone or to improvements within Neighborhood Common Areas and Lots contiguous thereto.

XI. AMENDMENTS OF THE DECLARATION

A. Prior to the time eighty (80%) percent of all Dwelling Units to be built in the Island Estates Neighborhood have been conveyed to Persons other than Declarant, Declarant alone may amend this Declaration, with the consent or approval of no other Person being required, provided that such amendment does not materially and adversely affect a Unit Owner's property rights. This amendment shall be signed by Declarant alone and a copy of the amendment shall be furnished to each Owner of a Lot within the Island Estates Neighborhood and the Association as soon after recording thereof amongst the Public Records of Flagler County, Florida as practicable.

B. Except as to matters described in Paragraphs A, C, D, E, F and G of this Article XI, Declarant's Amendment and as may be provided elsewhere in this Declaration and the Master Declaration, this Declaration may be amended by the affirmative vote of not less

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than the Owners of three-fourths (3/4) of all Lots within the Island Estates Neighborhood. Such vote shall be taken at any regular or special meeting of the Unit Owners called and held in accordance with the By-Laws; provided, however, that any such amendment shall also be approved or ratified by a majority of the Board of Directors. Such amendment shall be evidenced by a certificate executed by the Association in recordable form, and a true copy of such amendment shall be mailed via certified mail by the Association to Declarant. The amendment shall become effective upon the recording of such certificate amongst the Public Records of Flagler County, Florida; provided, however, such certificate shall not be so recorded until thirty (30) days after the mailing of a copy thereof to Declarant unless such thirty (30) day period is waived in writing by Declarant.

C. Whenever it shall appear to the Board of Directors that there is a defect, error or omission, being in the nature of a scrivener's error, in this Declaration or any other documentation required by law to establish this Declaration, the Association, through its Board of Directors, shall immediately call a special meeting of the Unit Owners to consider amending the Declaration or such other documents. Upon the affirmative vote of the Owners of at least one-fourth (1/4) of the Lots within the Island Estates Neighborhood, with more such affirmative votes than negative votes, the Association shall amend the appropriate documents to correct such defect, error or omission, and a true copy of such amendment shall be mailed by the Association to Declarant. Such amendment shall become effective upon the recording of the certificate amongst the Public Records of Flagler County, Florida, but such certificate shall not be recorded until thirty (30) days after the mailing of a copy thereof to Declarant, unless such thirty (30) day period is waived in writing by Declarant.

D. No amendment of this Declaration or any Article or portion hereof shall be passed which shall impair or prejudice the rights or priorities of Declarant or Institutional Mortgagees or prejudice the Association or the Hammock Dunes Club without the specific written approval of Declarant or the Institutional Mortgagees or the Association or the Hammock Dunes Club, as the case may be.

E. Supplements are not amendments and need only be executed by Declarant alone.

F. Declarant may, in its sole discretion, amend this Declaration if necessary to do so for purposes of fulfilling the requirements of any governmental or quasi-governmental entity, including, but not limited to, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and the Federal Housing

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Administration (FHA). Nothing contained herein, however, shall require Declarant to amend this Declaration for any purpose whatsoever.

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G. This Declaration may be amended in the same manner as required for an amendment to the By-Laws when the Declaration is being amended solely for the purpose of setting forth or affixing an amendment of the By-Laws thereto.

XII. RIGHT OF DECLARANT TO TRANSACT BUSINESS AND TO SELL OR LEASE UNITS OWNED BY IT FREE OF RESTRICTIONS SET FORTH IN ARTICLES V AND VI

A. The provisions, restrictions, terms and conditions of Articles V and VI hereof shall not apply to Declarant as a Unit Owner, and in the event and so long as Declarant shall own any Lot, whether by reacquisition or otherwise, Declarant shall have the absolute right to lease, sell, convey, transfer, mortgage or encumber in any way any such Lot upon any terms and conditions as it shall deem to be in its own best interests.

B. Notwithstanding the other provisions of this Declaration, Declarant reserves and Declarant and its nominees shall have the right to enter into and transact on the Island Estates Neighborhood any and all business necessary to consummate the sale, lease or encumbrance of Lots or real property on the Total Property including, but not limited to, the right to maintain models, a sales area and a sales office, place signs, employ sales personnel, use the Neighborhood Common Areas and show Lots or Dwelling Units, and Declarant reserves and shall have the right to make repairs and carry on construction activity. Declarant and its nominees may exercise the foregoing rights without notifying the Association. Any such models, sales area, sales office, signs and any other items pertaining to such sales and construction efforts shall not be considered a part of the Neighborhood Common Areas and shall remain the property of Declarant. Paragraphs A and B of this Article may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by Declarant. This right of use and transaction of business as set forth in this Paragraph B, the provisions of Paragraph A of this Article and the other rights reserved by Declarant in the Neighborhood Documents may be assigned in writing by Declarant in whole or in part.

XIII. RIGHTS OF INSTITUTIONAL MORTGAGEES

A. The Association shall be required to make available for inspection upon request, during normal business hours or under reasonable circumstances, the Declaration and the books, records

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and financial statements of the Association
Institutional Mortgagees. In addition, evide
be issued to each Unit Owner and mortgag
encumbering a Unit upon written request to

B. Upon written request to th
Institutional Mortgagee shall be entitled t
for the immediately preceding fiscal year
reasonable time period.

C. Upon written request to the Associ
name and address of the Institutional Mo
description of such Unit, the Associatio
Institutional Mortgagee with timely wr
following:

1. Any condemnation, loss or
affects any material portion of the Neighbo

2. Any lapse, cancellation or ma
any insurance policy or fidelity bond
Association;

3. Any proposed action which wou
of mortgagees holding a mortgage encumberin

4. Any failure by a Unit Owner o
by a mortgage held, insured or guarantee
Mortgagee to perform his obligations un
including, but not limited to, any delinque
Annual Assessments or Special Assessments, o
to the Association by said Unit Owner
delinquency has continued for a period of s

D. Declarant and any Institutional M
right, but not the obligation, jointly or si
sole option, to pay any of the assessments w
which may or have become a charge against
Declarant and any Institutional Mortgagees
but not the obligation, jointly or singula
option, to pay insurance premiums or fide
behalf of the Association when, in regard
the premiums are overdue and when lapses i
occurred. Declarant and any Institutio
insurance premiums on behalf of the Owner
forth above shall be entitled to immediate
Association plus any costs of collection
limited to, reasonable attorneys' fees at a
levels.

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XIV. GENERAL AND PROCEDURAL PROVISIONS

A. Declaration Runs with Committed Property.

The covenants, reservations, restrictions and other provisions of this Declaration shall run with and bind the Land and shall inure to the benefit of Declarant and all Owners, their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by the Owners of at least two-thirds (2/3) of all Lots within the Island Estates Neighborhood has been recorded agreeing to change or terminate (if not prohibited by other provisions of this Declaration or the Master Declaration) this Declaration in whole or in part; provided, however, that the Board of Directors must first approve such termination by a vote of two-thirds (2/3) of the entire Board of Directors taken at a special meeting called for that purpose, which meeting must be held prior to the obtaining of written consent from the Unit Owner.

B. Condemnation.

If the Association receives any award or payment arising from any taking of the Neighborhood Common Areas or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Neighborhood Common Areas and improvements thereon to the extent deemed advisable by the Association and the remaining balance of such net proceeds, if any, shall then be held by the Association for the use of the Association.

C. Non-liability of Declarant.

Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any Person other than Declarant.

D. Enforcement.

1. Declarant reserves unto itself and its designees the right and the power (i) to enforce the covenants, conditions, restrictions, and other provisions of this Declaration, and (ii) to delegate or assign, either exclusively or non-exclusively, any or all of its rights, powers, duties or privileges hereunder to the Association, Owner, or to any other designee.

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2. If Declarant does not enforce the covenants, conditions, restrictions or other provisions of this Declaration, then the following parties may in the following priority enforce same as hereinafter set forth: (i) the Owners' Association; (ii) the Association; or (iii) an Owner. If a party with a lesser priority desires to enforce this Declaration, then that party must first give thirty (30) days written notice to the parties with higher priority, starting first with Declarant, that the noticing party intends to initiate enforcement upon the expiration of such thirty (30) days, and if during such period the parties with the higher priority do not initiate enforcement procedures then the party of the lesser party may so initiate such enforcement procedures. A party not initiating enforcement procedures shall incur no liability whatsoever for such non-enforcement.

3. Declarant, its designees or any other party having the right to enforce this Declaration, if any, pursuant to subparagraph 2 above, shall have the right and the power to enforce the covenants, conditions, restrictions and other provisions imposed by this Declaration by any proceeding at law or in equity against any Person or entity violating or attempting violation of such provisions. and to enforce any lien created by this Declaration or the Master Declaration. Failure by Declarant, or the Owners' Association, or the Association, to enforce any of such provision shall in no event be deemed a waiver of its right to do so thereafter.

4. The cost and attorneys' fees, including those resulting from any appellate proceedings, incurred by Declarant or its designees or party having the right to enforce this Declaration, if any, pursuant to subparagraph 2 above, who prevails in any such enforcement action, and any action against a Person or entity to enforce any provisions of this Master Declaration shall be a personal obligation of such Person which shall be paid by such Person.

E. Fines. In addition to all other remedies provided for in this Declaration and the Master Declaration, the Association shall have the right to impose a fine on a Owner for failure of a Owner, or his family members, guests, invitees, tenants and licensees to comply with any provisions of this Declaration; provided, however, the Association grants reasonable notice and opportunity to be heard. The decisions of the Association shall be final. Fines shall be in such reasonable amounts as the Association shall determine. Fines shall be considered as Special Assessments against the Owners' Unit. The Association shall have the right to collect fines in the same manner as set forth in Article 9.03 of the Master Declaration.

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F. Severability. If any provision of this Declaration is held to be invalid in whole or in part by any court of competent jurisdiction, then such holdings shall in no way affect the validity of the remaining provisions of this Declaration, all of which shall remain in full force and effect, and such holdings shall be limited to its most narrow application.

G. Dissolution. In the event of a dissolution of the Association, each Unit shall continue to be subject to the Assessments specified in this Declaration and the Master Declaration, and each Member shall continue to be personally obligated to Declarant or the successors or assigns of the Association, as the case may be, or such Assessment to the extent that such Assessments are required to enable Declarant or any such successors or assigns acquiring any real property previously owned by the Association to properly maintain, operate and preserve it. The provisions of this paragraph shall only apply with regard to the maintenance, operation and preservation of property which has been Common Areas or Neighborhood Common Areas and continues to be so used for the common use and enjoyment of the Owners in the Island Estates Neighborhood.

H. Gender. Wherever in this Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of one gender shall be deemed to include the other gender.

I. Construction.

1. The provisions of this Declaration shall be liberally interpreted and construed to provide maximum flexibility consistent with Declarant's general plan for development of the Total Property and the Island Estates Neighborhood and the purposes set forth herein, including the preamble.

2. If any court should hereafter determine that any provision of this Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measured lives shall be those of the incorporators of the Association.

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J. Interpretation. Article, paragraph, and subparagraph titles in this Declaration are intended only for convenience and in no way do such titles define, limit, or in any way affect this Declaration or the meaning or contents of any material contained herein.

IN WITNESS WHEREOF, Declarant has caused these presents to be signed in its name and on its behalf of its President and attested to by its Secretary and its corporate seal affixed this 1st day of November, 1989.

Signed, sealed and delivered in the presence of:

DECLARANT:

ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation

By:

Attest: [CORPORATE SEAL]

JOINED BY:

ADMIRAL CORPORATION, a Florida corporation

By:

Attest: [CORPORATE SEAL]

ISLAND ESTATES NEIGHBORHOOD ASSOCIATION, INC., a Florida corporation not for profit

By:

Attest: [CORPORATE SEAL]

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STATE OF FLORIDA)
: SS.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, JOHN R. GAZZOLI, Vice President, and ROBERT G. CUFF, JR., the President and Secretary respectively, of ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Delaware corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 1st day of November, 1989.

VICTORIA P. GARD NOTARY PUBLIC STATE OF FLORIDA

Victoria P. Gard
Notary Public
My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992 (SEAL)
Bonded Thru Troy Fain - Insurance Inc.

STATE OF FLORIDA)
: SS.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, Donald D. McGee and Robert F. Cuff, the Vice President and Secretary respectively, of ADMIRAL CORPORATION, a Florida corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Florida corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 1st day of November, 1989.

VICTORIA P. GARD NOTARY PUBLIC STATE OF FLORIDA

Victoria P. Gard
Notary Public
My Commission Expires:
Notary Public, State of Florida (SEAL)
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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STATE OF FLORIDA)
: SS.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, John L. Schlegel, and Lea A. Stokes, the President and Secretary respectively, of ISLAND ESTATES NEIGHBORHOOD ASSOCIATION, INC., a Florida corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Florida corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 1st day of November, 1989.

VICTORIA P. GARD NOTARY PUBLIC STATE OF FLORIDA

Victoria P. Gard
Notary Public
My Commission Expires:
Notary Public, State of Florida [SEAL]
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; January 28, 1989.

Parcel "G", Fish Island boundary.

LEGAL DESCRIPTION:

A parcel of land being all that parcel locally known as Fish Island, said parcel bounded on the North and East by the Southerly and westerly right-of-way line of the old "Florida East Coast Canal" (200'R/W), said parcel bounded on the West by the Mean High Water Line of the Intracoastal Waterway (500'R/W) lying in Government Sections 9, 10, 15, 22 and 23, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the West quarter (1/4) corner of said Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East along the Westerly line of said Section 10 a distance of 665.47 feet to a Point on the Southerly right-of-way line of the old "Florida East Coast Canal" (200'R/W). thence departing the Westerly line of Government Section 10 Easterly and Southerly along said "Florida East Coast Canal" right-of-way the following courses South 89°41'27" East a distance of 1049.64 feet to a Point of curvature, thence 1650.52 feet along a curve to the right (concave Southwesterly) having a central angle of 66°59'49", a radius of 1411.52 feet, a chord bearing of South 56°11'33" East and a chord distance of 1558.08 feet to a Point of tangency, thence South 22°41'38" East a distance of 2365.12 feet, thence South 26°58'55" East a distance of 1656.58 feet, thence South 19°11'11" East a distance of 2844.27 feet, thence South 17°01'23" East a distance of 3542.51 feet to a Point being the intersection of the Westerly right-of-way line of said old "Florida East Coast Canal" with the Easterly right-of-way line of the Intracoastal Waterway (500'R/W), thence continue South 17°01'23" East a distance of 144.37 feet to a Point on the Easterly Mean High Water Line of the Intracoastal Waterway, thence departing the Westerly right-of-way line of said old "Florida East Coast Canal" Northerly along the Easterly Mean High Water Line being further described by the following closing lines North 73°45'41" West a distance of 14.39 feet, thence North 45°51'02" West a distance of 74.23 feet, thence North 52°00'24" West a distance of 134.04 feet, thence North 53°00'40" West a distance of 145.06 feet, thence North 48°00'14" West a distance of 147.53 feet, thence North 42°41'54" West a distance of 129.05 feet, thence North 48°26'09" West a distance of 100.34 feet, thence North 43°07'48" West a distance of 122.35 feet, thence North 28°52'46" West a distance of 135.79 feet, thence North 37°40'13" West a distance of 225.16 feet, thence North 44°07'16" West a distance of 138.00 feet, thence North 32°49'40" West a distance of 133.49 feet, thence North 29°29'52" West a distance of 118.27 feet, thence North 25°14'44" West a distance of 140.25 feet, thence North 22°52'36" West a distance of 115.55 feet, thence North 15°17'58" West a distance of 175.79 feet, thence North 28°53'53" West a distance of 96.70 feet, thence North 21°34'34" West a distance of 158.31 feet, thence North 19°59'38" West a distance of 143.44

EXHIBIT "A"

SHEET 1 OF 12

OFF REC 0411 PAGE 0936

feet, thence North 35°11'04" West a distance of 36.29 feet, thence North 10°02'25" West a distance of 50.18 feet, thence North 16°49'46" West a distance of 59.07 feet, thence North 24°13'24" West a distance of 453.54 feet, thence North 20°32'05" West a distance of 151.41 feet, thence North 71°32'55" West a distance of 72.49 feet, thence North 18°29'21" West a distance of 139.30 feet, thence North 37°40'07" East a distance of 26.89 feet, thence North 23°41'43" West a distance of 209.45 feet, thence North 22°26'18" West a distance of 140.73 feet, thence North 18°29'56" West a distance of 139.46 feet, thence North 22°31'46" West a distance of 145.64 feet, thence North 19°34'35" West a distance of 140.71 feet, thence North 22°03'28" West a distance of 147.96 feet, thence North 23°3[illegible]'51" West a distance of 147.19 feet, thence North 27°29'36" West a distance of 136.98 feet, thence North 22°26'58" West a distance of 156.13 feet, thence North 23°41'16" West a distance of 143.86 feet, thence North 22°18'46" West a distance of 125.08 feet, thence North 23°43'54" West a distance of 613.87 feet, thence North 16°01'02" West a distance of 134.49 feet, thence North 23°04'33" West a distance of 154.64 feet, thence North 22°41'02" West a distance of 154.86 feet, thence North 25°02'08" West a distance of 151.45 feet, thence North 24°16'31" West a distance of 150.14 feet, thence North 19°11'18" West a distance of 147.32 feet, thence North 22°35'20" West a distance of 152.90 feet, thence North 25°09'48" West a distance of 151.52 feet, thence North 19°27'32" West a distance of 151.44 feet, thence North 22°22'48" West a distance of 139.85 feet, thence North 21°08'54" West a distance of 162.57 feet, thence North 24°03'49" West a distance of 158.68 feet, thence North 21°03'04" West a distance of 151.15 feet, thence North 25°48'09" West a distance of 164.37 feet, thence North 19°28'33" West a distance of 136.91 feet, thence North 21°31'35" West a distance of 152.17 feet, thence North 24°23'53" West a distance of 147.35 feet, thence North 21°11'56" West a distance of 160.73 feet, thence North 24°18'57" West a distance of 152.84 feet, thence North 25°01'09" West a distance of 130.10 feet, thence North 21°32'38" West a distance of 142.24 feet, thence North 18°53'42" West a distance of 151.44 feet, thence North 21°36'20" West a distance of 155.87 feet, thence North 23°31'31" West a distance of 116.33 feet, thence North 27°20'48" West a distance of 151.68 feet, thence North 23°33'42" West a distance of 144.08 feet, thence North 26°29'38" West a distance of 172.89 feet, thence North 19°25'06" West a distance of 278.03 feet, thence North 37°13'11" West a distance of 120.66 feet, thence North 42°37'30" West a distance of 144.70 feet, thence North 47°01'07" West a distance of 151.39 feet, thence North 42°24'23" West a distance of 112.55 feet, thence North 41°00'13" West a distance of 146.70 feet, thence North 44°48'41" West a distance of 147.08 feet, thence North 48°30'21" West a distance of 457.98 feet, thence North 57°49'56" West a distance of 199.75 feet, thence North 81°56'33" West a distance of 82.24 feet, thence North 47°17'41" West a distance of 103.10 feet, thence North 64°59'30" West a distance of 143.34 feet, thence North 66°41'47" West a distance of 149.09 feet, thence North 68°19'52" West a distance of 375.12 feet, thence North 83°50'20" West a distance of 100.45 feet, thence North 34°50'35" West a distance of 50.20 feet, thence North 67°54'04" West a distance of 118.14 feet, thence North 87°26'01" West a distance of 72.65 feet, thence North 64°33'50" West a distance of 164.48 feet, thence North 67°49'49" West a distance of 152.92 feet, thence North 50°49'06" West a distance of 73.38 feet, thence North 62°42'08" West a distance of 124.43 feet, thence North 69°28'24" West a distance of 313.40 feet, thence North 71°11'46" West a distance of 219.87 feet, thence South 88°09'59" West a distance of 53.69

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feet, thence North 70°14'21" West a distance of 25.62 feet to a Point on the Southerly right-of-way line of the old "Florida East Coast Canal", thence departing said Mean High Water Line of the Intracoastal Waterway South 89°41'27" East along the Southerly right-of-way line of said old "Florida East Coast canal" a distance of 557.72 feet to a Point being the Intersection of the Southerly right-of-way line of the old "Florida East Coast Canal" with the Easterly right-of-way line of the Intracoastal Waterway, thence continue South 89°41'27" East along said old canal right-of-way a distance of 894.58 feet to the POINT OF BEGINNING.

Parcel containing 262.1226 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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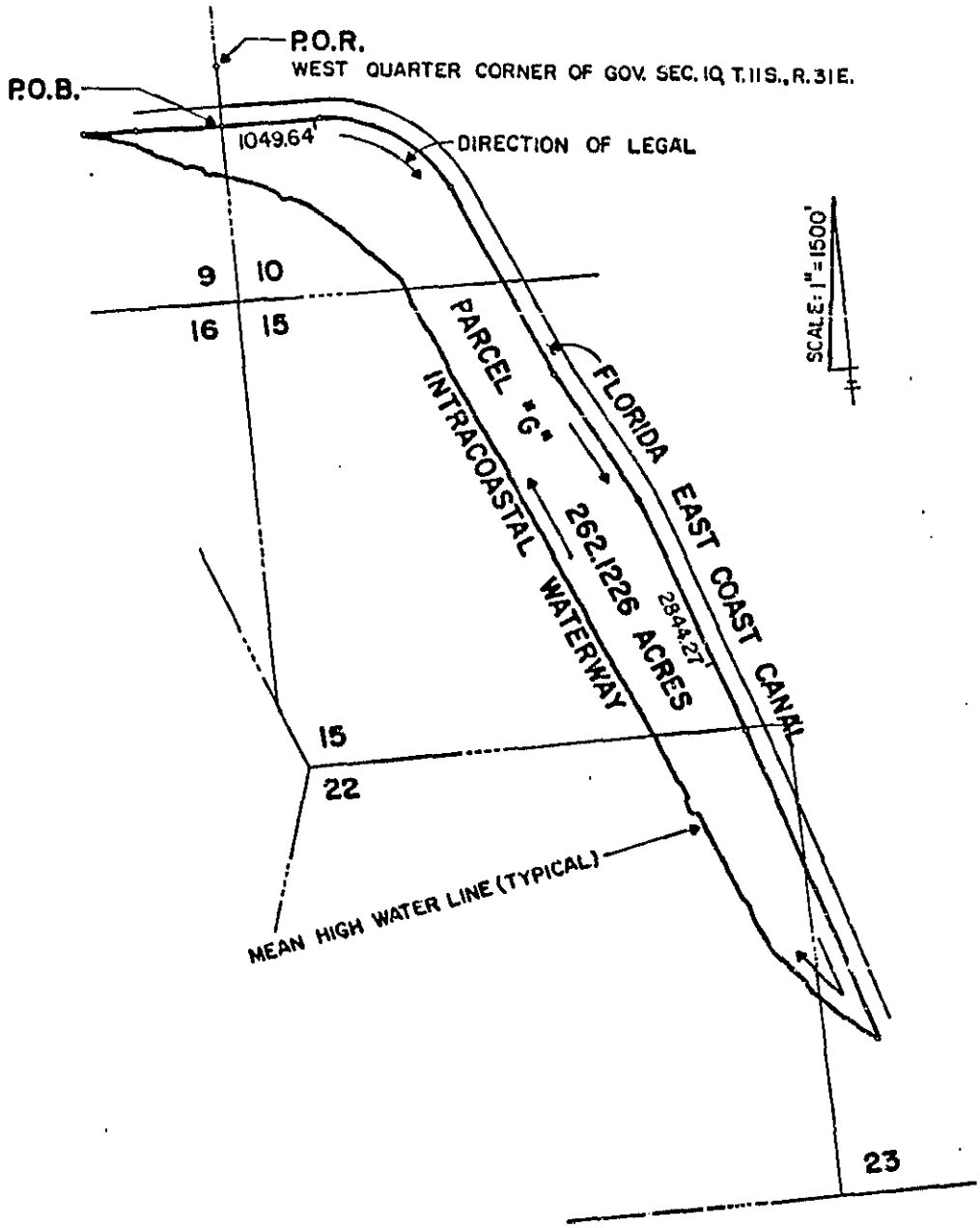

SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "G"

SHEET 4 OF 12

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

OFF REC 0411 PAGE 0939

Portion of the "Old" Florida East Coast Canal right-of-way accessing Fish Island at the Southerly bridge.

LEGAL DESCRIPTION:

A parcel of land lying West of State Road A-1-A in Government Section 15, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said right-of-way a distance of 1052.91 feet to a Point of curvature, concave Southwesterly, having a radius of 1611.52 feet and a central angle of 66°59'49", thence Easterly along the arc of said curve to the right a distance of 1884.38 feet said arc subtended by a chord bearing of South 56°11'33" East and a chord distance of 1778.85 feet to a Point of tangency, thence South 22°41'38" East along the Easterly right-of-way line of said canal a distance of 1508.12 feet to the POINT OF BEGINNING of the following description, thence continue South 22°41'38" East along the Easterly right-of-way line of said canal a distance of 80.00 feet, thence South 66°43'47" West a distance of 200.01 feet to a Point on the Westerly right-of-way line of said Florida East Coast Canal, thence North 22°41'38" West along said Westerly right-of-way line a distance of 80.00 feet, thence North 66°43'47" East a distance of 200.01 feet to the POINT OF BEGINNING.

Parcel containing 0.3673 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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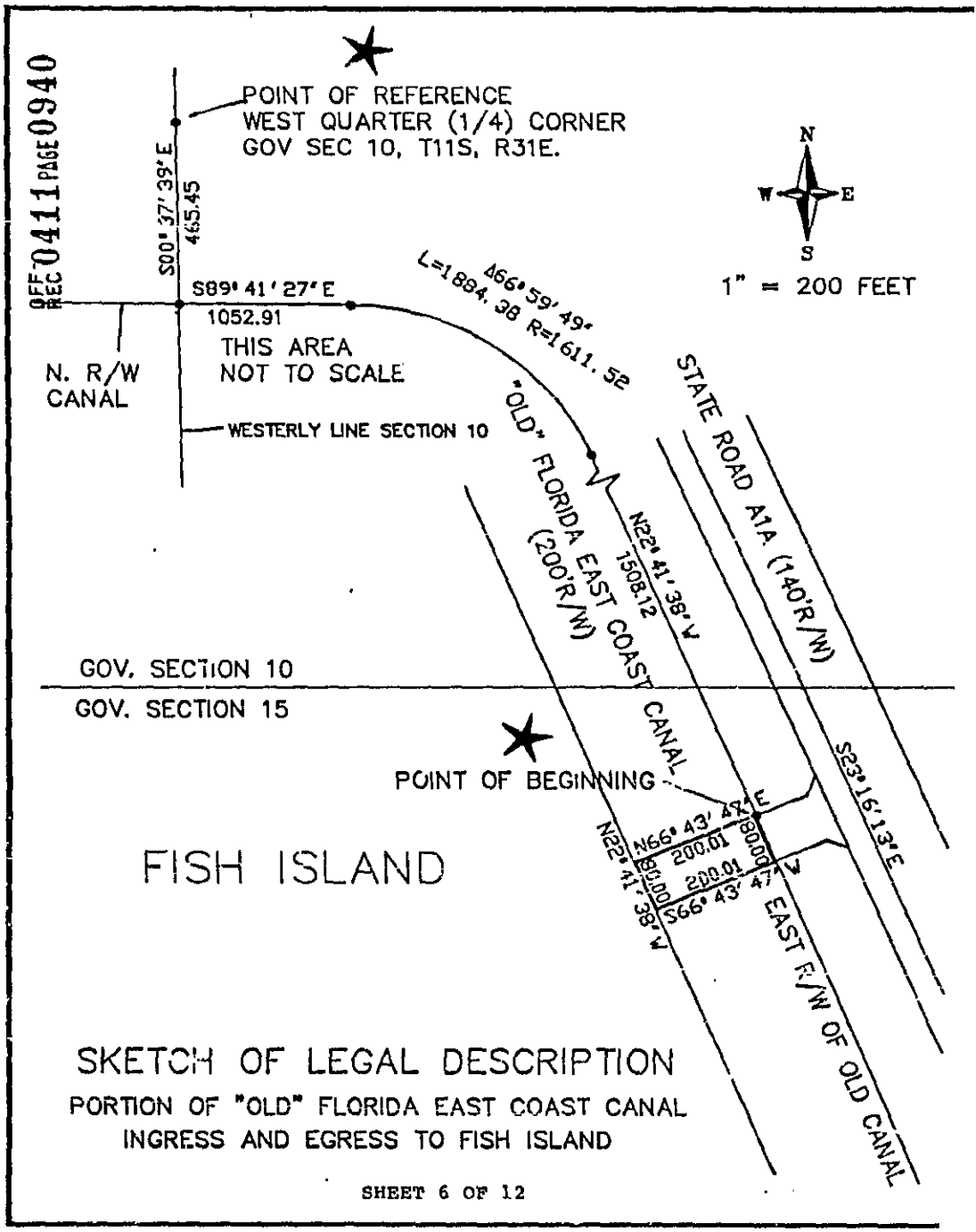

SKETCH OF LEGAL DESCRIPTION

PORTION OF "OLD" FLORIDA EAST COAST CANAL
INGRESS AND EGRESS TO FISH ISLAND

SHEET 6 OF 12

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

OFF REC 0411 PAGE 0941

Ingress and egress easement for Fish Island at the Southerly bridge.

LEGAL DESCRIPTION:

A parcel of land lying West of State Road A-1-A in Government Section 15, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said right-of-way a distance of 1052.91 feet to a Point of curvature, concave Southwesterly, having a radius of 1611.52 feet and a central angle of 66°59'49", thence Easterly along the arc of said curve to the right a distance of 1884.38 feet said arc subtended by a chord bearing of South 56°11'33" East and a chord distance of 1778.85 feet to a Point of tangency, thence South 22°41'38" East along the Easterly right-of-way line of said canal a distance of 1508.12 feet to the POINT OF BEGINNING of the following description, thence departing said canal North 66°43'47" East a distance of 84.68 feet, thence North 21°43'47" East a distance of 35.36 feet to a Point on the Westerly right-of-way line of State Road A-1-A (140'R/W), thence South 23°16'13" East along said right-of-way line a distance of 130.00 feet, thence departing State Road A-1-A North 68°16'13" West a distance of 35.36 feet, thence South 66°43'47" West a distance of 85.49 feet to a Point on the Easterly right-of-way line of said Florida East Coast Canal, thence North 22°41'38" West along said Easterly right-of-way line a distance of 80.00 feet to the POINT OF BEGINNING.

Parcel containing 0.2165 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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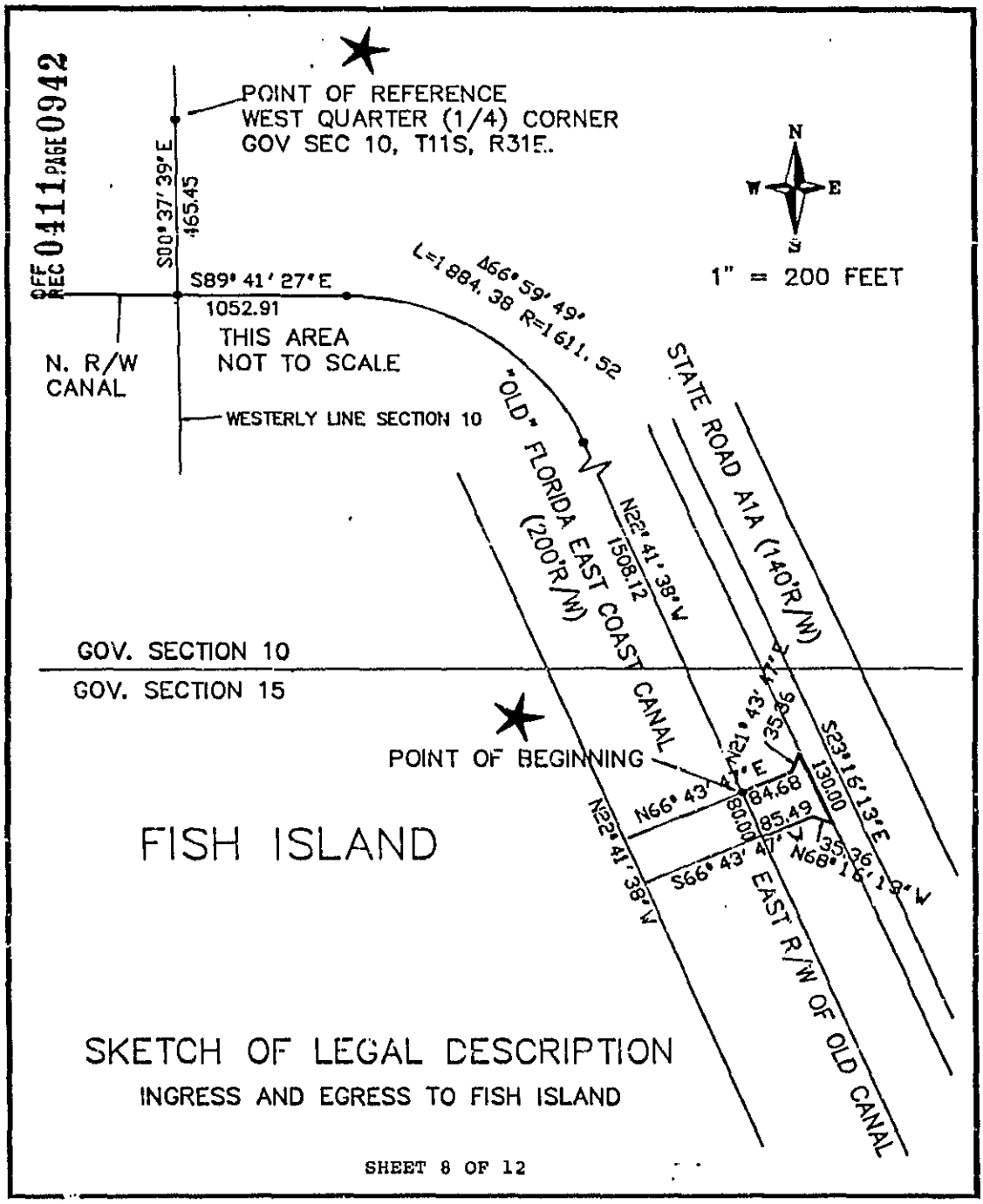

SKETCH OF LEGAL DESCRIPTION

INGRESS AND EGRESS TO FISH ISLAND

SHEET 8 OF 12

OFF REC 0411 PAGE 0943

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

Portion of the "Old" Florida East Coast Canal right-of-way accessing Fish Island at the Northerly bridge.

LEGAL DESCRIPTION:

A parcel of land being a Portion of the 200 foot wide "Old" Florida East Coast Canal right-of-way lying in Government Section 10, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of said Government Section 10, thence South 00°37'39" East along the Westerly Line of said Section a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said canal right-of-way line a distance of 498.45 feet to the POINT OF BEGINNING of the following description, thence continue South 89°41'27" East along said right-of-way a distance of 80.01 feet, thence South 00°24'54" East a distance of 200.02 feet to a Point on the Southerly right-of-way line of the "Old" Florida East Coast Canal, thence North 89°41'27" West along said right-of-way line a distance of 80.01 feet. thence North 00°24'54" West a distance of 200.02 feet to the POINT OF BEGINNING.

Parcel containing 0.3673 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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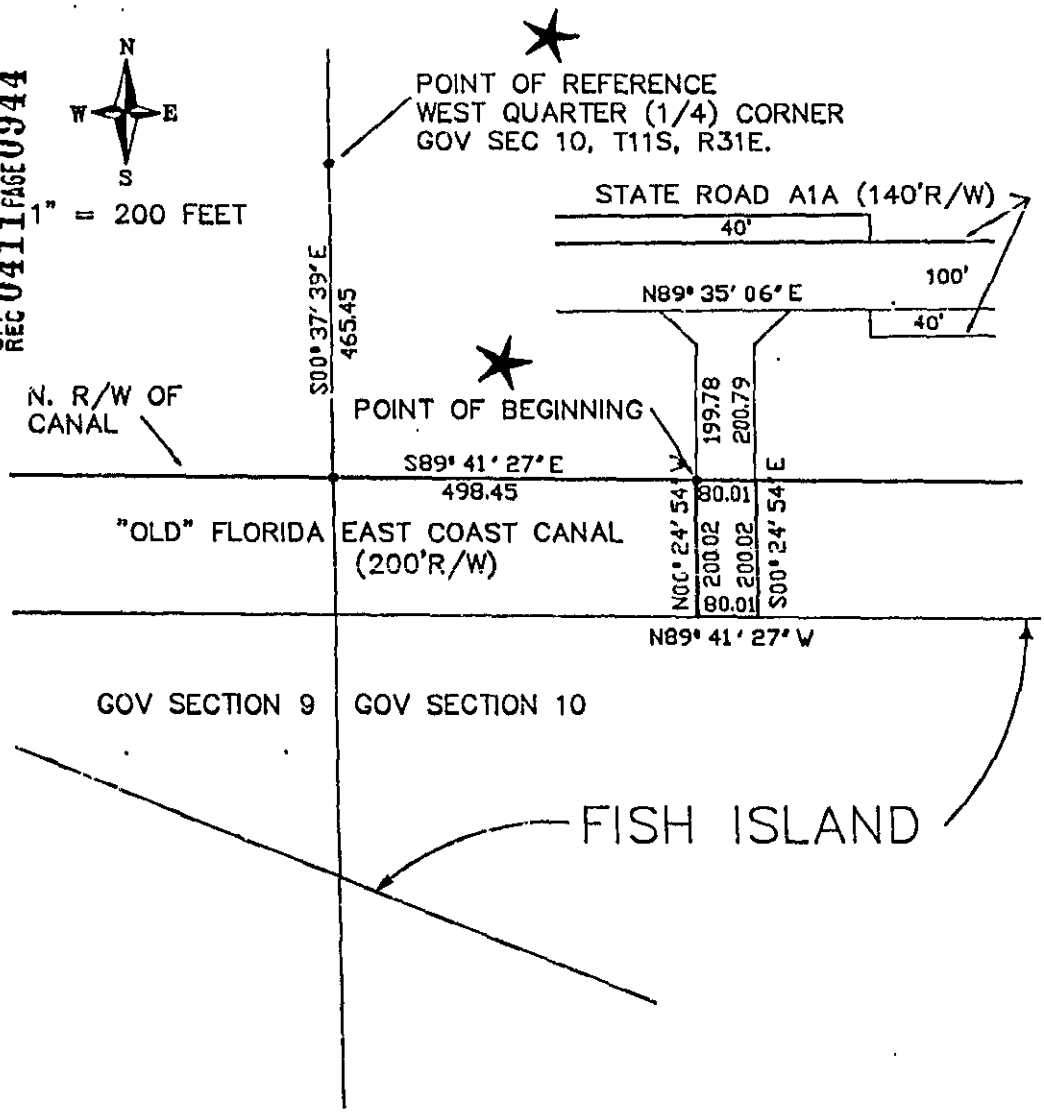

SKETCH OF LEGAL DESCRIPTION

PORTION OF "OLD" FLORIDA EAST COAST CANAL
INGRESS AND EGRESS TO FISH ISLAND

SHEET 10 OF 12

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

Ingress and Egress easement for Fish Island at the Northerly bridge.

LEGAL DESCRIPTION:

A parcel of land lying South of State Road A-1-A in Government Section 10, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of said Government Section 10, thence South 00°37'39" East along the Westerly Line of said Section a distance of 465.46 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said canal right-of-way line a distance of 498.45 feet to the POINT OF BEGINNING of the following description, thence departing said canal North 00°24'54" West a distance of 199.78 feet, thence North 45°24'54" West a distance of 70.71 feet to a Point on the Southerly right-of-way line of State Road A-1-A (140'R/W), thence North 89°35'06" East along said Southerly right-of-way line a distance of 180.00 feet, thence departing State Road A-1-A South 44°35'06" West a distance of 70.71 feet, thence South 00°24'54" East a distance of 200.79 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal, thence North 89°41'27" West along said right-of-way line a distance of 80.01 feet to the POINT OF BEGINNING.

Parcel containing 0.5171 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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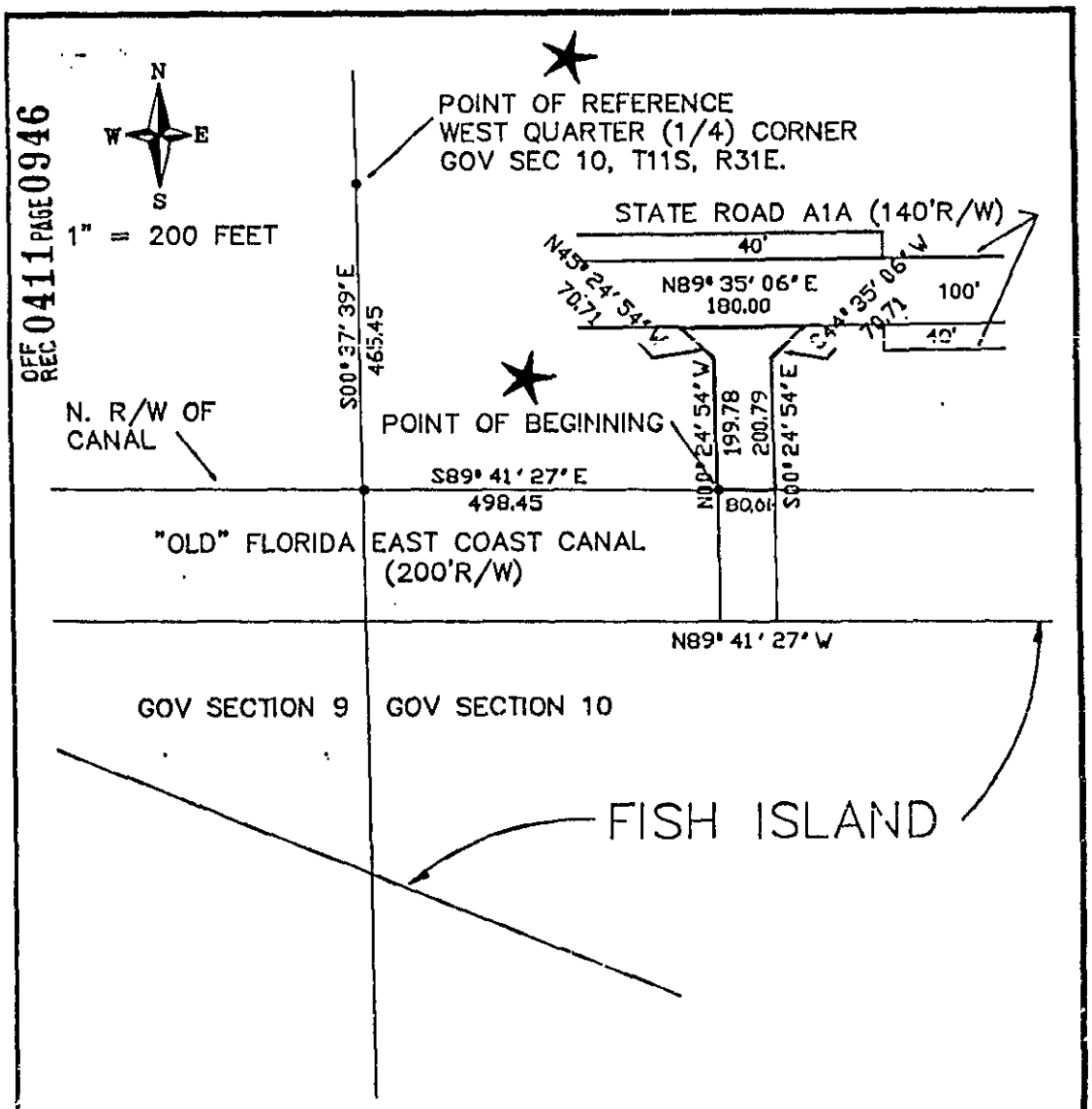
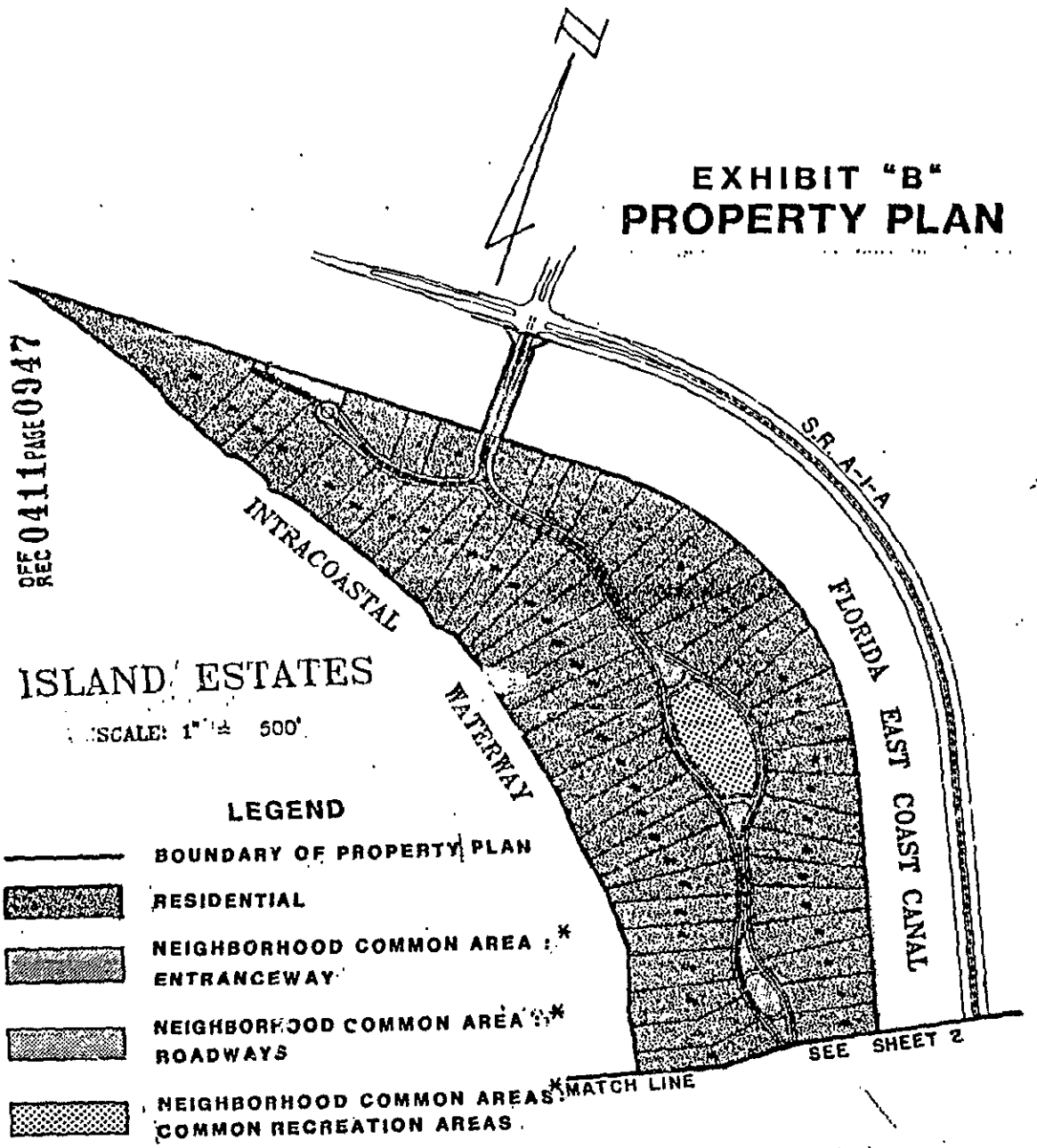


SKETCH OF LEGAL DESCRIPTION

INGRESS AND EGRESS TO FISH ISLAND

SHEET 12 OF 12

EXHIBIT "B"
PROPERTY PLAN



OFF REC 0411 PAGE 0947

* THE NEIGHBORHOOD COMMON AREAS DELINEATED ON THIS PLAN PERTAIN TO THE ISLAND ESTATES NEIGHBORHOOD

EXHIBIT "B"

SHEET 1 OF 2

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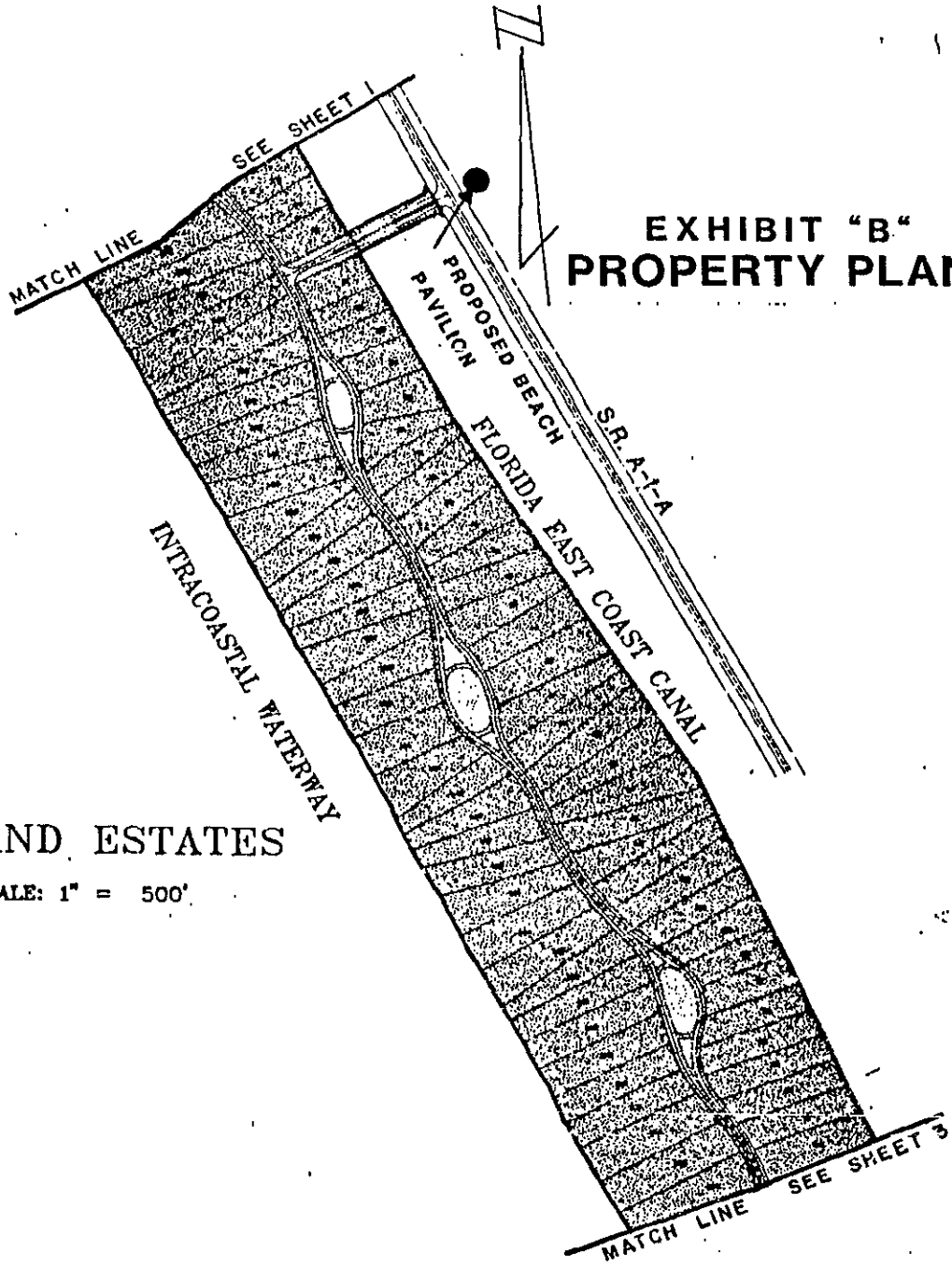
EXHIBIT "B"
PROPERTY PLAN



ISLAND ESTATES

SCALE: 1" = 500'

SHEET 2 OF 3

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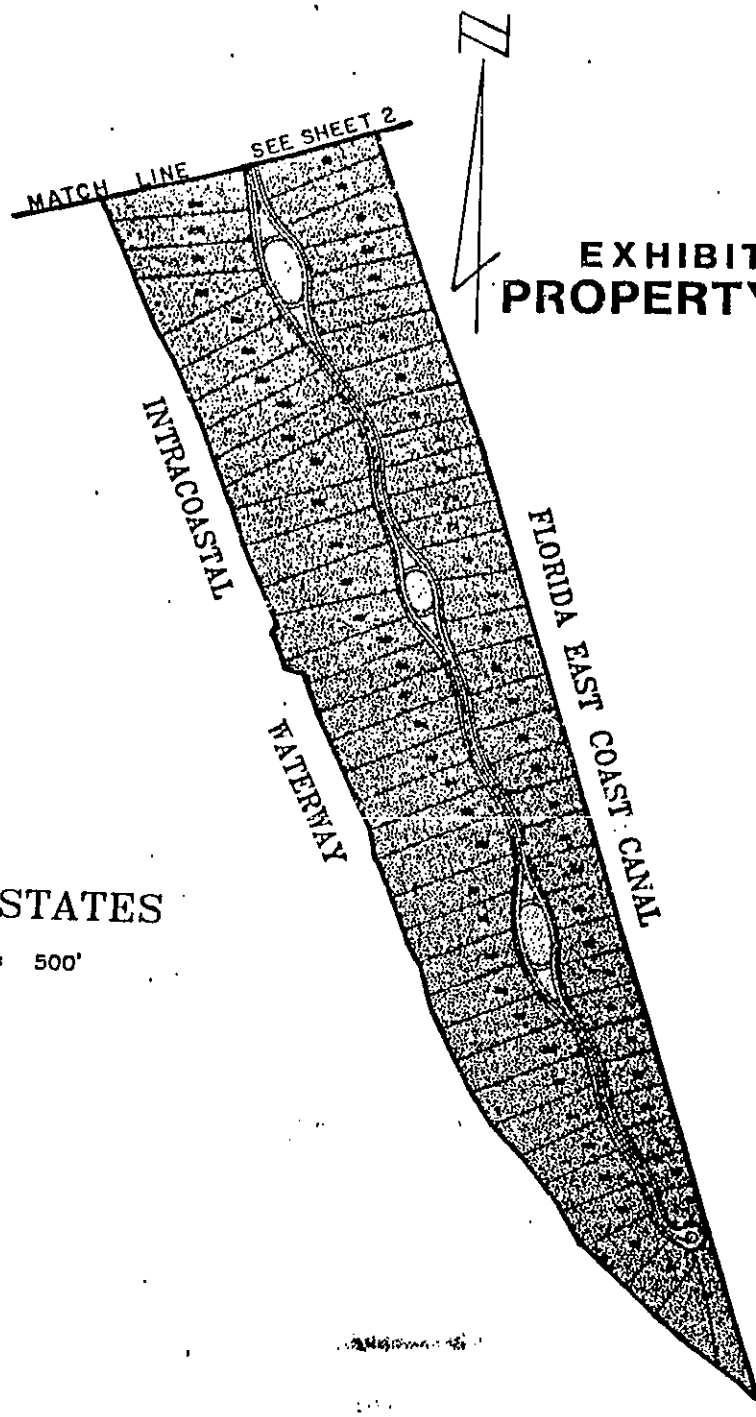
EXHIBIT "B"
PROPERTY PLAN



ISLAND ESTATES

SCALE: 1" = 500'

SHEET 3 OF 3

State of

Department of St

the attached is a true and correct
tion of ISLAND ESTATES NEIGHB
orporation organized under the laws
October 11, 1989, as shown by the

nent number of this corporation is N34

Given under
Great Seal of the
at Tallahassee, fl
da
23rd

Jim Sn
Secretary o

EXHIBIT "C"
SHEET 1 OF 12

lorida

tate

copy of the Articles of
ORHOOD ASSOCIATION,
of the State of Florida,
records of this office.

652.

ng hand and the
State of Florida,
he Capital, this the
of October, 1989.

with
f State

OFF REC 0411 PAGE 0952

out the covenants and enforce the provisions of any of the Island Estates Neighborhood Documents. The Neighborhood Association is NOT a condominium association under Chapter 718, Florida Statutes.

ARTICLE IV
POWERS

The Neighborhood Association shall have the following powers and shall be governed by the following provisions:

A. The Neighborhood Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of the Master Documents or the Island Estates Neighborhood Documents.

B. The Neighborhood Association shall have all of the powers reasonably necessary to implement its purposes including, but not limited to, the following:

1. To perform any act required or contemplated by it under any Master Documents or the Island Estates Neighborhood Documents.

2. To make, establish and enforce reasonable rules and regulations governing the use of the Island Estates Neighborhood Common Areas.

3. To make, levy and collect assessments for the purpose of obtaining funds for the payment of Island Estates Neighborhood Common Expenses in the manner provided in the Island Estates Neighborhood Documents and to use and expend the proceeds of such assessments in the exercise of the powers and duties of the Neighborhood Association.

4. To maintain, repair, replace and operate those portions of Hammock Dunes that it is required to maintain, repair, replace and operate in accordance with the Master Documents and the Island Estates Neighborhood Documents.

5. To enforce the provisions of the Island Estates Neighborhood Documents.

6. To construct improvements to Hammock Dunes in accordance with the Master Documents and the Island Estates Neighborhood Documents.

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OFF REC 0411 PAGE 0953

7. To employ personnel and to retain independent contractors and professionals; and to enter into service contracts to provide for the maintenance, operation and management of property; and to enter into any other agreements consistent with the purposes of the Neighborhood Association, including, but not limited to, professional management and to delegate to such professional management certain powers and duties of the Neighborhood Association.

ARTICLE V
MEMBERS AND VOTING

The qualification of members of the Neighborhood Association, the manner of their admission to membership, and voting by members shall be as follows:

A. Until such time as Declaration encumbering the Island Estates Neighborhood is recorded amongst the Public Records of Flagler County, Florida, the members of the Neighborhood Association shall be comprised solely of Declarant.

B. Once the Neighborhood Declaration is recorded, the Dwelling Unit Owners and Land Segment Owners, which initially means Declarant as the owner of all the Units, shall be entitled to exercise all of the rights and privileges of members.

C. Thereafter, membership in the Neighborhood Association shall be established by the acquisition of ownership of fee title to a Unit, which shall pass as an appurtenance thereto with no such membership or rights arising therefrom being transferrable in any manner except as an appurtenance to such Unit. No new member's rights shall be effective until the new member presents the Neighborhood Association with a copy of the recorded deed or other muniment of title conveying title of the Unit.

D. Each Dwelling Unit or Property Unit shall be entitled to only one (1) vote, which vote shall be exercised and cast in accordance with the Neighborhood Declaration and Neighborhood By-Laws. Declarant shall have two (2) times the total number of votes of all members until Neighborhood Turnover, at which time Declarant shall have the same votes as any other member for each Dwelling Unit or Property Unit it owns.

E. The following provisions shall govern the right of each member to vote and the manner of exercising such vote:

1. There shall be only one (1) vote for each Dwelling Unit or Property Unit and if there is more than one (1) Owner with respect to such Unit as a result of the fee interest in such Unit

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being held by more than one (1) person, such Owners, collectively, shall be entitled to only one (1) vote in the manner determined by the Neighborhood Declaration.

2. The members shall elect the Board of Directors of the Neighborhood Association in the manner provided for in Article X of these Articles.

F. Each member shall be entitled to the benefits of membership, and shall be bound to abide by the provisions of the Master Documents and Neighborhood Documents.

G. The Island Estates Neighborhood is entitled to elect one (1) Voting Member to the Owners' Association in accordance with the Master Documents. The Voting Member shall be the President of the Association or, in his absence, the Vice President.

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ARTICLE VI
TERM

The term for which this Neighborhood Association is to exist shall be perpetual.

ARTICLE VII
INCORPORATORS

The names and street addresses of the Incorporators of the Neighborhood Association are as follows:

Name	Address
John L. Schlegel	One Corporate Drive Palm Coast, Florida 32051
David Teal	One Corporate Drive Palm Coast, Florida 32051
Steve Tubbs	One Corporate Drive Palm Coast, Florida 32051

The rights and interests of the Incorporators shall automatically terminate when these Articles are filed with the Secretary of State of Florida.

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ARTICLE VIII
OFFICERS

A. The affairs of the Neighborhood Association shall be managed by the President, one (1) or more Vice Presidents, a Secretary and a Treasurer and, if elected by the Board of Directors of the Neighborhood Association, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, which officers shall be subject to the direction of the Board.

B. The Board of Directors shall appoint the President, the Vice President, the Secretary and the Treasurer; and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall, from time to time, determine appropriate. Such officers shall be elected annually by the Board of Directors at the first meeting of the Board of Directors; provided, however, that such officers may be removed by the Board of Directors and other persons may be elected by the Board of Directors as such officers in the manner provided in the By-Laws. The President shall be a Director, but no other officer need be a member of the Board of Directors. The same person may hold two offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE IX
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board of Directors are as follows:

President	-	John L. Schlegel
Vice President	-	David Teal
Secretary	-	Lea Stokes
Treasurer	-	Lea Stokes

ARTICLE X
BOARD OF DIRECTORS

A. The number of members of the First Board of Directors ("First Board") shall consist of three (3) Directors. Thereafter, the number of members of the Board of Directors shall be as provided in Paragraph C of this Article X.

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OFF REC 0411 PAGE 0956

B. The names and street addresses of the persons who are to serve as the First Board are as follows:

Name	Address
John L. Schlegel	One Corporate Drive Palm Coast, Florida 32051
David Teal	One Corporate Drive Palm Coast, Florida 32051
Steve Tubbs	One Corporate Drive Palm Coast, Florida 32051

The First Board shall be the Board of Directors of the Neighborhood Association until the first Annual Meeting after Declarant has conveyed twenty percent (20%) of the Dwelling Units permitted to be constructed in the Island Estates Neighborhood. Declarant shall have the right to appoint, designate or elect all the members of the First Board until such Annual Meeting, and in the event of any vacancy, fill any such vacancy. After such Annual Meeting, Declarant shall have the right to appoint, designate, or elect all the Directors who are not elected by the members other than Declarant as set forth in Paragraph C below. Declarant reserves the right to remove any Director it has appointed, designated, or elected to the First Board or any other Board of Directors.

C. 1. At the first Annual Meeting after Declarant has conveyed twenty percent (20%) of the Dwelling Units permitted to be constructed in the Island Estates Neighborhood, and at all Annual Meetings thereafter until the Annual Meeting described in Paragraph C.2 below, the Board of Directors shall include: two (2) Directors designated by Declarant and one (1) Director elected by the members as more specifically set forth in the By-Laws.

2. At the first Annual Meeting after Declarant has conveyed fifty percent (50%) of the Dwelling Units permitted to be constructed in the Island Estates Neighborhood, the number of Directors shall be expanded to five (5), and until the first Annual Meeting described in Paragraph C.3 below, the Board of Directors shall include: three (3) Directors designated by Declarant and two (2) Directors elected by the members, as more specifically set forth in the By-Laws.

3. At the Neighborhood Turnover meeting, which is to be held as set forth in the Neighborhood Declaration, the Board of Directors shall be comprised of five (5) Directors elected by the members, as more specifically set forth in the By-Laws. In addition, after Neighborhood Turnover and for so long as Declarant

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owns any interest in the Island Estates Neighborhood, Declarant shall have the right, but not the obligation, to designate one (1) additional Director and his/her successors ("Declarant Director"), thus providing for up to a total of six (6) Directors. Notice of the Neighborhood Turnover meeting shall be given as provided in Article 3.4 of the By-Laws.

D. Until Neighborhood Turnover, Directors of the Neighborhood Association named by Declarant shall serve at the discretion of Declarant, and in the event of vacancies of such Directors, such vacancies shall be filled by the person designated by Declarant. The fact that the members have not elected or refuse to elect Directors shall not interfere with the right of Directors designated by Declarant to resign.

E. The resignation of a Director who has been designated, appointed or elected by Declarant, or the resignation of an officer of the Neighborhood Association who was elected by the First Board, shall remise, release, acquit, and forever discharge such Director or officer of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, claims, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity which the Neighborhood Association or members had, now have, or will have; or which any personal representative, successor, heir or assign of the Neighborhood Association or members hereafter may have against such Director or officer by reason of his having been an Director or officer of the Neighborhood Association.

ARTICLE XI
INDEMNIFICATION

Every Director and every officer of the Neighborhood Association shall be indemnified by the Neighborhood Association against all expenses and liabilities, including attorneys' fees through all trial and appellate levels, reasonably incurred by or imposed upon him in connection with any proceeding, arbitration or settlement 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 Neighborhood Association, whether or not he is a Director or officer at the time such expenses are incurred. Notwithstanding the foregoing, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board of Directors approves such settlement. Notwithstanding anything contained herein to the contrary, in instances where the Director or officer admits or is adjudged guilty of willful malfeasance in the performance of his duties, the indemnification provisions contained herein shall not apply. Otherwise, the foregoing right of indemnification shall be in

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addition to and not exclusive of any and all right of indemnification to which such Director or officer may be entitled by common law or statute.

ARTICLE XII
BY-LAWS

By-Laws of the Neighborhood Association shall be adopted by the First Board and thereafter may be altered, amended or rescinded in the manner provided in the By-Laws. In the event of a conflict between the provisions of these Articles and the provisions of the By-Laws, the provisions of these Articles shall control.

ARTICLE XIII
AMENDMENTS

A. These Articles may be amended by the following methods:

1. (a) The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members, which may be either the Annual Meeting or a special meeting. Any number of proposed amendments may be submitted to the members and voted upon by them at one meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member and Declarant within the time and in the manner provided in the By-Laws for the giving of notice of meetings of members ("Required Notice").

(c) At such meeting a vote of the members and Declarant shall be taken on the proposed amendment(s). The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds (2/3) of all votes entitled to be cast.

2. An amendment may be adopted by a written statement, in lieu of a meeting, signed by all Directors and Declarant setting forth their intention that an amendment to these Articles be adopted.

3. Consistent with the provisions of the Master Declaration or Neighborhood Declaration allowing certain instruments, including Supplements, to be effected by Declarant alone, Declarant alone may amend these Articles to bring the Articles into conformity with such instruments.

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B. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Master Declaration or Neighborhood Declaration.

C. A copy of each amendment shall be filed and certified by the Secretary of State of the State of Florida.

D. A certified copy of each such amendment shall be attached to any certified copy of these Articles and shall be part of such Articles and an exhibit to the Neighborhood Declaration upon the recording of the Neighborhood Declaration; or, in lieu thereof, "Restated Articles" (as defined in Article XV) may be adopted and a certified copy thereof shall be attached as an exhibit to the Neighborhood Declaration upon recordation thereof.

E. There shall be no amendment to these Articles which shall abridge, amend or alter the rights of: (i) Declarant, including, without limitation, the right to designate and select the Directors as provided in Article X hereof and the rights reserved to Declarant in the Neighborhood Declaration, without the prior written consent thereto by Declarant; and (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

ARTICLE XIV
SUCCESSOR ENTITIES

In the event of the dissolution of the Neighborhood Association, or any successor entity thereto, any property dedicated or conveyed to the Neighborhood Association shall be transferred to either a successor entity or an appropriate governmental agency or public body to be maintained for the purposes for which the Neighborhood Association, or a successor thereto, was maintaining such property in accordance with the terms and provisions under which such property was being held by the Neighborhood Association, or such successor.

ARTICLE XV
RESTATEMENT OF ARTICLES

A. All provisions contained within these Articles plus any amendments thereto may at any time be integrated into a single instrument as "Restated Articles" and adopted by the Board of Directors. Such Restated Articles shall be specifically designated as such and shall state, either in the heading or in the introductory paragraph, the name of the Neighborhood Association and, if it has been changed, the name under which it was originally incorporated and the date of filing of the original Articles or any

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restatements thereof in the Office of the Secretary of State of Florida. Such Restated Articles shall also state that they were duly adopted by the Board of Directors and that such Restated Articles only restate and integrate and do not further amend the provisions of these Articles as theretofore amended, or that any amendment included therein has been adopted pursuant to Article XIII hereof and that there is no discrepancy between these Articles as theretofore amended and provisions of the Restated Articles other than the inclusion of the properly adopted amendments.

B. Upon the filing of Restated Articles by the Secretary of State of Florida, the original Articles, as theretofore amended, shall be superseded, and thenceforth the Restated Articles shall be these Articles of Incorporation of the Neighborhood Association.

C. Amendments may be made simultaneously with restatement of these Articles if the requirements of Article XIII are complied with. In such event, the Articles of Incorporation shall be specifically designated as such.

ARTICLE XVI
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Neighborhood Association is One Corporate Drive, Palm Coast, Florida 32051 and the initial Registered Agent of the Neighborhood Association at that address shall be John L. Schlegel.

IN WITNESS WHEREOF, we, JOHN L. SCHLEGEL, DAVID TEAL and STEVE TUBBS, the Incorporators of the Island Estates Neighborhood Association, Inc., have hereunto affixed our signatures this 4th day of October, 1989.

JOHN L. SCHLEGEL

DAVID TEAL

STEVE TUBBS

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The undersigned hereby accepts the designation of Registered Agent of Island Estates Neighborhood Association, Inc. as set forth in Article XVI of these Articles.

JOHN L. SCHLEGEL

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TALLAHASSEE, FLORIDA

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STATE OF FLORIDA)
: SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgements, personally appeared JOHN L. SCHLEGEL, DAVID TEAL and STEVE TUBBS, to me known to be the persons described as the Incorporators of the Island Estates Neighborhood Association, Inc. and who executed the foregoing Articles of Incorporation and they acknowledged before that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal this 4th day of October, 1989.

Victoria P. Gard
Notary Public
My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.
[SEAL]

STATE OF FLORIDA)
: SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgements, personally appeared JOHN L. SCHLEGEL, to me known to be the person described as initial Registered Agent, in and who executed the foregoing Articles of Incorporation and he acknowledged before me that he executed the same for the purposes therein expressed.

WITNESS my hand and official seal this 4th day of October, 1989.

Victoria P. Gard
Notary Public
My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.
[SEAL]

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BY-LAWS
OF
ISLAND ESTATES NEIGHBORHOOD ASSOCIATION, INC.
(A Florida Corporation Not For Profit)

ARTICLE 1
IDENTIFICATION OF ASSOCIATION

These are the By-Laws of Island Estates Neighborhood Association, Inc., hereinafter referred to as the "Association," as duly adopted by its Board of Directors. The Association is a corporation not for profit, organized pursuant to and under Chapter 617 of the Florida Statutes.

1.1 The purposes for which this Association is organized are to take title to, operate, administer, manage, lease and maintain the Neighborhood Common Areas of the Island Estates Neighborhood or such portions thereof or of Hammock Dunes as are dedicated to or made the responsibility of the Association in the Island Estates Neighborhood Declaration or in any of the Master Documents in accordance with the terms of and purposes set forth therein; and to conduct any lawful business permitted under the laws of the State of Florida for corporations not for profit in order to carry out the covenants and enforce the provisions of any of the Island Estates Neighborhood Documents. The Neighborhood Association is NOT a condominium association under Chapter 718, Florida Statutes.

1.2 The office of the Association shall presently be at 1 Corporate Drive, Palm Coast, Florida 32501, and thereafter may be located at any place in Flagler County, Florida designated by the Board of Directors of the Association.

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

1.4 The seal of the Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not For Profit".

ARTICLE 2
DEFINITIONS

2.1 All terms which are defined in the Declaration of Protective Covenants, Conditions, and Restrictions for Island Estates Neighborhood ("Declaration") shall be used herein with the same meanings as defined in said Declaration, except as set forth herein.

EXHIBIT "D"
SHEET 1 OF 18

2.2 "Association" as used herein shall mean the Island Estates Neighborhood Association, Inc., a Florida corporation not for profit.

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ARTICLE 3
MEMBERSHIP IN THE ASSOCIATION,
MEMBERS' MEETINGS, VOTING AND PROXIES; VOTING MEMBER

3.1 The qualification of members, the manner of their admission to membership in the Association and the manner of the termination of such membership shall be as set forth in Article V of the Articles.

3.2 The members shall meet annually at the office of the Association or such other place in Flagler County, Florida, as determined by the Board of Directors and as designated in the notice of such meeting at such time and on such day in the month of August of each year (the "Annual Meeting") commencing with the year 1990 as determined by the Board of Directors; provided, however, that said date may be changed by resolution of the Board of Directors so long as the Annual Meeting for any year shall be held not later than thirteen (13) months after the last preceding Annual Meeting. The purpose of the Annual Meeting shall be to hear reports of the officers, elect members to the Board of Directors (subject to the provisions of Article VIII of the Articles), and to transact any other business authorized to be transacted by the members.

3.3 Special meetings of the members shall be held at any place within Flagler County, Florida, whenever called by the President or a majority of the Board of Directors. A special meeting must be called by the President upon receipt of a written request from one-fourth (1/4) of the members.

3.4 A written notice of the meeting (whether the Annual Meeting or a special meeting of the members) shall be mailed to each member entitled to vote at his last known address as it appears on the books of the Association. Such written notice of an Annual Meeting shall be mailed to each member not less than fourteen (14) days nor more than forty (40) days prior to the date of the Annual Meeting. Written notice of a special meeting of the members shall be mailed not less than ten (10) days nor more than forty (40) days prior to the date of a special meeting. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by an officer of the Association. Notice of the Annual Meeting shall be posted at a conspicuous place on Island Estates Neighborhood at last fourteen (14) days prior to an Annual Meeting. If a meeting of the members, either a special meeting or an Annual Meeting is one which, by express provision of the Neighborhood Documents, there is permitted

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3.9 Voting rights of members shall be as stated in the Neighborhood Declaration and Articles. Such votes may be cast in person, by proxy or by "Certificate" (as defined in Article VII of the Neighborhood Declaration). "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a member to vote for him and in the member's place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein and any adjournments thereof if so stated. A proxy must be filed with the Secretary of the Association before commencement of the particular meeting designated in the proxy. The proxy may be revoked prior to the time a vote is cast according to such proxy.

3.10 At any time prior to a vote upon any matter at a meeting of the members, any member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for nominations for Inspectors of Election to collect and tally written ballots upon the completion of balloting upon the subject matter.

3.11 Cumulative voting shall not be permitted.

3.12 The Island Estates Neighborhood is entitled to elect one (1) Voting Member to the Owners' Association in accordance with the Master Documents. The election of the Voting Member shall be in accordance with the Articles, and the election shall be conducted in the following manner: (a) election of the Voting Member shall be held at the special meeting described in Articles V, Section G of the Articles; (b) Nominations for the Voting Member shall be the responsibility of a special nominating committee (the "Voting Member Nominating Committee"). The Voting Member Nominating Committee shall be comprised of no less than three (3) nor more than (5) Dwelling Unit Owners in the Island Estates Neighborhood who shall be appointed by the Board of Directors no less than ninety (90) days prior to the special meeting described in the Articles. The chairperson shall be a Director. The Voting Member Nominating Committee shall have the responsibility of preparing a slate of candidates for the election of the Voting Member. The Voting Member Nominating Committee shall provide the slate of candidates to the Board of Directors for its approval. If approved, the Board of Directors shall then provide the slate of candidates to the members at the time the members receive notice of the meeting, as set forth in the Articles. The members may nominate additional candidates at the meeting at which the votes are cast, and nothing herein shall be construed to limit a member's right to vote for a candidate other than those presented by the Voting Member Nominating Committee.

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ARTICLE 4
BOARD OF DIRECTORS; DIRECTORS' MEETINGS

4.1 The form of administration of the Association shall be by a Board of not less than three (3) Directors, subject to the increase as set forth in Article X of the Articles.

4.2 The provisions of the Articles setting forth the selection, election, designation and removal of Directors are hereby incorporated herein by reference. The election of Directors shall be conducted in the following manner: (a) Election of Directors shall be held at the Annual Meeting, except as may be provided herein to the contrary; (b) Nominations for Directors shall be made from the floor; (c) The election shall be by written ballot (unless dispensed with by majority consent of the members represented at the meeting) and decided by a plurality of the votes cast for each candidate. Each Unit entitled to vote shall have a number of votes equal to the number of vacancies to be filled. No Unit may cast more than one vote for one candidate.

4.3 Subject to Section 4.5 below and to Declarant's rights as set forth in the Articles and as set forth in Section 4.5(c) below, vacancies on the Board of Directors shall be filled by persons appointed by the remaining Directors. Any such person shall be a Director and have all of the rights, privileges, duties and obligations as a Director elected at an Annual Meeting and shall serve for the term prescribed in Section 4.4 of these By-Laws.

4.4 The term of each Director's service shall extend until the next Annual Meeting at which his term expires as provided in Article X of the Articles, and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

4.5 (a) A Director elected by the members other than Declarant may be removed from office upon the affirmative vote or the agreement in writing of a majority of the members other than Declarant at a special meeting of the members other than Declarant for any reason deemed by the members other than Declarant to be in the best interests of the Association. A meeting of members other than Declarant to so remove a Director elected by them shall be held, subject to the notice provisions of Section 3.4 hereof, upon the written request of ten percent (10%) of the members other than Declarant. However, before any Director is removed from office, he shall be notified in writing prior to the meeting at which a motion will be made to remove him that such a motion will be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

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(b) Members other than Declarant shall elect, at a special meeting of the members or at an Annual Meeting, persons to fill vacancies on the Board of Directors caused by the removal of a Director elected by members other than Declarant in accordance with Section 4.5(a) above.

(c) A Director designated by Declarant, as provided in the Articles, may be removed only by Declarant in its sole and absolute discretion and without any need for a meeting or vote. Declarant shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board of Directors as to a Director designated by it and Declarant shall notify the Board of Directors of the name of the respective successor Director and the commencement date for the term of such successor Director. No Director or officer designated or appointed by Declarant shall be required to be a member of the Associaiton.

4.6 The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

4.7 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 Directors. Special meetings of the Board of Directors may be called at the discretion of the President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors.

4.8 Notice of the time and place of regular and special meetings of the Board of Directors, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting. Except in an emergency, notice of a Board of Directors meeting shall be posted conspicuously on the Island Estates Neighborhood forty-eight (48) hours in advance for the attention of members. Notice of any meeting where Special Assessments against members are to be considered by the Board of Directors for any reason shall specifically contain a statement that Special Assessments will be considered and the nature of any such Special Assessments. Any Director may waive notice of a meeting before, during or after a meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9 A quorum of the Board of Directors shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall

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4.13 The Board of
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4.15 No Director
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regular or special meeting of the Association; provided any Director may be reimbursed for any expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

ARTICLE 5
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association, including those existing under the Island Estates Neighborhood Documents, shall be exercised by the Board of Directors, unless otherwise specifically delegated therein to the members. Such powers and duties of the Board of Directors shall be exercised in accordance with the provisions of the Island Estates Neighborhood Documents and shall include, but not be limited to, the following:

5.1 Making and collecting Annual and Special Assessments (hereinafter collectively referred to as "Assessments") against members to pay the costs of Neighborhood Common Expenses, and the members' portion of Operating Expenses and Neighborhood Assessments. These Assessments shall be collected by the Association through payments made directly to it by the members as set forth in the Declaration.

5.2 Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board of Directors.

5.3 Maintaining, repairing and operating the Island Estates Neighborhood property except for such portions which may be maintained by the Owners' Association, as provided in the Master Declaration.

5.4 Reconstructing improvements after casualties and losses and making further authorized improvements of the Island Estates Neighborhood.

5.5 Making and amending rules and regulations with respect to Island Estates Neighborhood.

5.6 Approving or disapproving of proposed purchasers, lessees, or mortgagees of Units and those acquiring Units by gift, devise, or inheritance and other transferees in accordance with the provisions set forth in the Neighborhood Declaration or the Master Declaration.

5.7 Enforcing by legal means the provisions of the Neighborhood Documents including the Neighborhood Declaration, the Articles, these By-Laws, and the Master Declaration (to the extent permitted thereunder) and the rules and regulations adopted by the Association.

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time, appoint such other officers and assistant officers and designate their powers and duties as the Board of Directors shall find to be required to manage the affairs of the Association.

6.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a property owners association, including, but not limited to, the power to appoint such committees at such times from among the members as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board of Directors.

6.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors. In the event there shall be more than one (1) Vice President elected by the Board of Directors, then they shall be designated "First", "Second", etc., and shall exercise the powers and perform the duties of the Presidency in such order.

6.4 The Secretary shall cause to be kept the minutes of all meetings of the Board of Directors and the members, which minutes shall be kept in a businesslike manner and shall be available for inspection by members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board of Directors to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board of Directors or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary.

6.5 The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members, keep the books of the Association in accordance with good accounting practices and shall perform all of the duties incident to the office of a Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer whenever the Treasurer is absent and shall assist the Treasurer.

6.6 The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the

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ate contracting with a Director for the metates Neighborhood.

ARTICLE 7
CORDS; FISCAL MANAGEMENT

.1shall maintain accounting records in dan accepted accounting principles which bion by members or their authorized ienble times. Such authorization as a ie must be in writing and be signed by the gation and be dated within sixty (60) f inspection. Written summaries of the itie supplied at least annually to the rs.cords shall include (a) a record of all ts b) an account for each Unit which shall iatress of the Unit Owner, the amount of ssthe Unit, the amounts and due dates for ss paid upon such account and the balance or account indicating the Neighborhood under the Neighborhood Budget and the ons actually incurred during the course fan account for Neighborhood Assessments peirged against the Association and the ah Unit.

7.2 Directors shall adopt a budget of the ons of the Association (the "Budget") for for at a regular or special meeting of the of Meeting") called for that purpose not trch year. In the event a Budget is not ed, it shall not abrogate or alter Unit s' Neighborhood Common Expenses. Prior to udosed Budget shall be prepared by or on f ctors, which Budget shall include, where calted to, the following items of expense:

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n Association property
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provisions
capital

.on's share of Operating Expenses

he proposed Budget and notice of the t: Budget Meeting shall be mailed to each

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member at the member's last known address, as reflected on the books and records of the Association, not less than thirty (30) days prior to said Budget Meeting, and the Budget Meeting shall be open to the members. Failure to timely adopt a Budget shall not alter or abrogate the obligation to pay Neighborhood Common Expenses.

(b) The Board of Directors shall disclose in the Budget the estimated Operating Expenses charged against the members of the Association by the Owner's Association.

(c) The Board of Directors may also include in any such proposed Budget a sum of money as a Neighborhood Common Expense Assessment for the making of betterments to the Island Estates Neighborhood, for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis or for the establishment of reserves for repair or replacement of the Island Estates Neighborhood property either annually or from time to time as the Board of Directors shall determine the same to be necessary. This sum of money so fixed may then be levied upon the members by the Board of Directors as a Special Assessment and shall be considered an "Excluded Expense" under Section 7.3(a) hereof. In addition, the Board of Directors shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of Island Estates Neighborhood property. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. This sum of money shall also be considered an Excluded Expense under Section 7.3(a) hereof. Notwithstanding anything contained herein, the members may, by a majority vote, determine for a particular fiscal year to budget no reserves or reserves less adequate than required herein.

(d) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Neighborhood Common Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than monthly, or as otherwise determined by the Board of Directors, in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) Neighborhood Common Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such Neighborhood Common Expenses is received. Notwithstanding the foregoing, Neighborhood Common Expense Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash

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set all budgeted expenses
ıdar year.

(e) The depository
anks as shall be designate
ctors in which the mon
sited. Withdrawal of mon
hecks signed by such perso
ctors.

(f) A report of the
Association for the pre
ared annually by an accou
ignated by the Board of D
l be furnished to each me
l of the year following th
report shall be deemed to
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the books and records of t

7.3 (a) Should the bud
the Budget Meeting re
assments against the membe
dred fifteen percent (115%
essments for the prior
roved. If, however, the Ne
uired to meet the Budget
5%) of such Neighborhood
bers for the preceding ye
visions of Sections 7.3(b
vided that in computing
sessment constitutes an
cluded from such computat
penses"), including the fo

(i) Reaso
nt of the Neighborhood pro

(ii) Antici
e not anticipated to be i

(iii) Neigh
tterments to the Neighbor

(iv) Any
surance or utilities.

(b) Prior to the
sessment be adopted by t
eeting of the members sha
hich shall be held not les

S

sending of written notice to each member, but within twenty (20) days after the Budget Meeting. At said special meeting the Excess Assessment shall be presented to the members. If at said special meeting a majority of the members shall approve the Excess Assessment, then the Budget adopted by the Board of Directors shall be the final Budget. If, at said special meeting of the members a majority of the members shall not approve the Excess Assessment, then the Board of Directors shall reconvene at a special meeting so as to reduce the items of anticipated expense in the Budget, other than the Excluded Expenses, in an amount necessary so that the Budget adopted by the Board of Directors will not result in an Excess Assessment against the Members.

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(c) After Neighborhood Turnover, should the Excess Assessment be adopted by the Board of Directors, then upon written application requesting a special meeting signed by ten percent (10%) or more of the members and delivered to the Board of Directors within twenty (20) days after the Budget Meeting, the Board of Directors shall call a special meeting to be held not less than ten (10) days subsequent to the sending of written notice to each member, but within thirty (30) days of the delivery of such application and shall enact a revision of the Budget. The enactment of a revision of the Budget shall require approval of not less than two-thirds (2/3) of the members. If such revised Budget shall be the final Budget, or if a revised Budget is not enacted at such special meeting, then the Budget originally adopted by the Board of Director shall be the final Budget. If no written application is delivered, as provided herein, then the Budget originally adopted by the Board of Directors shall be the final Budget.

(d) Notwithstanding the provisions of this Section 7.3, the Board of Directors does not have the authority or power to reduce the Association's share of Operating Expenses assessed by the Owners' Association pursuant to the Master Declaration and the Neighborhood Documents. This statement is for explanation purposes only and a deletion or amendment hereof cannot grant or convey such authority or power.

(e) No Board of Directors shall be required to anticipate revenue from Assessments or expend funds to pay for Neighborhood Common Expenses not included in the Budget or which shall exceed budgeted items and no Board of Directors shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Neighborhood Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's budget as a deficiency or shall be the subject of a Special Assessment to be levied by the Board of Directors as otherwise provided in the Neighborhood Declaration.

.4 (a) The Budget constitutes an estimate of the expenses Association and for the Neighborhood. Subsequent to the inal Assessment Period" (as described in the Declaration), estimate of the expenses of the Neighborhood Association and eighborhood shall be divided by the number of Units within eighborhood and the resultant product plus the share of ting Expenses attributable to each Unit shall constitute the Assessment for such Unit.

(b) Notwithstanding the allocation to each Unit of its Assessment, a Unit Owner shall also be liable for any il Assessments levied against his Unit by the Board of tors as provided in the Declaration or by the Owners' iation as provided in the Master Declaration.

7.5 The Association shall collect Annual Assessments and al Assessments from the Unit Owners in the manner set forth ne Neighborhood Declaration and the other Neighborhood ents.

ARTICLE 8
RULES AND REGULATIONS

The Board of Directors may adopt rules and regulations or or rescind existing rules and regulations for the operation ise of the Island Estates Neighborhood property by Unit s (provided that such rules and regulations are not sistent with those promulgated by the Owners' Association) at eeting of the Board of Directors; provided, however, that such and regulations are not inconsistent with other Neighborhood ents. Copies of any rules and regulations promulgated, led or rescinded shall be mailed to all Unit Owners at their known address as shown on the books and records of the iation and shall not take effect until forty-eight (48) hours such mailing.

ARTICLE 9
ENFORCEMENT PROCEDURES

Pursuant to Article XX, Paragraph B of the Neighborhood aration, the Association shall have the right to assess onable fines against an Owner or its guests, relatives, or ees, in the manner provided herein, and such fines shall be ectible as any other assessment. The Association shall have ecial Lien" against the Unit Owners and Units against which ne has been assessed or levied. Each Board of Directors (the ointing Board") shall have the power to create an "Enforcement ittee" to be comprised of three (3) members, one of which shall member of the Board of Directors, and one of which shall be

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designated as the Chairperson thereof. The Appointing Board shall also designate an Alternate Enforcement Committee Member to serve in the place of an absent member of the Enforcement Committee. The Enforcement Committee shall serve a term consistent with the term of its Appointing Board. Members of the Enforcement Committee may be replaced with or without cause by majority vote of the Appointing Board.

(a) Conduct of Enforcement Hearing.

(1) The Chairperson of the Enforcement Committee may call hearings of the Enforcement Committee; hearings may also be called by written notice signed by any member of the Enforcement Committee.

(2) The Chairperson shall present each case before the entire Enforcement Committee, and the "Alleged Non-complying Member" shall be given reasonable opportunity to be heard after the Chairperson's presentation. Formal rules of evidence shall not apply, but fundamental due process shall be observed and shall govern said proceedings.

(3) At the conclusion of the hearing, the Enforcement Committee shall issue an order affording the proper relief, if any, consistent with the powers granted herein. The order shall be by motion approved by at least two (2) members of the Enforcement Committee in order for the action to be official.

(b) Powers of the Enforcement Committee. The Enforcement Committee shall have the power to:

(1) Adopt rules for the conduct of its hearings;

(2) Effectuate the provisions set forth in this provision;

(3) Issue orders consistent with this provision; and

(4) Order Non-complying members, adjudged so pursuant to the provisions of this paragraph, to pay a fine not to exceed Twenty-Five Dollars ($25.00) for each day the violation continues past the date set by the Enforcement Committee for compliance, and not to exceed Five Hundred Dollars ($500.00) under any circumstances. A notarized copy of an order imposing a fine may be recorded in the public records and thereafter shall constitute a Special lien against the Unit owned by the Non-complying Member.

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(c) Notice to Alleged Non-Complyi
complying Members shall be notified b
receipt requested, or by hand delivery,
(5) days in advance of said hearing.
Member shall be given notice of hearir
Committee unless said Alleged Non-compl
given reasonable opportunity to rectify
condition.

ARTICLE 10
PARLIAMENTARY RUL

The then latest edition of Robert
govern the conduct of meetings of thi
however, if such rules and regulations
Articles, these By-Laws or the Neighborh
Articles, By-Laws or Neighborhood Declar
shall govern.

ARTICLE 11
AMENDMENT OF THE BY-

11.1 These By-Laws may be amended b
not less than a majority of the membe
Meeting or a special meeting of the mem
approval of a majority of the Board of
special meeting of the Board of Directors
amendment shall be sent to each member al
special meeting of the members or Annual
be approved at the same meeting of the
members at which such amendment is propo

11.2 An amendment may be proposed
Directors or by the members, and after be
by one of such bodies, it must be appro
set forth in order to become enacted as

11.3 Amendments to these By-Laws sh
with the requirements of the law and amer
at the time of amendment.

11.4 No modification or amendment
effective which would affect or impair th
a mortgage held by any Institutional
without the Institutional Mortgagee's or
consent.

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ARTICLE 12
CONFLICT

In the event of any conflict between the provisions of the Neighborhood Declaration, the Master Declaration, the Articles and the provisions of these By-Laws, the provisions of the Neighborhood Declaration, the Master Declaration and/or Articles shall prevail.

The foregoing By-Laws of Island Estates Neighborhood Association, Inc. are hereby adopted by all of the Directors of Island Estates Neighborhood Association, Inc. as and constituting the Board of Directors of said Association this 4th day of October, 1989.

JOHN L. SCHLEGEL

DAVID TEAL

STEVE TUBBS

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ISLAND ESTATES NEIGHBORHOOD ASSOCIATION
1989 OPERATING BUDGET

RECEIPTS:	Annual
200 Units at $107.11 per unit per month/or $21,422.00 monthly (includes 18.89 a month for Hammock Dunes Owners' Association)	$257,064.00
DISBURSEMENTS:	
ADMINISTRATION	
Management Fee	$14,400.00
Accounting Services (included in Management Fee)	N/A
Corporate Annual Fee	$35.00
Licenses & Permits	N/A
Audit Fees	$2,000.00
Office Supplies	$350.00
Legal Fees	$200.00
TAXES	
Income Tax	N/A
Personal Property Tax	N/A
Real Estate Tax	N/A
MAINTENANCE & REPAIR	
Landscape Maintenance (specifications enclosed)	$75,000.00
Landscape Maintenance Supplies	$1,200.00
Extermination Services	N/A
Janitorial Supplies	$150.00
Building Maintenance Supplies	$600.00
Entry Sign Annual Maintenance	$200.00
UTILITIES	
Water	N/A
Sewer	N/A
Refuse	$672.00
Telephone	$600.00
Electric	$3,900.00
Irrigation	$37,953.00
Private Fire Protection	$1,791.40
ACCESS CONTROL	$52,000.00
INSURANCE	
Directors & Officers (Errors & Omissions)	$900.00
General Liability ($1,000,000)	$504.00

OFF REC 0411 PAGE 0980

CIRCUIT COURT FLAGLER COUNTY FLORIDA

FILED & RECORDED B.R. BOOK 411 PAGE 980 NOV -2 AM 10:20 CLERK OF CIRCUIT COURT FLAGLER COUNTY

EXHIBIT "E"

19.50

OFF REC 0449 PAGE 1809

FIRST AMENDMENT TO DECLARATION OF PROTECTED COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAMMOCK DUNES

THIS FIRST AMENDMENT TO DECLARATION OF PROTECTED COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAMMOCK DUNES (this "First Amendment") is made this 11th day of June, 1991, by **ADMIRAL CORPORATION, INC.**, a Florida corporation ("Declarant").

W I T N E S S E T H:

WHEREAS, Declarant recorded the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes dated May 11, 1989 and recorded on May 18, 1989 in Official Records Book 392, at Page 343 of the Public Records of Flagler County, Florida (the "Master Declaration"); and

WHEREAS, this First Amendment is made by Declarant and joined in by the Owners Association, as defined in the Master Declaration, pursuant to the provisions of Article 14.06(a) of the Master Declaration.

NOW, THEREFORE, in consideration of the premises and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby declares that the Master Declaration shall be amended as follows:

1. The words and phrases used in this First Amendment which are defined in the Master Declaration, shall have the same meaning set forth in the Master Declaration, unless the context thereof clearly indicates otherwise.

2. The following provision shall be added to the Master Declaration as Article 6.01(x):

(x) Restrictions on uses of golf carts, All-Terrain vehicles and motor vehicles not registered and licensed for use on roadways; or Nuisance Vehicles (collectively, "Excluded Vehicles").

(1) No Person other than Declarant, the Owners Association, a Sub-Association, a Tract Owner or a Recreational Property Owner (the "Approved Persons") shall use any golf cart or other Excluded Vehicle on any portion of the Committed Property, unless such use is expressly permitted by Declarant, and in such case only in such areas as are expressly designated by Declarant for such use. Notwithstanding the foregoing, golf carts may be used on Hammock Dunes property owned by the Hammock Dunes Club in accordance with the regulations of the Club.

(2) Motor vehicles shall be used only upon the roads, streets, driveways, parking areas and any other paved area for which there are intended or which have been designated for such use by Declarant, provided, however, that this limitation shall not apply to the Permitted Persons.

(3) The Board may exclude or limit the use of additional vehicles, including but not limited to those vehicles which in the discretion of the Board constitutes, "Nuisance" vehicles.

3. Except as amended hereby, the provisions of the Master Declaration shall remain in full force and effect.

OFF REC 0449 PAGE 1810

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OFF REC 0449 PAGE 1811

IN WITNESS WHEREOF, Declarant has caused these presents to be signed by the President of Admiral Corporation, Inc., a Florida corporation, as of the date first above written.

WITNESSES:

Pamela Thompson
Name: Pamela Thompson

Victoria P. Gard
Name: Victoria P. Gard

DECLARANT:

ADMIRAL CORPORATION, INC., a Florida corporation

By: Richard F. Schulte
Name: Richard F. Schulte
Title: President
Address: 1 Corporate Drive
Palm Coast, FL 32151

Joined in by:

EASMOOR DUNES OWNERS ASSOCIATION, INC., a Florida corporation not-for-profit

By: Robert F. Dickinson
Name: Robert F. Dickinson
Title: President
Address: 1 Corporate Drive
Palm Coast, FL 32151

E. Jean Hill
Name: E. Jean Hill

Victoria P. Gard
Name: Victoria P. Gard

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OFF REC 0449 PAGE 1812

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, Richard F. Schulte, as President of Admiral Corporation, Inc., a Florida corporation, and Robert E. Dickinson, President of Hammock Dunes Owners Association, Inc., a Florida corporation not-for-profit, to me well known to be the persons described in and who executed the foregoing instrument and acknowledged before me that they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal this 11th day of June, 1991, in the County and State aforesaid.

Victoria F. Gard
Name: Victoria F. Gard
Notary Public, State of Florida

My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance, Inc.

[NOTARY SEAL]

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Clerk of Circuit Court
Flagler County, Florida

CIRCUIT COURT FLAGLER COUNTY FLORIDA

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R/T PLAT

#96.00

OFF REC 0411 PAGE 0873

FIRST SUPPLEMENT TO
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR HAMMOCK DUNES

This First Supplement to Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes ("Second Supplement") is made this 1st day of November, 1989, by ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation.

WHEREAS, Declarant recorded the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes, dated May 11, 1989, and recorded on May 18, 1989, in Official Records Book 392, Page 343, of the Public Records of Flagler County, Florida ("Master Declaration");

WHEREAS, the "Total Property" was described on Exhibit "A" to the Master Declaration;

WHEREAS, Declarant, pursuant to the terms of the Master Declaration, "Committed" that portion of the Total Property legally described on Exhibit "B" to the Master Declaration and subjected the "Committed Property" to specific Land Use Classifications set forth in the Master Declaration;

WHEREAS, that portion of the Total Property not committed to specific Land Use Classifications was defined in the Master Declaration as Uncommitted Property;

WHEREAS, Declarant, pursuant to the provisions of the Master Declaration, including, but not limited to, the provisions of Article 2.02(a) thereof, reserved the right to assign specific Land Use Classifications to additional portions of the Uncommitted Property;

WHEREAS, Declarant and Additional Owner desire to Commit that portion of the Uncommitted Property which is legally described on Attachment "A" hereto ("Island Estates Neighborhood Property") to the specific Land Use Classifications set forth on the Property Plan attached hereto as Attachment "B".

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Island Estates Neighborhood Property shall be Committed Property and also states that:

1. The words and phrases used herein which are defined in the Master Declaration shall have the meanings set forth in the Master Declaration, except if the context thereof clearly indicates otherwise.

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2. Declarant and Additional Owner hereby Commits the Island Estates Neighborhood Property to the specific Land Use Classifications set forth in Attachment "B" hereto.

3. The Island Estates Neighborhood Property is located in the Island Community.

IN WITNESS WHEREOF, Declarant and Additional owner have caused these presents to be signed by the President of ADMIRAL CORPORATION, INC., a Florida corporation, and by the President of ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation, this 1st day of November, 1989.

OFF REC 0411 PG 0874

WITNESSES:

Stephanie J. Wozack

Charles C. Adam

Karen S. Harper

Victoria P. Gard

DECLARANT:

ADMIRAL CORPORATION, INC.,

By: D. D. McBee
Vice President

Attest:

JOINED BY ADDITIONAL OWNER:

ITT COMMUNITY DEVELOPMENT CORPORATION

Vicki J. Root

John F. Schlegel

Karen S. Harper

Victoria P. Gard

By:
Executive Vice President

Attest:

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OFF REC 0411 PAGE 0875

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

The foregoing instruction was acknowledged before me this 1st day of November, 1989, by Donald D. McGee and Robert G. Cuff, as Vice xxxx President and Secretary, respectively, of ADMIRAL CORPORATION, a Florida corporation.

VICTORIA P. GARD NOTARY PUBLIC STATE OF FLORIDA

Victoria P. Gard
NOTARY PUBLIC
State of Florida
(SEAL)
My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

The foregoing instrument was acknowledged before me this 1st day of November, 1989, by John R. Gazzoli and Robert G. Cuff, as Vice xxxx President and Secretary, respectively, of ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation.

VICTORIA P. GARD NOTARY PUBLIC STATE OF FLORIDA

Victoria P. Gard
NOTARY PUBLIC
State of Florida
(SEAL)
My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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OFF REC 0411 PAGE 0876

CONSENT OF MASTER DECLARANT

ADMIRAL CORPORATION, a Florida corporation, as Declarant of that Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes ("Master Declaration"), recorded in Official Records Book 392, at Page 343, does hereby consent to that Declaration of Protective Covenants, Conditions and Restrictions of Granada Estates Neighborhood made by ITT Community Development Corporation, a Delaware corporation, recorded in Official Records Book 392, at Page 532, both of which were recorded May 18, 1989 amongst the Public Records of Flagler County, Florida. Such Consent is given in accordance with Article 7.01 of the Master Declaration.

WITNESS the due execution hereof this 1st day of November, 1989.

Signed, sealed and delivered in the presence of:

Vicki L. Pratt

John F. Schlegel

ADMIRAL CORPORATION, a Florida corporation

By: John Gazzoli

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

The foregoing Consent was acknowledged before me this 1st day of November, 1989, by John . Gazzoli, as President of ADMIRAL CORPORATION, a Florida corporation, on behalf of said corporation.

VICTORIA P. GARD NOTARY PUBLIC STATE OF FLORIDA

Victoria P. Gard
NOTARY PUBLIC

[SEAL]

My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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10/23/89:nd

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; January 28, 1989.

Parcel "G", Fish Island boundary.

LEGAL DESCRIPTION:

A parcel of land being all that parcel locally known as Fish Island, said parcel bounded on the North and East by the Southerly and westerly right-of-way line of the old "Florida East Coast Canal" (200'R/W), said parcel bounded on the West by the Mean High Water Line of the Intracoastal Waterway (500'R/W) lying in Government Sections 9, 10, 15, 22 and 23, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the West quarter (1/4) corner of said Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East along the Westerly line of said Section 10 a distance of 665.47 feet to a Point on the Southerly right-of-way line of the old "Florida East Coast Canal" (200'R/W), thence departing the Westerly line of Government Section 10 Easterly and Southerly along said "Florida East Coast Canal" right-of-way the following courses South 89°41'27" East a distance of 1049.64 feet to a Point of curvature, thence 1650.52 feet along a curve to the right (concave Southwesterly) having a central angle of 66°59'49", a radius of 1411.52 feet, a chord bearing of South 56°11'33" East and a chord distance of 1558.08 feet to a Point of tangency, thence South 22°41'38" East a distance of 2365.12 feet, thence South 26°58'55" East a distance of 1656.58 feet, thence South 19°11'11" East a distance of 2844.27 feet, thence South 17°01'23" East a distance of 3542.51 feet to a Point being the intersection of the Westerly right-of-way line of said old "Florida East Coast Canal" with the Easterly right-of-way line of the Intracoastal Waterway (500'R/W), thence continue South 17°01'23" East a distance of 144.37 feet to a Point on the Easterly Mean High Water Line of the Intracoastal Waterway, thence departing the Westerly right-of-way line of said old "Florida East Coast Canal" Northerly along the Easterly Mean High Water Line being further described by the following closing lines North 73°45'41" West a distance of 14.39 feet, thence North 45°51'02" West a distance of 74.23 feet, thence North 52°00'24" West a distance of 134.04 feet, thence North 53°00'40" West a distance of 145.06 feet, thence North 48°00'14" West a distance of 147.53 feet, thence North 42°41'54" West a distance of 129.05 feet, thence North 48°26'09" West a distance of 100.34 feet, thence North 43°07'48" West a distance of 122.35 feet, thence North 28°52'46" West a distance of 135.79 feet, thence North 37°40'13" West a distance of 225.16 feet, thence North 44°07'16" West a distance of 138.00 feet, thence North 32°49'40" West a distance of 133.49 feet, thence north 29°29'52" West a distance of 118.27 feet, thence North 25°14'44" West a distance of 140.25 feet, thence North 22°52'36" West a distance of 115.55 feet, thence North 15°17'58" West a distance of 175.79 feet, thence North 28°53'53" West a distance of 96.70 feet, thence North 21°34'34" West a distance of 158.31 feet, thence North 19°59'38" West a distance of 143.44

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feet, thence North 35°11'04" West a distance of 36.29 feet, thence North 10°02'25" West a distance of 50.18 feet, thence North 16°49'46" West a distance of 59.07 feet, thence North 24°13'24" West a distance of 453.54 feet, thence North 20°32'05" West a distance of 151.41 feet, thence North 71°32'55" West a distance of 72.49 feet, thence North 18°29'21" West a distance of 139.30 feet, thence North 37°40'07" East a distance of 26.89 feet, thence North 23°41'43" West a distance of 209.45 feet, thence North 22°26'18" West a distance of 140.73 feet, thence North 18°29'56" West a distance of 139.46 feet, thence North 22°31'46" West a distance of 145.64 feet, thence North 19°34'35" West a distance of 140.71 feet, thence North 22°03'28" West a distance of 147.96 feet, thence North 23°37'51" West a distance of 147.19 feet, thence North 27°29'36" West a distance of 136.98 feet, thence North 22°26'58" West a distance of 156.13 feet, thence North 23°41'16" West a distance of 143.86 feet, thence North 22°18'46" West a distance of 125.08 feet, thence North 23°43'54" West a distance of 613.87 feet, thence North 16°01'02" West a distance of 134.49 feet, thence North 23°04'33" West a distance of 154.64 feet, thence North 22°41'02" West a distance of 154.86 feet, thence North 25°02'08" West a distance of 151.45 feet, thence North 24°16'31" West a distance of 150.14 feet, thence North 19°11'18" West a distance of 147.32 feet, thence North 22°35'20" West a distance of 152.90 feet, thence North 25°09'48" West a distance of 151.52 feet, thence North 19°27'32" West a distance of 151.44 feet, thence North 22°22'48" West a distance of 139.85 feet, thence North 21°08'54" West a distance of 162.57 feet, thence North 24°03'49" West a distance of 158.68 feet, thence North 21°03'04" West a distance of 151.15 feet, thence North 25°48'09" West a distance of 164.37 feet, thence North 19°28'33" West a distance of 136.91 feet, thence North 21°31'35" West a distance of 152.17 feet, thence North 24°23'53" West a distance of 147.35 feet, thence North 21°11'56" West a distance of 160.73 feet, thence North 24°18'57" West a distance of 152.84 feet, thence North 25°01'09" West a distance of 130.10 feet, thence North 21°32'38" West a distance of 142.24 feet, thence North 18°53'42" West a distance of 151.44 feet, thence North 21°36'20" West a distance of 155.87 feet, thence North 23°31'31" West a distance of 116.33 feet, thence North 27°20'48" West a distance of 151.68 feet, thence North 23°33'42" West a distance of 144.08 feet, thence North 26°29'38" West a distance of 172.89 feet, thence North 19°25'06" West a distance of 278.03 feet, thence North 37°13'11" West a distance of 120.66 feet, thence North 42°37'30" West a distance of 144.70 feet, thence North 47°01'07" West a distance of 151.39 feet, thence North 42°24'23" West a distance of 112.55 feet, thence North 41°00'13" West a distance of 146.70 feet, thence North 44°48'41" West a distance of 147.08 feet, thence North 48°30'21" West a distance of 457.93 feet, thence North 57°49'56" West a distance of 199.75 feet, thence North 81°56'33" West a distance of 82.24 feet, thence North 47°17'41" West a distance of 103.10 feet, thence North 64°59'30" West a distance of 143.34 feet, thence North 66°41'47" West a distance of 149.09 feet, thence North 68°19'52" West a distance of 375.12 feet, thence North 83°50'20" West a distance of 100.45 feet, thence North 34°50'35" West a distance of 50.20 feet, thence North 67°54'04" West a distance of 118.14 feet, thence North 87°26'01" West a distance of 72.65 feet, thence North 64°33'50" West a distance of 164.48 feet, thence North 67°49'49" West a distance of 152.92 feet, thence North 50°49'06" West a distance of 73.38 feet, thence North 62°42'08" West a distance of 124.43 feet, thence North 69°28'24" West a distance of 313.40 feet, thence North 71°11'46" West a distance of 219.87 feet, thence South 88°09'59" West a distance of 53.69

feet, thence North 70°14'21" West a distance of 25.62 feet to a Point on the Southerly right-of-way line of the old "Florida East Coast Canal". thence departing said Mean High Water Line of the Intracoastal Waterway South 89°41'27" East along the Southerly right-of-way line of said old "Florida East Coast canal" a distance of 557.72 feet to a Point being the intersection of the Southerly right-of-way line of the old "Florida East Coast Canal" with the Easterly right-of-way line of the Intracoastal Waterway, thence continue South 89°41'27" East along said old canal right-of-way a distance of 894.58 feet to the POINT OF BEGINNING.

Parcel containing 262.1226 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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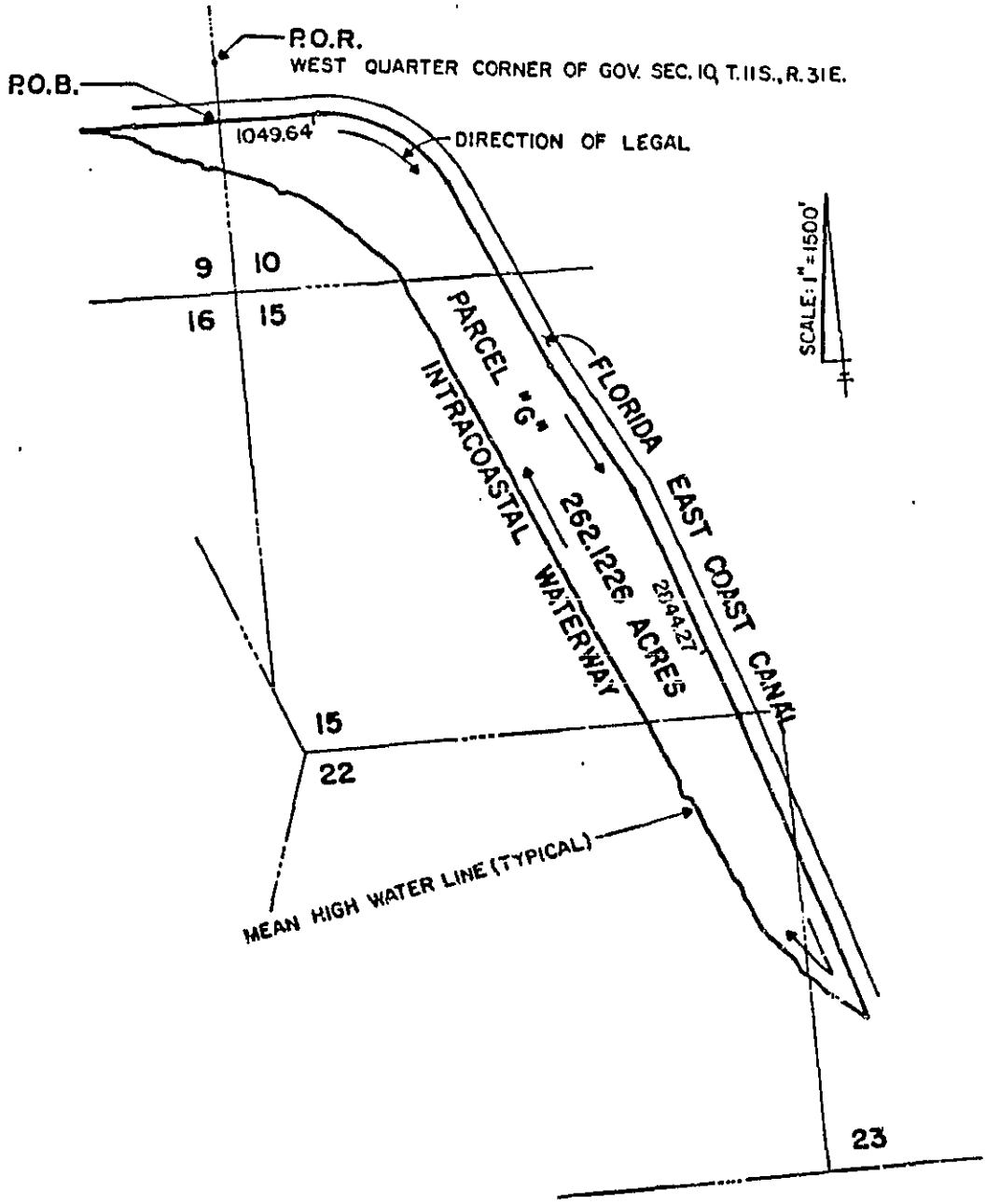
OFF REC 0411 PAGE 0880



SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "G"

Sheet 4 of 12

OFF REC 0411 PAGE 0881

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

Portion of the "Old" Florida East Coast Canal right-of-way accessing Fish Island at the Southerly bridge.

LEGAL DESCRIPTION:

A parcel of land lying West of State Road A-1-A in Government Section 15, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said right-of-way a distance of 1052.91 feet to a Point of curvature, concave Southwesterly, having a radius of 1611.52 feet and a central angle of 66°59'49", thence Easterly along the arc of said curve to the right a distance of 1884.38 feet said arc subtended by a chord bearing of South 56°11'33" East and a chord distance of 1778.85 feet to a Point of tangency, thence South 22°41'38" East along the Easterly right-of-way line of said canal a distance of 1508.12 feet to the POINT OF BEGINNING of the following description, thence continue South 22°41'38" East along the Easterly right-of-way line of said canal a distance of 80.00 feet, thence South 66°43'47" West a distance of 200.01 feet to a Point on the Westerly right-of-way line of said Florida East Coast Canal, thence North 22°41'38" West along said Westerly right-of-way line a distance of 80.00 feet, thence North 66°43'47" East a distance of 200.01 feet to the POINT OF BEGINNING.

Parcel containing 0.3673 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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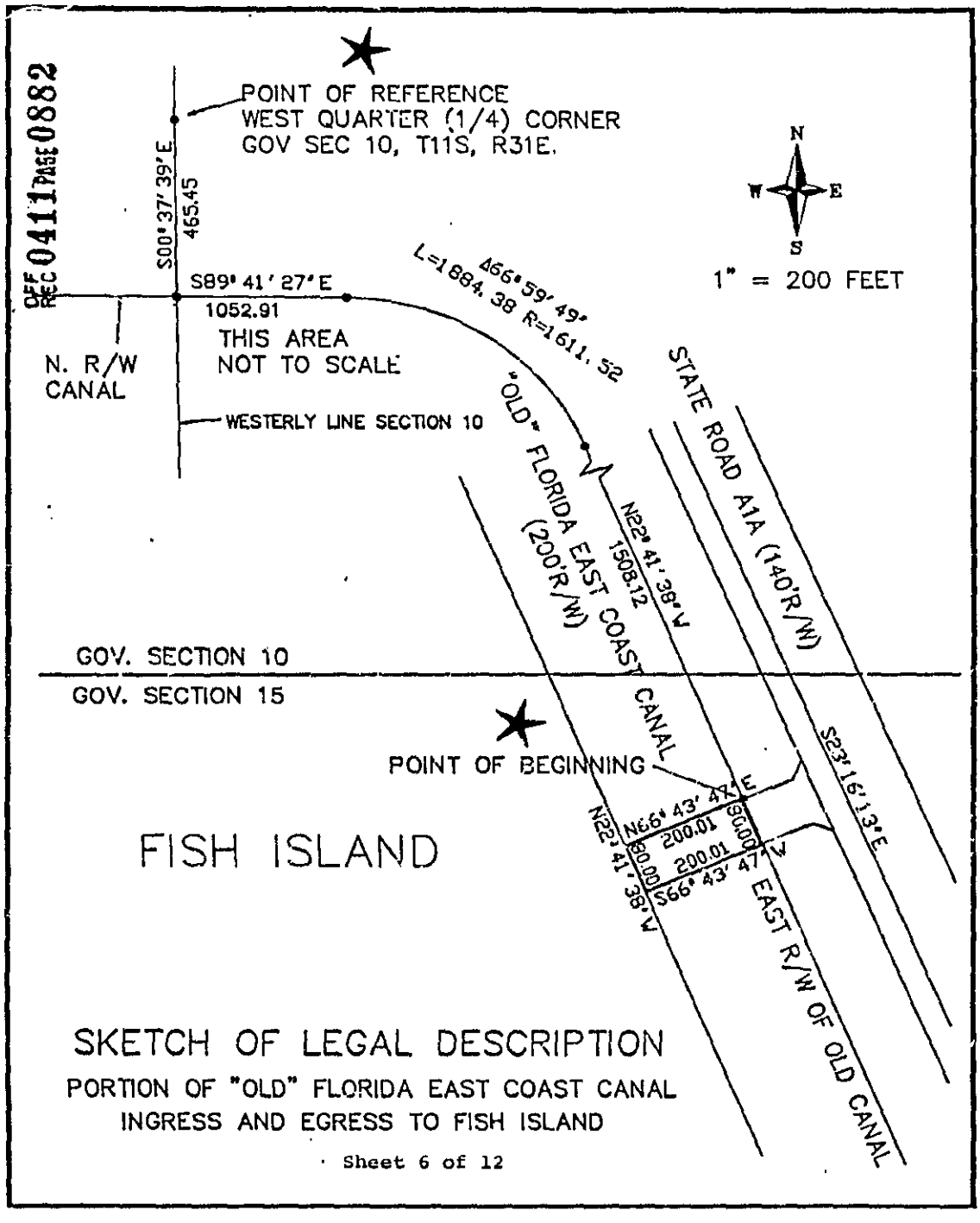

SKETCH OF LEGAL DESCRIPTION

PORTION OF "OLD" FLORIDA EAST COAST CANAL
INGRESS AND EGRESS TO FISH ISLAND

Sheet 6 of 12

OFF REC 0411 PAGE 0883

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

Ingress and egress easement for Fish Island at the Southerly bridge.

LEGAL DESCRIPTION:

A parcel of land lying West of State Road A-1-A in Government Section 15, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said right-of-way a distance of 1052.91 feet to a Point of curvature, concave Southwesterly, having a radius of 1611.52 feet and a central angle of 66°59'49", thence Easterly along the arc of said curve to the right a distance of 1884.38 feet said arc subtended by a chord bearing of South 56°11'33" East and a chord distance of 1778.85 feet to a Point of tangency, thence South 22°41'38" East along the Easterly right-of-way line of said canal a distance of 1508.12 feet to the POINT OF BEGINNING of the following description, thence departing said canal North 66°43'47" East a distance of 84.68 feet, thence North 21°43'47" East a distance of 35.36 feet to a Point on the Westerly right-of-way line of State Road A-1-A (140'R/W), thence South 23°16'13" East along said right-of-way line a distance of 130.00 feet, thence departing State Road A-1-A North 68°16'13" West a distance of 35.36 feet, thence South 66°43'47" West a distance of 85.49 feet to a Point on the Easterly right-of-way line of said Florida East Coast Canal, thence North 22°41'38" West along said Easterly right-of-way line a distance of 80.00 feet to the POINT OF BEGINNING.

Parcel containing 0.2165 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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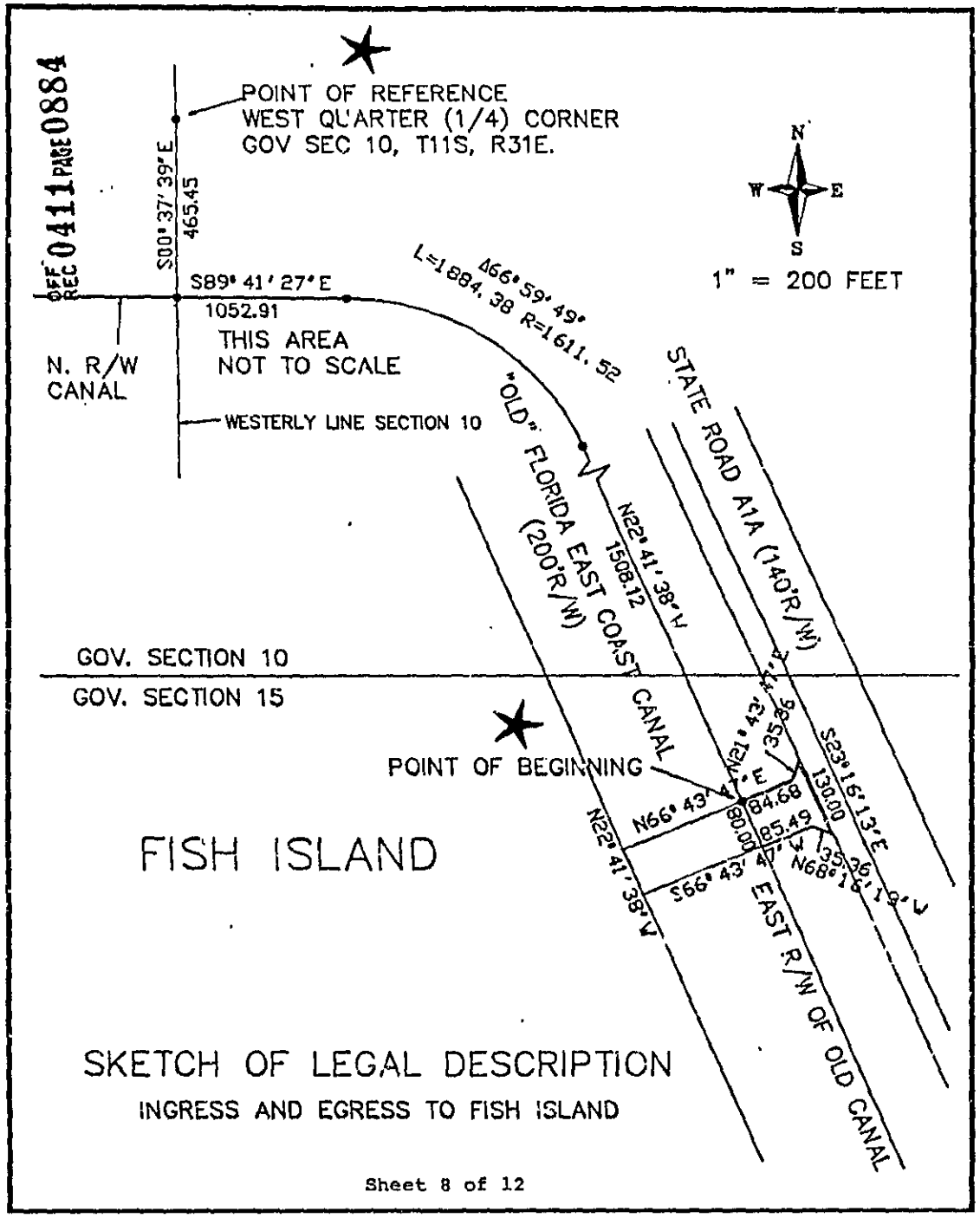

SKETCH OF LEGAL DESCRIPTION

INGRESS AND EGRESS TO FISH ISLAND

Sheet 8 of 12

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

Portion of the "Old" Florida East Coast Canal right-of-way accessing Fish Island at the Northerly bridge.

LEGAL DESCRIPTION:

A parcel of land being a Portion of the 200 foot wide "Old" Florida East Coast Canal right-of-way lying in Government Section 10, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of said Government Section 10, thence South 00°37'39" East along the Westerly Line of said Section a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said canal right-of-way line a distance of 498.45 feet to the POINT OF BEGINNING of the following description, thence continue South 89°41'27" East along said right-of-way a distance of 80.01 feet, thence South 00°24'54" East a distance of 200.02 feet to a Point on the Southerly right-of-way line of the "Old" Florida East Coast Canal, thence North 89°41'27" West along said right-of-way line a distance of 80.01 feet, thence North 00°24'54" West a distance of 200.02 feet to the POINT OF BEGINNING.

Parcel containing 0.3673 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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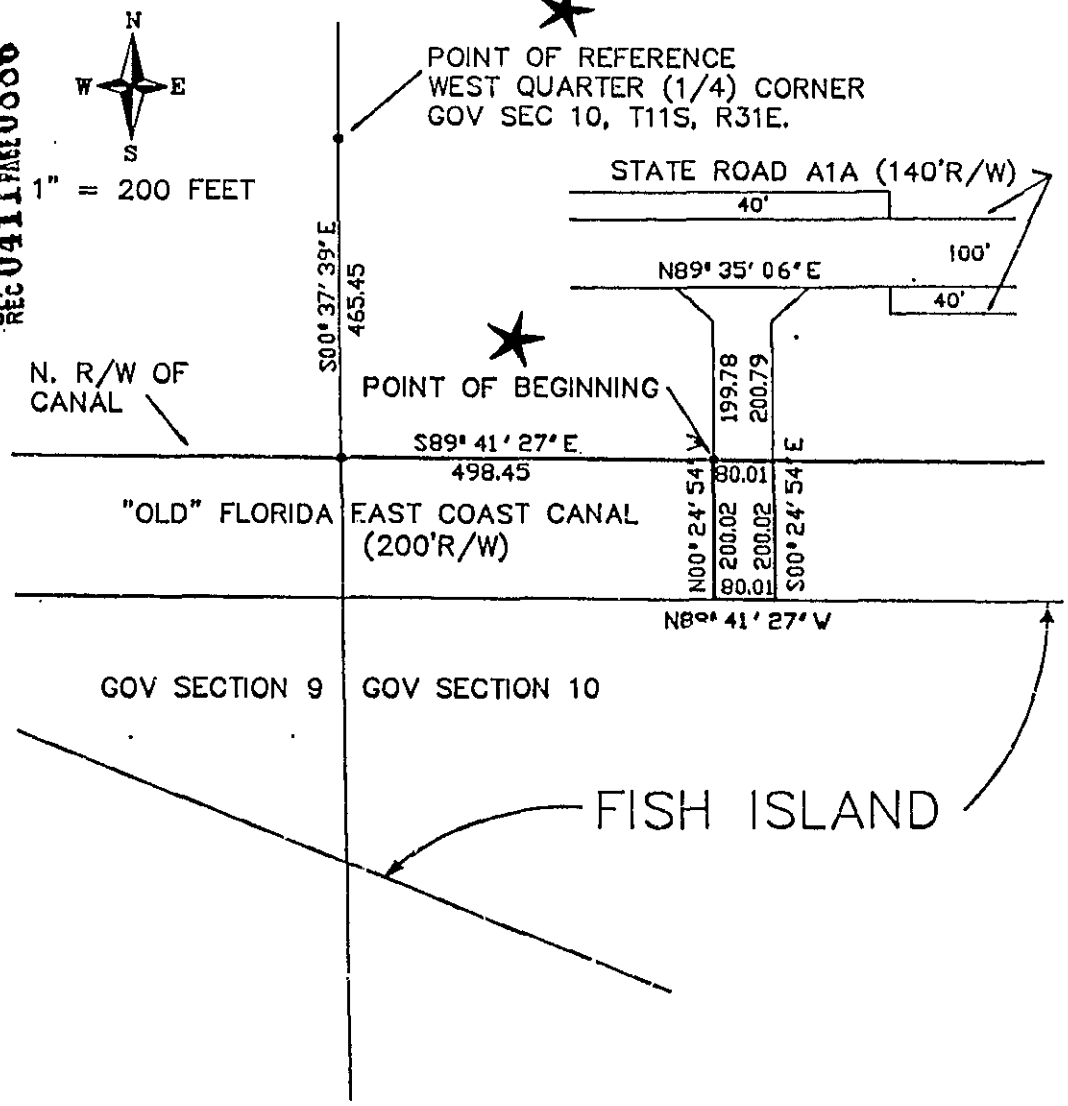
OFF REC 0411 PAGE 0886



SKETCH OF LEGAL DESCRIPTION

PORTION OF "OLD" FLORIDA EAST COAST CANAL
INGRESS AND EGRESS TO FISH ISLAND

Sheet 10 of 12

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; September 15, 1989.

Ingress and Egress easement for Fish Island at the Northerly bridge.

LEGAL DESCRIPTION:

A parcel of land lying South of State Road A-1-A in Government Section 10, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Westerly Quarter (1/4) Corner of said Government Section 10, thence South 00°37'39" East along the Westerly Line of said Section a distance of 465.45 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal (200'R/W), thence South 89°41'27" East along said canal right-of-way line a distance of 498.45 feet to the POINT OF BEGINNING of the following description, thence departing said canal North 00°24'54" West a distance of 199.78 feet, thence North 45°24'54" West a distance of 70.71 feet to a Point on the Southerly right-of-way line of State Road A-1-A (140'R/W), thence North 89°35'06" East along said Southerly right-of-way line a distance of 180.00 feet, thence departing State Road A-1-A South 44°35'06" West a distance of 70.71 feet, thence South 00°24'54" East a distance of 200.79 feet to a Point on the Northerly right-of-way line of the "Old" Florida East Coast Canal, thence North 89°41'27" West along said right-of-way line a distance of 80.01 feet to the POINT OF BEGINNING.

Parcel containing 0.5171 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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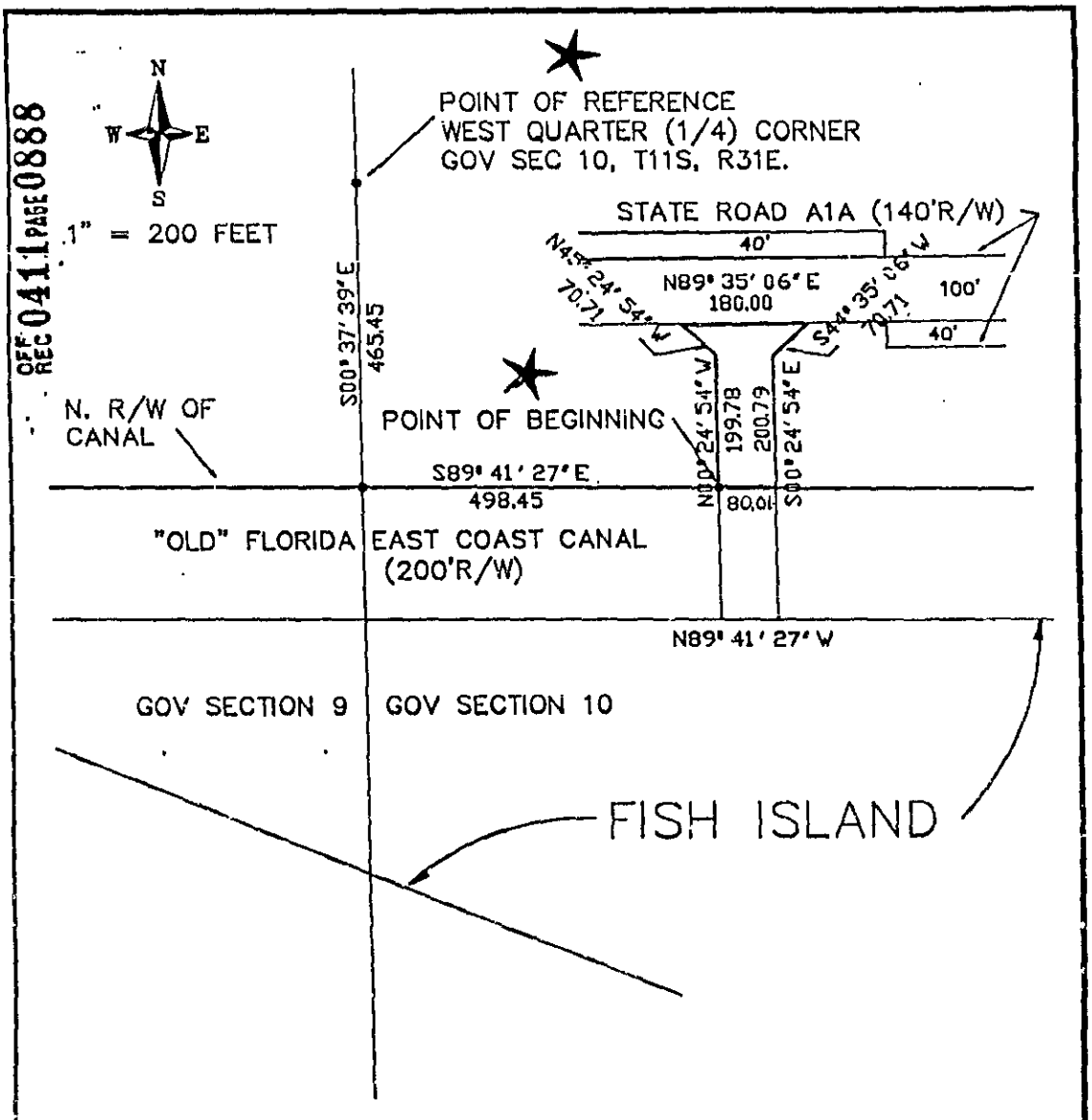


SKETCH OF LEGAL DESCRIPTION

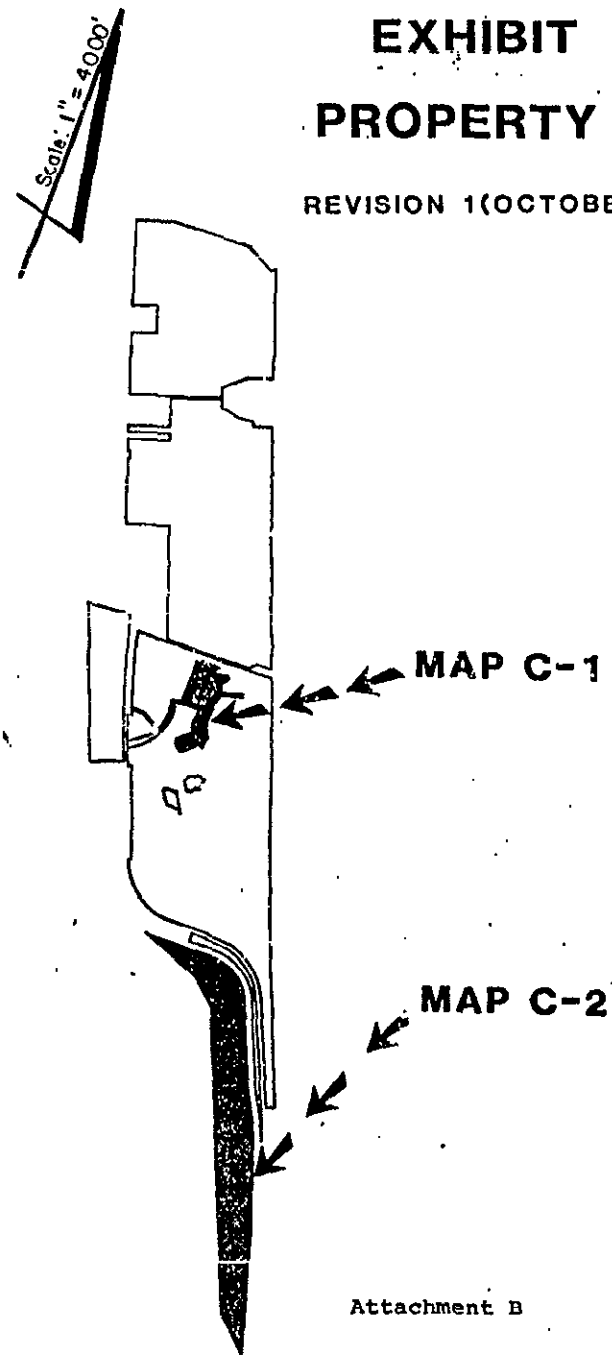
INGRESS AND EGRESS TO FISH ISLAND

Sheet 12 of 12

OFF REC 0411 PAGE 0889

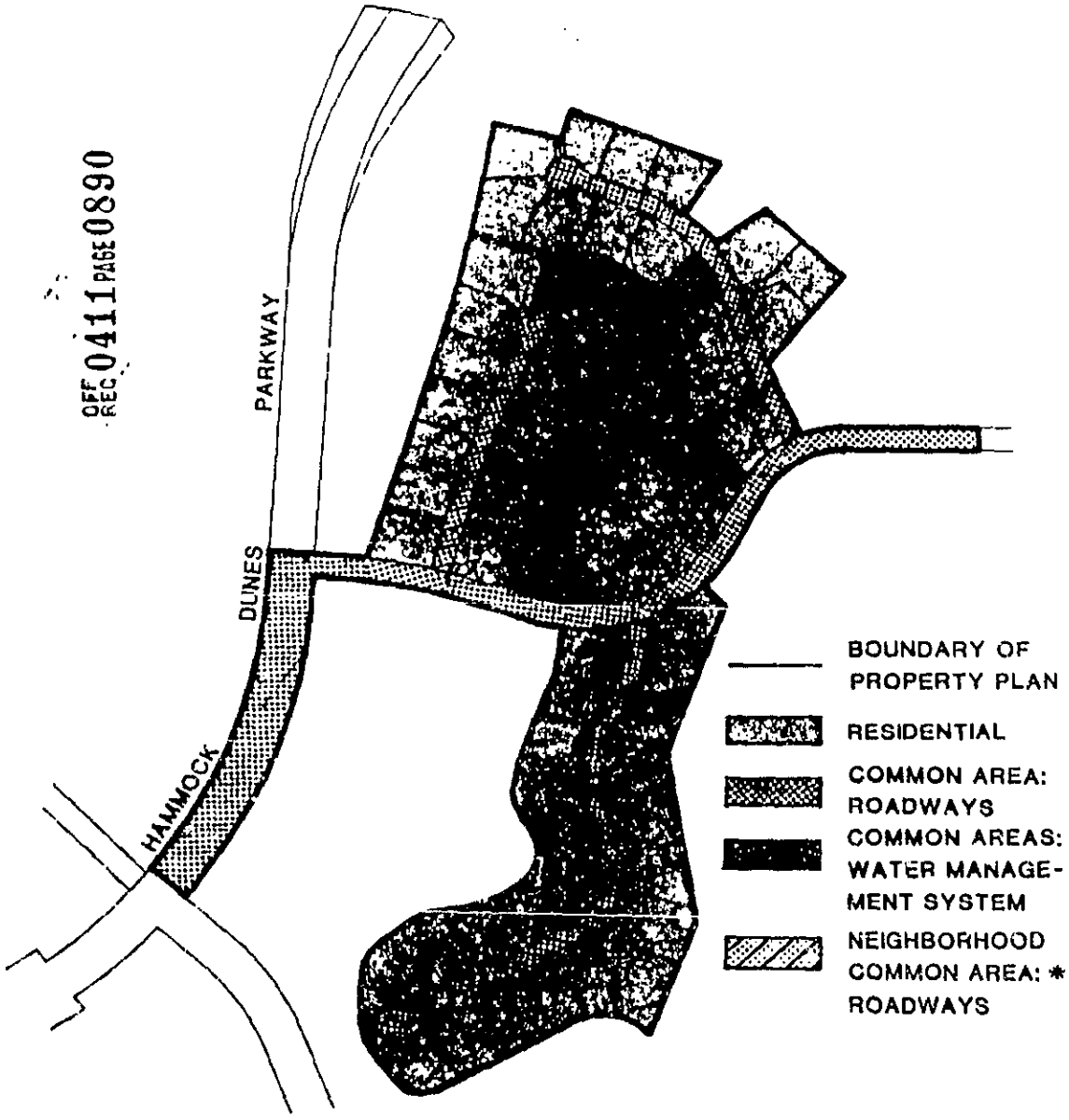
EXHIBIT "C"
PROPERTY PLAN

REVISION 1(OCTOBER 1,1989)



Attachment B

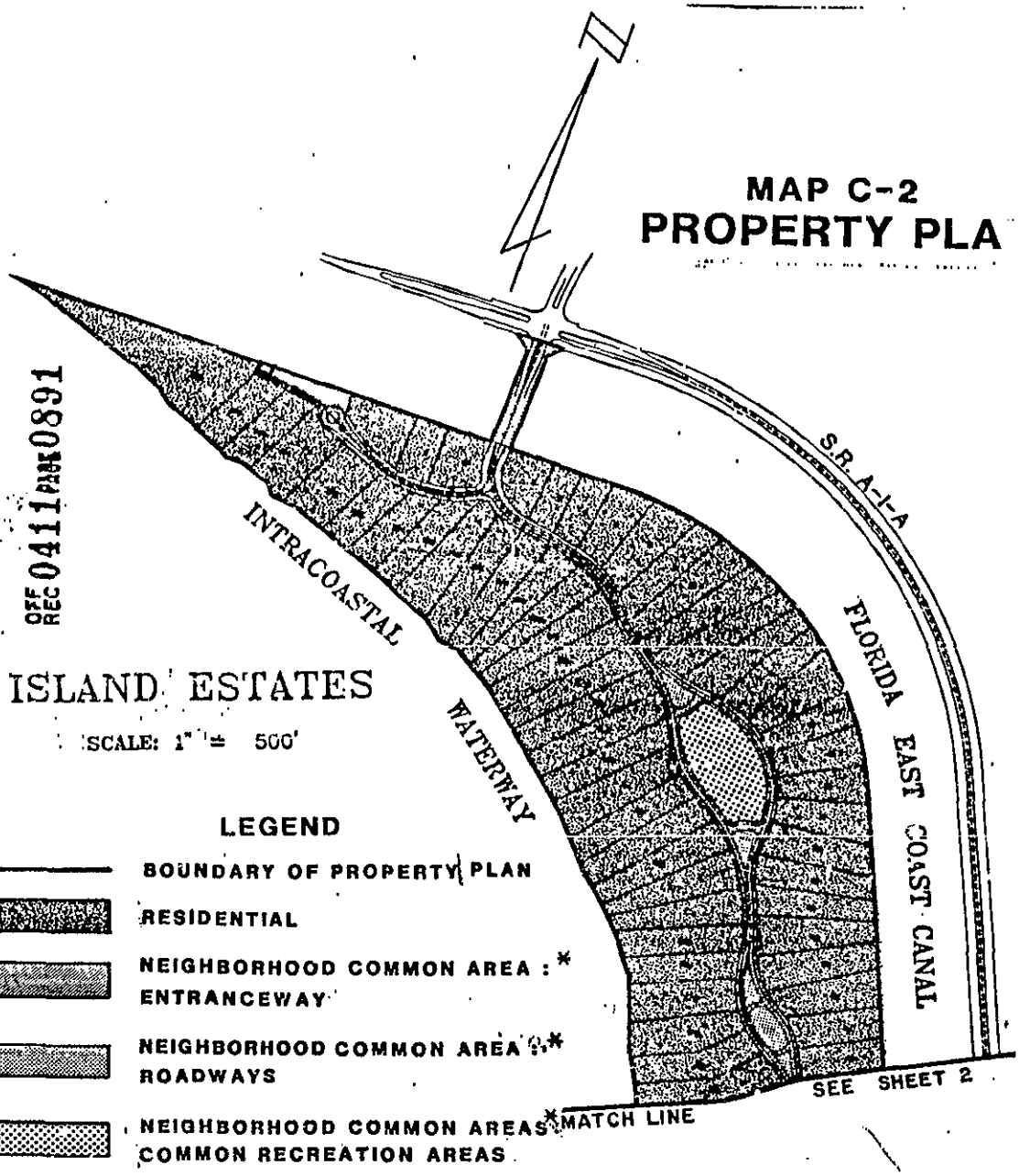
OFF REC 0411 PAGE 0890



* THE NEIGHBORHOOD COMMON AREA: ROADWAYS DELINEATED ON THIS PLAN PERTAIN TO THE GRANADA ESTATES NEIGHBORHOOD ONLY.

MAP C-1
GRANADA ESTATES
"PROPERTY PLAN"

MAP C-2
PROPERTY PLA



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ISLAND ESTATES

SCALE: 1" = 500'

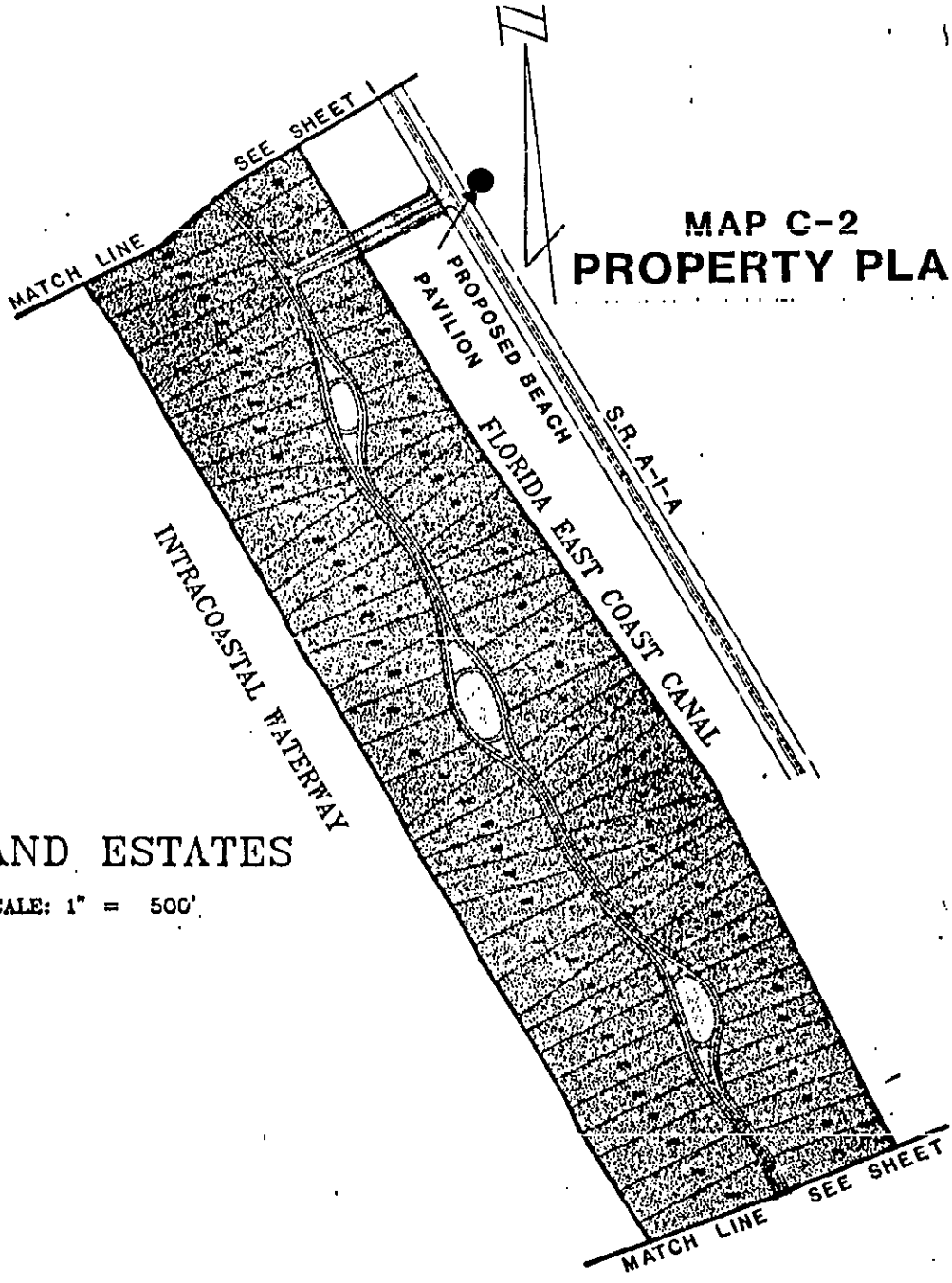
LEGEND

- BOUNDARY OF PROPERTY PLAN
- RESIDENTIAL
- NEIGHBORHOOD COMMON AREA : * ENTRANCEWAY
- NEIGHBORHOOD COMMON AREA : * ROADWAYS
- NEIGHBORHOOD COMMON AREAS COMMON RECREATION AREAS

* THE NEIGHBORHOOD COMMON AREAS DELINEATED ON THIS PLAN PERTAIN TO THE ISLAND ESTATES NEIGHBORHOOD

OFF REC 0411 PAGE 0892

MAP C-2
PROPERTY PLA

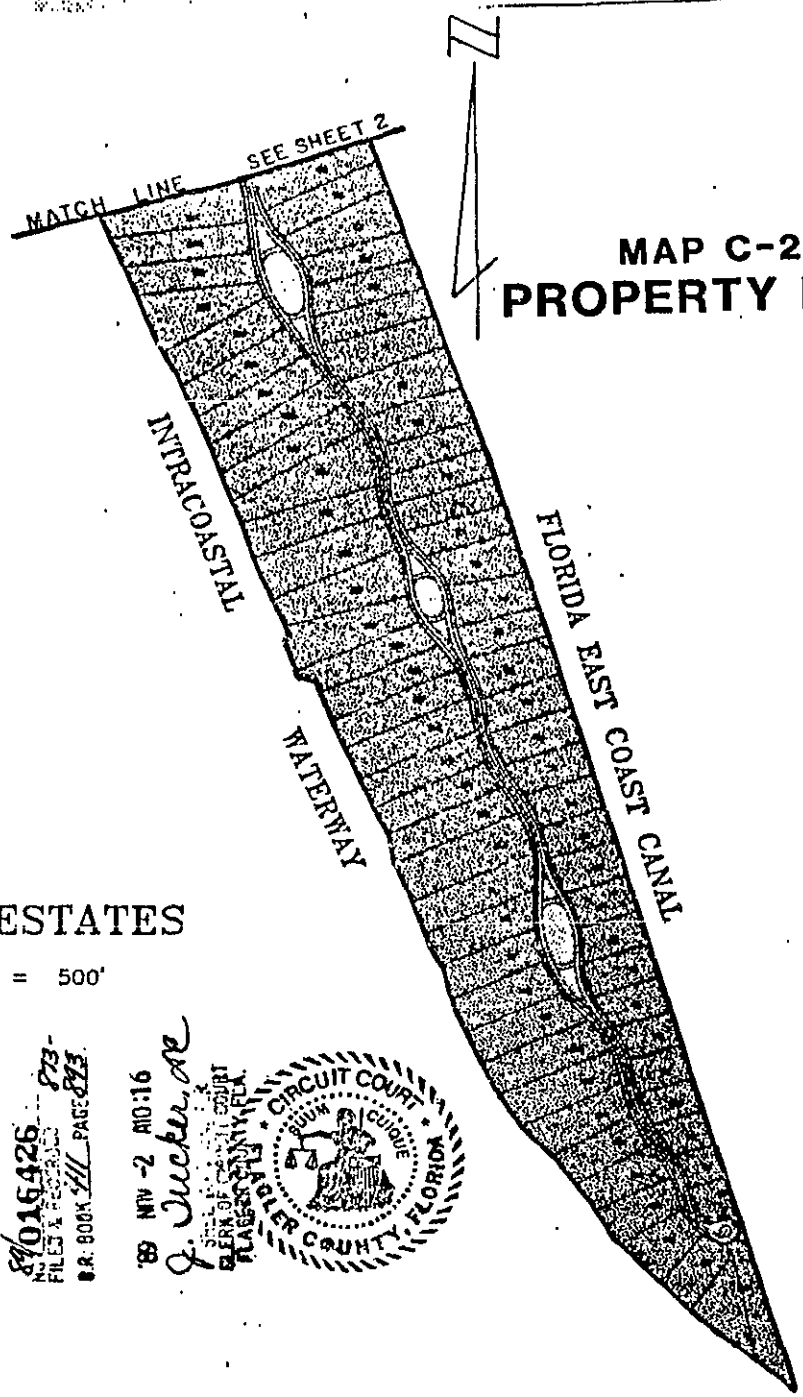


ISLAND ESTATES

SCALE: 1" = 500'

SHEE

OFF REC 0411 PAGE 0893



MAP C-2
PROPERTY PLAN

ISLAND ESTATES

SCALE: 1" = 500'

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CLERK OF CIRCUIT COURT
FLAGLER COUNTY, FLA.

CIRCUIT COURT
FLAGLER COUNTY, FLORIDA

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FILED & RECORDED
O.R. BOOK 411 PAGE 893

R/R VICKI GUARD
-THROUGH PLAT-

OFF REC 0392 PAGE 0532

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS OF
GRANADA ESTATES NEIGHBORHOOD

A NEIGHBORHOOD OF

Hammock Dunes
Private Community

HAMMOCK DUNES℠ IS A SERVICE MARK OF
ITT COMMUNITY DEVELOPMENT CORPORATION

OFF REC 0392 PAGE 0533

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DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
OF
GRANADA ESTATES NEIGHBORHOOD

This DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS OF GRANADA ESTATES NEIGHBORHOOD is made this 11th day of May, 1989 by ITT Community Development Corporation, a Delaware corporation, its successors and assigns (the "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is presently developing a planned community located in Flagler County, Florida (the "County") known as Hammock Dunes of which the Granada Estates Neighborhood is a part; and

WHEREAS, Declarant by this Declaration of Protective Covenants, Conditions and Restriction of Granada Estates Neighborhood (the "Declaration") imposes the covenants, conditions and restrictions contained herein upon the "Land," the legal description of which is attached hereto and made a part hereof as Exhibit "A"; and

WHEREAS, Declarant has determined that the Land is Committed Property, as that term is defined in the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes (the "Master Declaration"), and is subject to the specific Land Use Classifications as set forth in the Granada Estates Property Plan which is attached hereto and made a part hereof as Exhibit "B"; and

WHEREAS, Granada Estates Neighborhood is a Neighborhood created pursuant to Article 7 of the Master Declaration;

WHEREAS, Declarant has caused the Hammock Dunes Owners' Association to be formed, and to which, pursuant to Article 7 of the Master Declaration, there has been or will be delegated and assigned certain powers and duties of operation, administration, maintenance and repair of portions of the Granada Estates Neighborhood, and the collection and disbursement of Operating Expenses and Neighborhood Assessments, all as more particularly set forth herein and in the Master Declaration; and

WHEREAS. Declarant has reserved herein and in Article 7.03 of the Master Declaration the right to create a Subassociation to hold these powers and perform these duties of the Owners'

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Association as to the Granada Estates Neighborhood. The Owners' Association and any Subassociation which may be created for the purposes of performing these functions are NOT condominium associations under Chapter 718, Florida Statutes; and

WHEREAS, the Granada Estates Neighborhood is, for the purposes of this Declaration and the Master Declaration, a part of the Destination Resort Community.

NOW, THEREFORE, Declarant declares that the Land is and shall be owned, used, sold, conveyed, encumbered, demised and occupied subject to the provisions of this Declaration, which shall run with the Land and be binding on all parties having any right, title or interest in the Land or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

I. DEFINITIONS

A. The terms contained in this Declaration shall have the meanings given such terms in the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes except as may otherwise be set forth herein.

B. "Administrator" shall mean a member of the Board of Administrators elected or designated as set forth in the Articles or By-Laws of the Owners' Association.

C. "Assessments" shall mean any assessments made by the Owners' Association in accordance with the Master Documents, including, but not limited to, Base Assessments, Community Assessments, Neighborhood Assessments and Special Assessments.

D. "Base Assessments" shall mean those Assessments for which all Members of the Owners' Association are responsible in the manner set forth in Article VIII(A)(1)(a) herein and in Article 10.01(c)(2) of the Master Declaration.

E. "Board of Administrators" or "Board" shall mean the governing body of the Owners' Association.

F. "Budget" shall mean the budget adopted by the Board, as discussed in Article VIII of this Declaration, and more fully described in Article 10.01 of the Master Declaration.

G. "Clubs" shall mean and refer to Hammock Dunes Club, Inc., a Florida corporation not for profit, and any other recreational-type club or country club which may be established in conjunction with the Total Property, as described further in Article 2 of the Master Declaration.

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H. "Committed Property" shall mean those portions of the Total Property which are subjected to specific Land Use Classifications, including the Land.

I. "Common Areas" shall mean the Land Use Classification assigned to all real property, including any improvements and fixtures thereon, owned by, leased to, or the use of which has been granted to the Owners' Association as set forth in the Master Declaration. Common Areas have not been, and are not intended to be, submitted to the condominium form of ownership.

J. "Community" shall mean a portion of the Committed Property comprised of one or more Neighborhoods or Tracts or both, and designated as such by Declarant, which may share certain services or facilities.

K. "Community Assessments" shall mean those Assessments due from Members of the Destination Resort Community for those Operating Expenses which have been incurred to benefit primarily the Members of the Destination Resort Community.

L. "Community Common Areas" shall mean all real property including any improvements and fixtures thereon owned by, leased to, or their use of which has been primarily granted to a community for the common use and enjoyment of the Owners in such Community.

M. "County" shall mean Flagler County, Florida.

N. "Declarant" shall mean ITT Community Development Corporation, a Florida corporation, its nominees, successors and/or assigns.

O. "Design Review Committee" shall mean the body established by the Board to administer the Development Codes to control the initial design and location of all Structures, and all alterations and modifications to existing Structures and improvements to the Committed Property as fully discussed in Article V(B) herein and in Article 6.02 of the Master Declaration. Declarant shall have the right to divide the Design Review Committee into various subcommittees with specific functions.

P. "Design Review Manual for Granada Estates" shall mean the Development Codes established for Granada Estates.

Q. "Development Codes" shall mean the standards established from time to time by the Declarant and/or Board to control the design and location of all Structures and other work within the Committed Property, are more fully described in Article 6.02 of the Master Declaration, and Article V(B)(3) of this Declaration.

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R. "Dwelling Unit" shall mean any residential dwelling unit or any portion of real property upon which a residential dwelling unit is intended to be constructed and has been conveyed by a Land Segment Owner to a Person intended as an abode for one family constructed on a portion of the Land including, without limitation, a detached, single-family home which has received a certificate of occupancy from the applicable governmental authority.

S. "Golf Course" shall mean that golf course of the Hammock Dunes Club which abuts portions of the Neighborhood Property.

T. "Granada Estates" shall mean that Neighborhood on the Total Property which is comprised of the Land, as may be expanded as provided for in Article II(D) herein.

U. "Granada Estates Property Plan" shall mean and refer to that property plan annexed here to as Exhibit "B" and made a part hereof. The Granada Estates Property Plan shows and identifies, among other things, the pertinent Land Use Classifications of the Granada Estates Neighborhood, and each Lot.

V. "Hammock Dunes Club" shall mean the Hammock Dunes Club, Inc., a Florida corporation not for profit, as described further in Article 2 of the Master Declaration.

W. "Institutional Mortgagee" shall mean (a) any generally recognized lending institution having a first mortgage lien upon a unit including, but not limited to, any of the following institutions: a federal or state savings and loan or building and loan association; national, state or other bank or real estate investment trust; or mortgage banking company doing business in the state of Florida, or a life insurance company; or a subsidiary of a holding company holding any of the foregoing; or (b) any "secondary mortgage institution" including the Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Housing Administration (FHA), Veterans Administration (VA) and such other secondary mortgage institution as the Board shall hereafter approve in writing which have acquired a first mortgage upon a Unit; or (c) any and all investors or lenders, or the successors and assigns of such investors or lenders, which have loaned money to Declarant to acquire, or to construct improvements on the Committed Property and who have a mortgage lien on or a portion of the Committed Property securing such loan; or (d) such other lenders as the Board shall hereafter approve in writing which have acquired a first mortgage lien upon a Unit.

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X. "Land" shall mean the real property subject to this Declaration, as more fully described in Exhibit "A" attached hereto.

Y. "Land Segment" shall mean a portion of the Committed Property which is designated by Declarant in writing as a Land Segment, all as more fully described in Articles 8.04 and 10.01 of the Master Declaration.

Z. "Land Use Classifications" shall mean one of the specific uses which Declarant has determined to assign to Committed Property, which Land Use Classifications are more fully described in Article 5 of the Master Declaration.

AA. "Lot" shall mean that portion of the Committed Property upon which a Dwelling Unit is to be built. Each Lot is shown on the Granada Estates Property Plan, attached hereto as Exhibit "B," as may be amended from time to time.

BB. "Master Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes.

CC. "Master Documents" shall mean the Master Declaration and the Articles of Incorporation, By-Laws and the Rules of the Owners' Association.

DD. "Members" shall mean members of the Owners' Association.

EE. "Neighborhood" shall mean the Granada Estates Neighborhood.

FF. "Neighborhood Assessments" shall mean those Assessments due from Members of the Granada Estates Neighborhood for those Operating Expenses which have been incurred to benefit primarily the Members of the Granada Estates Neighborhood.

GG. "Neighborhood Common Areas" shall mean all real property including any improvements and fixtures thereon, the use of which has been primarily granted to the Granada Estates Neighborhood for the common use and enjoyment of the Owners in the Granada Estates Neighborhood.

HH. "Neighborhood Property" shall mean and refer to the Land and all improvements thereon submitted to this Declaration and all easements and rights appurtenant thereto intended for use in connection therewith.

II. "Operating Expenses" shall mean the expenses for which Members are liable to the Owners' Association and include, but are not limited to, the cost and expenses incurred by the Owners'

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Association in (a) fulfilling its obligations under the Master Documents and under applicable law; (b) fulfilling obligations under the Order, and (c) administering, operating, and owning the Common Areas and Neighborhood Common Areas, all as more fully described in Article 11 of the Master Declaration.

JJ. "Order" shall mean the Development Order for Hammock Dunes adopted pursuant to Section 380.06(20), Florida Statutes, on March 30, 1984, by resolution of the Board of County Commissioners of the County regarding the development of the Total Property.

KK. "Owner" shall mean a record owner of a fee interest in a Unit, but excluding those having an interest in a Unit merely as security for the performance of an obligation.

LL. "Owners' Association" shall mean the Hammock Dunes Owners' Association, Inc., a Florida corporation not for profit, its successors or assigns. The Owners' Association is NOT a condominium association.

MM. "Person" shall mean any individual, corporation, governmental agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

NN. "Rules" shall mean the rules and regulations promulgated by the Board in accordance with the provisions of this Declaration and the Master Documents.

OO. "Special Assessments" shall mean those Assessments more particularly described in Article VIII(A)(2) of this Declaration and Article 10.03 of the Master Declaration.

PP. "Structure" shall mean that which is built or constructed, or any work artificially built up or composed of parts joined together in some definite manner, the use of which requires more or less permanent or temporary location on the ground, or which is attached to something having a permanent or temporary location on the ground. The term shall be construed as if followed by the words "or part thereof."

QQ. "Subassociation" shall mean any homeowner's association or such other entity, its successors and assigns, which may become responsible for administering the Granada Estates Neighborhood, but excluding the Owners' Association.

RR. "Supplement" shall mean an instrument executed by Declarant for such purposes as are more fully described in this Declaration.

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SS. "Total Property" shall mean the real property subject to the Master Declaration, as is legally described in the Master Declaration, of which the Granada Estates Neighborhood is a part.

TT. "Tract" shall mean any specifically delineated portion of the Total Property designated by Declarant or as otherwise shown or fully discussed in the Master Declaration.

UU. "Turnover" shall mean a date no later than one hundred twenty (120) days after Declarant has conveyed ninety (90%) percent of the Dwelling Units permitted to be constructed on the Total Property.

VV. "Unit" shall mean Dwelling Units, Tracts, and Land Segments.

WW. "Visitors" shall mean and refer to the family members, guests, invitees and lessees of Club members of the Hammock Dunes Club; the players or users of the Golf Course; and the spectators at golf tournaments.

XX. "Voting Member" shall mean the Person who shall represent the Dwelling Unit Owners of the Granada Estates Neighborhood at meetings of the Owners' Association, as set forth more fully in the Articles and By-Laws of the Owners' Association.

II. DESCRIPTION OF GRANADA ESTATES NEIGHBORHOOD

A. Neighborhood Property. The Neighborhood Property will contain single-family detached residential Dwelling Units to be built upon each Lot.

B. Golf Course. The Golf Course is being developed as an integral part of Declarant's plan of development of the Total Property. The Golf Course, however, is not a part of the Granada Estates Neighborhood. The Golf Course has been built as part of the Hammock Dunes Club. The Hammock Dunes Club is a private, member equity Club, and it is subject to those documents promulgated by the Hammock Dunes Club. It is Declarant's belief that the development of the Hammock Dunes Club shall be in the best interest of the Granada Estates Neighborhood including the property values of the Granada Estates Neighborhood. The Persons who use the Golf Course shall be given use of the easement provided in Article IV(E) of this Declaration, as well as the easement provided in Article 12.07 of the Master Declaration. Moreover, Declarant reserves the right, by its act alone and without the joinder of the Owners' Association or any Unit Owner being required, to impose upon the Neighborhood Common Areas such other easements which are required for the use and enjoyment of the Clubs. The location of a Lot within the Neighborhood

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Property may result in nuisances or hazards to persons and property on the Lot as a result of normal Golf Course operations. EACH LOT OWNER COVENANTS FOR ITSELF, ITS SUCCESSORS, SUCCESSORS IN TITLE, AND ASSIGNS THAT IT SHALL ASSUME ALL RISKS ASSOCIATED WITH SUCH LOCATION INCLUDING, BUT NOT LIMITED TO, THE RISK OF PROPERTY DAMAGE OR PERSONAL INJURY ARISING FROM STRAY GOLF BALLS OR ACTIONS INCIDENTAL TO SUCH GOLF COURSE ACTIVITIES AND SHALL INDEMNIFY AND HOLD HARMLESS THE OWNERS' ASSOCIATION, DECLARANT AND THE HAMMOCK DUNES CLUB FROM ANY LIABILITY, CLAIMS, OR EXPENSES, INCLUDING ATTORNEYS' FEES, ARISING FROM SUCH PROPERTY DAMAGE OR PERSONAL INJURY. Any Lot Owner interested in membership in the Hammock Dunes Club should contact the Hammock Dunes Club.

C. Use of Golf Course. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE OWNERSHIP OF A UNIT, OR MEMBERSHIP IN THE OWNERS' ASSOCIATION, DOES NOT CONFER ANY OWNERSHIP INTEREST IN OR RIGHT TO USE ANY OF THE GOLF COURSE FACILITIES OR OTHER CLUB FACILITIES IN ANY MANNER.

D. Expansion of Neighborhood. Declarant shall have the right, but shall not be obligated, to designate additional real property as part of the Granada Estates Neighborhood by executing and recording a Supplement or other instrument intended to have the same effect in the Public Records of the County, without the consent of any Person. Declarant makes no representation regarding the size of such real property, if any. That portion of real property added by Declarant to the Granada Estates Neighborhood shall be subject to the provisions of this Declaration. Some of the effects of adding such real property to the Granada Estates Neighborhood may be to increase the number of Lots, the number of Persons using the Neighborhood Common Areas, the size of the Neighborhood Assessments and the total number of votes which may be cast pertaining to Neighborhood affairs. Notwithstanding anything provided herein, the maximum number of Dwelling Units to be constructed in the Granada Estates Neighborhood shall be three hundred (300).

III. HAMMOCK DUNES OWNERS' ASSOCIATION, INC.

A. Duties and Responsibilities. The Owners' Association manages and administers certain parts of the Total Property which may include the Neighborhood Common Areas. The duties and responsibilities of the Owners' Association are more specifically set forth in the Master Documents. Moreover, the Owners' Association may perform such functions for the Granada Estates Neighborhood which may typically be performed by Subassociations in other Neighborhoods in Hammock Dunes. Such functions may include but are not limited to, establishing and collecting Neighborhood Assessments, and promulgating rules and regulations for the Granada Estates Neighborhood.

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B. Membership.

1. Every Lot Owner shall be a Member of the Owners' Association. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot. The votes of members other than Declarant shall be cast at meetings of the Members of the Owners' Association by their Voting Members as set forth more fully herein and in the Master Documents.

2. The Voting Member shall have the same number of votes as the number of Lots in the Granada Estates Neighborhood and shall cast the votes of the Members he represents as such Voting Member determines to be in the best interests of such Members at meetings of the Members called for such purpose. Nothing herein contained shall require that the Voting Member cast in the same manner all of the votes he is entitled to cast at the meetings of the Members of the Owners' Association, and the Voting Member may cast fewer than the total number of votes possessed by the Members he represents.

3. The Voting Member of the Granada Estates Neighborhood shall be selected on an annual basis by the Dwelling Unit Owners and Land Segment Owners in Granada Estates Neighborhood at a meeting of those Owners called by the Owners' Association for the purpose of electing the Voting Member. This meeting shall be held at least ninety (90) days, but no more than one hundred twenty (120) days, prior to the Annual Members' Meeting of the Owners' Association. Notice of this meeting shall be delivered or mailed by the Owners' Association at least thirty (30) days, but not more than forty (40) days, in advance of the meeting. Notice may be given either personally or by sending a copy of the notice through the mail, postage prepaid, to the address of the Member appearing on the books of the Owners' Association. The presence at this meeting of the Dwelling Unit Owners and Land Segment Owners entitled to cast one-quarter (1/4) of the votes possessed by the total number of all Lots located in the Granada Estates Neighborhood shall establish a quorum. If a Subassociation is created as set forth in paragraph D below, the Voting Member shall be elected as set forth in the Master Declaration.

4. At the Turnover meeting and thereafter, the Voting Member may cast his vote for Administrator only for the Administrator vacancy set aside for the Destination Resort Community. Notwithstanding anything provided herein, in electing an Administrator, the Voting Member is entitled to one (1) vote only, regardless of the total number of Members in the Granada Estates Neighborhood.

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5. At all meetings of Members, Members may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Owners' Association. No proxy shall extend beyond a period of eleven (11) months.

C. Master Documents. The Master Documents impose certain rights and obligations on the Unit Owners. The Master Documents set forth the manner in which the Unit Owners in the Neighborhood, their family members, guests, invitees and lessees may use and enjoy the Common Areas and the sharing of Operating Expenses. The Neighborhood Property and the provisions of this Declaration are subject to the Master Documents. Further, all the covenants set forth in the Master Documents including, but not limited to, the affirmative covenants and obligations to pay Operating Expenses, as therein set forth, shall run with the Neighborhood Property, and any assessments for Operating Expenses made pursuant to the Master Documents against any Unit shall be assessable against all of the Neighborhood Property as a whole.

D. Subassociations.

1. Declarant hereby reserves the right and the power, but neither the duty nor the obligation, without the consent of any other Person being required, to create a Subassociation for the operation, administration and maintenance of the Granada Estates Neighborhood, which may be required to perform any of the duties and responsibilities of the Owners' Association set forth in the Declaration. If Declarant creates such Subassociation, the Subassociation shall be subject to all rights and obligations of Subassociations as set forth in the Master Declaration.

2. Any Subassociation created in accordance with this Declaration shall administer the Granada Estates Neighborhood in accordance with this Declaration and the Articles of Incorporation and By-Laws of the Subassociation (the "Neighborhood Documents"). The Neighborhood Documents shall be approved in writing by Declarant and recorded in the Public Records of the County; provided, however that Declarant's approval thereof shall not be a representation of Declaration that such Neighborhood Documents are in compliance with the Order.

3. If any Neighborhood Association does not perform any of its duties and responsibilities pursuant to this Declaration or the Neighborhood Documents, the Owners' Association shall have the right to perform such duties and responsibilities, including any and all maintenance provisions, and obtain the payment of the cost of such enforcement and maintenance. The Owners' Association shall be entitled to reimbursement of attorneys' fees and court costs incurred during the enforcement by it of Neighborhood Documents.

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IV. EASEMENTS

A. Perpetual Nonexclusive Easement to Public Ways. The walks and other rights-of-way on the Neighborhood Property shall be and the same are hereby declared and reserved to be subject to a perpetual nonexclusive easement over and across the same for ingress, egress and access to and from the public ways in favor of the Owners' Association, the Declarant, and the Lot Owners for their use and for the use of their family, guests, invitees, and lessees and for all proper and normal purposes. The easement rights hereunder shall be used in a manner consistent with the structural design of any improvements on the Neighborhood Property and shall not be used in a manner so as to create a nuisance.

B. Easements and Cross-Easements on Common Elements. Declarant, for itself, its successors and assigns, and the Owners' Association, reserves the right to impose upon the Common Areas or the Neighborhood Common Areas henceforth and from time to time such easements and cross-easements for ingress and egress and the installation, maintenance, construction and repair of facilities, including, but not limited to, electric power, telephone, governmental purposes and services, sewer, water, gas, drainage, irrigation, lighting, television transmission, limited access assurance services, garbage and waste removal and the like as it deems to be in the best interest of, and necessary and proper for, the Neighborhood Property and the remainder of the Total Property.

C. Easement for Encroachments. All of the Neighborhood Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon the Neighborhood Property or improvements contiguous thereto, or caused by minor inaccuracies in building or rebuilding of such improvements. The above easements shall continue until such encroachments no longer exist.

D. Easement of Enjoyment and Use. Every owner of a Lot in the Granada Estates Neighborhood shall have a non-exclusive right and easement of enjoyment and use in and to the Neighborhood Common Areas for their intended purposes, which right and easement shall be appurtenant to and shall pass with the title to the Lot, subject to the Master Documents, this Declaration, and all applicable governmental regulations.

E. Easement for Use of Golf Course. Portions of the Granada Estates Neighborhood abut and are adjacent to the Golf Course. Declarant, the Club members, all their family members, guests, invitees and lessees, the players or users of the Golf Course, and the Visitors, shall have a perpetual, non-exclusive easement in their favor to use the Roadways and Entranceways as

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necessary during any golf tournament being held on the Golf Course for the purposes of ingress, egress and access to such tournament. Declarant, the Club members, and the Visitors shall also have a perpetual, non-exclusive easement in their favor over the back thirty (30') feet of the real property of any Lot abutting the Golf Course for the sole purpose of retrieving any golf ball(s). Any disputes as to the extent of any of these easements during the term of this Declaration shall be determined by Declarant in its sole and absolute discretion. Declarant reserves the right to impose upon the Neighborhood Common Areas such other easements as are required for the enjoyment of use of the Golf Course.

V. OCCUPANCY AND USE RESTRICTIONS

A. Lot Area and Width; Setback; Size of Dwelling Unit; Structures.

1. Minimum Lot Size - No Dwelling Unit shall be built on any Lot having an area less than 15,000 square feet. Further, subdivision of any Lot within Granada Estates Neighborhood is prohibited.

2. Setbacks - No part of any Dwelling Unit shall be located nearer than: 30 feet to the front Lot line; 20 feet to the side Lot line, and 20 feet from the rear Lot line. Where a side Lot line is adjacent to a street, the minimum setback shall be increased by 20 additional feet. Where a rear or side Lot line is adjacent to the Golf Course, lake, or marsh, the minimum setback shall be increased by 30 additional feet.

3. Minimum Dwelling Unit Size - No Dwelling Unit shall contain less than 2,500 square feet of air-conditioned enclosed living area. An enclosed garage for a minimum of two cars shall be provided.

4. Determination of Square Footage - The method of determining the square footage of the enclosed living area of a Dwelling Unit, structure or addition thereto, shall be to multiply together the horizontal dimensions of the walls forming the outer boundaries of the Dwelling Unit, structure or addition for each floor level. Open porches, atriums, screened-in patios, courtyards, garages and other similar type space shall not be taken into account in calculating the minimum air-conditioned enclosed living area square footage as required herein.

5. Use - All Lots are restricted to use for a single-family detached residence, designed for and occupied by one family. No more than one (1) Dwelling Unit with a private attached garage may be built on a lot. No Dwelling Unit may exceed 35 feet in height. Buildings accessory to the use of a

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Dwelling Unit may be erected, provided such accessory buildings are not used as living quarters and provided further that prior written approval is first obtained from the Design Review Committee. A construction shed or trailer may be temporarily placed upon a Lot and remain there during active construction of a residence for a period not to exceed six (6) months; otherwise, no portable buildings, tents, trailers or other temporary buildings may be placed upon a Lot. All building exteriors shall be completed within six (6) months from commencement of construction or issuance of a building permit, whichever comes first.

6. Businesses - No trade, business, professional office, or any other type of commercial activity shall be conducted on any Lot or in any Dwelling Unit; however, notwithstanding this restriction, Declarant and its assigns shall not be prohibited from operating sales models and/or a sales office on any Lot.

7. Entity Ownership - When legal title to a Lot is in the name of a corporation, trust, partnership or other than an individual or individuals, the Unit Owner shall, by certificate delivered to the Secretary of the Association, designate one (1) family or person as the occupant of the Dwelling Unit. Unless the Board of Administrators approves, there may be no more than two (2) such designations in any twelve (12) month period. Except for the designated family or individual, no other family or individual may occupy the Dwelling Unit.

8. Guests - Two (2) occasional guests may be permitted to occupy any Dwelling Unit at any one time. The Owners' Association shall be able to promulgate rules and regulations to specify the number of guests permitted and the lengths of their visits.

9. Insurance Rates - A Unit Owner shall not permit or suffer anything to be done or kept on his Lot which will increase the insurance rates on his Lot, the Common Areas or the Neighborhood Common Areas or which will obstruct or interfere with the rights of other Unit Owners or the Owners' Association.

10. Contractors - All construction activity must be conducted or supervised by a contractor licensed in the State of Florida. All such contractors must meet the requirement for contractors set forth in the Design Review Manual for Granada Estates. The Unit Owner is responsible to select a contractor who meets the requirements set forth for contractors under the Design Review Manual for Granada Estates. NEITHER THE DECLARANT NOR THE OWNERS' ASSOCIATION SHALL BE LIABLE FOR A UNIT OWNER'S FAILURE TO DETERMINE WHETHER THE CONTRACTOR THE UNIT OWNER SELECTS IS LICENSED IN THE STATE OF FLORIDA AND OTHERWISE MEETS THE REQUIREMENTS OF THE DESIGN REVIEW MANUAL FOR GRANADA ESTATES.

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B. Uses and Other Restrictions.

1. Rules and Regulations; Conduct. The Owners' Association shall, from time to time, promulgate rules and regulations with respect to the Granada Estates Neighborhood as it determines to be in the best interests of the Granada Estates Neighborhood and the Unit Owners. No Unit Owner shall annoy other Unit Owners by unreasonable noises or otherwise, nor shall any Unit Owner commit or permit to be committed any nuisance or immoral or illegal act on his Lot or on the Neighborhood Common Areas.

2. Pets. A Unit Owner shall be allowed to keep or harbor domesticated household pets in his Unit, subject to the provisions immediately following. Such pet must be walked only in areas designated for such purpose; provided that such pet must be leashed whenever outside the Unit. Any Unit Owner having a pet shall also abide by any rules and regulations promulgated by the Board of Administrators in this regard. Violation of this paragraph or of any of said rules and regulations may result in the termination of the Unit Owner's right to keep such pet. A Unit Owner shall not keep any livestock or poultry in his Dwelling Unit or upon his Lot, nor may any of the same be raised, bred, or kept upon the Common Areas or any portion of the Neighborhood Property. A maximum of two (2) dogs, cats or other domesticated household pets may be kept on any Lot or Dwelling Unit. For purposes of this paragraph, a domesticated household pet is an animal which may traditionally be kept within one's Dwelling Unit, such as a dog, cat, bird or hamster.

3. Development Codes. A Unit Owner shall be required to comply with the Development Codes, as more fully set forth in the Master Documents, provided, however, that the Board of Administrators may promulgate development codes pertaining solely to the Neighborhood Property ("Design Review Manual for Granada Estates"), subject to Declarant's approval prior to Turnover.

4. Neighborhood Common Areas. Nothing shall be stored, constructed within, or removed from the Neighborhood Common Areas other than by Declarant or the Owners' Association, except with the prior written approval of Declarant or the Board of Administrators.

5. Garages. The garage door of any Dwelling Unit shall remain closed except when being used for access to or ingress from the garage.

6. Parking. No motor vehicle or trailer, including but not limited to pick-up trucks, vans, trucks over one ton capacity, trucks used for commercial purposes, boats, campers, motor homes or similar recreational vehicles may be parked or stored on any Lot unless same are parked or stored in an enclosed

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garage. Notwithstanding the above, personal passenger vehicles may be parked on the paved portion of a Lot, provided, however, that no personal passenger vehicle may be parked on the paved portion of a Lot if that vehicle contains any permanent lettering or signs thereon. On-street parking is prohibited.

7. Signs. No sign of any type shall be erected or displayed on any Lot provided, however, that a builder advertising his Lot or Dwelling Unit during the construction and sales period shall be permitted to have signs for those purposes if such signs have received the prior written approval of the Design Review Committee.

8. Satellite Dishes and Antennae. No electronic, satellite dishes or other type antenna or dish may be erected on a Lot or attached to any Dwelling Unit thereon. Provided, however, any such electronic or other type antenna or dish may be installed within the attic space of a Dwelling Unit.

9. Swimming Pools. Swimming pools (including their screen enclosures), deck area, patios, hot tubs and sun decks must be approved in writing by the Design Review Committee prior to construction. None of the Structures described in this paragraph shall be constructed closer than 30 feet from the rear Lot line where adjacent to the Golf Course, lake or marsh.

10. Walls and Fences. No wall, fence or hedge shall be erected or maintained on any Lot unless approved in writing by the Design Review Committee as to the type, style, location, material, height and color.

11. Trees. No Person, without the prior written consent of the Design Review Committee, shall remove any live tree with a trunk of three (3) inches or more in diameter (as measured four (4) feet from ground level) from any Lot.

12. Lot Elevations. To preserve and maintain proper drainage in the Granada Estates Neighborhood, no changes in grades or elevations of any portion of a Lot (including the swale areas) shall be made without the prior written approval of the Design Review Committee. Final floor elevations and all other applicable grades must be shown on the construction drawings and approved by the Design Review Committee prior to construction.

13. Drainage Swales. The Unit Owner shall maintain any drainage swales within the Owner's Lot and/or adjacent to an Owner's Lot where such drainage swale is part of the road right-of-way. The location, width, depth and invert grades of culverts and dipped driveways shall be established by the Design Review Committee from time to time. No driveway shall be constructed, maintained, altered or permitted to exist on any Lot if, in the

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opinion of the Design Review Committee, its obstructs, would obstruct or otherwise impede the flow of surface drainage.

14. Road Rights-of-Way; Mailboxes. No Person shall place any items, objects or shrubs in or on any road right-of-way, except with the prior written approval of the Design Review Committee. Provided, however, mailboxes may be installed at the edge of pavement in accord with U.S. Postal Service regulations and the requirements of the Design Review Committee.

15. Drilling; Mining. No oil drilling, oil development operations, oil refining, quarrying, natural gas or mining operations of any kind shall be permitted upon or in any Lot. To minimize the removal of ground and surface water in any appreciable quantities and avoid unnecessary saltwater intrusion or diminution or material alteration of the aquifer, the construction and/or use of individual wells for any purpose on any Lot is prohibited.

16. Fertilizers. Only biodegradable fertilizers, pesticides and fungicides approved by the United States Environmental Protection Agency and the Florida Department of Environmental Regulation shall be used within the Granada Estates Neighborhood.

17. Power Lines. All electric power lines or utility lines, including telephone and cable television, servicing the Dwelling Unit or any portion of the Lot shall be installed underground.

18. Landscaping; Containers; Garbage. All yards of Lots shall be sodded or otherwise appropriately landscaped and kept as a lawn which shall extend to the pavement line of the street. The Lot Owner shall maintain all lawns and landscaping on that Owner's Lot to the edge of any pavement. No graveled, blacktopped or paved parking strips, except as approved in writing by the Design Review Committee, are permitted. All garbage containers, trash containers, oil tanks, gas tanks, and other similar type receptacles must be hidden from view from adjoining properties and the road. All garbage and rubbish contained in a receptacle shall be placed at curbside or street edge on the morning designated for pickup service. All such receptacles shall be removed from curbside or street edge during the same day as said pickup service.

19. Wetlands; Sanctuaries. To reduce damage and prevent injury to the environment, no Wetlands or Sanctuaries may be cleared, filled or disturbed in any way unless done in accordance with the Order and the Master Documents, and then approved by the Design Review Committee.

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VI. LEASES AND TENANTS

A. Application. This Declaration and the Master Documents shall apply not only to Unit Owners, but also to any lessee or tenant or the party who is occupying a Dwelling Unit by way of lease express or implied, license or invitation.

B. Leasing Requirements and Limitations. Each time a Unit Owner leases his Unit, he shall give written notice of such lease to the Owners' Association together with the name and address of the lessee and such other information as the Owners' Association may reasonably require on forms that are supplied by the Owners' Association. No Unit Owner may lease his Dwelling Unit for a term of less than three (3) months or for a term of more than two (2) years. A Unit Owner may only lease his Dwelling Unit once in any twelve (12) month period. However, if a tenant defaults under the terms of a lease and the lease is therefore prematurely terminated, the Board of Administrators may, in its sole discretion, permit a second lease within such twelve (12) month period.

C. Failure to Notify. Failure of a Unit Owner to notify any person of the existence of the provisions of this Declaration shall not in any way act to limit the right of the Owners' Association to enforcement of the provisions of this Declaration against such person.

D. Enforcement. The Owners' Association may enforce the provisions of this Declaration against any person occupying a Unit whether Unit Owner, lessee, tenant, invitee, guest or other person. Further, each Unit Owner hereby irrevocably delegates to the Owners' Association the power for the Owners' Association to enforce any provisions of any lease or license or other agreement permitting occupancy of the Dwelling Unit to the extent it may against a Unit Owner. The right of enforcement includes the right to evict such lessee, tenant, invitee, guest or other such person pursuant to Florida Statutes, in the event any such person violates any of the provisions of this Declaration. Declarant shall be entitled to all costs thereof including, but not limited to, attorneys' fees.

E. Right to Use Facilities. During any period when Unit Owner has leased his Dwelling Unit or otherwise permitted his Dwelling Unit to be occupied only by someone other than Unit Owner, the Unit Owner's right to use any of the recreational facilities otherwise available to Unit Owners shall be suspended.

VII. MAINTENANCE, REPAIRS AND ALTERATIONS

A. Unit Owners.

1. Except as set forth below in this Article VII,

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each Unit Owner shall maintain in good condition and repair and replace at his expense when necessary all portions of his Lot and Dwelling Unit.

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2. Each Unit Owner must perform promptly all such maintenance and repairs which, if not performed, would affect a Dwelling Unit or Lot belonging to any other Unit Owner or the Neighborhood Property. Each Unit Owner shall be liable for any damages that arise due to his failure to perform the above maintenance, repairs and replacement. Each Lot and Dwelling Unit shall be maintained and repaired in accordance with the Development Codes. Each Unit Owner shall pay for any utilities which are separately metered and charged to his Lot or Dwelling Unit.

3. No Unit Owner shall make any alteration in or on the Neighborhood Common Areas, or the portions of a Lot or Dwelling Unit which may be maintained by the Owners' Association, remove any portion thereof, make any additions thereto or do anything which shall or may jeopardize or impair the safety or soundness of the Neighborhood Property or which, in the sole opinion of the Board of Administrators, would detrimentally affect the architectural design of the Neighborhood Property. Any alteration or addition to the Neighborhood Property by a Unit Owner shall be deemed to detrimentally affect the architectural design of the Neighborhood Property, unless made pursuant to the Development Codes.

4. No Unit Owner shall paint, stain, alter, decorate, enclose or change the Neighborhood Common Areas.

5. Each Unit Owner shall promptly report to the Owners' Association or its agents any defect or need for repair on the Neighborhood Property for which the Owners' Association is responsible to maintain and repair upon the Unit Owner being aware of such defect or need.

6. Each Unit Owner acknowledges and recognizes that any officer of the Owners' Association or any agent of the Board of Administrators shall have the irrevocable right to have access to each Lot and Dwelling Unit from time to time during reasonable hours as may be necessary for emergency repairs to prevent damage to the Neighborhood Common Areas, or to another Lot or Dwelling Unit.

B. <u>The Owners' Association</u>.

1. Except as required of Unit Owners in Paragraph A above, or in the Master Documents, the Owners' Association shall repair, maintain and replace as necessary the Neighborhood Common Areas.

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2. The Owners' Association shall have the right to make or cause to be made structural changes and improvements of the Neighborhood Common Areas which are approved by the Board of Administrators and which do not prejudice the right of any Unit Owner or any Institutional Mortgagee; provided, however, except in the case of an emergency, if the cost of the same shall exceed Five Thousand and No/100 Dollars ($5,000.00), the affirmative vote representing seventy-five percent (75%) of the Lots shall be required in addition to such Board approval, and the cost of such alterations and improvements shall be assessed against the Unit Owners in the manner provided in the By-Laws.

VIII. NEIGHBORHOOD ASSESSMENTS, OPERATING EXPENSES AND OTHER ASSESSMENTS

A. Annual and Special Assessments.

1. Annual Assessments. (a) The Owners' Association, by the Board of Administrators, shall prepare and adopt in accordance with the By-Laws annual budgets (the "Budget"), which shall also set forth those Community Assessments and Neighborhood Assessments attributable to the Granada Estates Neighborhood, which are those Operating Expenses which have been incurred to benefit primarily the Members of the Granada Estates Neighborhood. The Budget shall also disclose the Unit Owner's shares of the Base Assessments. A Unit Owner's share of the Granada Estates Neighborhood Assessments shall be assessed against each Unit Owner annually as part of the Annual Assessment. The Annual Assessment shall also include, in addition to the Neighborhood Assessment, such Unit Owner's applicable portion of the Base Assessments, and such Unit Owner's applicable portion of Community Assessments. (b) Each Granada Estates Dwelling Unit's share of the Granada Estates Neighborhood Assessments shall be the product arrived at by multiplying that portion of the total anticipated Operating Expenses reflected by the Budget which is properly the subject of Granada Estates Neighborhood Assessments, other than those Operating Expenses which are properly the subject of a Special Assessment, by a fraction, the numerator of which is one (1), and the denominator of which shall be the total number of Dwelling Units in the Granada Estates Neighborhood as of the date the Budget was adopted. (c) Each Granada Estates Dwelling Unit's share of the Community Assessments shall be determined as set forth in the Master Declaration. (d) The Board of Administrators may, but is not obligated to, require that the Neighborhood Assessment shall include the funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of the Neighborhood Common Areas and the Structures thereon in an amount determined by the Owners' Association. The Reserves shall be deposited in a separate account in the name of the Owners' Association. The monies

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collected by the Owners' Association on account of Reserves shall be and shall remain the exclusive property of the Owners' Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

2. Special Assessments. The Unit Owners shall be obligated to pay such Special Assessments as shall be levied in addition to the Annual Assessment by the Board of Administrators against their Unit or Units, whether as a result of (a) extraordinary items of expense, (b) the failure or refusal of other Unit Owners to pay their Annual Assessment, (c) such other reason or basis determined by the Board of Administrators which is not inconsistent with the terms of the Master Documents or the Neighborhood Documents, or (d) special assessments levied by the Owners' Association pursuant to the Master Documents. Special Assessments may be assessed against individual Units, a particular group of Units, or all Units within the Granada Estates Neighborhood.

B. Liability for Assessments.

1. The record owners for each Unit shall be personally liable, jointly and severally, to the Owners' Association, or to any Subassociation created pursuant to Article III(D) hereof, for the payment of the Annual Assessment or of any Special Assessments levied against their Unit and for all costs of collecting such Assessments, including but not limited to, interest, late fees and court costs and attorneys' fees at all trial and appellate levels. Annual Assessments shall be payable in monthly installments in advance during the year in which such Annual Assessments apply. In the event of a default by a Unit Owner in the payment of an installment or an Annual Assessment or in the payment of a Special Assessment, the Board of Administrators, or any Subassociation created pursuant to Article III(D) hereof, may accelerate any remaining installments of the Annual Assessment or any portion thereof of such Unit Owner, and upon written notice thereof to such Unit Owner, the entire unpaid balance of the Annual Assessment shall become due upon the date stated in such notice, which date shall not be less than ten (10) days after the date of such notice. If any Special Assessment, installment of an Annual Assessment or accelerated Annual Assessment (hereinafter collectively referred to as "Assessments") is not paid within twenty (20) days after its respective due date, the Owners' Association, by action of the Board of Administrators, or any Subassociation created pursuant to Article III(D) hereof, may proceed to enforce and collect any of such delinquent Assessments or any portion thereof against the Unit Owner owing the same in any manner provided for under Florida law, including foreclosure and sale of the Unit.

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2. The Owners' Association may at any time require Unit Owners to maintain with the Owners' Association a deposit to cover future Assessments.

3. The Owners' Association shall have all of the powers, rights, privileges and may avail itself of any and all of the legal remedies provided for by Florida law, including a lien upon a Unit for any unpaid Assessment and interest thereon owed by the Unit Owner of such Unit and the right to collect from such Unit Owner reasonable attorneys' fees at all trial and appellate levels incurred by the Owners' Association incident to the collection of such Assessments or the enforcement of such lien. Assessments (including installments thereon) not paid when due shall bear interest from the date when due until paid up at the highest rate permitted under law.

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4. No lien for Assessments under this Declaration shall be effective until recorded amongst the Public Records of Flagler County, Florida.

5. Annexed hereto as Exhibit "C" is a schedule of the Granada Estates Neighborhood Assessments ("Original Neighborhood Assessments") for the period commencing with the date hereof and ending on December 31, 1989 ("Original Assessment Period"). Notwithstanding the foregoing, Declarant reserves the right in its sole and absolute discretion, to extend the Original Assessment Period beyond December 31, 1989, and thereafter on one or more occasions to again extend it. Declarant shall advise the Owners' Association in a written notice of any such extension of the Original Assessment Period and the amount of the new Neighborhood Assessment at least thirty (30) days prior to the termination of the Original Assessment Period. Thereafter, the amount of such Neighborhood Assessment during such extended Original Assessment Period shall be the amount set forth by Declarant in the notice to the Association. Notwithstanding anything contained herein, the Original Assessment Period shall terminate on Turnover. Declarant states that during any Original Assessment Period, the Original Neighborhood Assessments will not be increased, except as set forth in this subparagraph 5, and Declarant will pay all Neighborhood Assessments not paid for by Original Neighborhood Assessments assessed against Unit Owners other than Declarant ("Declarant's Payment"). In no event, however, shall the Original Neighborhood Assessments include any amount attributable to a Special Assessment, casualty loss, or liability loss. No Neighborhood Assessments shall be made against Units owned by Declarant during the Original Assessment Period or any extension thereof. Upon the termination of Declarant's Payment, Assessments shall be determined as provided in Paragraph A of this Article VIII, the other subparagraphs of this Paragraph B, and the Master Documents.

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6. Any rights or duties of the Owners' Association pertaining to the collection of Assessments may be assigned, in whole or in part, to any Subassociation created pursuant to Article III(D) hereof.

C. Working Capital Fund. The initial grantee of any Dwelling Unit shall be required to pay to the Owners' Association for that Dwelling Unit an amount equal to one-sixth (1/6) of the Annual Neighborhood Assessments due for that Unit. Each Unit's share of the working capital fund must be collected and transferred to the Owners' Association at the time of closing of the sale of each Unit and maintained in an account for the use and benefit of the Neighborhood. The purpose of the fund is to insure that the Owners' Association Board will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board of Administrators for the use and benefit of the Neighborhood. Amounts paid into the working capital fund are not to be considered as advance payment of regular Assessments, or as payment of a portion of the Original Neighborhood Assessments.

IX. LIABILITY INSURANCE

A. The Board of Administrators shall obtain liability insurance in such amounts as it may determine from time to time for the purpose of providing liability insurance coverage for all Neighborhood Common Areas; provided, however, that such policy or policies shall have limits of not less than One Million Dollars ($1,000,000.00) covering all claims for personal injury and One Hundred Thousand Dollars ($100,000.00) for property damage arising out of a single occurrence. The Board of Administrators shall collect and enforce the payment of a share of the premium for such insurance from each Unit Owner as a part of the Annual Assessment. Said insurance shall include, but not be limited to, legal liability for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of any property or improvements within the Neighborhood Common Areas, legal liability arising out of lawsuits related to employment contracts of the Owners' Association, water damage, liability for hazards related to usage, and liability for property of others, hired automobile, non-owned automobile and off-premises employee coverage. All such policies shall name the Owners' Association (and Declarant, so long as Declarant shall own any Lot or Dwelling Unit, as their respective interests may appear) as the insured under such policy or policies. The original or a true copy of each policy shall be held in the office of the Owners' Association. The insurance purchased shall contain a "severability of interest endorsement", or equivalent coverage, which would preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of either the

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Owners' Association, Declarant or any other Unit Owners or deny the claim of either Declarant or the Owners' Association because of the negligent acts of the other or the negligent acts of a Unit Owner. All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner. Each Unit Owner shall be responsible for the purchasing of liability insurance for accidents occurring in his own Unit and, if the Unit Owner so determines, for supplementing any insurance purchased by the Owners' Association.

B. All insurance policies purchased pursuant to this Article shall provide that they may not be cancelled without at least ten (10) days' prior written notice to the Owners' Association and to Listed Mortgagees.

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X. CASUALTY INSURANCE AND DESTRUCTION OF IMPROVEMENTS

A. Each Unit Owner shall be responsible for the purchase of casualty insurance for all of his personal property and his Unit. The Owners' Association shall obtain casualty insurance with such coverage and in such amounts as it may determine from time to time for the purpose of providing casualty insurance coverage for the Neighborhood Common Areas, including fire and extended coverage insurance, vandalism and malicious mischief insurance and, if the Owners' Association so determines, flood insurance sponsored by the Federal government, all of which insurance shall insure all of the insurable improvements on and within the Neighborhood Common Areas, including personal property owned by the Owners' Association, in and for the interest of the Owners' Association, all Unit Owners, the Neighborhood, and Institutional Mortgagees, as their interests may appear, in a company acceptable to the standards set by the Board of Administrators. The Owners' Association shall purchase insurance for any Structure located within the Neighborhood Common Areas in an amount equal to one hundred percent (100%) of the "replacement value" thereof. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, items of personal property and other items normally excluded from coverage as determined annually by the Board of Administrators. The Board of Administrators may determine the kind of coverage and proper and adequate amount of insurance. The casualty insurance shall contain an "agreed amount endorsement" or its equivalent, "inflation guard endorsement", and if determined necessary, an "increased cost of construction endorsement", or "continuant liability from operation of building laws endorsement" or a "demolition endorsement" or the equivalent. The casualty insurance shall insure any Structure located within the Neighborhood Common Areas from loss or damage caused by or resulting from at least the following: fire and other hazards

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covered by the standard extended coverage endorsement and by sprinkler leakage, windstorm, vandalism, malicious mischief, flood and/or water damage, debris removal and demolition, and such other risks as shall customarily be covered with respect to projects or developments similar to the structure in construction, location and use.

The Owners' Association may, to the extent possible and not inconsistent with the foregoing, obtain one (1) policy to insure all of the insurable improvements within the Neighborhood Common Areas. The premiums for such coverage and other expenses in connection with such insurance shall be paid by the Owners' Association and charged to Unit Owners as part of the Neighborhood Assessments. The company or companies with which the Owners' Association shall place its insurance coverage, as provided in this Declaration, and the insurance agent or agents placing such insurance must be authorized to do business in the State of Florida. The Owners' Association shall have the right to designate an insurance trustee (the "Insurance Trustee") to act as an insurance trustee in the manner provided in this Declaration, which Insurance Trustee shall be a commercial bank or trust company which is authorized to do business in the State of Florida and, thereafter, at any time and from time to time, the Owners' Association shall have the right to change the Insurance Trustee to another such bank or trust company provided such Insurance Trustee shall be acceptable to the Listed Mortgagees holding first mortgages encumbering fifty-one percent (51%) of the Dwelling Units encumbered by first mortgages held by Listed Mortgagees.

B. All such aforesaid policies shall provide that they may not be cancelled without at least ten (10) days' prior written notice to the Owners' Association and Listed Mortgagees and insurance purchased by the Owners' Association shall be deposited with the Insurance Trustee upon its written acknowledgement that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its services as Insurance Trustee. The Board of Administrators is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Owners' Association in which Unit Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premiums on policies, the renewal of policies, the sufficiency of the coverage of any such policies or any failure to collect any insurance proceeds under any policies.

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C. In the event of any damage to the Neighborhood Common Areas, no mortgagee shall have any right to participate in the determination of whether the Neighborhood Common Areas are to be rebuilt nor shall any mortgagee have the right to apply insurance proceeds received by the Insurance Trustee to the repayment of its loan, unless such proceeds are distributed to Unit Owners and/or their respective mortgagees.

D. The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it as such Insurance Trustee and to hold such proceeds in trust for the Owners' Association, Unit Owners and Institutional Mortgagees under the following terms:

1. If a loss of Five Thousand Dollars ($5,000.00) or less as determined by detailed estimates or bids for repair and reconstruction obtained by the Board of Administrators occurs to any Neighborhood Common Area or to any Lots and Neighborhood Common Area which are contiguous, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Owners' Association. Upon receipt of such proceeds, the Owners' Association shall promptly cause the necessary repairs to be made to the Neighborhood Common Areas and to any such damaged contiguous Lots. In such event, should the insurance proceeds be insufficient for the repair of all of the damage to the Lots contiguous thereto, the proceeds shall be applied first to completely repair the Neighborhood Common Areas, and the balance of the funds shall be apportioned by the Owners' Association to repair the damage to the Lots, which apportionment shall be made to each Unit in accordance with the proportion of damage sustained by each of such Lots as estimated by the insurance companies whose policies cover such damages. Any deficiency between such proceeds apportioned to a damaged Lot and the cost of the repair of such damaged Lot shall be borne by the Lot Owner. Upon satisfactory completion of such repairs, the Owners' Association shall provide the Institutional Mortgagee holding the highest dollar indebtedness encumbering the Neighborhood Common Areas with an affidavit stating that the repairs have been completed in a manner acceptable to the Owners' Association.

2. If the Insurance Trustee receives proceeds in excess of Five Thousand Dollars ($5,000.00) as a result of damages to any Neighborhood Common Areas or to any Lots and Neighborhood Common Areas which are contiguous, then the Insurance Trustee shall hold in trust all insurance proceeds received with respect to such damages together with any and all other monies paid to Insurance Trustee pursuant to the following subparagraph 2(c) and shall distribute such funds in the following manner:

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(a) The Board of Administrators shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same;

(b) If the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements or if the insurance proceeds together with the funds described in subparagraph 2(c) below are sufficient for such purpose, then such damaged improvements shall be completely repaired and restored. The Board of Administrators shall negotiate for the repair and restoration of such damaged Neighborhood Common Areas and the Owners' Association shall negotiate and enter into a construction contract with a contractor to do the work on a fixed price basis or on any other reasonable terms acceptable to the Board of Administrators, which contractor shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provisions for progress payments to be contained in such construction contract; provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and executed affidavits required by law, the Owners' Association or any respective Institutional Mortgagees.

(c) If the insurance proceeds are insufficient to repair and replace all of the damaged improvements within the Neighborhood Common Areas alone or to Neighborhood Common Areas and Lots contiguous to such damaged Neighborhood Common Areas, the Board of Administrators shall hold a special meeting to determine a Special Assessment against all of the Unit Owners to obtain any necessary funds to repair and to restore such damaged improvements. Such Special Assessment need not be uniform as to all Lots, but may be in accordance with such factors as the Board of Administrators shall consider to be fair and equitable under the circumstances. Upon the determination by the Board of the amount of such Special Assessment, the Board of Administrators shall immediately levy such Special Assessment against the respective Dwelling Units setting forth the date or dates of payment of the same, and any and all funds received from the Unit Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph 2(b) immediately preceding. If the deficiency between the estimated cost of the repair and replacement of the damaged Neighborhood Common Areas and the insurance proceeds exceeds the sum of Fifty Thousand ($50,000.00) Dollars, and Owners of three-fourths (3/4) of the Lots advise the Board of Administrators in writing on or before the date for the first payment thereof that they are opposed to a Special Assessment, then the Insurance Trustee shall divide the net insurance

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proceeds into as many shares as there are Lots existing in the Neighborhood and shall promptly pay each share of such proceeds to the Unit Owners and Institutional Mortgagees of record as their interests may appear (an "Insurance Proceeds Distribution"). In making such distribution to the Unit Owners and the Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Unit Owners and their respective Institutional Mortgagees. Any Insurance Proceeds Distribution shall also require the approval of Listed Mortgagees holding first mortgages encumbering fifty-one percent (51%) of the Units encumbered by first mortgages held by Listed Mortgages.

3. If after the completion of and payment for the repair and reconstruction of the damage to the Neighborhood Common Areas, and after the payment of the Insurance Trustee's fee with respect thereto, any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed in the manner of the Insurance Proceeds Distribution. However, if such repairs and replacements were paid for by any Special Assessment as well as by the insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement or reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to the Unit Owners in proportion to their contributions by way of Special Assessment.

4. If the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay for any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any Institutional Mortgagee may be enforced by an Institutional Mortgagee.

5. Any repair, rebuilding or reconstruction of damaged Neighborhood Common Areas shall be substantially in accordance with the architectural plans and specifications for (a) the originally constructed Neighborhood Common Areas, (b) reconstructed Neighborhood Common Areas or (c) new plans and specifications approved by the Board of Administrators; provided, however, any material or substantial change in new plans and specifications approved by the Board of Administrators from the plans and specifications or previously constructed Neighborhood Common Areas shall require approval by Listed Mortgagees holding first mortgages encumbering fifty-one (51%) of the Units encumbered by first mortgage held by Listed Mortgages.

6. The Board of Administrators shall determine, in its sole and absolute discretion, whether damage or loss has occurred

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to improvements within Lots or Neighborhood Common Areas alone or to improvements within Neighborhood Common Areas and Lots contiguous thereto.

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XI. INTERPRETATION

A. Article, paragraph and subparagraph titles in this Declaration are intended only for convenience and in no way do such titles define, limit, or in any way affect this Declaration or the meaning or contents of any material contained herein.

B. Whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of the plural shall include the singular and the use of the singular shall include the plural.

C. If any court should hereafter determine that any provision of this Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring lives shall be those of the incorporators of the Owners' Association.

XII. PROVISIONS FOR ALTERATIONS OF LOTS AND NEIGHBORHOOD COMMON AREAS BY DECLARANT

A. Declarant reserves the right to combine (2) or more Lots into one (1) Lot, or to sever any Lot into (2) or more Lots as long as Declarant owns the Lots so altered; and to make aesthetic alterations to the exterior of the Neighborhood Common Areas, which, in Declarant's reasonable discretion, is in the best interest of the Neighborhood (which alterations made by Declarant are hereinafter referred to as the "Alterations").

B. After the time sixty-five (65%) percent of all Dwelling Units to be built in the Granada Estates Neighborhood have been conveyed to Persons other than Declarant, any Alteration which will alter the boundaries of the Neighborhood Common Areas will first require an amendment of this Declaration in the manner provided in Article XIII hereof.

C. If the Alterations do not require an amendment in accordance with the provisions of Paragraph B above, then an amendment of this Declaration shall be filed by Declarant in accordance with the provisions of this Paragraph C. Such amendment ("Declarant's Amendment") need be signed and

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acknowledged only by Declarant and shall not require approval of the Owners' Association, other Unit Owners or lienors or mortgagees of the Dwelling Units, whether or not such approvals are elsewhere required for an amendment of this Declaration. This amendment shall adjust the voting rights and assessment obligations attributable to the Lots or Dwelling Units being affected by the Alterations and may be made as a Declarant's Amendment as long as Declarant owns the Lots for which the shares are being so adjusted.

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XIII. AMENDMENTS OF THE DECLARATION

A. Except as to matters described in Paragraphs B, C, D, E and F of this Article XIII, Article II (B), Article III (D), Article IV (E), Declarant's Amendment and as may be provided elsewhere in this Declaration and the Master Declaration, this Declaration may be amended by the affirmative vote of not less than the Owners of two-thirds (2/3) of all Lots within the Granada Estates Neighborhood. Such vote shall be taken at any regular or special meeting of the Unit Owners called and held in accordance with the By-Laws; provided, however, that any such amendment shall also be approved or ratified by a majority of the Board of Administrators. Such amendment shall be evidenced by a certificate executed by the Owners' Association in recordable form, and a true copy of such amendment shall be mailed via certified mail by the Owners' Association to Declarant. The amendment shall become effective upon the recording of such certificate amongst the Public Records of Flagler County, Florida; provided, however, such certificate shall not be so recorded until thirty (30) days after the mailing of a copy thereof to Declarant unless such thirty (30) day period is waived in writing by Declarant.

B. Whenever it shall appear to the Board of Administrators that there is a defect, error or omission in this Declaration or any other documentation required by law to establish this Declaration, the Owners' Association, through its Board of Administrators, shall immediately call a special meeting of the Unit Owners to consider amending the Declaration or such other documents. Upon the affirmative vote of the Owners of at least one-fourth (1/4) of the Lots within the Granada Estates Neighborhood, with more such affirmative votes than negative votes, the Owners' Association shall amend the appropriate documents to correct such defect, error or omission, and a true copy of such amendment shall be mailed by the Owners' Association to Declarant. Such amendment shall become effective upon the recording of the certificate amongst the Public Records of Flagler County, Florida, but such certificate shall not be recorded until thirty (30) days after the mailing of a copy thereof to Declarant, unless such thirty (30) day period is waived in writing by Declarant.

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C. Prior to the time sixty-five (65%) percent of all Dwelling Units to be built in the Granada Estates Neighborhood have been conveyed to Persons other than Declarant, Declarant alone may amend this Declaration in order to correct a scrivener's error or other minor defect or omission without the consent of the Unit Owners or the Board of Administrators, provided that such amendment does not materially and adversely affect a Unit Owner's property rights. This amendment shall be signed by Declarant alone and a copy of the amendment shall be furnished to each Owner of a Lot within the Granada Estates Neighborhood, the Owners' Association as soon after recording thereof amongst the Public Records of Flagler County, Florida as practicable.

D. No amendment of this Declaration or any Article or portion hereof shall be passed which shall impair or prejudice the rights or priorities of Declarant or Institutional Mortgagees or prejudice the Owners' Association or the Hammock Dunes Club without the specific written approval of Declarant or the Institutional Mortgagees or the Owners' Association or the Hammock Dunes Club, as the case may be.

E. Supplements are not amendments and need only be executed by Declarant alone.

F. Declarant may, in its sole discretion, amend this Declaration if necessary to do so for purposes of fulfilling the requirements of any governmental or quasi-governmental entity, including, but not limited to, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and the Federal Housing Administration (FHA). Nothing contained herein, however, shall require Declarant to amend this Declaration for any purpose whatsoever.

XIV. RIGHT OF DECLARANT TO TRANSACT BUSINESS AND TO SELL OR LEASE UNITS OWNED BY IT FREE OF RESTRICTIONS SET FORTH IN ARTICLES V AND VI

A. The provisions, restrictions, terms and conditions of Articles V and VI hereof shall not apply to Declarant as a Unit Owner, and in the event and so long as Declarant shall own any Lot, whether by reacquisition or otherwise, Declarant shall have the absolute right to lease, sell, convey, transfer, mortgage or encumber in any way any such Lot upon any terms and conditions as it shall deem to be in its own best interests.

B. Notwithstanding the other provisions of this Declaration, Declarant reserves and Declarant and its nominees

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shall have the right to enter into and transact on the Granada Estates Neighborhood any and all business necessary to consummate the sale, lease or encumbrance of Lots or real property on the Total Property including, but not limited to, the right to maintain models, a sales area and a sales office, place signs, employ sales personnel, use the Neighborhood Common Areas and show Lots or Dwelling Units, and Declarant reserves and shall have the right to make repairs and carry on construction activity. Declarant and its nominees may exercise the foregoing rights without notifying the Owners' Association. Any such models, sales area, sales office, signs and any other items pertaining to such sales and construction efforts shall not be considered a part of the Neighborhood Common Areas and shall remain the property of Declarant. Paragraphs A and B of this Article may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by Declarant. This right of use and transaction of business as set forth in this Paragraph B, the provisions of Paragraph A of this Article and the other rights reserved by Declarant in the Neighborhood Documents may be assigned in writing by Declarant in whole or in part.

XV. RIGHTS OF INSTITUTIONAL MORTGAGEES

A. The Owners' Association shall be required to make available for inspection upon request, during normal business hours or under reasonable circumstances, the Declaration and the books, records and financial statements of the Owners' Association to the Unit Owners and Institutional Mortgagees. In addition, evidence of insurance shall be issued to each Unit Owner and mortgagee holding a mortgage encumbering a Unit upon written request to the Owners' Association.

B. Upon written request to the Owners' Association, any Institutional Mortgagee shall be entitled to financial statements for the immediately preceding fiscal year to be given within a reasonable time period.

C. Upon written request to the Owners' Association, identifying the name and address of the Institutional Mortgagee and the legal description of such Unit, the Owners' Association shall provide such Institutional Mortgagee with timely written notice of the following:

1. Any condemnation, loss or casualty loss which affects any material portion of the Neighborhood Common Area;

2. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owners' Association;

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3. Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Unit;

4. Any failure by a Unit Owner owning a Unit encumbered by a mortgage held, insured or guaranteed by an Institutional Mortgagee to perform his obligations under this Declaration, including, but not limited to, any delinquency in the payment of Annual Assessments or Special Assessments, or any other charge owed to the Owners' Association by said Unit Owner when such failure or delinquency has continued for a period of sixty (60) days.

D. Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or singularly, and at their sole option, to pay any of the assessments which are in default and which may or have become a charge against any Unit. Further, Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singularly, and at their sole option, to pay insurance premiums or fidelity bond premiums on behalf of the Owners' Association when, in regard to insurance premiums, the premiums are overdue and when lapses in policies may or have occurred. Declarant and any Institutional Mortgagees paying insurance premiums on behalf of the Owners' Association as set forth above shall be entitled to immediate reimbursement from the Owners' Association plus any costs of collection, including, but not limited to, reasonable attorneys' fees at all trial and appellate levels.

XVI. GENERAL AND PROCEDURAL PROVISIONS

A. Declaration Runs with Committed Property.

The covenants, reservations, restrictions and other provisions of this Declaration shall run with and bind the Land and shall inure to the benefit of Declarant and all Owners, their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by the Owners of at least two-thirds (2/3) of all Lots within the Granada Estates Neighborhood has been recorded agreeing to change or terminate (if not prohibited by other provisions of this Declaration or the Master Declaration) this Declaration in whole or in part; provided, however, that the Board of Administrators must first approve such termination by a vote of two-thirds (2/3) of the entire Board of Administrators taken at a special meeting called for that purpose, which meeting must be held prior to the obtaining of written consent from the Unit Owner.

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B. Condemnation.

If the Owners' Association receives any award or payment arising from any taking of the Neighborhood Common Areas or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Neighborhood Common Areas and improvements thereon to the extent deemed advisable by the Owners' Association and the remaining balance of such net proceeds, if any, shall then be held by the Owners' Association for the use of the Owners' Association.

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C. Non-liability of Declarant.

Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any Person other than Declarant.

D. Enforcement.

1. Declarant reserves unto itself and its designees the right and the power (i) to enforce the covenants, conditions, restrictions, and other provisions of this Declaration, and (ii) to delegate or assign, either exclusively or non-exclusively, any or all of its rights, powers, duties or privileges hereunder to the Owners' Association, a Subassociation, Owner, or to any other designee.

2. If Declarant does not enforce the covenants, conditions, restrictions or other provisions of this Declaration, then the following parties may in the following priority enforce same as hereinafter set forth: (i) the Owners' Association; (ii) a Subassociation established pursuant to Article III(D) hereof; or (iii) an Owner. If a party with a lesser priority desires to enforce this Declaration, then that party must first give thirty (30) days written notice to the parties with higher priority, starting first with Declarant, that the noticing party intends to initiate enforcement upon the expiration of such thirty (30) days, and if during such period the parties with the higher priority do not initiate enforcement procedures then the party of the lesser party may so initiate such enforcement procedures. A party not initiating enforcement procedures shall incur no liability whatsoever for such non-enforcement.

3. Declarant, its designees or any other party having the right to enforce this Declaration, if any, pursuant to subparagraph 2 above, shall have the right and the power to enforce the covenants, conditions, restrictions and other provisions imposed by this Declaration by any proceeding at law or in equity against any Person or entity violating or attempting violation of such provisions, and to enforce any lien created by this Declaration or the Master Declaration. Failure by

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Declarant, or the Owners' Association, or a Subassociation, to enforce any of such provision shall in no event be deemed a waiver of its right to do so thereafter.

4. The cost and attorneys' fees, including those resulting from any appellate proceedings, incurred by Declarant or its designees or party having the right to enforce this Declaration, if any, pursuant to subparagraph 2 above, who prevails in any such enforcement action, and any action against a Person or entity to enforce any provisions of this Master Declaration shall be a personal obligation of such Person which shall be paid by such Person.

E. Fines.

In addition to all other remedies provided for in this Declaration and the Master Declaration, the Owners' Association shall have the right to impose a fine on a Owner or Subassociation for failure of a Owner, his family members, guests, invitees, tenants and licensees, or Subassociation to comply with any provisions of this Declaration; provided, however, the Owners' Association grants reasonable notice and opportunity to be heard. The decisions of the Owners' Association shall be final. Fines shall be in such reasonable amounts as the Owners' Association shall determine. Fines shall be considered as Special Assessments against the Owners' Unit or other common properties of such Subassociation, if any, as appropriate. The Owners' Association shall have the right to collect fines in the same manner as set forth in Article 9.03 of the Master Declaration.

F. Severability.

If any provision of this Declaration is held to be invalid in whole or in part by any court of competent jurisdiction, then such holdings shall in no way affect the validity of the remaining provisions of this Declaration, all of which shall remain in full force and effect, and such holdings shall be limited to its most narrow application.

G. Dissolution.

In the event of a dissolution of the Owners' Association, or any Subassociation created to administer the Granada Estates Neighborhood, each Unit shall continue to be subject to the Assessments specified in this Declaration and the Master Declaration, and each Member shall continue to be personally obligated to Declarant or the successors or assigns of the Owners' Association, as the case may be, or such Assessment to the extent that such Assessments are required to enable Declarant or any such successors or assigns acquiring any real property previously owned by the Owners' Association to properly maintain,

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operate and preserve it. The provisions of this paragraph shall only apply with regard to the maintenance, operation and preservation of property which has been Common Areas or Neighborhood Common Areas and continues to be so used for the common use and enjoyment of the Owners in the Granada Estates Neighborhood.

H. Gender.

Wherever in this Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of one gender shall be deemed to include the other gender.

I. Construction.

The provisions of this Declaration shall be liberally interpreted and construed to provide maximum flexibility consistent with Declarant's general plan for development of the Total Property and the Granada Estates Neighborhood and the purposes set forth herein, including the preamble.

IN WITNESS WHEREOF, Declarant has caused these presents to be signed in its name and on its behalf of its President and attested to by its Secretary and its corporate seal affixed this 11thday of May, 1989.

Signed, sealed and delivered in the presence of:

Vicki S. Root

Victoria P. Gaed

DECLARANT:

ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation

By:

Attest:

[CORPORATE SEAL]

Joined by: OWNERS' ASSOCIATION

HAMMOCK DUNES OWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit

By:

Attest:

[CORPORATE SEAL]

Victoria P. Gaed

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STATE OF FLORIDA)
: SS.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, John R. Sanchez and Robert G. Cuff, Jr., the President and Secretary respectively, of ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Delaware corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of May, 1989.

Victoria P. Gaed
Notary Public
My Commission Expires:
[SEAL]

Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

STATE OF FLORIDA)
: SS.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, John L. Schlegel, and Alan L. Markee, the President and Secretary respectively, of HAMMOCK DUNES OWNERS' ASSOCIATION, INC., a Florida corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Florida corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of May, 1989.

Victoria P. Gaed
Notary Public
My Commission Expires:
[SEAL]

Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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LEGAL DESCRIPTION:

A parcel of land lying in Government Sections 4 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

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As a Point of Reference being the Southeast corner of Government Section 38, Township 11 South, Range 31 East, thence North 20°38'59" West along the Easterly line of said Government Section 38 a distance of 3932.47 feet, thence departing said Easterly line of Section 38 North 51°52'52" West a distance of 74.78 feet to the POINT OF BEGINNING of this description, thence continue North 51°52'52" West a distance of 96.97 feet to a Point of curvature, thence 137.02 feet along a curve to the right (concave Northeasterly) having a central angle of 39°15'13", a radius of 200.00 feet, a chord bearing of North 32°15'15" West and a chord distance of 134.36 feet to a Point of tangency, thence North 12°37'39" West a distance of 113.32 feet to a Point of curvature, thence 91.93 feet along a curve to the right having a central angle of 52°40'22", a radius of 100.00 feet, a chord bearing of North 13°42'32" East and a chord distance of 88.73 feet to a point of tangency, thence North 40°02'43" East a distance of 122.48 feet to a Point of curvature, thence 56.76 feet along a curve to the right having a central angle of 32°31'13", a radius of 100.00 feet, a chord bearing of North 56°18'20" East and a chord distance of 56.00 feet to a Point of reverse curvature, thence 231.28 feet along a curve to the left having a central angle of 33°05'20", a radius of 400.47 feet a chord bearing of North 56°01'17" East and a chord distance of 228.07 feet to a Point of compound curvature, thence 111.22 feet along a curve to the left having a central angle of 68°11'37", a radius of 93.45 feet, a chord bearing of North 05°22'48" East and a chord distance of 104.77 feet to a Point of compound curvature, thence 36.62 feet along a curve to the left having a central angle of 03°46'11", a radius of 556.53 feet, a chord bearing of North 30°36'06" West and a chord distance of 36.61 feet to a Point of compound curvature, thence 24.21 feet along a curve to the left having a central angle of 27°44'32", a radius of 50.00 feet, a chord bearing of North 46°21'27" West and a chord distance of 23.97 feet to a Point of reverse curvature, thence 127.18 feet along a curve to the right having a central angle of 56°31'08", a radius of 128.93 feet, a chord bearing of North 31°58'09" West and a chord distance of 122.09 feet to a Point of tangency, thence North 03°42'35" West a distance of 28.69 feet to a Point of curvature, thence 70.10 feet along a curve to the right having a central angle of 10°02'29", a radius of 400.00 feet, a chord bearing of North 01°18'40" East and a chord distance of 70.01 feet to a Point of tangency, thence North 06°19'55" East a distance of 237.49 feet, thence North 07°22'59" West a distance of 117.13 feet to a Point intersecting a curve, thence Westerly 76.47 feet along a curve to the right (concave Northerly) having a central angle of 09°48'07", a radius bf 447.00 feet, a chord bearing of South 87°31'04" West and a chord distance of 76.38 feet to a Point of tangency, thence North 87°34'52" West a distance of 200.00 feet to a Point of curvature, thence 312.60 feet along a curve to the left having a central angle of 13°05'46", a radius of 1368.00 feet, a chord bearing of South 85°52'15" West and a chord distance of 312.00 feet to a Point of tangency, thence South 79°19'22" West a distance of 65.26 feet to a Point on the Easterly right-of-way line of Palm Coast Parkway (120'R/W), thence South 10°40'38" East along said right-of-way a distance of 58.00 feet to a Point of curvature, thence 861.12 feet along a curve to the right having a central angle of 33°03'36", a radius of 1492.39 feet, a chord bearing of South

Exhibit "A"

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05°51'10" West and a chord distance of 849.22 feet, thence departing said Easterly right-of-way North 67°37'02" West a distance of 120.00 feet to a Point on the Westerly right-of-way of said Palm Coast Parkway, thence 791.88 feet along a curve to the left having a central angle of 33°03'36", a radius of 1372.39 feet, a chord bearing of North 05°51'10" East and a chord distance of 780.94 feet to a Point of tangency, thence North 10°40'38" West a distance of 122.00 feet, thence departing said Westerly right-of-way North 79°19'22" East a distance of 185.26 feet to a Point of curvature, thence 67.93 feet along a curve to the right having a central angle of 02°43'04", a radius of 1432.00 feet, a chord bearing of North 80°40'54" East and a chord distance of 67.92 feet, thence North 03°07'14" East a distance of 666.10 feet, thence North 00°32'39" West a distance of 265.18 feet, thence North 03°30'01" West a distance of 315.90 feet, thence North 89°19'02" East a distance of 173.04 feet, thence North 06°15'43" East a distance of 86.74 feet, thence South 83°44'18" East a distance of 474.16 feet to a Point on a curve, thence Southwesterly 94.79 feet along a curve to the left (concave Southeasterly) having a central angle of 77°35'15", a radius of 70.00 feet, a chord bearing of South 57°28'05" West and a chord distance of 87.71 feet to a Point of tangency, thence South 18°40'27" West a distance of 60.65 feet to a Point of curvature, thence 45.75 feet along a curve to the left having a central angle of 67°20'27", a radius of 38.92 feet, a chord bearing of South 14°59'46" East and a chord distance of 43.16 feet, thence departing said curve along a non-radial line South 26°47'10" West a distance of 27.69 feet to a Point radially intersecting a curve, thence 93.86 feet along a curve to the right having a central angle of 12°39'14", a radius of 425.00 feet, a chord bearing of South 56°53'13" East and a chord distance of 93.67 feet, thence departing said curve North 37°27'23" East a distance of 37.16 feet to a Point of curvature, thence 64.22 feet along a curve to the right having a central angle of 24°31'54", a radius of 150.00 feet a chord bearing of North 49°43'20" East and a chord distance of 63.73 feet to a point of tangency, thence North 61°59'18" East a distance of 25.28 feet to a Point of curvature, thence 72.59 feet along a curve to the right having a central angle of 83°11'05", a radius of 50.00 feet, a chord bearing of South 76°25'10" East and a chord distance of 66.38 feet to a Point of reverse curvature, thence 62.31 feet along a curve to the left having a central angle of 102°00'00", a radius of 35.00 feet, a chord bearing of South 85°49'37" East and a chord distance of 54.40 feet to a Point of tangency, thence North 43°10'23" East a distance of 29.17 feet to a Point of curvature, thence 32.99 feet along a curve to the right having a central angle of 54°00'00", a radius of 35.00 feet, a chord bearing of North 70°10'23" East and a chord distance of 31.78 feet to a Point of tangency, thence South 82°49'37" East a distance of 20.88 feet to a Point of curvature, thence 17.24 feet along a curve to the left having a central angle of 39°31'06", a radius of 25.00 feet, a chord bearing of North 77°24'50" East and a chord distance of 16.90 feet, thence departing said curve along a non-radial line South 59°42'11" East a distance of 92.55 feet, thence South 26°19'31" West a distance of 248.24 feet to a Point of curvature, thence 80.99 feet along a curve to the left having a central angle of 30°56'06", a radius of 150.00 feet, a chord bearing of South 10°51'28" West and a chord distance of 80.01 feet, thence departing said curve along a non-radial line South 52°47'33" West a distance of 51.11 feet radially intersecting a curve, thence Southeasterly 122.11 feet along a

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curve to the left (concave northeasterly) having a central angle of 03°32'33", a radius of 1975.00 feet, a chord bearing of South 38°58'43" East and a chord distance of 122.09 feet to a Point of tangency, thence South 40°45'00" East a distance of 78.62 feet to a Point intersecting a curve, thence Northeasterly 105.23 feet along a curve to the right (concave Southeasterly) having a central angle of 21°00'31", a radius of 287.00 feet, a chord bearing of North 64°45'06" East and a chord distance of 104.65 feet to a Point of tangency, thence North 75°15'21" East a distance of 444.74 feet, thence South 14°44'39" East a distance of 64.00 feet, thence South 75°15'21" West a distance of 444.74 feet to a Point of curvature, thence 244.86 feet along a curve to the left having a central angle of 62°54'47", a radius of 223.00 feet, a chord bearing of South 43°47'58" West and a chord distance of 232.75 feet to a Point of tangency, thence South 12°20'34" West a distance of 150.00 feet to a Point of curvature, thence 76.08 feet along a curve to the right having a central angle of 19°19'05", a radius of 447.00 feet, a chord bearing of South 22°00'07" West and a chord distance of 150.00 feet, thence departing said curve along a radial line South 58°20'21" East a distance of 81.59 feet, thence South 05°35'22" West a distance of 434.53 feet, thence South 24°16'05" East a distance of 465.59 feet, thence South 06°38'58" West a distance of 337.77 feet to a Point non-radially intersecting a curve, thence Westerly 208.68 feet along a curve to the left having a central angle of 79°42'37", a radius of 150.00 feet, a chord bearing of South 86°55'59" West and a chord distance of 192.25 feet to a Point of tangency, thence South 47°04'40" West a distance of 417.13 feet, thence South 68°00'45" West a distance of 41.26 feet to a Point of curvature, thence 52.45 feet along a curve to the right having a central angle of 60°06'23", a radius of 50.00 feet, a chord bearing of North 81°56'03" West and a chord distance of 50.08 feet to a Point of tangency and the POINT OF BEGINNING.

Parcel containing 44.1745 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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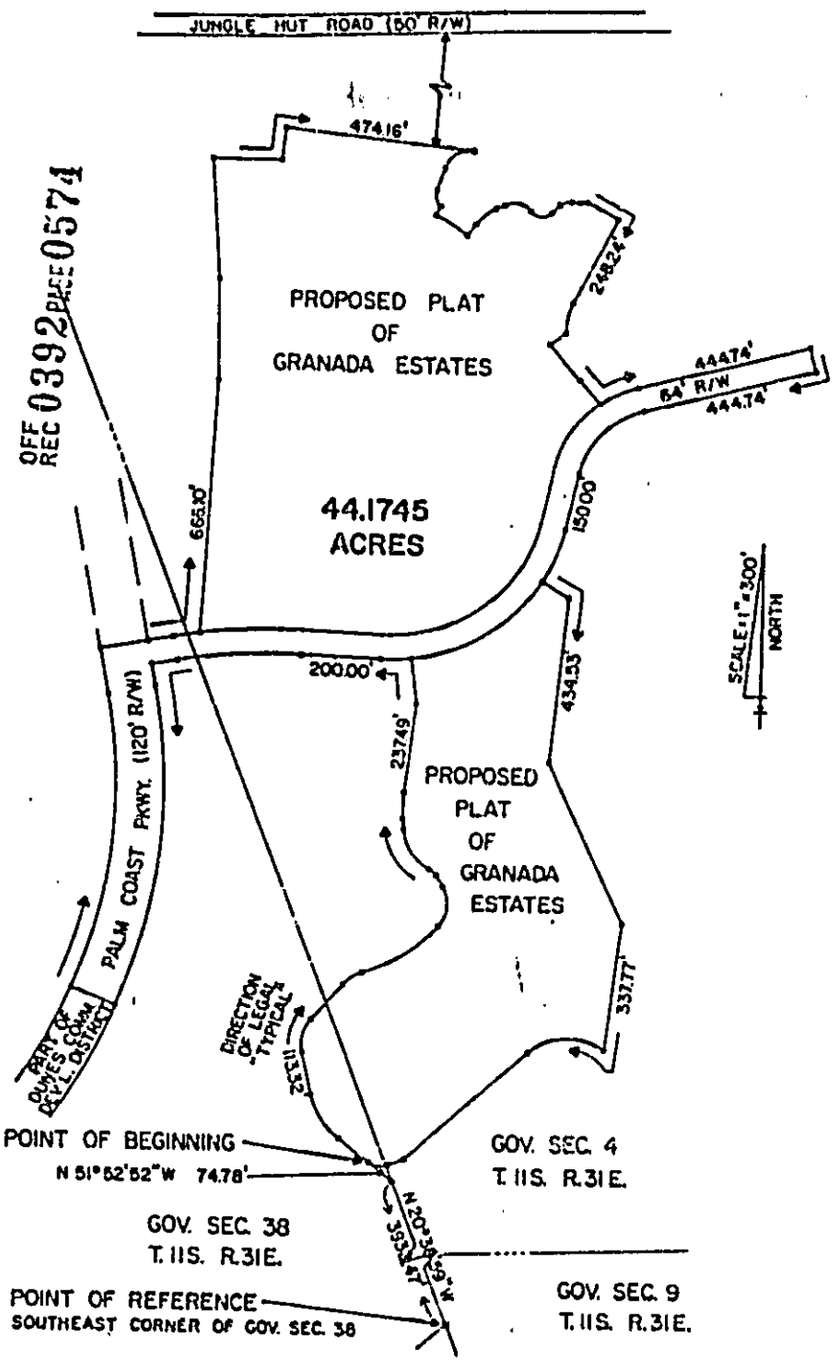

SKETCH OF LEGAL DESCRIPTION

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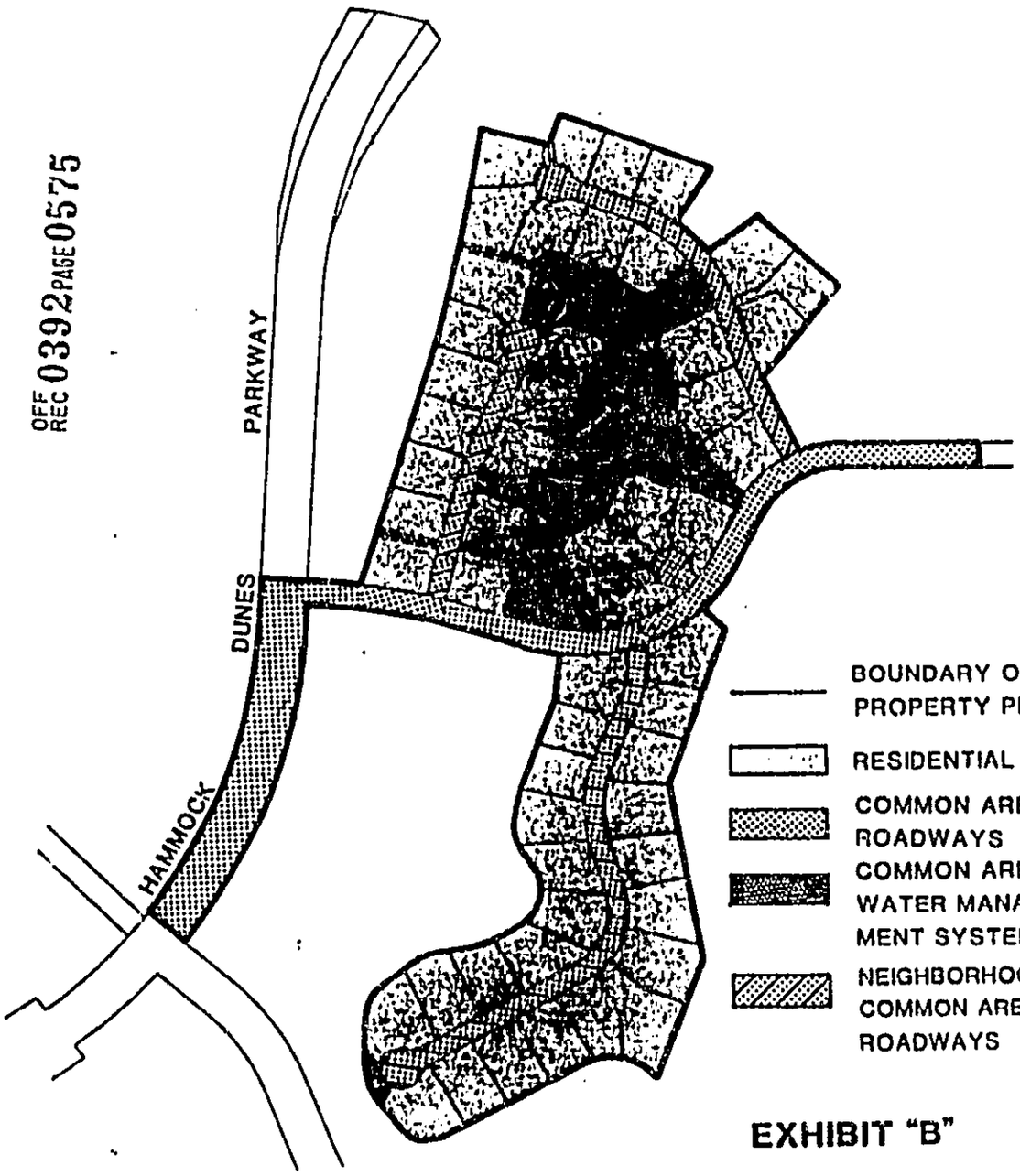

• THE NEIGHBORHOOD COMMON AREA: ROADWAYS DELINEATED ON THIS PLAN PERTAIN TO THE GRANADA ESTATES NEIGHBORHOOD ONLY.

EXHIBIT "B"

GRANADA ESTATES

"PROPERTY PLAN"

EXHIBIT "C"

Original Neighborhood Assessments

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1. Hammock Dunes Owners' Association, Inc.
   Proposed 1989 Operating Budget

2. Granada Estates Neighborhood
   Proposed 1989 Operating Budget

HAMMOCK DUNES OWNERS' ASSOCIATION, INC.
PROPOSED 1989 OPERATING BUDGET

	Annual
RECEIPTS:	
1485 Units at $19.38 per unit per month/or $28,783.99 monthly	$345,407.84
DISBURSEMENTS:	
ADMINISTRATION	
Management Fee (Based on 300 Units @ $6.00 each)	$21,600.00
Accounting Services (Included in Management Fee)	N/A
Corporate Annual Fee	$25.00
Licenses & Permits	N/A
Audit Fees	$2,000.00
Office Supplies	$2,000.00
Legal Fees	$1,500.00
TAXES	
Income Tax	N/A
Personal Property Tax	N/A
Real Estate Tax	N/A
MAINTENANCE & REPAIR	
Landscape Maintenance (specifications enclosed)	$45,000.00
Landscape Maintenance Supplies	$1,200.00
Extermination Services	N/A
Janitorial Supplies	$240.00
Building Maintenance Supplies	$2,000.00
UTILITIES	
Water	N/A
Sewer	N/A
Refuse	$2,015.00
Telephone	$1,800.00
Electric	$6,000.00
Irrigation	$44,124.00
ACCESS CONTROL	$155,000.00
INSURANCE	
Directors & Officers (Errors & Omissions)	$900.00
General Liability ($500,000)	$1,300.00
PAYROLL & PAYROLL TAXES	
General Maintenance Person	$12,464.00
CONTINGENCY FUND	$5,000.00
TOTALS:	$315,669.00
RESERVE TOTAL:	$29,738.84
GRAND TOTAL:	$345,407.84

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GRANADA ESTATES NEIGHBORHOOD
PROPOSED 1989 OPERATING BUDGET

	Annual
RECEIPTS:	
53 Units at $59.42 per unit per month/or $3,149.05 monthly	$37,798.56
DISBURSEMENTS:	
ADMINISTRATION	
Management Fee	$3,816.00
Accounting Services (included in Management Fee)	N/A
Corporate Annual Fee	$0.00
Licenses & Permits	N/A
Audit Fees	$1,875.00
Office Supplies	$250.00
Legal Fees	$100.00
TAXES	
Income Tax	N/A
Personal Property Tax	N/A
Real Estate Tax	N/A
MAINTENANCE & REPAIR	
Landscape Maintenance (specifications enclosed)	$20,000.00
Landscape Maintenance Supplies	$50.00
Extermination Services	N/A
Janitorial Supplies	N/A
Building Maintenance Supplies	N/A
UTILITIES	
Water	N/A
Sewer	N/A
Refuse	N/A
Telephone	N/A
Electric	$1,500.00
Irrigation	$6,060.00
ACCESS CONTROL	N/A
INSURANCE	
Directors & Officers (Errors & Omissions)	$0.00
General Liability ($500,000)	$250.00
PAYROLL & PAYROLL TAXES	
General Maintenance Person	N/A
CONTINGENCY FUND	$0.00
TOTALS:	$33,901.00
RESERVE TOTAL:	$3,887.56
GRAND TOTAL:	$37,788.56

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MASTER DECLARATION

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR

Hammock Dunes™
Private Community

HAMMOCK DUNES℠ IS A SERVICE MARK OF
ITT COMMUNITY DEVELOPMENT CORPORATION

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MASTER DECLARATION

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAMMOCK DUNES

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MASTER DECLARATION

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
HAMMOCK DUNES

This DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAMMOCK DUNES is made this 11th day of ~~April~~ May, 1989 by ADMIRAL CORPORATION, a Florida corporation, its successors and assigns (the "Declarant"), and joined in by HAMMOCK DUNES OWNERS' ASSOCIATION, INC. (the "Owners' Association") and ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation, and ITT LAND CORPORATION, a Florida corporation (the "Additional Owners").

W I T N E S S E T H:

WHEREAS, Declarant is presently developing a planned community located in Flagler County, Florida (the "County") known as Hammock Dunes; and

WHEREAS, all the real property which may ultimately be developed as part of Hammock Dunes is owned by either Declarant or by ITT COMMUNITY DEVELOPMENT CORPORATION and ITT LAND CORPORATION, (the "Additional Owners"), and is legally described on Exhibit "A" hereto (the "Total Property"); and

WHEREAS, Declarant and the Additional Owners by this Declaration of Protective Covenants, Conditions and Restrictions for Hammock Dunes (the "Master Declaration") impose the covenants, conditions and restrictions contained herein upon the Total Property; and

WHEREAS, Declarant has determined that initially only certain portions of the Total Property shall be Committed Property subject to specific Land Use Classifications, which Land Use Classifications shall govern the use of such Committed Property and are more fully described in Article 5 hereof; and

WHEREAS, the execution and recordation of this Master Declaration shall not be construed to require Declarant or the Additional Owners to subject any portions of the Total Property other than the Committed Property to specific Land Use Classifications under this Master Declaration or any other recorded instrument; and

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WHEREAS, Declarant may impose additional covenants, conditions, and restrictions on the Committed Property consistent with the provisions of this Master Declaration by one (1) or more Neighborhood Declarations comprising each Neighborhood in Hammock Dunes; and

WHEREAS, Declarant intends and desires to develop Hammock Dunes for residential, recreational and commercial purposes, in accordance with this Master Declaration; and

WHEREAS, Declarant intends that Hammock Dunes shall be developed in accordance with the Order adopted by resolution of the County in that regard; and

WHEREAS, Declarant has caused the Owners' Association to be formed, which has joined in this Master Declaration and to which there has been or will be delegated and assigned certain powers and duties of operation, administration, maintenance and repair of portions of the Total Property, and the collection and disbursement of Operating Expenses and Neighborhood Common Expenses, all as more particularly set forth herein. The Owners' Association is NOT a condominium association under Chapter 718, Florida Statutes.

NOW, THEREFORE, Declarant and the Additional Owners declare that the Total Property, is and shall be owned, used, sold, conveyed, encumbered, demised and occupied subject to the provisions of this Master Declaration, which shall run with the Total Property and be binding on all parties having any right, title or interest in the Total Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE 1
DEFINITIONS

1.01 "Additional Lands" shall mean such real property, if any, which is not now part of the Total Property and which Declarant shall have the right to add to the Total Property, as more fully discussed in Article 2.04 hereof.

1.02 "Additional Owners" shall collectively mean ITT Community Development Corporation, a Delaware corporation and ITT Land Corporation, a Florida corporation, their successors or assigns.

1.03 "Administrator" shall mean a member of the Board of Administrators elected or designated as set forth in the Articles or By-Laws of the Owners' Association.

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1.04 "Assessments" shall mean any assessments made by the Owners' Association in accordance with the Master Documents, including, but not limited to, Base Assessments, Community Assessments, Neighborhood Assessments and Special Assessments.

1.05 "Base Assessments" shall mean those Assessments for which all Members of the Owners' Association are responsible in the manner set forth in Article 10.01(c)(2) of the Master Declaration.

1.06 "Board of Administrators" or "Board" shall mean the governing body of the Owners' Association.

1.07 "Budget" shall mean the budget adopted by the Board, as more fully described in Article 10.01 hereof.

1.08 "Builder" shall mean a Person (including Declarant) owning a Land Segment for the purpose of constructing a Community or one or more Neighborhoods on it, or owning any other portion of the Committed Property for the purpose of developing it in accordance with the terms hereof.

1.09 "Clubs" shall mean and refer to Hammock Dunes Club, Inc., a Florida corporation not for profit, and any other recreational-type club or country club which may be established in conjunction with the Total Property, as described further in Article 2 hereof.

1.10 "Committed Property" shall mean those portions of the Total Property which are subjected to specific Land Use Classifications by a Supplement or as otherwise provided for herein. The initial "Committed Property" is legally described on Exhibit "B" attached hereto.

1.11 "Common Areas" shall mean the Land Use Classification assigned to all real property, including any improvements and fixtures thereon, owned by, leased to, or the use of which has been granted to the Owners' Association as set forth in this Master Declaration, including, but not limited to, the real property described in Exhibit "D" hereto. Common Areas have not been, and are not intended to be, submitted to the condominium form of ownership.

1.12 "Community" shall mean a portion of the Committed Property comprised of one (1) or more Neighborhoods or Tracts or both designated as such by Declarant which may share certain services or facilities.

1.13 "Community Assessments" shall mean those Assessments due from Members of a particular Community for those Operating Expenses which have been incurred to benefit primarily the Members of that particular Community.

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1.14 "Community Common Areas" shall mean all real property including any improvements and fixtures thereon owned by, leased to, or the use of which has been primarily granted to a Community for the common use and enjoyment of the Owners in such Community.

1.15 "Community Member" shall mean a Member who is a Dwelling Unit Owner, a Land Segment Owner, a Recreational Property Owner, Hammock Dunes Club, or any other Member other than Declarant.

1.16 "County" shall mean Flagler County, Florida.

1.17 "DCDD" shall mean the Dunes Community Development District established in October, 1985 pursuant to Chapter 190, Florida Statutes, of which the Total Property is a part.

1.18 "Declarant" shall mean Admiral Corporation, a Florida corporation, its successors or assigns of any or all of its rights under this Master Declaration as specified by Declarant.

1.19 "Design Review Committee" shall mean the body established by the Board to administer the Development Codes to control the initial design and location of all Structures, and all alterations and modifications to existing Structures and improvements to the Committed Property as more fully discussed in Article 6.02 hereof. Declarant shall have the right to divide the Design Review Committee into various sub-committees with specific functions.

1.20 "Development Codes" shall mean the standards established from time to time by the Declarant and/or Board to control the design and location of all Structures and other work within the Committed Property, as more fully described in Article 6.02 hereof.

1.21 "Dwelling Unit" shall mean any residential dwelling unit (or any portion of real property upon which a residential dwelling unit is intended to be constructed and has been conveyed by a Land Segment Owner or Declarant to a Person) intended as an abode for one family constructed on a portion of the Committed Property including, without limitation, a detached, single-family home, an attached townhouse or patio dwelling, a duplex or other multiplex dwelling, or any apartment-type unit contained in any multi-unit, multi-story, residential building and whether any of the foregoing are subject to fee simple, cooperative, condominium, rental or other form of ownership or possession which has received a certificate of occupancy from the applicable governmental authority.

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1.22 "Dwelling Unit Owner" shall mean the Person or Persons holding fee simple title to a Dwelling Unit.

1.23 "Hammock Dunes Club" shall mean and refer to Hammock Dunes Club, Inc., a Florida corporation not for profit, as described further in Article 2 hereof.

1.24 "Institutional Mortgagee" shall mean (a) any generally recognized lending institution having a first mortgage lien upon a Unit including, but not limited to, any of the following institutions: a Federal or state savings and loan or building and loan association; a national, state, or other bank or real estate investment trust; or mortgage banking company doing business in the State of Florida; or a life insurance company; or a subsidiary of a holding company owning any of the foregoing; or (b) any "Secondary Mortgage Market Institution" including the Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan (FHA) and Veterans Administration (VA) and such other secondary mortgage market institutions as the Board shall hereafter approve in writing which have acquired a first mortgage upon a Unit; or (c) any and all investors or lenders which have loaned money to Declarant to acquire, or to construct improvements upon, the Committed Property and who have a mortgage lien on all or a portion of the Committed Property securing such loan; or (d) such other lenders as the Board shall hereafter approve in writing which have acquired a first mortgage lien upon a Unit.

1.25 "Land Segment" shall mean a portion of the Committed Property which is designated by Declarant in writing as a Land Segment. Each Land Segment shall have that number of Property Units and Values assigned to it by Declarant in accordance with the provisions of Articles 8.04 and 10.01 of this Master Declaration.

1.26 "Land Segment Owner" shall mean the Person or Persons holding fee simple title to a Land Segment.

1.27 "Land Use Classification" shall mean one (1) of the specific uses which Declarant has determined to assign to Committed Property, which Land Use Classifications are more fully described in Article 5 hereof.

1.28 "Master Declaration" shall mean this document as amended from time to time.

1.29 "Master Documents" shall mean this Master Declaration and the Articles of Incorporation, By-Laws and the Rules and Regulations of the Owners' Association. (The Articles and By-Laws are attached hereto as Exhibits "E" and "F", respectively.)

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1.30 "Members" shall mean members of the Owners' Association, who shall be the Community Members and Declarant.

1.31 "Neighborhood" shall mean any development of Dwelling Units within the Committed Property which is designated as such by Declarant, as more fully described in Article 7.01(c) hereof.

1.32 "Neighborhood Assessments" shall mean those Assessments due from Members of a particular Neighborhood for those Operating Expenses which have been incurred to benefit primarily the Members of that particular Neighborhood.

1.33 "Neighborhood Association" shall mean any property owners' association, homeowners' association, condominium association, or other such entity, its successors and assigns, responsible for administering a Neighborhood.

1.34 "Neighborhood Common Areas" shall mean all real property including any improvements and fixtures thereon, owned by, leased to, or the use of which has been primarily granted to a Neighborhood or Neighborhood Association for the common use and enjoyment of the Owners in such Neighborhood.

1.35 "Neighborhood Common Expenses" shall mean the expenses for which the Members of a particular Neighborhood are liable to a Neighborhood Association and include, but are not limited to, the costs and expenses incurred by a Neighborhood Association in (i) fulfilling its obligations under the Master Documents, the Neighborhood Documents and applicable law; (ii) fulfilling its obligations under the Order; and (iii) administering, operating and/or owning the Neighborhood Common Areas, all as more fully described in the Neighborhood Documents.

1.36 "Neighborhood Declaration" shall mean the covenants, conditions, restrictions and other provisions imposed by a recorded instrument approved by Declarant applicable to one (1) or more specific Neighborhoods by the owner(s) thereof, but not to all Neighborhoods if there shall be more than one (1) Neighborhood.

1.37 "Neighborhood Documents" shall mean, collectively, the Neighborhood Declaration and the articles of incorporation, by-laws, and rules and regulations by which a Neighborhood Association administers a Neighborhood or Neighborhoods.

1.38 "Operating Expenses" shall mean the expenses for which Members are liable to the Owners' Association and include, but are not limited to, the costs and expenses incurred by the Owners' Association in (i) fulfilling its obligations under the Master Documents and under applicable law; (ii) fulfilling obligations under the Order; and (iii) administering, operating,

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and owning the Common Areas, all as more fully described in Article 11 hereof.

1.39 "Order" shall mean the Development Order for Hammock Dunes adopted pursuant to Section 380.06(20), Florida Statutes, on March 30, 1984, by resolution of the Board of County Commissioners of the County regarding the development of the Total Property.

1.40 "Owner" shall mean a record owner of a fee interest in a Unit, but excluding those having an interest in a Unit merely as security for the performance of an obligation, and including Declarant and Builders.

1.41 "Owners' Association" shall mean the Hammock Dunes Owners' Association, Inc., a Florida corporation not-for-profit, its successors or assigns. The Owners' Association is NOT a condominium association.

1.42 "Person" shall mean any individual, corporation, governmental agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

1.43 "Property Plan" shall mean the property plan attached hereto as Exhibit "C" and made a part hereof.

1.44 "Property Units" shall mean the number of Dwelling Units which may be constructed on a Land Segment in accordance with the provisions of Article 8.04 of this Master Declaration.

1.45 "Public Property" shall mean any real property dedicated by Declarant or the Owners' Association to public use or shown as such on the Property Plan, as more fully described in Article 2.05 hereof.

1.46 "Recreational Property" shall mean the Land Use Classification assigned to any Tract designated as such by Declarant or shown as such on the Property Plan, as more fully described in Article 5.02(c) hereof.

1.47 "Recreational Property Owner" shall mean the Person or Persons holding fee simple title to Recreational Property.

1.48 "Residential Property" shall mean the Land Use Classification assigned to that portion of the Committed Property upon which Dwelling Units may be constructed and shall be for Residential Use only, as more fully described in Article 5.02(a) hereof.

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1.49 "Residential Use" shall mean only Dwelling Units and improvements associated with residential purposes and uses including, but not limited to, streets, drives, driveways, sidewalks, entranceways, open spaces, parking spaces, lawn areas, landscaping, swimming pools, docks, other recreational facilities and other areas or amenities appurtenant to Dwelling Units; provided, however, that facilities and other improvements related to construction, marketing, development, sales, and rental activities shall be a permitted Residential Use, all as more fully set forth in Article 5.02(a) hereof.

1.50 "Rules" shall mean the rules and regulations promulgated by the board in accordance with the provisions of the Master Documents.

1.51 "Special Assessments" shall mean those Assessments more particularly described in Article 10.03 hereof.

1.52 "Structure" shall mean that which is built or constructed, or any work artificially built up or composed of parts joined together in some definite manner, the use of which requires more or less permanent or temporary location on the ground, or which is attached to something having a permanent or temporary location on the ground. The term shall be construed as if followed by the words "or part thereof".

1.53 "Subassociation" shall mean any Neighborhood Association, property owners' association, homeowners' association, condominium association, or such other entity, its successors and assigns, responsible for administering any Community, Neighborhood, Tract, or any group of the foregoing, including the Clubs.

1.54 "Supplement" shall mean an instrument executed by Declarant for the purpose of subjecting Additional Lands to this Master Declaration; or for the purpose of assigning to a portion of Uncommitted Property a particular Land Use Classification; or for such other purposes as more fully described in Articles 2.01 and 2.03 hereof.

1.55 "System" shall mean any and all cable television, telecommunications, surveillance, or other lines, antennas, equipment, materials, installations and fixtures, existing now or in the future, installed by or at the direction of Declarant to serve all or a portion of the Total Property.

1.56 "Total Property" shall mean the real property subject to this Master Declaration, and is legally described on Exhibit "A" attached hereto and made a part hereof.

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1.57 "Tract" shall mean any specifically delineated portion of the Total Property designed by Declarant or shown on the Property Plan as Recreational Property or as otherwise more fully discussed in Article 5.02(c) hereof.

1.58 "Tract Owner" shall mean the Person or Persons holding fee simple title to a Tract.

1.59 "Turnover" shall mean a date no later than one hundred twenty (120) days after Declarant has conveyed ninety percent (90%) of the Dwelling Units permitted to be constructed on the Total Property.

1.60 "Uncommitted Property" shall mean those portions of the Total Property other than the Committed Property.

1.61 "Unit" shall mean Dwelling Units, Tracts, and Land Segments.

1.62 "Value" shall mean a number assigned to each Unit which is used to determine the portion of Operating Expenses attributable thereto in accordance with the provisions of Article 10.01 of this Master Declaration.

1.63 "Visitors" shall mean the family members, guests, invitees and lessees of Club members; the players or users of the Clubs' facilities' and the spectators at golf tournaments.

1.64 "Voting Members" shall mean the Person who shall represent the Members belonging to a Neighborhood Association, or the Dwelling Unit Owners and Land Segment Owners in a Neighborhood which has no Neighborhood Association, as set forth more fully in the Articles and By-Laws of the Owners' Association.

ARTICLE 2
GENERAL PLAN FOR DEVELOPMENT
COMMITTED AND UNCOMMITTED PROPERTY; ADDITIONAL LANDS; PUBLIC PROPERTY

2.01 General Plan for Development.

(a) Declarant and the Additional Owners are the owners of certain real property which comprises the Total Property, and they presently plan to develop all or a portion of same as a multiphased, planned community comprising residential, recreational, and mixed uses. Declarant and the Additional Owners also reserve the right to develop any portion of the Total Property for industrial and commercial uses. Declarant and the Additional Owners are now or may become the owners of certain real property which will comprise the Additional Lands.

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Declarant is not obligated by this Master Declaration to develop the total number of Dwelling Units or any particular uses set forth in this Declaration as being permitted on the Total Property. Only that portion of the Total Property which is Committed Property shall be assigned specific Land Use Classifications as set forth herein. Portions of the Total Property shall become Committed Property by Declarant's executing a Supplement assigning a portion of Uncommitted Property a particular Land Use Classification. Declarant has caused the Owners' Association to be formed to perform certain administrative and operational functions regarding the Committed Property as set forth more fully in the Master Documents.

(b) Declarant intends that certain Dwelling Units constructed on the Residential Property be grouped together in residential Neighborhoods which may be administered by Neighborhood Associations. Neighborhood Associations shall assess their members for their Neighborhood Common Expenses and shall also be responsible for collecting their share of Operating Expenses under this Master Declaration, unless the Owners' Association determines otherwise.

(c) When there are Neighborhood Common Areas, the Owners of all Dwelling Units in the Neighborhood may be members of a Neighborhood Association formed by or with the consent of Declarant to operate and administer such Neighborhood Common Areas.

(d) When there are Neighborhood Common Areas or Community Common Areas with no Subassociation to operate and administer such Neighborhood Common Areas or Community Common Areas, the Owners' Association shall operate and administer such Neighborhood Common Areas or Community Common Areas and collect any Neighborhood Assessments or Community Assessments arising therefrom.

(e) Portions of the Total Property may be Committed to use as either Recreational Property or uses for commercial or industrial purposes. Declarant is not obligated by this Master Declaration to cause any portion of the Total Property to be Committed to any such use. If any portion of the Total Property is developed as Recreational Property or uses for commercial or industrial purposes, the rights and obligations of these property owners as well as any additional restrictions, conditions and covenants running with these properties may be set forth by Declarant herein or in a Supplement.

(f) Declarant or the Owners' Association shall have the right to dedicate portions of the Total Property to public use to an appropriate governmental or quasi-governmental body or agency, and to declare by a Supplement or otherwise that such property is "Public Property." No Public Property, whether it be

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dedicated to the public for rights-of-way, public parks, school sites, police or fire stations, or other public or institutional uses, shall be a part of the Total Property or subject to this Master Declaration once so declared by a supplement or otherwise.

(g) Declarant presented an application for Development Approval of the Total Property to the County and the Northeast Florida Regional Planning Council on April 22, 1983 (the "ADA"). The ADA was approved pursuant to the Order by that certain Resolution No. 84-7 of the Board of County Commissioners of the County. Declarant intends that the Total Property shall be developed in accordance with all applicable governmental regulations, and the Order, the terms and provisions of which are expressly incorporated herein.

(h) The Owners' Association is not a condominium association and therefore shall not be governed by the provisions of Chapter 718, Florida Statutes. This Master Declaration is not a declaration of condominium. No portion of the Total Property is submitted by this Master Declaration to the condominium form of ownership. Declarant does not intend that any portion of the Total Property be submitted to the condominium form of ownership except that property legally described in a declaration of condominium specifically prepared in accordance with Chapter 718, Florida Statutes, executed by or with the consent of Declarant. Further, the expressed intent of the Master Documents is that the substantive rights hereunder shall not retroactively affected by legislation subsequent to the date of the execution of the Master Documents.

(i) The Total Property will be developed around and in conjunction with various recreational-type clubs or country clubs, as further described in Article 2.07 hereof. The first such club to be established shall be known as Hammock Dunes Club, Inc., a Florida corporation not for profit. Hammock Dunes Club is a private equity, member-owned club which may own and operate golf, tennis, swimming and social facilities. The Clubs and the Clubs' facilities are part of the Total Property and subject to this Declaration, as further set forth herein. The Total Property and the Committed Property will benefit from the aesthetics, open space and ambience of the Clubs and the professional and amateur golf championships which may be played on the Clubs' facilities.

2.02 <u>Committed Property and Uncommitted Property</u>.

The Total Property shall be designated as either Committed Property or Uncommitted Property as follows:

(a) <u>Committed Property</u>: Portions of the Total Property become Committed Property when Declarant assigns specific Land Use Classifications by means of a Supplement. The

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Committed Property shall be used consistently with the Land Use Classification(s) assigned thereto. Declarant shall have the right by a Supplement to establish other Land Use Classifications. Attached hereto as Exhibit "C" is the Property Plan which shows the Committed Property and the Land Use Classifications currently assigned thereto.

(b) Uncommitted Property: Uncommitted Property is subject to this Master Declaration, but is not subject to a specific Land Use Classification. Declarant shall have the right from time to time, in its sole and absolute discretion, to commit portions of Uncommitted Property to any Land Use Classification unless otherwise prohibited by the Order or any applicable governmental regulation. Such portions of the Uncommitted Property shall become Committed Property upon Declarant's executing a Supplement.

(c) Changes: Declarant reserves the right to unilaterally change any boundary or Land Use Classification of any of the Committed Property owned by it, or, along with approval by the respective Club involved, any of the Clubs.

2.03 Supplement. Declarant shall have the right, alone and in its sole discretion, to execute and record in the Public Records of the County, a Supplement containing certain provisions which (a) assign specific Land Use Classifications to Uncommitted Property, (b) modify the provisions of this Master Declaration, (c) create new provisions of this Master Declaration applicable to all or a portion of the Total Property, (d) omit the applicability of any of the provisions of this Master Declaration to all or a portion of the Total Property, (e) add all or a portion of the Additional Lands to the Total Property, or (f) do any, all or none of the above.

2.04 Additional Lands and Other Property. Declarant shall have the right, but shall not be obligated, to designate additional real property as Additional Lands by executing and recording a Supplement or other instrument intended to have the same effect in the Public Records of the County without the consent of any Person. Declarant makes no representation herein regarding the size of such real property, if any. Nothing in this Master Declaration shall impose any duty or obligation upon Declarant to add Additional Lands to the Total Property. Only that portion of the Additional Lands which is added by Declarant shall be subject to the provisions of the Master Documents. Some of the effects of adding such Additional Lands to the Total Property may be to increase the size of the Total Property, the number of Units, the number of Members, the number of Persons using the Common Areas, the size of the Owners' Association's Budget and the total number of votes which may be cast by Members.

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2.05 Public Property. Declarant shall have the right (which right may be assigned by Declarant to the Owners' Association), in its sole and absolute discretion, to dedicate portions of the Total Property, whether or not such property be Committed Property, to the public or to an appropriate entity to be held in trust for the public as Public Property for uses to include, without limitation, rights-of-way, public parks, school sites, libraries, fire stations, police stations and other public and institutional uses. Public Property shall cease to be a part of the Total Property and shall cease to be subject to this Master Declaration upon its becoming Public Property as set forth by Declarant in a Supplement or otherwise. Persons who are not Members of the Owners' Association shall be entitled to use the Public Property. Notwithstanding that Public Property is not part of the Total Property, the Owners' Association shall have the right, or may be required by an appropriate governmental or quasi-governmental agency, to maintain certain portions of such Public Property. For example, and not by way of limitation, if it is agreed between the Owners' Association and the appropriate maintaining governmental or quasi-governmental authority that publicly dedicated rights-of-way, or portions thereof, shall be maintained at a higher level than normal roadway and drainage facility maintenance, the Owners' Association may have to be responsible for maintaining all or a portion of such publicly dedicated rights-of-way in accordance with the terms of such agreement, and the cost of same shall be assessed against the Members as an Operating Expense.

2.06 Other Entities or Associations. Declarant, or another Person with Declarant's prior written consent, may record instruments subjecting Uncommitted Property or Additional Lands to protective covenants or provisions other than this Master Declaration. Such provisions may create property owners' associations or other entities. Such other entities may have the same, additional, or different rights, powers, duties or privileges with respect to such Uncommitted Property or Additional Lands; provided, however, that any such recorded instrument may subject such Uncommitted Property or Additional Lands to the jurisdiction of the Owners' Association, and may make the owners of such Uncommitted Property or Additional Lands Members of the Owners' Association under such terms and conditions as may be provided therein, which may be the same as or substantially different from the terms and conditions of membership as provided herein.

2.07 Clubs and Hammock Dunes Club, Inc. Hammock Dunes Club, which is referred to in Article 2.01(i) hereof, is being developed as a Tract in conjunction with the Total Property. The Clubs are or will be part of the Committed Property, and are or will therefore be subject to the obligations and conditions of this Declaration. Some of the effects of establishing such Clubs may be to increase the number of Persons using the Common Areas.

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The Clubs, the members of the Clubs, and their Visitors, shall have the perpetual non-exclusive easement set forth in Article 12.07 hereof. Notwithstanding anything contained herein, the aforesaid easement as it relates to the use of the Common Areas by members of the Clubs or Visitors shall be only as to that portion of the Common Areas necessary for their use. Any disputes as to what constitutes a normal purpose or what portion of the Common Areas are necessary for their use shall, during the term of this Declaration, be determined by Declarant in its sole and absolute discretion. Declarant reserves the right to unilaterally impose upon the Common Areas such other easements which are required for the use and enjoyment of the Clubs. The location of a Unit within the Committed Property may result in nuisances or hazards to persons and property on the Unit as a result of normal club operations. Each Unit Owner covenants for itself, its successors, successors in title, and assigns that it shall assume all risks associated with such location including, but not limited to, the risk of property damage or personal injury arising from stray golf balls or actions incidental to such club activities and shall indemnify and hold harmless the Owners' Association, Declarant and the Clubs from any liability, claims or expenses, including attorneys' fees, arising from such property damage or personal injury.

2.08 Use of Club Facilities. NOTWITHSTANDING ANYTHING IN THE MASTER DOCUMENTS, THE OWNERSHIP OF A UNIT, OR MEMBERSHIP IN THE OWNERS' ASSOCIATION, DOES NOT CONFER ANY OWNERSHIP INTEREST IN OR RIGHT TO USE ANY OF THE CLUBS' FACILITIES IN ANY MANNER.

ARTICLE 3
DEVELOPMENT ORDER

3.01 In General. Hammock Dunes is a "Development of Regional Impact" (as that term is defined in Chapter 380, Florida Statutes, on the date hereof) intended to be developed incrementally in accordance with the Order which governs its overall development. The Committed Property shall be developed, if at all, in accordance with the provisions of the Order.

3.02 Scope and Effect. As set forth in Conclusion of Law 13 appearing on page 7 of Flagler County Resolution No. 84-7, dated March 30, 1984, the obligations created in the Order run with the land which comprises the Total Property. No portion of the Total Property shall be used for any purpose or in any manner inconsistent with the Order. Any violation of the Order shall be a violation hereof, and Declarant shall have the right to enforce the provisions hereof regarding the Order against any Person in violation thereof. That notwithstanding, no provision of this Master Declaration is intended to impose any requirement on Declarant or to enlarge the scope of any provision of the Order or create any right in any Person to enforce the provisions of the Order except as may be specifically provided therein or

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herein or otherwise created by applicable law.

3.03 Dedication of Lands. Declarant hereby reserves the right, in addition to any other right reserved by Declarant anywhere herein, to dedicate or cause the Owners' Association to dedicate any portion of the Total Property to an appropriate governmental or quasi-governmental agency for such purposes as may be provided by the Order, including, without limitation, as Public Property, historical and archaeological sites, or "Sanctuaries" (as that term is defined in Article 5.02(b)(4)(vi) hereof). That notwithstanding, the provisions of this Article 3.03 are not intended to require Declarant to dedicate or cause the Owners' Association to dedicate any portion of the Total Property to any governmental or quasi-governmental agency except as Declarant deems appropriate.

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3.04 Changes to Order. Declarant reserves the absolute right, power, and authority, in addition to any other right reserved by Declarant herein, to inaugurate and implement variations from, modifications to, or amendments of the Order in any manner and for any purpose Declarant deems appropriate for the development of the Total Property or the Additional Lands. That notwithstanding, no provision of the Order may be modified or amended by Declarant without the County's prior written consent. Further, no other Person shall have any right to inaugurate or implement any such variations, modifications, or amendments of the Order without the prior written consent of Declarant and the County.

3.05 Responsibilities Under Order. Declarant hereby reserves the right to the extent permitted by the Order to delegate or to contract concerning any or all of its responsibilities thereunder, including, without limitation, maintenance of Common Areas and monitoring of environmental and other conditions, to or with the Owners' Association, any Subassociation, the DCDD, or any other Person, exclusively or non-exclusively, and on a permanent or temporary basis. Declarant shall also have the right at any time to terminate such delegation and perform such functions itself or delegate same to another Person. The Owners' Association, the Subassociations, and any other Person having responsibilities regarding any portion of the Total Property which arise directly under the Order or by delegation from another Person having such responsibilities shall cooperate fully with each other and all other Persons having responsibilities under the Order to ensure that such responsibilities are carried out to the full extent required thereunder. Further, Declarant and the Owners' Association shall have the right, but not the obligation, to perform any functions required of any Person by delegation or

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directly under the Order upon such Person's failure to properly perform such functions.

3.06 Use of Common Areas by Declarant. Declarant, for itself and the Owners' Association, and their designees, reserves the right, in its sole discretion, to use any portion of the Common Areas, as necessary, to perform maintenance, monitoring and other functions as may be required from time to time by the Order.

3.07 Conflicts. In the event of any conflict between the provisions of any Master Document and the Order, the provisions of the Order shall prevail.

3.08 Neighborhood Association Responsibilities. Certain requirements imposed by the Order may be imposed upon Neighborhood Associations in Neighborhood Documents. If any such Neighborhood Association fails to satisfy such requirements, then the Owners' Association shall have the right to enter upon the property operated by such Neighborhood Association, which entry shall not constitute a trespass, to correct such failure and to specially assess the Owners' Units belonging to such Neighborhood Association for the cost incurred in doing same.

ARTICLE 4
THE DUNES COMMUNITY DEVELOPMENT DISTRICT (DCDD); OTHER ENTITIES

4.01 In General. The Total Property is part of the DCDD which was established in October, 1985 pursuant to Chapter 190, Florida Statutes. Declarant reserves the right to create or cause to be created such other entities responsible for carrying out certain governmental or quasi-governmental or other functions which may otherwise be the responsibility of the Owners' Association as applicable law shall permit which Declarant deems desirable for the efficient administration, operation, and maintenance and general welfare of the Total Property.

4.02 Powers and Functions. The DCDD or other entities created or caused to be created by Declarant shall, by its Board of Administrators, have all of the powers normally attributed to such entity. Such entity shall have the authority, but shall not be required except as specifically provided at the time of its creation, to perform any and all functions permitted of such entity by applicable law including, without limitation, financing public transportation and drainage facilities, providing for water control, providing capital improvements, roads and highways, bridges, fire protection, law enforcement, library services and facilities, recreation services and facilities,

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water supply, streets, sidewalks, streets lighting, garbage collection and disposal, drainage, transportation, and other services and facilities. Such entity may perform such functions instead of or in addition to the Owners' Association's performance of such functions, as may be determined by Declarant until Turnover (and thereafter the Owners' Association), the County, and any other applicable governmental entity. Subject to any changes as set forth above, it is currently anticipated that the DCDD will perform those functions in Hammock Dunes relating to the surface water management system, including wetlands, lakes, marshes and upland vegetation areas, aquatic weed control in lakes; fish stocking for mosquito control; surface water quality monitoring; paving, curbing and drainage of certain arterial roads; bicycle paths; landscaping; irrigation systems; street lights and directional signage in certain road rights-of-way; potable water distribution system; fire hydrant system; wastewater collection, treatment and disposal system; public safety buildings and equipment; and maintenance of the intracoastal waterway bridge.

4.03 Revenues. The DCDD or other entity created or caused to be created by Declarant shall, by its Board of Administrators, have the power to raise revenues through any combination of (a) ad valorem tax levies on property within the jurisdictional boundaries of such entity (b) special assessments, (c) fees, and (d) any other revenue sources as may be permitted by applicable law. Any such tax levies, special assessments, fees, or other revenue sources shall be in addition to any Assessment levied by the Owners' Association for Operating Expenses pursuant to the Master Documents.

ARTICLE 5
LAND USE CLASSIFICATIONS OF COMMITTED PROPERTY; ADMINISTRATION AND RIGHTS

5.01 In General. The Committed Property shall be transferred, demised, sold, conveyed and occupied subject to assigned Land Use Classifications in accordance with the terms of this Master Declaration as follows:

5.02 Land Use Classifications. The effect of assigning a Land Use Classification to Committed Property shall be to restrict the use of such Committed Property to uses consistent with such Land Use Classification. The Committed Property shall be used only as permitted by the Land Use Classifications hereinafter set forth, except (i) as otherwise declared in the Order or (ii) if Declarant, in its sole and absolute discretion, establishes other Land Use Classifications describing the specific land uses to which Committed Property may be put.

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(a) Residential Property.

(1) In General: Residential Property is the Land Use Classification assigned by Declarant to those portions of the Committed Property designated as Residential Property on the Property Plan, this Master Declaration, the Order, a Supplement, or otherwise by Declarant. Residential property shall only be for Residential Use, which shall include Dwelling Units and improvements associated with residential purposes and uses including, but not limited to, Dwelling Units, single-family lots, multi-family lots, streets, driveways, sidewalks, entranceways, street lighting, open spaces, parking spaces, lawn areas, landscaping, swimming pools, docks, other recreational facilities and other areas or amenities appurtenant to Dwelling Units; provided, however, that facilities and other improvements related to construction, development, sales, and rental activities shall be permitted Residential Uses, as set forth more fully in Article 6.06(a) below.

(2) Administration: Declarant shall have the right, in its sole and absolute discretion, to create or cause to be created, Neighborhood Associations to administer portions of the Residential Property. The Owners of Dwelling Units administered by such Neighborhood Associations shall be responsible for paying assessments levied by such entities for the cost of such administration. The Owners' Association shall have the right, but not the obligation, to fulfill any obligations of such Neighborhood Association which they fail to satisfy, and to specially assess such Neighborhood and Unit Owners in such Neighborhood for the costs incurred for doing so.

(b) Common Areas.

(1) In General: Common Areas is the Land Use Classification assigned by Declarant to those portions of the Committed Property designated as Common Areas on the Property Plan, this Master Declaration, the Order, a Supplement or otherwise by Declarant; and all easements conveyed or dedicated to the Owners' Association and all use rights appurtenant thereto. Portions of the Common Areas may be owned by Persons other than the Owners' Association. Declarant, for so long as it owns any portion of the Total Property, shall determine the manner of making improvements to all Common Areas and the use thereof. Further, Declarant, for so long as Declarant shall have any interest in any portion of the Total Property, shall have the right to modify its plan for appearance of the Total Property and specifically to modify the appearance of the Common Areas and thereafter the Owners' Association shall have the same right as long as the general quality of such plan is not materially and detrimentally changed.

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(2) Administration and Operation: The administration and operation of the Common Areas shall be the responsibility of the Owners' Association, except that the Owners' Association may assign or delegate such responsibility in whole or in part, exclusively or non-exclusively, and permanently or temporarily, for a portion of the Common Areas to a Subassociation, any of the Clubs or the DCDD or an appropriate governmental or quasi-governmental agency by an instrument executed by the Owners' Association. In addition, the Owners' Association may agree with any Subassociation or the DCDD or governmental or quasi-governmental agency to maintain all or any portion of any Common Area dedicated by Declarant to such Subassociation, DCDD, or governmental or quasi-governmental agency and the cost of such maintenance shall be either assessed against the appropriate Subassociation and the members thereof or, if such Common Area was dedicated to a governmental or quasi-governmental agency, assessed as an Operating Expense. It is currently anticipated that the DCDD will perform those functions set forth in Article 4.02 above.

(3) Certain Declarant Rights: Declarant shall have the right, in its sole and absolute discretion, to alter the boundaries of the Common Areas and construct, develop or modify the Common Areas and any improvements, easements and use rights thereon or appurtenant thereto in a manner determined appropriate by Declarant to be in the best interest of the Total Property without the joinder or consent of any Person including, without limitation, the Owners' Association, any Subassociation or the Owners, for so long as Declarant shall have any interest in any portion of the Total Property. Declarant shall also have the right for so long as it owns any portion of the Total Property to designate additional Common Areas or Residential Property from areas which were previously designated as Residential Property or Common Areas, as the case may be, or other types of areas, or by causing portion(s) of Uncommitted Property to become Committed Property, subject only to the provisions of the Order, by executing an amendment to this Master Declaration or a Supplement without the joinder or consent of any person.

(4) Specific Uses: The Common Areas shall be kept, maintained and used as set forth in this Master Declaration. Declarant is not obligated by this Master Declaration to create any Common Areas on the Total Property, and the mentioning of a use permitted on Common Area is by example only and shall not require the establishment of same. Common Areas are not Public Property. Every Member shall have a non-exclusive right and easement of enjoyment and use in and to the Common Areas for their intended purposes, which right and easement shall be appurtenant to and shall pass with the title to the Unit owned by such Member, subject to the Master Documents and all applicable governmental regulations including, without limitation, the Order.

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(i) "Common Recreation Areas" means those Common Areas designated for use as "Common Recreation Areas" on the Property Plan, this Master Declaration, the Order, a Supplement or otherwise by Declarant. Common Recreation Areas shall be used only for "Recreational Purposes", which may include but are not limited to any clubhouse, recreational pavilion, dockage facilities, tennis courts, racquetball or squash courts, basketball courts, bicycle paths, bridle paths and equestrian trails, jogging paths, playing fields, shuffleboard courts, volleyball courts, swimming pools, picnic areas, beach areas, barbecue areas, parks, open areas, landscaped areas and the like and any other areas designated by Declarant or Declarant's designee as Common Recreation Areas.

(ii) "Open and Landscape Areas" means those Common Areas designated for use as Open and Landscape Areas on the Property Plan, this Master Declaration, the Order, a Supplement or otherwise by Declarant, which shall be maintained in accordance with the improvement thereof by Declarant, including being grassed planted, irrigated, landscaped, or paved, or in accordance with the requirements of applicable governmental agencies, or as may be required by the Order.

(iii) "Water Management System" means, collectively, those Common Areas designated as Water Management System on the Property Plan, this Master Declaration, the Order, a Supplement or otherwise designated by Declarant. Any Water Management System shall be maintained by the Owners' Association or the DCDD, together with any adjacent shoreline, in an ecologically sound condition for water retention, drainage, water quality maintenance, and aesthetic purposes in compliance with applicable governmental requirements, including, without limitation, the Order. The boundaries of any Water Management System shall be subject to accretion, reliction, or other natural changes. In accordance with Article 4.02, it is currently anticipated that the DCDD will perform the functions set forth in this subparagraph. However, the DCDD may contract with the Owners' Association or any other Person to perform the operational and maintenance functions set forth herein and hereunder.

(iv) "Roadways" means those Common Areas designated as Roadways on the Property Plan, this Master Declaration, the Order, a Supplement, or otherwise designated by Declarant, and all improvements thereon including, but not limited to, entranceways, street signs, directional signs, street lights, bicycle paths, bikeways, pedestrian walkways, and bridges, roadway landscaping, Community and Neighborhood identification signs, and guardhouse areas. Roadways shall be kept and maintained by the Owners' Association or the DCDD as roadways to provide a means of ingress and egress (i) to and from

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publicly dedicated streets and (ii) between and among all portions of the Total Property for the use of Declarant and the Owners' Association and their designees, the Subassociations, the Builders, and the Owners, their family members, guests, licensees, lessees, their family members, guests and invitees and all governmental and quasi-governmental agencies and service entities having valid jurisdiction over the Total Property while engaged in their respective functions. Declarant hereby reserves the right to grant easements for ingress and egress of utilities over the Roadways to serve, and for the benefit of, portions of the Total Property. Declarant hereby further reserves the right to re-align Roadway rights-of-way as required by appropriate governmental or quasi-governmental agencies to provide for the safe and efficient movement of traffic and the avoidance of Sanctuaries, as described below, on the Total Property.

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(v) "Sanctuaries" means those portions of the Common Areas designated as Sanctuaries on the Property Plan, this Master Declaration, the Order, a Supplement, or otherwise designated by Declarant for vegetation, sanctuaries, wetlands, sloughs, other environmentally sensitive areas, historical or archaeological sites, beautification, drainage areas, wildlife habitat, hammocks, fish and game, irrigation, dunes or other protected purposes or uses. The Owners' Association or the DCDD shall be responsible for maintaining, repairing, restoring, and replacing the Sanctuaries, as necessary, in accordance with the applicable governmental regulations, including the Order. Declarant, for so long as Declarant shall own any portion of the Committed Property, shall have the absolute right, in its sole discretion, subject only to the provisions of the Order, to designate, de-designate, or modify the existence, extent and appearance of Sanctuaries, and thereafter the Owners' Association shall have the same right so long as the general extent and quality of Sanctuaries is not materially and detrimentally changed.

(vi) "Entranceways" means those Common Areas designated as Entranceways on the Property Plan, this Master Declaration, the Order, a Supplement, or otherwise designated by Declarant, and all improvements thereon including, but not limited to, entranceways, entrance features, gatehouses, streets, landscaping, street lights, wall structures, decorative lighting, fountains, signage, walkways, bicycle paths, and related facilities, and shall be kept and maintained by the Owners' Association or the DCDD as and for Entranceways and for ingress and egress into and out of the Total Property or any portion thereof by Declarant for the use of Declarant and the Owners' Association and their designees, the Subassociations, the Owners, and their family members, guests, licensees, lessees, their family members, guests and invitees and all governmental and quasi-governmental agencies and service entities having valid

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jurisdiction over the Total Property while engaged in their respective functions.

(5) Conveyance of Common Areas:

(i) Time: Declarant and the Additional Owners agree that they shall convey to the Owners' Association and the Owners' Association agrees that it shall accept, fee simple title to those portions of the Common Areas they own in an "As Is" condition subject to: this Master Declaration, Supplements, and all other Master Documents; the Order; real estate taxes for the year of such conveyance; all applicable zoning ordinances and other land use regulations; such facts as an accurate survey would show; and all covenants, easements, restrictions and reservations of record. Declarant and the Additional Owners shall convey to the Owners' Association by quit-claim deed all such portions of the Common Areas not previously conveyed to the Owners' Association on or before Turnover. That notwithstanding, Declarant and the Additional Owners may convey all or portions of the Common Areas to the Owners' Association at such time prior to Turnover as Declarant may determine. THE OWNERS' ASSOCIATION AGREES TO ACCEPT "AS IS" THE CONVEYANCE OF THE COMMON AREAS AND THE PERSONAL PROPERTY AND IMPROVEMENTS APPURTENANT THERETO, WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION OR FITNESS OF THE COMMON AREAS OR PORTIONS THEREOF AND THE PERSONAL PROPERTY AND IMPROVEMENTS THEREON. All costs and expenses of such conveyance shall be paid for by the Owners' Association.

(ii) Declarant Approval: Once title to a Common Area(s), or any portion thereof, becomes vested in the Owners' Association, such Common Area(s) shall not be abandoned, partitioned, alienated, released, transferred, hypothecated, or otherwise encumbered without first obtaining, until Turnover, the written approval of Declarant, and at least two-thirds (2/3) of the Community Members excluding Declarant; and after Turnover not less than a majority of the Members. The last preceding sentence shall not be applicable to nor prohibit the Owners' Association from granting such easements as are reasonably necessary or appropriate for the Total Property in a manner consistent with the provisions of the Master Documents nor shall the foregoing prohibit the Owners' Association after Turnover from encumbering the Common Areas provided such encumbrances are solely to secure loans obtained for improving the Common Areas being encumbered and the lien of such encumbrance is not superior to the provisions of this Master Declaration.

(6) Neighborhood Common Areas and Community Common Areas: Neighborhood Common Areas and Community Common Areas are the Land Use Classifications assigned by Declarant to those portions of the Total Property the use of which has been

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primarily granted to a Neighborhood, Neighborhood Association or Community. The specific use classifications of these Land Use Classifications shall be the same as set forth above for the Common Areas, except that, in addition to the Owners' Association or the DCDD having the maintenance responsibility, this responsibility may also be performed by a Subassociation. Moreover, the Community Common Areas and Neighborhood Common Areas shall be conveyed to the Owners' Association under the same terms and conditions as set forth for Common Areas in Article 5.02(b)(5) above.

(c) Tracts.

1. In General: Tracts are those portions of the Committed Property assigned Land Use Classifications by Declarant as Recreational Property or as commercial or industrial property provided that Declarant shall have the right to assign other, secondary Land Use Classifications to Tracts. Tracts may be used for any purpose consistent with the Land Use Classification assigned thereto as may be permitted by applicable governmental land use regulations and as hereinafter set forth:

(i) "Recreational Property" means the Land Use Classification assigned by Declarant to those portions of the Committed Property designated as Recreational Property on the Property Plan, this Master Declaration, the Order, a Supplement, or otherwise by Declarant. Recreational Property is not part of the Common Areas and shall not be for the use of the Members except as the Owner(s) thereof shall permit, if at all. Recreational Property shall be used only for private, recreational purposes including, without limitation, country club facilities, golf courses, tennis courts, swimming complexes, beach club facilities, restaurants, playing fields, parks, and all structures, facilities, and the like and other improvements reasonably related thereto, as may be permitted by applicable governmental land use regulations, or the Order.

(ii) Declarant may create other Land Use Classifications for commercial or industrial purposes.

(2) Administration: Declarant, may in its sole discretion by means of a Supplement or otherwise, set forth: (i) how each Tract shall be administered; (ii) the rights and obligations of the Tract Owners; and (iii) any additional restrictions, conditions and covenants running with the Tract.

(d) Other Property. The Owners' Association may enter into easement agreements or other use or possessory agreements whereby the Owners' Association may obtain the use or possession of, or other rights regarding certain property, on an exclusive or non-exclusive basis, and not included within Committed Property, or the Total Property, for certain specified

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purposes. The Owners' Association may agree to maintain and pay for the taxes, insurance, administration, upkeep, repair, replacement or maintenance of such property, regardless of whether it has obtained the use or possession of same, and other property which Declarant, until Turnover, and thereafter the Owners' Association, determines to be desirous or beneficial for the development of the Total Property, the expenses of which shall be an Operating Expense. Prior to Turnover, no such agreement shall be entered into without the prior written consent of Declarant.

5.03 Disputes as to Use. If there is any dispute as to whether the use of the Committed Property or any portion thereof complies with this Master Declaration, any Supplement, or other Master Documents, such dispute shall be referred to Declarant until Turnover and thereafter to the Owners' Association, and a determination rendered by such Person with respect to such dispute shall be final and binding on all Persons concerned therewith.

ARTICLE 6
USE RESTRICTIONS; CERTAIN DECLARANT'S RIGHTS

6.01 In order to preserve the values and amenities of the Total Property, the following provisions shall be applicable to the Committed Property:

(a) Mining, Drilling and Dredging: There shall be no commercial mining, quarrying or drilling for minerals, oil, gas or otherwise ("Mining Activity") undertaken within any portion of the Committed Property. Excepted from the foregoing shall be activities of Declarant or the Clubs or the Owners' Association or their designees in dredging lakes or water areas; creating, excavating or maintaining drainage or other facilities or easements; and installing wells, pumps or sprinkler systems. Further excepted is excavation for swimming pools or spas constructed on the Committed Property in accordance with this Master Declaration. Declarant shall have the right to excavate and remove fill from portions of the Total Property and any fill removed from portions of the Total Property by Declarant shall be Declarant's property. No dredging shall be permitted anywhere on Sanctuaries without the prior written consent of Declarant.

(b) Alteration of Drainage: Except for Declarant's acts and activities in the development of the Total Property, no change in the condition of the soil or the level of the land of any portion of the Committed Property shall be made which results in any permanent change in the flow or drainage of surface water of or within the Total Property without the prior written consent of the Board. No surface water within the Water Management

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System of the Total Property may be used for the irrigation system of any Unit.

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(c) Water Management System: (1) No Structure shall be increased in size by filling in any Water Management System or other drainage areas on which it abuts without the approval of the Declarant. (2) No Owner shall fill, dike, rip-rap, block, bulkhead, divert or change the established Water Management System that have been or may be created by easement, plat, or as set forth in the Order without the prior written consent of Declarant. (3) Swimming in the Water Management System is prohibited. ANY PERSONS WHO SWIM IN OR OTHERWISE USE ANY WATER MANAGEMENT SYSTEM, OR USE ANY ISLAND LOCATED IN ANY LAKE OR MARSH, SHALL DO SO AT THEIR OWN RISK AND SHALL HOLD DECLARANT AND THE OWNERS' ASSOCIATION HARMLESS FROM ANY CLAIM OR LOSS ARISING THEREFROM. (4) No traffic or craft of any type shall be permitted on the Water Management System, except that this prohibition shall not apply to craft used by the DCDD, Owners' Association or Declarant or to craft used to provide maintenance and emergency services. (5) No dock, davit or other Structure abutting the Water Management System shall be constructed, unless the construction and maintenance of such Structure is approved by Declarant, and, if located on property subject to a Neighborhood Declaration, permitted by the applicable Neighborhood Declaration. The Declarant, Owners' Association and/or Design Review Committee shall have the right to promulgate and enforce rules and regulations concerning the size, location and manner of use of any dock, davit, or other Structure so permitted.

(d) Protection of Wildlife: (1) No Person shall endanger or cause to be endangered any threatened or endangered animal species (as defined in federal and state laws) anywhere on the Committed Property without the approval of the appropriate governmental agencies. (2) No hunting of any type shall be permitted on the Total Property. (3) No flora or plant life shall be removed from the Water Management System unless otherwise permitted by the DCDD or Declarant. (4) Declarant, the DCDD, the Owners' Association, and any of the Clubs shall not be responsible for any damage or injuries caused by any wildlife and shall be held harmless from any claim or loss arising therefrom.

(e) Protection of Archaeological and Historical Sites: No Person shall damage, excavate, endanger, alter, or engage in construction upon any portion of the Committed Property which has been determined by an appropriate governmental or quasi-governmental agency to be an actual or potential archaeological or historical site without the prior consent of such governmental or quasi-governmental agency.

(f) Antennas, Aerials, Discs and Flagpoles: Except as may be permitted by the prior written consent of the Board, which consent shall be based on the Development Codes or as provided in

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the Rules, no antennas, aerials, discs or flagpoles shall be placed upon any Residential Property unless completely inside a Dwelling Unit or other Structure.

(g) Energy and Water Conservation: No practices inconsistent with the "General and Special Conditions for Development" ("Attachment A") of the Order, a copy of which conditions are attached hereto as Exhibit "G", regarding energy conservation shall be permitted anywhere on the Total Property. In accordance with provision 11.3 of Attachment "A" of the Order, to maximize water conservation in Hammock Dunes, Owners shall permit only the installation of water-conserving (low volume) water closets, and faucet and shower flow restrictors in all Structures. Declarant may further specify these requirements in the Development Codes.

(h) Litter: No garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon any part of the Committed Property except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Board and shall be screened from view in a manner deemed suitable by the Board and kept in a clean condition with no obnoxious or offensive odors emanating therefrom; the suitability of any collection facilities pertaining to any of the Clubs shall be determined solely by the Club involved. Excepted from the foregoing shall be all construction debris, refuse, unsightly objects and waste upon any portion of the Committed Property owned by Declarant or its designee through the period of construction of Dwelling Units or other Structures or improvements upon the Committed Property.

(i) Radio Equipment: No ham radios or radio transmission equipment shall be operated or permitted to be operated in the Residential Property without the prior written consent of the Board.

(j) Casualty Destruction to Structure: If a Structure upon the Residential Property or any of the Common Areas, Community Common Areas or Neighborhood Common Areas is damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time, as determined by Declarant until Turnover and thereafter by the Board, after such incident, the Owner thereof or the Subassociation administering same shall either commence to rebuild or repair the damaged Structure and diligently continue such rebuilding or repairing activities to completion or, upon a determination by the Owner or the Subassociation that the Structure will not be repaired or replaced, promptly clear the damaged Structure and grass over and landscape such Committed Property in a sightly manner approved by the Board. As to any reconstruction of a destroyed Dwelling Unit or other Structure, same shall only be replaced with Dwelling

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Unit(s) or Structure(s) of a similar size and type as those destroyed, subject to approval by the Design Review Committee as set forth in Article 6.02 hereof.

(k) Common Areas: Nothing shall be stored, constructed within, or removed from the Common Areas, Community Common Areas or Neighborhood Common Areas other than by Declarant until Turnover, and thereafter the Board, except with the prior written approval of Declarant or the Board, as appropriate.

(l) Insurance Rates: Nothing shall be done or kept on the Common Areas which will increase the rate of insurance on any property insured by the Owners' Association without the written consent of the Board.

(m) Pets: No livestock or poultry shall be kept or raised upon any portion of the Committed Property. Pets shall be prohibited from all portions of the Common Areas except where specifically designated by the Board. An Owner, by the purchase of his Dwelling Unit, agrees to indemnify the Owners' Association and hold it harmless against loss or liability of any kind arising from his having any animal on the Total Property. Neighborhood Declarations may further limit or regulate the keeping of household pets and other animals, and Sub-associations shall have the right to further limit or regulate the keeping of household pets and other animals on that portion of the Total Property within their jurisdiction.

(n) Signs: No sign, advertising or notice shall be permitted on the Total Property unless specifically permitted by the prior written consent of Declarant until Turnover and thereafter the Board. Notwithstanding the foregoing, Declarant reserves the right for itself and its designees to place and maintain signs in connection with construction, marketing, sales and rental of Units and identifying or information signs anywhere on the Committed Property.

(o) Garbage Containers, Oil and Gas Tanks, Air Conditioners, Pool Equipment: All garbage and trash containers, oil tanks, bottled gas tanks, air conditioners, and swimming pool equipment on the Residential Property shall be underground or placed in walled-in areas or landscaped so that they are not visible from any Roadway or an adjacent Dwelling Unit, and adequate landscaping surrounding same shall be installed and maintained.

(p) Maintenance of Premises: (1) No weeds, or other unsightly growth shall be permitted to grow or remain upon any portion of the Residential Property or the Common Areas, and no refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon. All lawns, landscaping and sprinkler systems shall be kept in a good, clean, neat and

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attractive condition, and all lawns and landscaping must be properly maintained through an independent irrigation system. (2) Only biodegradable fertilizers, pesticides and fungicides approved by the United States Environmental Protection Agency and the Florida Department of Environmental Regulation shall be used within Hammock Dunes. (3) To the maximum extent possible, indigenous plants shall be used for landscaping, as may be further set forth in the Development Codes. (4) The Residential Property and the Common Areas, and any Dwelling Units or other Structures thereon, shall be kept in good, safe, clean, neat and attractive condition, and all Structures thereon shall be maintained in a finished, painted and attractive condition. (5) Excepted from the foregoing shall be any portion of the Committed Property owned by Declarant through the period of construction of Dwelling Units or other buildings or improvements thereon. (6) Upon the failure to maintain the premises as aforesaid and upon Owners failure to make such improvements or corrections as may be necessary within ten (10) days of giving of written notice (which written notice does not have to be given in the case of emergency, in which event the Owners' Association may without any prior notice directly and immediately remedy the problem), the Owners' Association may enter upon such premises and make such improvements or corrections as may be necessary, the cost of which shall be paid by the Subassociation or Owner, as the case may be. If any such Owner or Subassociation fails to make payment within fifteen (15) days after requested to do so, then the payment requested shall be a lien in accordance with the provisions of Article 9.02 hereof, or the Owners' Association may bring an action at law or in equity. Such entry by Owners' Association or its agents shall not be a trespass, and by the acceptance of a deed for a portion of the Committed Property or by the recordation of any Subassociation documents, such Person has expressly given the Owners' Association the continuing permission to do so, which permission may not be revoked.

(q) Trucks, Commercial Vehicles, Buses, Recreational Vehicles, Mobile Homes, Boats, Campers and Trailers:

(1) No truck, commercial van, bus, recreation vehicle, mobile home, camper or trailer may be kept on the Committed Property except as set forth in subparagraphs (4) and (5) below, and except for any of such vehicles which are completely enclosed in a garage, or those owned, used or designated by any of the Clubs on Recreational Property or the Common Areas.

(2) No Person shall be permitted to keep any vehicle on the Committed Property which is deemed to be a nuisance or in violation of any Rules. Excepted from the foregoing shall be any vehicles owned, used or designated by Declarant.

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(3) Neither Declarant, the Owners' Association nor any Subassociation shall be responsible for any damage or theft to vehicles or the contents thereof parked anywhere on the Committed Property.

(4) Declarant, until Turnover, and thereafter the Board, shall have the right, but not the obligation, to designate certain portions of the Committed Property, which may be relocated or discontinued from time to time, for the parking of trucks, commercial vehicles, buses, recreational vehicles, mobile homes, boats, campers and trailers.

(5) No maintenance or repairs shall be performed on any vehicles upon any portion of the Committed Property except in an emergency situation. All such emergency repairs to disabled vehicles on the Committed Property must be completed within two (2) hours from the immobilization thereof or the vehicle must be removed from the Committed Property. Excepted from this subparagraph (5) shall be Declarant and its designees in connection with and as part of its program of sale, leasing, constructing, marketing, and developing of and within the Total Property and maintenance by the Owners' Association of its vehicles on the Common Areas.

(r) Prohibited Structures: No structure of a temporary character including, but not limited to, trailer, tent, shack, shed, barn or out-building shall be erected on the Committed Property at any time. Excepted from the foregoing shall be Declarant and its designees provided such temporary structures are utilized for construction, sales, or rental purposes.

(s) Nuisances: Nothing may or shall be done on the Committed Property which may be or may become a nuisance. No obnoxious, unpleasant, unsightly or offensive activity shall be carried on, nor may anything be done which can be reasonably construed to constitute a nuisance, public or private in nature. Any questions with regard to the interpretation of this section shall be decided by Declarant until Turnover and thereafter, as to the Residential Property and the Common Areas, the Board, and as to the Recreational Property, the respective Club, whose decision shall be final.

(t) Compliance with Master Documents: Each Owner and his family members, guests, invitees, and lessees and their family members, guests and invitees, and each Subassociation shall be bound by and abide by the Master Documents. The conduct of the foregoing parties shall be considered to be the conduct of the Owner or Subassociation, as the case may be, responsible for, or connected in any manner with, such Person's presence within the Total Property. Such Owner or Subassociation shall be liable to the Owners' Association for any damages to the Owners'

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Association or the Common Areas resulting from the act of any of the foregoing parties (but only to the extent that such expense is not met by the proceeds of insurance carried by the Owners' Association) which shall be paid for by the Owner or the Subassociation as a Special Assessment. Failure of an Owner or Subassociation to notify any Person of the existence of the provisions of this Master Declaration shall not act to limit the right of enforcement of the provisions of this Master Declaration against the Owner or the Subassociation or such person and, in addition, the Owner shall be responsible for any and all violations of these provisions by his tenants, delegates, licensees, invitees or guests, and by guests, licensees and invitees of his tenants at any time. Leases of a Dwelling Unit shall require the tenant/lessee to comply with provisions of the Master Documents and shall permit the Owners' Association to enforce any of the lessor's rights thereunder. If these provisions are not specifically set forth in the lease, they nonetheless shall be included by virtue of the provisions of this subparagraph.

(u) No Implied Waiver: The failure of Declarant or Owners' Association to object to an Owners or other Person's, including, without limitation, a Subassociation's, failure to comply with the covenants or restrictions contained herein or any other Master Documents (including the Rules now or hereafter promulgated) shall in no event be deemed a waiver of the provisions of the Master Documents.

(v) Certain Rights of Builders: The provisions of subparagraphs (a), (b), (q) and (r) in Article 6.01 shall not apply to a Builder during the period of construction by it of a Neighborhood, Tract, Common Area, Community Common Area, or Neighborhood Common Area, to the extent that a waiver of such provisions is necessary and appropriate to permit the Builder to engage in the construction activities required for the normal and proper development of same. In the event of any questions regarding the provisions hereof Declarant, until Turnover, and thereafter the Board, shall make a final determination.

(w) Club Nuisance: No Person shall during a golf tournament on any of the Clubs' facilities engage in any activity whatsoever which shall interfere with the players performance during the golf tournament. Further, no obnoxious, unpleasant, unsightly or offensive activity shall be carried on, which shall interfere with the play of such golf tournament. Declarant shall have, in its sole discretion, the absolute right to temporarily suspend as a distraction any and all construction activity occurring on the Committed Property during golf tournaments. Declarant shall provide all Owners so affected with reasonable prior written notice of such golf tournaments and the dates the construction must be suspended and such date shall be a reasonable duration. Declarant shall have no liability for any

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additional construction costs incurred by Owners or their contractors during such temporary suspension of construction.

6.02 Approval of Plans, Specifications and Locations of Structures

(a) Declarant shall establish, and from time to time modify, Development Codes for the control of the design and location of all Structures and other work, including, without limitation, landscaping within the Committed Property. Different Development Codes based on different design and other criteria may or may not be established for each Land Use Classification and for different Communities, Neighborhoods, or Tracts, as the Declarant or Board shall determine. This Article 6.02 shall be enforceable as provided in Article 14.07.

(b) No Structure shall be commenced, erected, improved, or altered, nor shall any grading, excavation, tree removal, landscaping or change of exterior color or other work which in any way alters the exterior appearance of any Structure, landscaping, other improvement, or of any Common Area, Community Common Area, or Neighborhood Common Area be done without the prior written approval of the Owners' Association acting through its Design Review Committee. Notwithstanding anything contained herein, Declarant reserves the right to assign to any other entity the approval rights specified hereunder for those approvals pertaining to Structures located on any Tract.

(c) Each Person shall, prior to the commencement of any construction, submit the required material to the Design Review Committee, in accordance with the Development Codes.

(d) The approval, rejection or withholding of any approval by the Owners' Association or the Design Review Committee, of the plans, proposals and specifications and the location of all Structures, and every alteration of any Structure, shall not be construed or interpreted as a representation or determination that any building, plumbing, electrical code or other applicable governmental regulations or requirements have or have not been properly met. The approval by the Owners' Association relates only to the aesthetics of the improvements shown on the plans and specifications, and not to their sufficiency or adequacy. Each Person shall be responsible for obtaining all necessary technical data and to make application to and obtain the approval of the appropriate governmental agencies prior to commencement of any work or construction.

(e) The Owners' Association may charge a reasonable fee as part of its approval process hereunder to offset its costs and expenses involved therein. Additionally, the Declarant and the Owners' Association shall have the right to impose some type

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of assurance requirement upon any Builder or Dwelling Unit Owner pertaining to the construction or modification of any Unit. Such assurance requirement may include, but is not limited to, a cash deposit or performance bond.

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(f) The Owners' Association may delegate, on a permanent or temporary basis, any of the rights and powers granted to it in this Article 6.02 to a Subassociation, provided, however, that Declarant's consent to such delegations shall be required prior to Turnover.

(g) Neither the Owners' Association nor the members of the Design Review Committee shall have any duty, responsibility, or liability to any Owner or to any other Person with respect to the exercise of its powers, or the failure to exercise its powers under this Master Declaration. The Owners' Association and the members of the Design Review Committee shall be indemnified and held harmless by such Owner or other person from any and all damages resulting therefrom, including, but not limited to, court costs and reasonable attorneys' fees. The Owners' Association may reject plans, proposals and specifications based on any grounds or reason whatsoever, including purely aesthetic grounds, in its sole and absolute discretion. The decision to approve, reject or withhold its approval may, in the Owners' Association's exercise of discretion, be based upon: (i) the harmony of the Structure's or modification's size, exterior design, color and location in relation to, and its effect upon, surrounding structures, vegetation, topography, Sanctuaries, and the overall community design; (ii) the character of the exterior materials; (iii) the planned quality of the exterior workmanship; (iv) design and construction standards; (v) provisions of the Order; or (vi) any other factor deemed material or relevant.

(h) Any Structure consisting of more than three (3) stories in height shall be equipped with internal fire suppression and protection equipment as more specifically set forth in provision 12.2 of Attachment "A" to the Order, which Attachment is attached to this Declaration as Exhibit "G."

(i) Notwithstanding anything in this paragraph 6.02 to the contrary, the Development Codes and the actions of the Design Review Committee shall not apply to Declarant or any of Declarant's activities, unless otherwise required by the Order.

(j) In accordance with provision 9.3 of Attachment "A" to the Order, no Owner shall permit any construction activity to injure or destroy trees or tree root systems which are identified as protected trees in the Development Codes.

(k) All Structures shall be constructed in accordance with the standards of the "Florida Energy Code", or equivalent standards, as may be established in the Development Codes.

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(l) All windows and sliding doors which are in Units or Structures located adjacent to any of the Clubs' golf course facilities and which windows and sliding doors face a golf course shall be of a particular type of glass as may be further specified in the Development Codes. No "mirrored" windows or sliding doors shall be permitted.

(m) Notwithstanding anything else provided for herein, no Structure and other work, including landscaping, located on any of the Recreational Property shall be subject to the Development Codes, except for those specific portions of Structures and landscaping which can be viewed from the Residential Property or the Common Areas.

6.03 Declarant's, Owners' Association's, and Design Review Committee's Exculpation and Approvals. Declarant, the Owners' Association and the Design Review Committee or any of their agents may grant, withhold or deny their consent, permission or approval in any instance when their consent, permission or approval is permitted or required at their sole discretion and without any liability of any nature or kind to Owner or any other Person for any reason whatsoever and shall be indemnified and held harmless by such Owner or other person from any and all damages resulting therefrom, including, but not limited to, court costs and reasonable attorneys' fees. Every consent, permission or approval by the Owners' Association or the Design Review Committee or their agents under this Master Declaration shall be in writing and binding upon all Persons.

6.04 Subdivision and Regulation of Land.

(a) No portion of the Committed Property shall be divided or subdivided without the prior written consent of Declarant, who may impose certain requirements on the Owner as a condition of its consent.

(b) An Owner shall not inaugurate or implement any variation from, modification to, or amendment of governmental regulations, land use plans, land development regulations, zoning, the Order, or any other development orders or development permits applicable to Committed Property without the prior written approval of Declarant, until Turnover, and thereafter of the Board.

6.05 Rules. The Owners' Association, through the Board, shall have the right to promulgate and impose Rules and thereafter to modify, alter, amend, rescind and augment any of the same with respect to the use, operation and enjoyment of all or a portion of the Residential Property, the Common Areas, the Community Common Areas and the Neighborhood Common Areas and any

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improvements located thereon (including, but not limited to, establishing reasonable fees for the use of facilities and establishing hours and manner of operation).

6.06 Certain Declarant's Rights.

(a) Full Right: Declarant, its successors, designees and assigns shall have the right to make such use of the Committed Property as Declarant shall, from time to time, determine. In recognition of the fact that Declarant will have a continuing and substantial interest in the development and administration of the Total Property, Declarant hereby reserves for itself, its successors, designees and assigns, the right to use all Common Areas, Community Common Areas, Neighborhood Common Areas and all other portions of the Total Property in conjunction with and as part of its program of sale, leasing, construction, marketing, and development including, but not limited to, the right to carry on construction and to enter and transact business, maintain models and sales and rental offices, place signs, employ sales and rental personnel, show Units, and use portions of the Total Property and Units and other improvements owned by Declarant or the Owners' Association for purposes set forth above and for storage of construction materials and for construction and assembling construction components without any cost to Declarant and its successors, nominees and assigns for such rights and privileges. In addition to its other rights to use the Common Areas, Declarant, its successors, designees and assigns, shall have the right to use all or any portion of any building thereon as a sales, rental, or construction office. Any models, sales areas, sales or rental office(s), parking areas, construction office(s), signs and any other designated areas or property pertaining to the sale, construction, marketing, maintenance and repair efforts of Declarant shall not be part of the Common Areas, Community Common Areas and Neighborhood Common Areas and shall remain the property of Declarant or its nominees, as the case may be. Declarant shall have the right to construct, maintain and repair Structures and landscaping and other improvements to be Total Property as Declarant deems necessary or appropriate for the development of the Total Property. Declarant's use of any portion of the Committed Property as provided in this subparagraph (a) shall not be a violation of the Master Documents.

(b) Scope: The rights and privileges of Declarant, its successors, designees and assigns, as herein set forth in subparagraph (a) above are in addition to and in no way limit any other rights or privileges of Declarant, its successors, designees and assigns, under any Master Documents. The provisions of subparagraph (a) above, like other provisions of this Master Declaration, grant or reserve rights to and for Declarant and may not be suspended, superseded or modified in any manner unless same is consented to by Declarant. This right of

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use and transaction of business as set forth herein, like Declarant's other rights herein, may be assigned in writing by Declarant in whole or in part as Declarant deems appropriate.

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ARTICLE 7
COMMUNITIES, NEIGHBORHOODS, AND TRACTS; SUBASSOCIATIONS

7.01 Communities and Neighborhoods. The Residential Property shall be subjected to Neighborhood Declarations as follows:

(a) In General: Declarant, or a Builder or Land Segment Owner with Declarant's prior written consent, may, but is not required to, subject portions of the Residential Property to Neighborhood Declarations in addition to the provisions of this Master Declaration and any applicable Supplement or other document of record executed or consented to by Declarant. Neighborhood Declarations shall designate that portion of the Residential Property subject thereto and may further restrict such Residential Property including, but not limited, to: (i) the number, type, size, location, and appearance of Dwelling Units that may be constructed thereon; and (ii) the establishment of such other amenities, benefits, covenants, easements, restrictions or provisions as Declarant or a Builder or Land Segment Owner, with Declarant's consent, shall deem appropriate. Neighborhood Declarations shall be consistent with the terms hereof, and in the event of a conflict, the terms of this Master Declaration shall prevail. Each Community shall be comprised of one (1) or more Neighborhoods or Tracts and may also contain Community Common Areas. Each Neighborhood shall be comprised of a group of Dwelling Units and may also contain Neighborhood Common Areas.

(b) Community Common Areas: The Owners' Association shall be responsible to maintain the Community Common Areas primarily serving the residents of the Community. The cost and expense of the Community Common Areas shall be borne by the Owners in the Community primarily benefitted by such Community Common Areas.

(c) Neighborhoods:

(1) Neighborhood Declarations: Dwelling Units constructed in a Neighborhood may be administered by a Neighborhood Association in accordance with its Neighborhood Declaration and other Neighborhood Documents. Neighborhood Declarations shall not violate or conflict with the Order. Neighborhood Declarations shall be approved in writing by Declarant and recorded in the Public Records of the County; provided, however, that Declarant's approval thereof shall not be a representation of Declarant that such Neighborhood Declarations are in compliance with the Order.

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(2) Enforcement of Neighborhood Documents: If any Neighborhood Association does not enforce any provision of its Neighborhood Declaration or perform any of its duties and responsibilities pursuant to its other Neighborhood Documents, the Owners' Association shall have the right to enforce such Neighborhood Documents and perform such duties and responsibilities, including any and all maintenance provisions, and obtain the payment of the cost of such enforcement and maintenance. The Owners' Association shall be entitled to reimbursement of attorneys' fees and court costs incurred during the enforcement by it of Neighborhood Documents.

(3) Neighborhood Common Areas:

(i) The cost and expense of the Neighborhood Common Areas shall be borne by the Owners of Dwelling Units located in the Neighborhood and primarily benefitted by such Neighborhood Common Areas as set forth in the Neighborhood Declarations, or otherwise.

(ii) A Neighborhood Association shall have the right, subject to Declarant's prior consent, to contract with the DCDD, the Owners' Association or any other Subassociation, to provide for the operation and maintenance of its Neighborhood Common Areas and to carry out any responsibilities established by the Order.

7.02 Tracts. Declarant, or a Tract Owner with Declarant's prior written consent, shall have the right to provide for the administration and operation of Tracts as may be set forth in this Master Declaration or a Supplement.

7.03 Certain Rights of Declarant Regarding Subassociations. Declarant hereby reserves the right, and the power, but neither the duty nor the obligation, without the consent of any other Person being required:

(a) To amend the specific provisions of this Master Declaration insofar as they apply to one or more Communities, Neighborhoods, or Tracts without amending those provisions with respect to all such Communities, Neighborhoods, or Tracts.

(b) To determine consistency of all Subassociation Documents with this Master Declaration and Declarant's plan of development, and approve and consent to all Subassociation documents prior to their recordation in the Public Records of the County. Subassociation documents shall not be effective until Declarant approves and consents to same.

(c) To require that specific provisions be included in Subassociation documents as Declarant deems appropriate

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including, without limitation, any provisions required to render such Subassociation documents consistent with the requirements of the Order.

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(d) To delegate in whole or in part, exclusively or non-exclusively, and on a permanent or temporary basis, to the Owners' Association or any Subassociation any obligation of maintenance or repair created under this Master Declaration or the Order.

(e) To require that the fiscal year of any Subassociation be the same as that of the Owners' Association.

(f) To require that the Owners' Association approve the budget of any Subassociation prior to the approval by the Subassociation.

(g) To create additional Subassociations for the operation, administration and maintenance of any Neighborhood or groups of Neighborhoods, Community or groups of Communities, Tracts or groups of Tracts, or any combination thereof.

7.04 Certain Rights of Owners' Association Regarding Subassociations.

(a) Enforcement: If any Subassociation fails to comply with this Master Declaration, any other Master Documents, or the Order, the Owners' Association shall have the right and power, but neither the duty nor the obligation, to enforce the provisions of this Master Declaration, the other Master Documents, or the Order, and perform such duties and responsibilities under, or seek judicial relief to require compliance with same, and obtain payment of the cost of such enforcement.

(b) Special Assessments: The Owners' Association shall have the right, in addition to any other Assessment rights of the Owners' Association, to specially assess the Owners in a Subassociation and such Subassociation for expenses incurred by the Owners' Association for such Subassociation.

(c) Entry Rights: The Owners' Association shall have the right, for itself, its designee, or any agent or employee, to enter upon any property administered by a Subassociation to carry out the provisions of the Master Documents or the applicable Subassociation documents, and the same shall not constitute a trespass.

(d) Delegation: The Owners' Association shall have the right and power, but neither the duty nor the obligation, to delegate in whole or in part, exclusively or non-exclusively, and on a permanent or temporary basis, to any Subassociation any

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obligation of maintenance or repair created under this Master Declaration, the Order, or by delegation from Declarant. If a Subassociation does not accept such rights and obligations in a manner consistent with the criteria established by the Owners' Association, then the Owners' Association shall have the right, by its sole act, to terminate such assignment and the Owners' Association shall once again fulfill such rights and obligations.

7.05 Collection of Owners' Association Assessments by Subassociations.

(a) Certain Subassociations shall be responsible to collect Assessments for Operating Expenses from Owners belonging to such Subassociations, unless determined otherwise by the Owners' Association, as set forth more fully in Article 10.01(d) hereof.

(b) The annual budget adopted by each Subassociation shall disclose the current or estimated Assessments to be levied against Owners therein by the Owners' Association.

7.06 Merger of Subassociations. No two (2) Subassociations may merge to form one (1) Subassociation without Declarant's prior written consent. The Subassociation resulting from any such approved merger shall have all of the rights and powers, and all of the obligations, created in the Master Documents regarding the Total Property as did the Subassociations which merged to create it, except as Declarant may otherwise determine.

ARTICLE 8
MEMBERSHIP; VOTING RIGHTS; PROPERTY UNITS

8.01 Membership.

(a) The Membership of the Owners' Association shall be comprised of the Members, including Declarant. Membership in the Owners' Association shall be established when and as set forth in the Articles of Incorporation of the Owners' Association. Declarant may establish classes of membership, as shall be more fully described in the Articles.

(b) Membership, once established, shall be appurtenant to and may not be separated from ownership of a Unit.

(c) Members' rights, powers, duties and privileges shall be as set forth in the Articles and By-Laws.

8.02 Voting Members. The voting rights of the Members, except Declarant, shall be cast at meetings of the Members by their Voting Members, as more fully set forth in the Articles and

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By-Laws. All Voting Members, except for those Voting Members representing Tracts, must be a Member other than Declarant.

8.03 Voting Rights.

(a) Members Other Than Declarant.

(1) Each Dwelling Unit Owner shall be entitled to one (1) vote for each Dwelling Unit owned, which vote shall be exercised by the Voting Member as more fully set forth in the Articles and By-Laws.

(2) Each Land Segment Owner shall be entitled to one (1) vote for each Property Unit owned, which vote shall be exercised by the Voting Member as more fully set forth in the Articles and By-Laws.

(3) The Hammock Dunes Club shall be entitled to a total of twelve (12) votes, which vote shall be exercised by the Voting Member as more fully set forth in the Articles and By-Laws.

(4) The voting rights of any other Tract Owner shall be as may be set forth by Declarant in a Supplement.

(b) Declarant.

Declarant shall have two (2) times the total number of votes of all the Members until Turnover, at which time Declarant shall have the same votes as any other Member for each Dwelling Unit or Property Unit it owns. Declarant shall have the right to cast its own votes in any manner that it desires in its sole discretion.

8.04 Property Units.

(a) At such time as the Declarant executes a Supplement making a Land Segment Committed Property, the number of Property Units assigned to the Land Segment shall be the number of Dwelling Units that are permitted by the Supplement to be constructed thereon, unless such number of Property Units is decreased in an instrument executed and recorded by Declarant, in its sole discretion. Declarant shall incur no liability whatsoever and shall be held harmless if the number of Dwelling Units built upon such Land Segment is more or less than the number permitted by the Supplement.

(b) The number of Property Units assigned to the Land Segment shall be reduced by one (1) for each Dwelling Unit constructed on the Land Segment (i.e., if one hundred (100) Property Units are assigned to a Land Segment and there are twenty-five (25) Dwelling Units constructed on the Land Segment,

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then the Land Segment at that time is obligated for Operating Expenses for only seventy-five (75) Property Units, if the Land Segment Owner is otherwise responsible for its portion of Operating Expenses under this Master Declaration, and the Dwelling Units are obligated for Operating Expenses for, in the aggregate, twenty-five (25) Dwelling Units. When the Land Segment has one hundred (100) Dwelling Units, then the Land Segment no longer has an obligation for Operating Expenses, and the Owners of the Dwelling Units are obligated to pay for each Dwelling Unit owned by them).

(c) Calculations to determine the amount by which the number of Property Units assigned to a Land Segment shall be reduced shall be made on a six (6) month basis, beginning six (6) months after the completion of the first Dwelling Unit. The figure determined every six (6) months shall be used until the next calculation is done six (6) months thereafter by the Owners' Association to determine the allocation of Operating Expenses between the Land Segment and Dwelling Units. The Builder or Subassociation responsible for collecting Assessments for Operating Expenses for such Property Units, if any, shall perform the calculation required hereunder and shall certify same to the Owners' Association, provided that such Builder or Subassociation shall be liable for any incorrect certifications.

(d) If the Land Segment Owner builds fewer Dwelling Units than the number of Property Units assigned to the Land Segment, then the Land Segment Owner may petition Declarant, in a sworn petition, requesting a reduction in the number of Property Units assigned to such Land Segment. Declarant, in its sole discretion, may so reduce the number of Property Units assigned to such Land Segment. If Declarant does so reduce the number of Property Units assigned to a Land Segment, the same shall be reflected in a written instrument executed by Declarant which shall be recorded in the Public Records of the County and same shall have the effect of reducing the maximum number of Dwelling Units which may ultimately be constructed on such Land Segment and the obligation of the Land Segment Owner to pay Operating Expenses for Property Units assigned to the Land Segment all as set forth in such instrument executed by Declarant.

(e) Any dispute as to the number of Property Units assigned to a Land Segment shall be decided by Declarant whose decision shall be final.

ARTICLE 9
COVENANT TO PAY ASSESSMENTS FOR OPERATING EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

9.01 Affirmative Covenant to Pay Operating Expenses. There is hereby imposed upon each Unit, each Community, each

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Neighborhood, each Tract and each Subassociation, the affirmative covenant and obligation to pay to the Owners' Association all Assessments. Each Subassociation, as set forth in Article 10.01(d) hereof, shall have the obligation to collect the Assessments for the Units subject to Assessments it administers or controls and pay same to the Owners' Association when such Assessment is due; provided, however, that the Owners' Association may, in its sole discretion, elect to collect Assessments from particular Subassociations or directly from Owners. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Unit, whether or not it is so expressed in such deed or instrument, shall be obligated and agrees to pay all Assessments for Operating Expenses, including, but not limited to, any then past due in accordance with the provisions of this Master Declaration and consents and agrees to the lien rights hereunder against such Unit. The liability for Assessments for Operating Expenses is personal to the Owner and the Owners grantees and may not be avoided by waiver of the use or enjoyment of Common Areas or by abandonment of the Unit for which the Assessments are made provided that no Owner shall be personally liable for Assessments due prior to the date Owner obtains title to the Unit. Neither liability for Assessments nor the amount of Assessments shall be reduced or avoided due to the fact that all or a portion of the Common Areas or other portions of the Total Property are not complete.

9.02 Establishment of Liens. Any and all Assessments made by the Owners' Association in accordance with the provisions of this Master Declaration, together with interest at the rate of eighteen (18%) percent per annum, or at any other rate which may from time to time be established by the Board, provided that the rate never exceeds the highest rate allowed by law, and costs of collection, including, but not limited to, reasonable attorneys' fees at all trial and appellate levels are hereby declared to be (i) a charge and continuing lien upon the Unit against which each such Assessment is made, and (ii) the personal obligation of the Owner of each such Unit assessed. Pursuant to the provisions of Article 10.01, a lien against a Unit shall be a lien against the Neighborhood or Community or Tract of which it is a part. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written, acknowledged claim of lien by the Owners' Association setting forth the amount due to the Owners' Association as of the date the claim of lien is signed. Upon full payment of all sums secured by that lien, the Person making payment shall be entitled to a satisfaction of the claim of lien in recordable form. The lien of the Assessments and any late costs thereon provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Unit by an Institutional Mortgagee of record. When an Institutional Mortgagee holding a first mortgage of record obtains title to a Unit as a result of foreclosure of its mortgage, such acquirer of title, its

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successors or assigns, shall not be liable for the share of Assessments pertaining to such Unit or chargeable to the former Owner thereof which became due prior to the acquisition of title as a result of the foreclosure, unless the Assessment against the Unit in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the mortgage which was foreclosed. The unpaid share of Operating Expenses or Assessments shall be collectible from all of the Owners, including such acquirer and his successors and assigns.

9.03 Collection of Assessments. If any Owner or Subassociation shall fail to pay Assessments, or any installments thereof charged to such Owner or Subassociation, within fifteen (15) days after the same becomes due, then the Owners' Association shall, in its sole discretion, have any and all of the following remedies, to the full extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Owners' Association:

(a) To accelerate the entire amount of any Assessments for twelve (12) months from the date of the last overdue Assessment based on the then current Assessment amount, notwithstanding any provisions for the payment thereof in installments; provided that in the event of an increase in the Assessment amount in the next year's Budget, such Owner or Subassociation shall be liable for the increase at such time as the increased Assessment becomes due.

(b) To advance on behalf of the Owner or Subassociation in default funds to accomplish the needs of the Owners' Association up to and including the full amount for which such Owner(s) or Subassociation is liable to the Owners' Association and the amount or amounts of monies so advanced together with interest at the highest rate allowed by law (and if there is no limit established by law, then as established by the Owners' Association), and all costs of collection thereof including, but not limited to, reasonable attorneys' fees at all trial and appellate levels, may thereupon be collected by the Owners' Association and such advance by the Owners' Association and such advance by the Owners' Association shall not be deemed a waiver of the default.

(c) To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Owners' Association in like manner as a foreclosure of a mortgage on real property.

(d) To file an action against the Owner or Subassociation at law to collect said Assessment plus interest at the highest rate allowed by law plus court costs and reasonable attorneys' fees at all trial and appellate levels without waiving

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any lien rights or rights of foreclosure in the Owners' Association.

9.04 Collection by Declarant. Until Turnover, if for any reason the Owners' Association shall fail to collect the Assessments, then in that event, Declarant shall at all times have the right, but not the obligation: (1) to advance such sums as the Owners' Association could have advanced as set forth above; and (2) to collect such Assessments and, if applicable, any such sums advanced by Declarant, by using the remedies available to the Owners' Association as set forth above which remedies (including, but not limited to, recovery of attorneys' fees) are hereby declared to be available to Declarant.

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9.05 Rights to Pay Assessments and Receive Reimbursement. Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or severally, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Unit. Further, Declarant until Turnover shall have the right, but not the obligation, at its sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Owners' Association when the same are overdue and when lapses in policies or services may occur. Declarant shall be entitled to immediate reimbursement for such overdue Operating Expenses so paid from the Owners' Association plus any costs of collection including, but not limited to, reasonable attorneys' fees.

9.06 Working Capital Fund. The initial grantee of any Dwelling Unit shall be required to pay to the Owners' Association for that Unit an amount equal to one-sixth of the Unit's share of the annual Operating Expenses. Each Unit's share of the working capital fund must be collected and transferred to the Owners' Association at the time of closing of the sale of each Unit and maintained in an account for the use and benefit of the Owners' Association. The purpose of the fund is to insure that the Board will have cash available to pay any utility deposits which may be required for the Common Areas, to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into the working capital fund are not to be considered as advance payment of regular assessments.

ARTICLE 10
METHOD OF DETERMINING ASSESSMENTS

10.01 Determining Amount of Assessments.

(a) Budget. The total anticipated Operating Expenses for each calendar year shall be set forth in a budget (the "Budget") adopted by the Owners' Association not later than

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October 1st of the calendar year preceding the calendar year for which the Budget is being adopted.

(b) Units Subject to Assessments:

(1) A Dwelling Unit shall be subject to Assessments when it has received a certificate of occupancy from the applicable governmental entity, or upon conveyance of the Dwelling Unit from the Declarant or Land Segment Owner, whichever occurs first, or as may otherwise be set forth in a Supplement.

(2) A Land Segment shall be subject to Assessments upon the earlier of: (i) one (1) year after Declarant or Additional Owner conveys legal title of such Land Segment to a Land Segment Owner; or (ii) the issuance of a certificate of occupancy for at least one (1) Dwelling Unit located on the Land Segment; or (iii) upon such other time as is set forth in the contract for purchase and sale of the Land Segment or such other written instrument between Declarant and such Land Segment Owner or an Additional Owner and such Land Segment Owner, if approved in writing by Declarant.

(3) A Tract shall be subject to Assessments at such time as may be set forth by Declarant in the Articles or a Supplement.

(c) Assessments Against Units. The total anticipated Operating Expenses shall be apportioned to determine the Assessment against each Unit as follows:

(1) Values Assigned to Units:

(i) There shall be assigned to each Dwelling Unit that is subject to Assessments a Value of one (1).

(ii) There shall be assigned to each Land Segment that is subject to Assessments a Value of one (1) for each Property Unit assigned to such Land Segment, as such number of Property Units may be modified in accordance with the provisions of this Master Declaration.

(iii) There shall be assigned to the Hammock Dunes Club Tract a Value of twelve (12).

(iv) There shall be assigned to each other Tract, including those Tracts developed in conjunction with any of the Clubs to be established in the future, that is subject to Assessments a Value as may be set forth by Declarant in a Supplement.

(2) Assessments Determined. The Base Assessment against each Unit subject to Assessments shall be the product

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arrived at by multiplying the total anticipated Operating Expenses reflected by the Budget, other than those Operating Expenses which are properly the subject of a Special Assessment, Community Assessment or a Neighborhood Assessment, by a fraction, the numerator of which is the Value of the Unit and the denominator of which shall be the total of all Values of all Units subject to Assessments in existence as of the date the Budget was adopted; provided, however, that during the period during which Declarant is responsible for the difference between the amount of Assessments payable by Owners other than Declarant and the actual Operating Expenses, as set forth in Article 10.04(b), said denominator shall be 1485. The total number of Units subject to Assessments will be adjusted from time to time in accordance with this Master Declaration. All questions regarding the number of Units subject to Assessments in existence shall be determined by Declarant until Turnover and thereafter by the Board. The total Assessment due from each Unit shall be the Base Assessment plus the appropriate amount of Special Assessments, Community Assessments and Neighborhood Assessments, as set forth in Articles 10.03, 10.05, and 10.06 below, if any.

(d) Collection of Assessments by Subassociations.

(1) Dwelling Units. The Assessment against Dwelling Units which are subject to Assessments shall be in the aggregate assessed against the Neighborhood in which they are located and, if applicable, the Subassociation operating same and shall be assessed and collected by such Subassociation in the same manner as the Subassociation collects shared expenses. If a Dwelling Unit which is subject to Assessments is not administered by a Subassociation, the Owners' Association shall be responsible to collect the Assessments, unless the Owners' Association determines otherwise. The Owners' Association's collection rights pursuant to Article 9.03 shall be as to all such Units subject to Assessments and their Owners and to the Subassociation administering each Neighborhood.

(2) Tracts.

(i) The Assessment against the Hammock Dunes Club Tract shall be in the aggregate assessed against the Hammock Dunes Club.

(ii) The Assessment against other Tracts, including those Tracts developed in conjunction with any of the Clubs to be established in the future, shall be assessed as may be set forth by Declarant in a Supplement. The Assessment against other Tracts shall be determined solely by Declarant, but such Assessment shall be reasonable in comparison to the Assessment assessed against the Hammock Dunes Club.

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(3) The Owners' Association, in its sole and absolute discretion, shall have the right to exercise its collection and lien rights hereunder against the particular Owner who has not paid his portion of the Assessments or may release its lien from a Unit whose Owner has paid this portion of the Assessments.

10.02 Adjustment of Assessment Payments. The Assessments and installments thereof may be adjusted from time to time by the Owners' Association to reflect changes including, but not limited to, changes in the number of Values attributed to Units which are subject to Assessments. When a Unit first becomes subject to Assessments or if a new Value is assigned to a Unit already subject to Assessments, such Unit shall be deemed assessed the amount of such Assessment or installment thereof which would have been assessed against such Unit if it had such Value at the time such Assessment was originally made, prorated from the date the Unit received such Value through the end of the Assessment period in question.

10.03 Special Assessments. Special Assessments include, in addition to other Assessments designated as Special Assessments, whether or not for a cost or expense which is included within the definition of Operating Expenses, those Assessments levied for capital improvements, which include the costs (whether in whole or in part) of constructing or acquiring improvements for or on the Common Areas or the cost (whether in whole or in part) of reconstructing or replacing such improvements, and Assessments levied against Owners or Subassociations for the cost of enforcement and maintenance by the Owners' Association pursuant to Subassociation documents. Special Assessments shall be paid in such installments or in a lump sum as the Owners' Association shall, from time to time, determine. DECLARANT OR ANY OF THE CLUBS SHALL NEVER BE OBLIGATED TO PAY SPECIAL ASSESSMENTS, AND PROPERTY OWNED BY DECLARANT SHALL NEVER BE ASSESSED FOR SAME.

10.04 Liability of Owners for Assessments.

(a) Liability Imposed: By the acceptance of a deed or other instrument of conveyance of a Unit, each Owner thereof acknowledges that each Unit and the Owners thereof are jointly and severally liable for their own Base Assessment and their applicable portion of any Special Assessments, Neighborhood Assessments or Community Assessments. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Units subject to Assessments for the Operating Expenses. Accordingly, it is recognized and agreed by each Owner whose Unit is or becomes subject to Assessments, for himself and his heirs, executors, successors and assigns, that in the event Owners of Units subject to Assessments fail or refuse to pay any Base Assessments against their Units or any portion thereof or their respective portions of any Special Assessments,

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Neighborhood Assessments or Community Assessments, then the other Owners of Units subject to Assessments may be responsible for increased Base Assessments or Special Assessments, due to the nonpayment by such other Unit Owners, and such increased Assessment or Special Assessment can and may be enforced by the Owners' Association and Declarant in the same manner as all other Assessments hereunder as provided in this Master Declaration.

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(b) Declarant Liability for Assessments: Beginning on the date of the recordation hereof, and for so long as Declarant has any interest in the Total Property or until such earlier time as Declarant in its sole discretion shall determine, Declarant shall not pay Assessments (including, but not limited to, Assessments for "Reserves", as defined in Article 11.14) on Units it owns, but shall pay the difference, if any, between the amount of Assessments payable by Owners other than Declarant and the actual Operating Expenses incurred by the Owners' Association for each Assessment period.

10.05 Community Assessments. The Assessment against a Unit subject to Community Assessments shall be the product arrived at by multiplying that portion of the total anticipated Operating Expenses reflected by the Budget which is properly the subject of Community Assessments against the Members of a particular Community, other than those Operating Expenses which are properly the subject of a Special Assessment, by a fraction, the numerator of which is the value of the Unit and the denominator of which shall be the total of all Values of all Units subject to Community Assessments for a particular Community in existence as of the date the Budget was adopted.

10.06 Neighborhood Assessments. The Assessment against a Unit subject to Neighborhood Assessments shall be the product arrived at by multiplying that portion of the total anticipated Operating Expenses reflected by the Budget which is properly the subject of Neighborhood Assessments against the Members of a particular Neighborhood, other than those Operating Expenses which are properly the subject of a Special Assessment, by a fraction, the numerator of which is the Value of the Unit and the denominator of which shall be the total of all Values of all Units subject to Neighborhood Assessments for a particular Neighborhood in existence as of the date the Budget was adopted.

ARTICLE 11
OPERATING EXPENSES; CERTAIN ASSESSMENT CLASSIFICATIONS

The following expenses of the Common Areas and the Owners' Association are hereby declared to be Operating Expenses:

11.01 Taxes. Any and all taxes and assessments levied or assessed upon the Common Areas or any improvements thereon by all

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taxing authorities or districts, and against all personal property owned by the Owners' Association, including any interest, penalties and other charges which may accrue thereon.

11.02 Utility Charges; Garbage Collection. All charges levied by utilities or utility service districts providing services for the Common Areas, and all charges levied for the collection of garbage and refuse from the Common Areas, Dwelling Units and Tracts.

11.03 Insurance. The premiums on the policy or policies of insurance which the Owners' Association, in its sole discretion determines to obtain, provided, however, that the Owners' Association shall obtain and maintain the following insurance coverage unless Declarant determines otherwise in the event such insurance is unavailable or in Declarant's sole opinion cost prohibitive:

(a) Property insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Structures located upon the Common Areas affording protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and for sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and

(b) A comprehensive policy of public liability insurance and, if appropriate, owners and landlord and tenant policies naming the Owners' Association and, until Turnover, Declarant as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Common Areas and any improvements and buildings located thereon, and for any other risks insured against by such policies with limits which the Board deems adequate for damages incurred or claimed by persons and for property damage per occurrence, with no separate limits stated for the number of claims. Such coverage shall include as appropriate, without limitation, protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, liability for false arrests, liability for electronic monitoring systems, libel and slander liability, host liquor liability and such other risks as are customarily covered with respect to areas similar to the Common Areas and in developments similar in construction, location and use.

(c) Adequate fidelity coverage to protect against dishonest acts on the part of officers, Administrators and employees of the Owners' Association and all others who handle or are responsible for handling funds of the Owners' Association or

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to whom such responsibility is delegated, which coverage is to be in the form of fidelity bonds which meet the following requirements: (a) such bonds shall name the Owners' Association as an obligee; (b) such bonds shall be written in an amount equal to at least twenty-five percent (25%) of the estimated annual Operating Expenses; (c) such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar term.

(d) Officer and Administrator liability insurance and liability insurance for Members of the Owners' Association, if available, as shall be determined by the Board to be required or beneficial for the protection of the Administrators and officers of the Owners' Association, and the Members.

11.04 Construction of Structures. The cost of planning, constructing, installing, maintaining, operating, and replacing Structures within the Common Areas required by governmental regulations including, without limitation, the Order, such as, but not by way of limitation, bus benches, bus stops, signage, directional signals and other Structures.

11.05 Reconstruction of Structures and Landscaping. Any and all sums necessary to repair, replace, construct or reconstruct any Structure or landscaping or other improvement upon the Common Areas damaged by any casualty not covered in whole or in part by insurance.

11.06 Maintenance, Repair and Replacement. Any and all expenses necessary to maintain, repair, operate, protect and replace the Common Areas, or any easements or use rights in favor of or which benefit the Owners' Association.

11.07 Lighting. The cost of installing, maintaining, and operating any street lights, other similar lighting equipment, and equipment appurtenant to same now or hereafter located on the Common Areas.

11.08 Administrative and Operational Expenses. The costs of administration for the Owners' Association in the performance of its functions and duties under the Master Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees, management fees, and contracting expenses. Further, the Owners' Association may employ the necessary personnel and contract with the necessary persons or entities to carry out the obligations hereunder. In addition, the Owners' Association may retain a management company or companies or contractors, ANY OF WHICH MANAGEMENT COMPANIES OR CONTRACTORS MAY BE, BUT ARE NOT REQUIRED TO BE, A SUBSIDIARY, AFFILIATE, OR AN OTHERWISE RELATED ENTITY OF DECLARANT, to assist in the operation of the Common Areas, or portions thereof and to perform or assist in the performance of

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certain obligations of the Owners' Association under the Master Documents and the fees or costs of any management company or contractor so retained shall be deemed to be part of the Operating Expenses.

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11.09 Compliance With Laws. The cost of compliance with all applicable laws, statutes, ordinances, regulations, and governmental orders including, without limitation, the Order.

11.10 Indemnification. The Owners' Association covenants and agrees that it will indemnify, defend and hold harmless Declarant, and any related corporations, including but not limited to, parent corporations and their employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life or damage to property sustained on or about the Total Property or other property serving the Owners' Association, or resulting or arising out of the operation of the Owners' Association and improvements thereof and thereon, or resulting from or arising out of activities or operations of the Owners' Association, and from and against all costs, expenses, counsel fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred by Declarant arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered thereon. The costs and expense of fulfilling this covenant of indemnification set forth in this Article 11.10 shall be an Operating Expense to the extent such matters are not covered by the Owners' Association insurance.

11.11 Enforcement of Subassociation Documents. The costs of enforcement of Subassociation documents including, without limitation, any and all maintenance provisions, as the Owners' Association shall deem necessary in accordance with the terms hereof.

11.12 Failure or Refusal of Owners or Subassociations to Pay Assessments. Funds needed for Operating Expenses due to the failure or refusal of Owners, a Subassociation or any of the Clubs to pay Assessments.

11.13 Extraordinary Items. Extraordinary items of expense incurred under the Master Documents such as expenses due to casualty losses, force majeure and other extraordinary circumstances shall be the subject of a Special Assessment.

11.14 Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of the Common Areas and the Structures thereon in an amount determined by the Owners' Association shall be an Operating Expense. The Reserves shall be deposited in a

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separate account in the name of the Owners' Association. The monies collected by the Owners' Association on account of Reserves shall be and shall remain the exclusive property of the Owners' Association and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

11.15 Miscellaneous Expenses. The cost of any item, costs or expenses pertaining to or for the benefit of the Owners' Association or the Common Areas, or any part thereof, not herein specifically enumerated, including, but not limited to, those expenses listed above in this Article 11 which may pertain to Neighborhood Common Areas and Community Common Areas, and which is determined to be an appropriate item of Operating Expense by the Board shall be an Operating Expense.

11.16 Community Assessments; Neighborhood Assessments. The Owners' Association shall have the right to determine in its reasonable discretion that any of the Operating Expenses set forth in this Article 11 shall be assessed as a Community Assessment or Neighborhood Assessment, as the case may be, rather than as part of the Base Assessment.

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ARTICLE 12
EASEMENTS AND OTHER RIGHTS

Grant and Reservation of Easements: Declarant, in addition to any other easements granted or reserved herein, hereby grants to the Owners' Association and the other persons and entities hereinafter set forth, and Declarant reserves unto itself and its nominees the right, on behalf of itself and the Owners' Association, to grant the following exclusive and nonexclusive easements on, upon, over, across, through and under the Committed Property as deemed to be in the best interests of and proper for the Total Property including, but not limited to, easements in favor of Declarant, the Owners' Association, the Subassociation(s), the Clubs and the DCDD, any designees of the foregoing, the Owners, and all their family members, guests, invitees and lessees and their family members, guests and invitees and to various governmental and quasi-governmental authorities and agencies and private concerns for the purposes and uses hereinafter specified.

12.01 Easements and Cross-Easements on Common Areas. Declarant, for itself, its designees and the Owners' Association, reserves the right to impose upon the Common Areas henceforth and from time to time such easements and cross-easements for ingress and egress, maintenance and the installation, maintenance, construction, and repair of utilities and facilities including, but not limited to, electric power, telephone, cable television, master antenna transmission, surveillance services, governmental and quasi-governmental purposes, sewer, water, gas, drainage,

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irrigation, lake maintenance, storm water management, preservation of Sanctuaries, lighting, television transmission, garbage and waste removal, emergency services, and the like as it deems to be in the best interests of, and necessary and proper for the Total Property or any portion thereof.

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12.02 Use of Common Areas. Declarant declares that the Common Areas are subject to a perpetual nonexclusive easement in favor of Declarant, the Owners' Association and their designees, the Subassociations, the DCDD, the Clubs, the Owners and all their family members, guests, invitees and lessees, and appropriate governmental and quasi-governmental agencies to use the Common Areas for all proper and normal purposes including, but not limited to, ingress, egress and access for the furnishing of services and utilities and for such use of the facilities as the same are reasonably intended in accordance with the terms of this Master Declaration, a Supplement, any other Master Documents, or the Order. If ingress or egress to any Unit is through any Common Area, any conveyance or encumbrance of such area is subject to the Unit Owners easement.

12.03 Right-of-Way. A perpetual, nonexclusive easement(s) over and upon the Roadways and the Entranceways to provide ingress, egress and access to and from, through and between the Committed Property and Public Property and to and from portions of the Committed Property in favor of Declarant, the Owners' Association, the Subassociations, the Clubs, and all agents, employees, lessees, invitees or other designees of Declarant or the Owners' Association or the Subassociations or the Clubs or the DCDD; the Owners, the family members, guests, invitees and lessees and their family members, guests, and invitees; and all governmental and quasi-governmental agencies and service entities having jurisdiction over the Total Property while engaged in their respective functions.

12.04 Right of the Owners' Association and Declarant to Enter Upon the Committed Property. An easement(s) for ingress, egress and access in favor of Declarant, the Owners' Association and all agents, employees or other designees of Declarant or the Owners' Association to enter upon Common Areas, Communities, Neighborhoods, or Tracts for the purpose of inspecting any construction, proposed construction, or improvements or fulfilling the rights, duties and responsibilities of ownership, administration, maintenance and repair of either such Owner, Subassociation, or the Owners' Association, as appropriate. Such easement shall include an easement in favor of the Owners' Association and Declarant to enter upon the Common Areas now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designated or for such purposes as they are hereafter redesignated or as Declarant otherwise determines them to be reasonably suited. Notwithstanding the foregoing, nothing contained herein shall be

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interpreted as imposing any obligation upon the Owners' Association or Declarant to maintain, repair, or construct improvements which an Owner, Subassociation, or any of the Clubs is required to maintain, construct or repair.

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12.05 Drainage. A perpetual, nonexclusive easement shall exist in favor of Declarant, the Owners' Association, and their employees, or other designees, the Subassociations, the Clubs, the DCDD and the Owners for the use of Water Management System established throughout the Total Property and an easement for ingress, egress and access to enter any portion of the Committed Property in order to construct, maintain or repair, as necessary, any Water Management System and facilities thereon and appurtenances thereto. No Structure, landscaping, or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may obstruct or retard the flow of water through Water Management System or otherwise interfere with any easement provided for in this Article 12 or the use rights set forth elsewhere in this Master Declaration.

12.06 Easement for Encroachments. An easement(s) for encroachments in favor of Declarant, the Owners' Association, the Subassociations, the Owners, and all Persons entitled to use that portion of the Committed Property in the event any portion of the improvements located on any portion of the Committed Property now or hereafter encroaches upon any of the remaining portions of the Committed Property as a result of minor inaccuracies in survey, construction or reconstruction, or due to settlement or movement. Any easement(s) for encroachment shall include an easement(s) for the maintenance and use of the encroaching improvements in favor of Declarant, the Owners' Association, the Subassociations, the Clubs, the Owners and all their designees.

12.07 Easement Regarding Golf, Tennis, or Other Recreational Use. Declarant, the Clubs' members, all their family members, guests, invitees and lessees, the players or users of golf courses, tennis facilities or other Club facilities, and the spectators at golf or tennis tournaments (collectively, the "Visitors") shall have a perpetual, non-exclusive easement in their favor to use the Roadways and Entranceways as necessary during any use of the golf, tennis or Club facilities on Recreational Property for the purposes of ingress, egress and access to such facilities. Declarant, the Clubs' members, and the Visitors shall also have a perpetual, non-exclusive easement in their favor over the back thirty (30') feet of the real property of any Unit abutting any golf course for the purpose of retrieving any golf ball(s). Any disputes as to the extent of any of these easements during the term of this Master Declaration shall be determined by Declarant in its sole and absolute discretion. Declarant reserves the right to impose upon the Common Areas such other easements as are required for

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the enjoyment of the golf, tennis or Club facilities located on the Recreational Property.

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12.08 Additional Easements. Declarant, until Turnover, and thereafter the Owners' Association, shall have the right to execute, without further authorization, such grants of easement or other instruments as may from time to time be necessary or desirable over, under, across and upon the Total Property or portions thereof or Additional Lands in accordance with or to supplement the provisions of this Master Declaration or as may otherwise be desirable for the development of the Total Property, subject to limitations as to then existing buildings or other permanent structures or facilities constructed within the Total Property. Such easements may be for the use and benefit of persons who are not Members of the Owners' Association, for portions of the Total Property which are not Committed Property hereunder, and for Additional Lands or other real property which is not part of the Total Property.

12.09 Assignments. The easements reserved hereunder unto Declarant may be assigned by Declarant in whole or in part to the Owners' Association, a Subassociation, the DCDD, any of the Clubs, a Builder, any town, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant.

12.10 Owners' Association Right of Entry. The Owners' Association has the irrevocable right of access to each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Areas, Community Common Areas or Neighborhood Common Areas, or for making emergency repairs which are necessary to prevent damage to the Common Areas, Community Common Areas or Neighborhood Common Areas, or to another Unit or Units.

12.11 Water Management System Maintenance Easement. A nonexclusive easement shall exist in favor of the Declarant, the Owners' Association, the DCDD, and all agents, employees or other designees of Declarant, the Owners' Association or the DCDD to enter upon the "Water Management System Maintenance Easement" established throughout Hammock Dunes, which is the perimeter land within twenty (20) feet of the boundary of any of the Water Management System. No Structure, landscaping, or other material shall be placed or permitted to remain on the Water Management System Maintenance Easement which may damage or interfere with the installation or maintenance of utilities or interfere with the right to use the Water Management System Maintenance Easement for its intended purpose of Water Management System maintenance.

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ARTICLE 13
TELECOMMUNICATIONS SYSTEM

13.01 Installation. Declarant hereby reserves unto itself and its designees, successors, assignees and licensees the right, but not the obligation, to construct or install or to contract with any party to construct or install over, across and upon any portion of the Committed Property for the use of the Owners' Association, Subassociations, Owners and their permitted or authorized guests, invitees, tenants and family members, the System, the exact description, location and nature of which have not yet been fixed or determined. Declarant shall have and hereby reserves to itself and its designees, successors, assignees and licensees a perpetual and exclusive right, privilege, easement and right-of-way for the installation, construction and maintenance of the System, the scope, extent, size and location of which over, across, upon and through the Committed Property shall be determined solely by Declarant, its successors, designees and assigns, together with a perpetual and exclusive right and privilege of: (i) unlimited ingress and egress thereto for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing the facilities and equipment constituting the System including, without limitation, any towers, antennas, conduits, wires, cables, lines, panels, boxes, housings, connections, insulators and amplifiers necessary or desirable to receive and distribute services of the System including, without limitation, television and radio signals, electronic banking, surveillance, fire, police and medical protection, and other emergency services; and (ii) transmitting (the facilities and equipment of which shall be owned and exclusively controlled by Declarant, its successors and assigns or its designees).

13.02 System Services. Declarant, and after Turnover the Owners' Association, shall have the right to contract (exclusively or non-exclusively) for the provision of the System as Declarant, and after Turnover the Owners' Association, shall deem in its sole discretion to be in the best interests of the Total Property. The contract may provide that the basic System shall be mandatory for all or a portion of the Owners.

(a) The contract for the System may also provide, in addition to any other provisions as may be deemed appropriate, substantially as follows:

(1) The Owners' Association shall impose, along with Assessments, the amount of the basic fees due and payable from Units for the System and shall collect same and forthwith remit the amount collected to the company or companies with which Declarant or the Owners' Association has contracted for the furnishing of System services (the "Contractual Designee"). In the event a Subassociation collects Assessments as set forth in

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Article 10.01(d)(1), the Subassociation shall likewise collect the basic fees due and payable from Units for the System and so remit the same.

(2) Every Dwelling Unit Owner hereby agrees that the Owners' Association and Subassociation collecting basic cable television and other fees and their respective successors and assigns shall have a lien upon such Dwelling Unit for the respective charges.

(3) Any Institutional Mortgagee becoming a Dwelling Unit Owner by reason of foreclosure of its mortgage or by accepting a deed in lieu thereof shall be excused from the payment of fees while it is such Owner and has not placed any other person in possession of such Dwelling Unit. When an Institutional Mortgagee or other Owner of a Dwelling Unit obtains title to the Dwelling Unit as a result of the foreclosure of an Institutional Mortgagee, such acquiror of title, its successors and assigns, shall not be liable for the payment of the aforementioned charges pertaining to such Dwelling Unit which became due prior to acquisition of title in the manner provided above.

(4) The Contractual Designee may impose such additional charges for optional System Services as are consistent with rates for services as approved by any local governmental agency having jurisdiction over the franchising of such services. Such services shall not be mandatory and charges therefor shall be individually billed to the Dwelling Unit Owner.

(b) Declarant may excuse portions of the Committed Property from the provisions of this Article 13 which, in the determination of Declarant, have uses for System services inconsistent with the overall design of such services in the Total Property as a whole.

(c) The provisions of this Article 13 shall be effective for a period of fifteen (15) years from and after the date of recordation of this Master Declaration after which time they shall be extended, automatically, for successive periods of fifteen (15) years initially and two (2) ten (10) year periods thereafter provided that upon demand of Declarant or the Owners' Association, or their successors and assigns, given at least one (1) year prior to the expiration of each term, the Contractual Designee or Designees, their successor and assigns, update their Systems to the then current state-of-the-art as determined by agreement or, in its absence, by arbitration.

(d) Enforcement of the contract shall be by an appropriate action at law or in equity against any Persons violating or attempting to violate any covenants contained therein. The bringing of one action shall not constitute an

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election of remedies or exclude the bringing of another action. When the Contractual Designee enforces the provisions of this Article 13, it shall be entitled to payment of court costs and reasonable attorneys' fees and expenses.

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13.03 Conveyance of System. Declarant hereby reserves the right, but shall not be obligated (including after Turnover), to convey, transfer, sell or assign (hereinafter collectively in this Article 13.03 referred to as "convey") any or all of the System, or the rights, duties or obligations arising out of the administration and operation of the System to the Owners' Association, any Subassociation, or any other Person. All rights of Declarant in and to such portion of the System conveyed shall transfer to the recipient of such rights regarding the System. There may be more than one recipient of the System. The System shall be conveyed by Declarant only to Persons providing System services to that portion of the Committed Property served thereby. If Declarant conveys the System or any portion thereof to the Owners' Association, the System shall become Common Areas. Declarant shall determine all terms of any conveyance of the System, which terms may include, without limitation, that (i) the conveyance be made with nominal consideration, (ii) no Person's consent or approval of the conveyance be required, (iii) in the event the conveyance is to the Owners' Association, such conveyance shall be automatically accepted, and (iv) all costs and expenses of closing the conveyance shall be borne by the Person to whom the System is being conveyed.

13.04 Disclaimer. DECLARANT AND THE OWNERS' ASSOCIATION EXPRESSLY DISCLAIM ANY GUARANTEE OR WARRANTY OF THE MERCHANTABILITY OR FITNESS FOR USE OF THE SYSTEM, OR ANY PORTION THEREOF, OR THAT THE SYSTEM OR ANY PORTION THEREOF WILL PREVENT INTRUSION, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SAME, REGARDLESS OF THE PURPOSE OF THE DESIGN OF THE SYSTEM OR PORTION THEREOF. FURTHER, DECLARANT, THE OWNERS' ASSOCIATION, SUBASSOCIATIONS, BUILDERS, AND CONTRACTUAL DESIGNEES STATE, AND THE PERSONS SERVED BY THE SYSTEM ACKNOWLEDGE, THAT THE OPERATION OF THE SYSTEM DOES NOT RENDER ANY OF THE AFORESAID PARTIES INSURERS OF THE PROPERTY OR SAFETY OF THE PERSONS SERVED THEREBY. SUCH PARTIES FURTHER ASSUME NO LIABILITY FOR ANY LOSS OR DAMAGE TO PERSONAL PROPERTY RESULTING, WHETHER PROXIMATE OR OTHERWISE, FROM ANY FAILURE OR ALLEGED FAILURE OF THE SYSTEM OR ANY PORTION THEREOF, NEGLIGENCE OF THE CONTRACTUAL DESIGNEE, OR ACTS OF GOD.

ARTICLE 14
GENERAL AND PROCEDURAL PROVISIONS

14.01 Subordination. Declarant and the Owners' Association agree that their respective interests as provided for in this Master Declaration shall be and are subordinate to the lien, encumbrance and operation of any existing (as of the date

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hereof) mortgages encumbering any portion of the Total Property and any additional replacement or subsequent mortgages obtained by Declarant for the purpose of financing the construction of improvements to take place upon any portion of the Total Property. While the provisions of this Article are self-operative, the Owners' Association nevertheless agrees to execute such instruments in recordable form as may be necessary or appropriate to evidence the foregoing subordination of their respective interest to any such mortgages and shall do so forthwith upon request of Declarant.

14.02 Master Declaration Runs With Committed Property; Term. The covenants, reservations, restrictions and other provisions of this Master Declaration shall run with and bind the Committed Property and shall inure to the benefit of Declarant and all Owners, their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Master Declaration is recorded, after which time this Master Declaration shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by at least two-thirds (2/3) of the Members has been recorded agreeing to change or terminate (if not prohibited by other provisions of this Master Declaration), this Master Declaration in whole or in part.

14.03 Owners' Association Delegation. The Owners' Association shall have the right to delegate any of its rights, powers, or obligations under this Master Declaration or other Master Documents to a Subassociation; provided, however, that until Turnover, Declarant first consent thereto in writing. Additionally, the Owners' Association shall have the right and the power, but neither the duty nor the obligation, to delegate or to contract in whole or in part, exclusively or non-exclusively, and on a permanent or temporary basis, to or with the DCDD or any other Person concerning any obligation of maintenance, operation or repair created under this Master Declaration, the Order or by delegation from Declarant.

14.04 Completion of Construction - Remedy. Once the construction of any Structure is begun, work thereon must be prosecuted diligently and completed within a reasonable time. If for any reason work is discontinued or there is no substantial progress toward completion, for a continuous sixty (60) day period, Declarant shall have the right to notify the Owner of its intentions, enter the Unit and take such steps as might be required to correct the undesirable appearance or existence of the Structure including, but not limited to, demolition or removal thereof, or pursue any of the remedies under this Master Declaration. The reason for such correction may include but not be limited to aesthetic grounds. The Owner shall be liable for all costs and attorneys' fees incurred in such action which shall be a continuing lien against said Unit collectable in accordance

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with Article 9.03. Declarant shall have the right in its sole discretion to delegate its rights under this Article 14.04 in whole or in part to the Owners' Association or any Subassociation. This Article 14.04 shall not apply to Structures located on any Recreational Property.

14.05 Non-Liability of Declarant. Declarant shall not in any way or manner be held liable or responsible for any violation of this Master Declaration by any Person other than Declarant. Additionally, NEITHER DECLARANT NOR OWNERS' ASSOCIATION MAKE ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL MEMBERS AGREE TO HOLD DECLARANT AND THE OWNERS' ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT.

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14.06 Amendment of Master Declaration.

(a) In addition to any other right of amendment or modification provided for in this Master Declaration, in which case those provisions shall apply, Declarant shall have the right until Turnover, in its sole discretion and by its sole act without the joinder or consent of any Person, unless provided otherwise herein, by an instrument filed of record, to modify, enlarge, amend, delete, waive or add to provisions of this Master Declaration; provided, however, that the Owners' Association shall, forthwith but not more than ten (10) days after request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request. Failure to so join and consent to an amendment or modification, if any, shall not be cause to prevent such modification or amendment from being made by Declarant or to affect the validity thereof.

(b) Except as set forth in subparagraph (a) above, the process of amending or modifying this Master Declaration shall be as follows:

(1) Until Turnover, all amendments or modifications shall be first approved in writing by Declarant.

(2) Regarding the determination of Assessments and voting rights, (a) by the vote of two-thirds (2/3) of all Members, together with (b) the approval or ratification of a majority of the Board. The aforementioned vote of the Members may be evidenced by an instrument of writing signed by the required number thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Owners' Association called and held in accordance with the By-Laws, evidenced by a certificate of the Secretary or an Assistant Secretary of the Owners' Association. All other amendments, including, without limitation, amendments for correction of

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scrivener's errors or other defects in the Master Documents, may be made by Declarant alone until Turnover and thereafter by the Board alone without the need of consent of the Owners.

(3) Supplements are not amendments and need only be executed by Declarant alone.

(4) No amendment to this Master Declaration or any other Master Documents shall be effective which shall affect the operation or application of the Order regarding any portion of the Total Property without the prior written approval of the County.

(5) After Turnover, a true copy of any amendment to this Master Declaration shall be sent via certified mail by the Owners' Association to Declarant within five (5) days of its adoption.

(6) Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Owners' Association, or any of the Clubs, under this Declaration or any other of the Master Documents without specific written approval of such Declarant, Owners' Association, or Club affected thereby.

14.07 Enforcement.

(a) Declarant reserves unto itself and its designees the right and the power (i) to enforce the covenants, conditions, restrictions, and other provisions of this Master Declaration, and (ii) to delegate or assign, either exclusively or non-exclusively, any or all of its rights, powers, duties or privileges hereunder to the Owners' Association, a Subassociation, an Owner, the DCDD, or to any other designee.

(b) If Declarant does not enforce the covenants, conditions, restrictions or other provisions of this Master Declaration, then the following parties may in the following priority enforce same as hereinafter set forth: (1) the Owners' Association; (2) a Subassociation. If a party with a lesser priority desires to enforce this Master Declaration, then that party must first give thirty (30) days' written notice to the parties with higher priority, starting first with Declarant, that the noticing party intends to initiate enforcement upon the expiration of such thirty (30) day period, and if during such period the parties with the higher priority do not initiate enforcement procedures then the party of the lesser priority may so initiate such enforcement procedures. A party not initiating enforcement procedures shall incur no liability whatsoever for such non-enforcement.

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(c) Declarant, its designees or any other party having the right to enforce this Master Declaration, if any, pursuant to subparagraph (b) above, shall have the right and the power to enforce the covenants, conditions, restrictions and other provisions imposed by this Master Declaration by any proceeding at law or in equity against any Person or entity violating or attempting violation of such provisions, and to enforce any lien created by this Master Declaration. Failure by Declarant, or the Owners' Association, or a Subassociation, to enforce any of such provisions shall in no event be deemed a waiver of its right to do so thereafter.

(d) The costs and attorneys' fees, including those resulting from any appellate proceedings, incurred by Declarant or its designees or a party having the right to enforce this Master Declaration, if any, pursuant to subparagraph (b) above, who prevails in any such enforcement action, in any action against a Person or entity to enforce any provision of this Master Declaration shall be a personal obligation of such Person or entity which shall be paid by such Person or entity.

14.08 Fines. In addition to all other remedies provided for in this Master Declaration, the Owners' Association shall have the right to impose a fine on an Owner or Subassociation for failure of an Owner, his family members, guests, invitees, tenants and licensees, or Subassociation to comply with any provisions of this Master Declaration or the other Master Documents; provided, however, the Owners' Association grants reasonable notice and opportunity to be heard. The decisions of the Owners' Association shall be final. Fines shall be in such reasonable amounts as the Owners' Association shall determine. Fines shall be considered a Special Assessment against the Owners Unit or other common properties of such Subassociation, as appropriate. The Owners' Association shall have the right to collect fines in the same manner as set forth in Article 9.03 hereof.

14.09 Severability. If any provision of this Master Declaration is held to be invalid in whole or in part by any court of competent jurisdiction, then such holding shall in no way affect the validity of the remaining provisions of this Master Declaration, all of which shall remain in full force and effect, and such holding shall be limited to its most narrow application.

14.10 Dissolution. In the event of dissolution of the Owners' Association, each Unit shall continue to be subject to the Assessments specified in this Master Declaration and each Member shall continue to be personally obligated to Declarant or the successors or assigns of the Owners' Association, as the case may be, for such assessment to the extent that such Assessments are required to enable Declarant or any such successors or

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assigns acquiring any real property previously owned by the Owners' Association to properly maintain, operate and preserve it. The provisions of this Article 14.10 shall only apply with regard to the maintenance, operation and preservation of property which has been Common Areas, Community Common Areas and Neighborhood Common Areas, and continues to be so used for the common use and enjoyment of the Owners.

14.11 Gender. Wherever in this Master Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of one gender shall be deemed to include the other gender.

14.12 Notices.

(a) To Declarant: Notice to Declarant shall be in writing and delivered or mailed to Declarant at its principal place of business as shown by the records of the Secretary of State of Florida, or at any other location designated by Declarant.

(b) To Owners' Association: Notice to the Owners' Association shall be in writing and delivered or mailed to the Owners' Association at its principal place of business as shown by the records of the Secretary of State of Florida, or at any other location designated by the Owners' Association.

(c) To Member: Notice to any Member of a violation of any of these restrictions, or any other notice as may be required herein, shall be in writing and delivered or mailed to the Owner at the address shown on the tax rolls of the County or to the address of the Member, as shown on the deed recorded in the Public Records of the County, or to the address of the Member as filed with the Secretary of the Owners' Association, or if a Member is a corporation, to its principal place of business as shown by the records of the Secretary of State of Florida or its state of incorporation.

(d) A notice of each annual or special meeting of the Owners' Association, stating the purpose thereof, as well as the time and place where it is to be held, shall be served upon each Voting Member as shown on the records of the Owners' Association, and Declarant at least forty (40), but not more than sixty (60), days prior to such meeting. The Owners' Association's Voting Members shall notify their constituency of any such meetings, provided, however, that the failure of a Voting Member to do so shall not affect the validity of the meeting. A notice mailed or delivered in the manner provided herein shall be considered duly served.

(e) Upon receipt by the Owners' Association from any Institutional Mortgagee of a copy of the mortgage held by such

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Institutional Mortgagee on a Dwelling Unit, together with a written request from such Institutional Mortgagee specifying the address to which the following items are to be sent, the Owners' Association shall timely send to such Institutional Mortgagee the following (until the Owners' Association receives a written request from such Institutional Mortgagee to discontinue sending the following items or until the mortgage is discharged of record):

(1) A copy of any notice of a meeting of the Owners' Association or of the Board which is thereafter sent to the Owner of such Dwelling Unit; and

(2) A copy of any financial statement of the Owners' Association which is thereafter sent to the Owner of such Dwelling Unit; and

(3) Written notice of any termination by the Owners' Association of any professional management of the Common Areas, and the assumption by the Owners' Association of the self-management of the Common Areas; and

(4) Thirty (30) days' prior written notice of the cancellation or termination by the Owners' Association of any policies of insurance covering the Common Areas or any improvements thereon, or any fidelity bonds of the Owners' Association as required pursuant to Article 11 hereof, as well as copies of any notices of cancellation by others received by the Owners' Association with respect thereto; and

(5) Written notice of any damage or destruction to the improvements located on the Common Areas which affects a material portion of the Common Areas; and

(6) Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Areas; and

(7) Written notice of any material amendment to, or the abandonment or termination of, this Master Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and

(8) Written notice of any failure by an Owner owning a Dwelling Unit encumbered by a first mortgage held by such Institutional Mortgagee to perform his obligations under the Master Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of sixty (60) days.

The failure of the Owners' Association to send any such notice to any such Institutional Mortgagee shall

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have no effect on any meeting, act or thing which was to have been the subject of such notice, nor affect the validity thereof.

14.13 Other Documents; Priority of Documents. Declarant, the Owners' Association, any Subassociation, or other entity provided for herein or in any applicable recorded instrument shall have such rights, powers, duties, and privileges as set forth herein or in the Articles of Incorporation, By-Laws and other constituent documents of such entity; however, no such entity may have rights, duties, powers or privileges that are in conflict with the provisions of this Master Declaration or the other Master Documents, which Master Documents shall prevail in all events of conflict. In the event of any conflict among the Master Documents, the following documents shall control in the order stated: this Master Declaration and amendments, the Articles, the By-Laws, and the Rules.

OFF REC 0392 PAGE 0412

14.14 Approval of Owners' Association Lawsuits by Members. The Owners' Association shall be required to obtain, through the Voting Members, the approval of three-fourths (3/4) of the number of Members (at a duly called meeting at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Owners' Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for: (a) the collection of Assessments; (b) the collection of other charges which Members are obligated to pay pursuant to the Master Documents; (c) the enforcement of the use and occupancy restrictions contained in the Master Documents; or (d) in an emergency where waiting to obtain the approval of the Owners' would create a substantial risk of irreparable injury to the Total Property.

14.15 Condemnation. If the Owners' Association receives any award or payment arising from any taking of the Common Areas or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Common Areas and improvements thereon to the extent deemed advisable by the Owners' Association and the remaining balance of such net proceeds, if any, shall then be held by the Owners' Association for the use of the Owners' Association.

14.16 Construction. The provisions of this Master Declaration shall be liberally interpreted and construed to provide maximum flexibility consistent with Declarant's general plan for development of the Total Property and the purposes set forth herein, including the Preamble.

14.17 Special Rights Reserved by Declarant.

(a) In recognition of the fact that Declarant and each Member has a continuing interest in the implementation by

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Declarant of its plan of development of the Total Property and in recognition of the fact that the property values of the Total Property are dependent upon the proper implementation of such plan by Declarant, Declarant hereby reserves the right, until Turnover, to approve any and all actions of the Owners' Association in its sole and absolute discretion, including, but not limited to, the following: (1) the enforcement or non-enforcement by any Person of any of the remedies provided hereunder; (2) the Budget; (3) the Rules; (4) maintenance and services on the Total Property; (5) Special Assessments; (6) any improvement of the Common Areas and changes or modifications in services being furnished to the Total Property or to the Owners.

OFF REC 0392 PAGE 0413

(b) Further, Declarant reserves the right until Declarant no longer has any other interest in any portion of the Total Property to designate all members of the Design Review Committee and to promulgate, amend or modify the Development Codes.

(c) Further, Declarant may, in its sole discretion, unilaterally amend this Declaration if necessary to do so for purposes of fulfilling the requirements of any governmental entity or quasi-governmental entity, including, but not limited to, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and the Federal Housing Administration (FHA). Nothing contained herein, however, shall require Declarant to make an amendment to this Declaration for any purpose whatsoever.

IN WITNESS WHEREOF, Declarant, the Additional Owners, and the Owners' Association have caused this Master Declaration to be executed and their corporate seals to be affixed hereto, all on the day and year first above written.

Signed, sealed and delivered in the presence of:

DECLARANT:

ADMIRAL CORPORATION,
a Florida corporation

By: D. D. McGee
Its Exec. V.P.

Attest: _____
Secretary

[CORPORATE SEAL]

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JOINED BY: OWNERS' ASSOCIATION

HAMMOCK DUNES OWNERS' ASSOCIATION, INC., a Florida corporation not for profit

Victoria P. Gard

By: _____
President

Attest: _____
Secretary

JOINED BY: ADDITIONAL OWNERS:

ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation

Vicki S. Rust

Victoria P. Gard

By: _____
Sr. Executive Vice President

Attest: _____
Secretary

[CORPORATE SEAL]

ITT LAND CORPORATION, a Florida corporation

Linda M. Magnuson

Victoria P. Gard

By: _____
President

Attest: _____
Secretary

[CORPORATE SEAL]

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, Donald D. McGee and Robert G. Cuff the Executive Vice President and Secretary, respectively, of ADMIRAL CORPORATION, a Florida corporation, to

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me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Florida corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of ~~April~~ May, 1989.

Victoria P. Gard
Notary Public

[Seal]

My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

OFF REC 0392 PAGE 0415

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, John L. Schlegel and Alan L. Markee the President and Secretary, respectively, of HAMMOCK DUNES OWNERS' ASSOCIATION, INC., a Florida corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Florida corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of ~~April~~ May, 1989.

Victoria P. Gard
Notary Public

[Seal]

My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, James John Gazzoli and Robert G. Cuff, Jr. the President and Secretary, respectively, of ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation, to me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed

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and that the said instrument is the act and deed of said Delaware corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of ~~April~~ May, 1989.

Victoria P. Gard
Notary Public

[Seal]

My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

OFF REC 0392 PAGE 0416

STATE OF FLORIDA)
) SS:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgements, T. Avery Nye and Robert G. Cuff the President and Secretary, respectively, of ITT LAND CORPORATION, a Florida corporation, me known to be the persons who signed the foregoing instrument as such officers, and they severally acknowledged that the execution thereof was their free act and deed as such officers for the uses and purposes therein expressed and that the said instrument is the act and deed of said Florida corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of ~~April~~ May, 1989.

Victoria P. Gard
Notary Public

[Seal]

My Commission Expires:
Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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Exhibit "A"

OFF REC 0392 PAGE 0417

Exhibit "A" is comprised of the legal descriptions of each Parcel of Hammock Dunes. At this time Exhibit "A" contains the following legal descriptions:

Parcel "A" Hammock Dunes, dated February 2, 1989
Parcel "B" Hammock Dunes, dated February 2, 1989
Parcel "C" Hammock Dunes, dated February 4, 1989
Parcel "D" Hammock Dunes, dated February 4, 1989
Parcel "E" Hammock Dunes, dated February 4, 1989
Parcel "F" Hammock Dunes, dated February 4, 1989
Parcel "G" Fish Island boundary, dated January 28, 1989

L The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; February 2, 1989.

PARCEL "A" Hammock Dunes.

OFF REC 0392 PAGE 0418

LEGAL DESCRIPTION:

A parcel of land lying East of State Road A-1-A in Government Sections 20, 21, 28, 29 and 40, Township 10 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

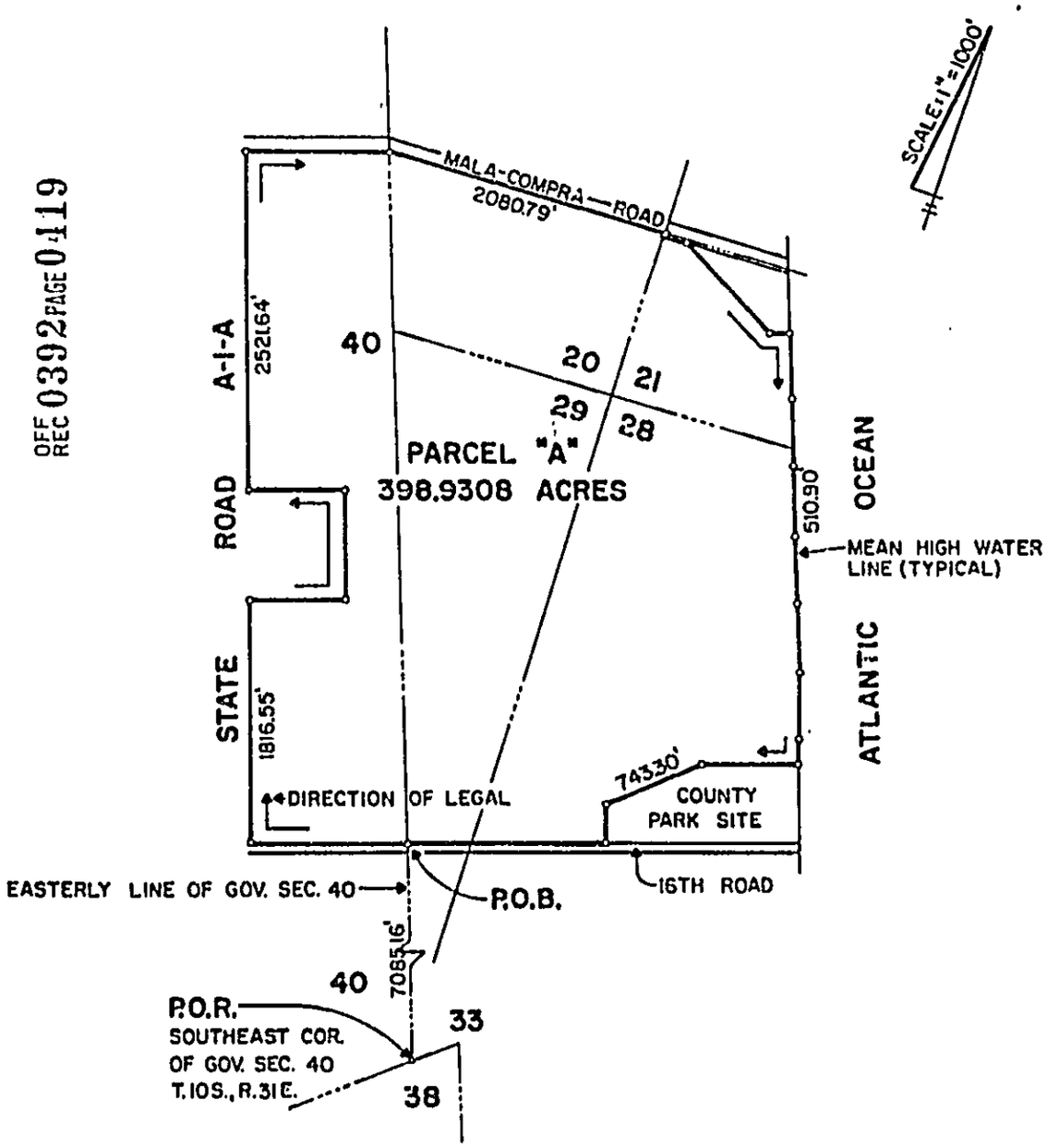
As a Point of Reference being the Southeast corner of said Government Section 40, thence North 19°50'00" West along the Easterly line of said Section 40 a distance of 7085.16 feet to a Point on the Northerly right-of-way line of 16th Road (66'R/W) and the POINT OF BEGINNING of this description, thence departing the Easterly line of said Government Section 40 South 71°10'52" West along the Northerly right-of-way line of 16th Road a distance of 1123.16 feet to a Point on the Easterly right-of-way line of State Road A-1-A (166'R/W), thence North 18°49'00" West along said Easterly right-of-way a distance of 1816.55 feet, thence North 71°11'00" East a distance of 692.33 feet, thence North 18°49'00" West a distance of 808.33 feet, thence South 71°11'00" West a distance of 692.33 feet to a Point on the Easterly right-of-way of State Road A-1-A, thence North 18°49'00" West along said right-of-way a distance of 2521.64 feet to a Point on the Southerly right-of-way of Mala Compra Road (86'R/W), thence departing State Road A-1-A North 71°10'09" East along the Southerly right-of-way of Mala Compra Road a distance of 1020.00 feet, thence North 88°23'31" East a distance of 2080.79 feet to a Point on the Easterly line of Government Section 20, thence South 00°36'49" East along said Section 20 and right-of-way of Mala Compra Road a distance of 8.00 feet, thence departing Section 20 North 88°23'31" East along said right-of-way of Mala Compra Road a distance of 161.76 feet, thence departing said Mala Compra Road South 59°50'14" East a distance of 903.24 feet, thence North 70°16'28" East a distance of 149.70 feet to a Point on the Mean High Water Line of the Atlantic Ocean, thence Southerly along said Mean High Water Line having the following closing lines South 19°43'32" East a distance of 488.98 feet, thence South 19°28'39" East a distance of 506.20 feet, thence South 19°58'00" East a distance of 510.90 feet, thence South 19°51'56" East a distance of 498.83 feet, thence South 19°59'52" East a distance of 505.34 feet, thence South 18°07'53" East a distance of 498.03 feet, thence South 18°03'02" East a distance of 191.19 feet, thence departing said Mean High Water Line of the Atlantic Ocean South 71°10'52" West along the Northerly line of County Park lands a distance of 710.00 feet, thence South 47°55'12" West a distance of 743.30 feet, thence South 18°49'08" East a distance of 303.89 feet to a Point on the Northerly right-of-way line of 16th Road (66'R/W), thence South 71°10'52" West along said right-of-way a distance of 1421.03 feet to the POINT OF BEGINNING.

Parcel containing 398.9308 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

Sheet 1 of 2

OFF REC 0392 PAGE 0119



SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "A"

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; February 2, 1989.

PARCEL "B" Hammock Dunes.

OFF REC 0392 PAGE 0420

LEGAL DESCRIPTION:

A parcel of land lying East of State Road A-1-A in Government Sections 28, 29, 33 and 40, Township 10 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

BEGINNING at a Point on the Northerly right-of-way line of Jungle Hut Road (66'R/W) said Point being the Southeast corner of said Government Section 40, thence North 19°50'00" West along the Easterly line of said Government Section 40 a distance of 3303.35 feet to a Point being the Northeast corner of the Plat "Magnolia Manor Unit 2" Plat Book 5, Page 71, thence departing said Easterly line of Section 40 South 71°11'00" West along the Northerly Line of said Magnolia Manor a distance of 1173.11 feet to a Point on the Easterly right-of-way line of State Road A-1-A (166'R/W) said Point being on a curve, thence Northerly 244.77 feet along said right-of-way and curve to the right having a central angle of 08°02'28", a radius of 1744.08 feet, a chord bearing of North 22°50'14" West and a chord distance of 244.57 feet to a Point of tangency, thence North 18°49'00" West along said Easterly right-of-way a distance of 1645.60 feet, thence North 71°11'00" East a distance of 64.00 feet, thence North 18°49'00" West a distance of 225.00 feet, thence South 71°11'00" West a distance of 64.00 feet to a Point on the Easterly right-of-way of State Road A-1-A, thence North 18°49'00" West along said right-of-way a distance of 350.65 feet, thence North 71°11'00" East a distance of 1146.52 feet to a Point on the Easterly line of Government Section 40, thence North 19°50'00" West along said Section line a distance of 200.03 feet, thence departing said Section line South 71°11'00" West a distance of 1142.97 feet to a Point on the Easterly right-of-way of State Road A-1-A, thence North 18°49'00" West a distance of 200.00 feet, thence departing State Road A-1-A North 71°11'00" East a distance of 1139.42 feet to a Point on the Easterly line of Section 40, thence North 19°50'00" West along said Section line a distance of 850.12 feet to a Point on the Southerly right-of-way of 16th Road (86'R/W), thence departing said Section line North 71°10'51" East along the Southerly right-of-way of 16th Road a distance of 1419.86 feet, thence departing 16th Road South 18°49'08" East along the Westerly line of County Park lands a distance of 211.26 feet, thence South 76°24'51" East a distance of 595.75 feet, thence North 81°10'52" East along said County Park lands a distance of 400.00 feet, thence North 71°10'52" East a distance of 4.05 feet, thence departing said County Park lands South 18°49'08" East a distance of 175.00 feet, thence North 71°10'52" East a distance of 500.72 feet to a Point on the Mean High Water Line of the Atlantic Ocean, thence Southerly along said Mean High Water Line having the following closing lines South 20°54'05" East a distance of 387.37 feet, thence South 19°45'00" East a distance of 507.57 feet, thence South 20°49'52" East a distance of 497.95 feet, thence South 20°18'41" East a distance of 507.65 feet, thence South 19°30'43" East a distance of 510.25 feet, thence South 18°30'55" East a distance of 494.37 feet, thence South 19°52'39" East a distance of 502.28 feet, thence South 22°20'56" East a distance of 497.23 feet, thence South 20°41'30" East a

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distance of 508.67 feet, thence South 20°26'31" East a distance of 500.09 feet, thence South 19°53'06" East a distance of 499.88 feet, thence South 21°45'36" East a distance of 503.26 feet, thence South 24°02'33" East a distance of 516.08 feet, thence South 18°20'30" East a distance of 495.06 feet, thence South 20°59'25" East a distance of 101.96 feet, thence departing said Mean High Water Line of the Atlantic Ocean South 89°19'02" West along the Northerly line of County Park Lands a distance of 425.82 feet, thence South 44°19'02" West a distance of 229.45 feet to a Point on the Northerly right-of-way line of Jungle Hut Road (66'R/W), thence South 89°19'02" West along said right-of-way a distance of 2417.11 feet to the POINT OF BEGINNING.

Parcel containing 538.2243 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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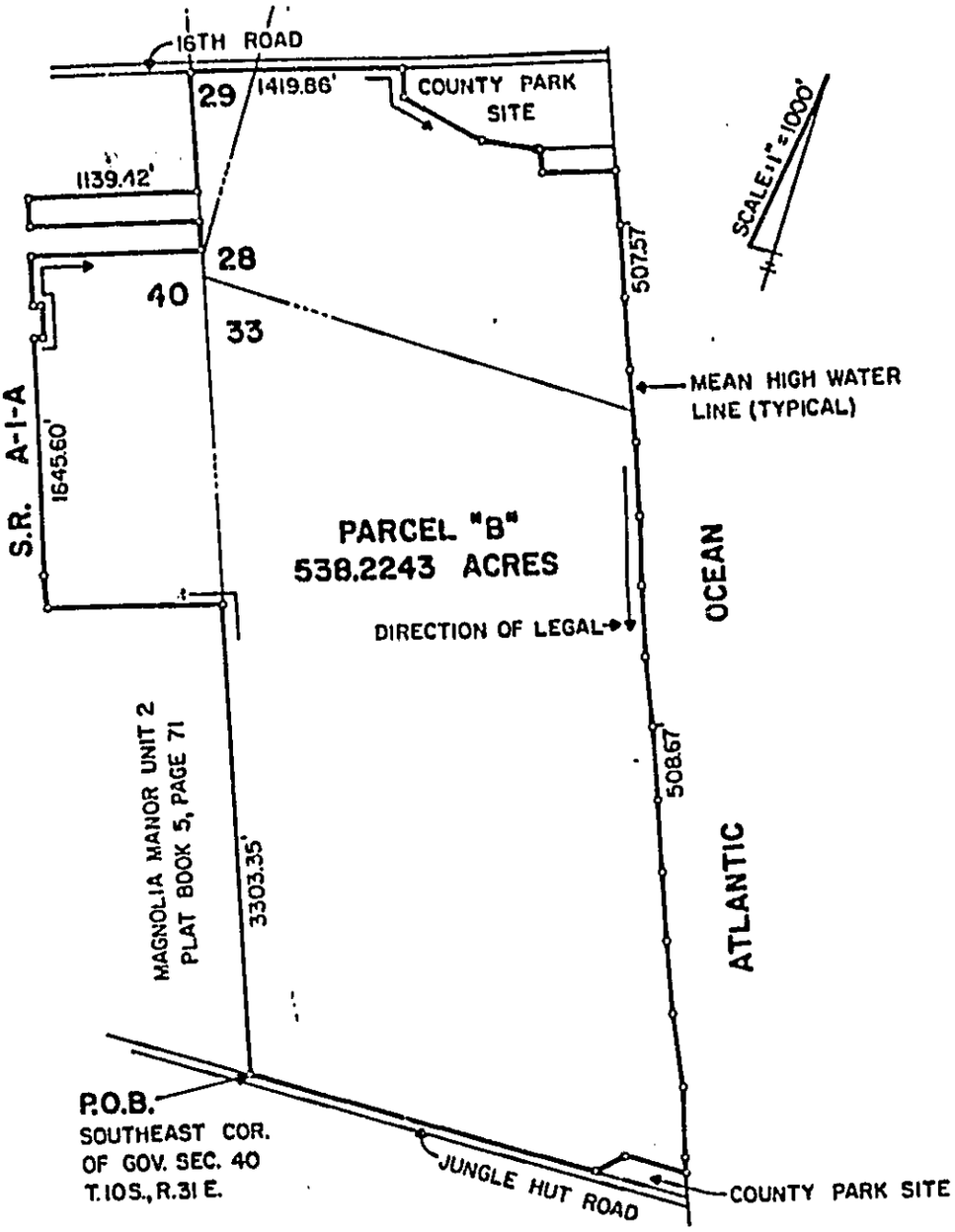

SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "B"

SHEET 3 OF 3

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date: February 4, 1989.

PARCEL "C" Hammock Dunes.

LEGAL DESCRIPTION:

A parcel of land lying West of State Road A-1-A and East of the Intracoastal Waterway in Government Section 40, Township 10 South, Range 31 East and Government Sections 37 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

BEGINNING at the intersection of the Northerly line of said Government Section 37 with the Westerly right-of-way of State Road A-1-A (R/W varies 100'-216'), thence South 16°45'12" East along said Westerly right-of-way a distance of 2221.96 feet to a Point of curvature, thence 387.10 feet along a curve to the left having a central angle of 03°50'15", a radius of 5779.65 feet, a chord bearing of South 18°40'19" East and a chord distance of 387.02 feet to a Point of tangency, thence South 20°35'27" East along said Westerly right-of-way a distance of 745.92 feet, thence departing State Road A-1-A South 59°09'36" West a distance of 945.73 feet to a Point on the Easterly right-of-way line of the Intracoastal Waterway (500'R/W), thence North 20°50'24" West along said Easterly right-of-way a distance of 2275.83 feet, thence North 20°35'42" West along said right-of-way a distance of 1641.38 feet, thence North 26°09'18" West along said Easterly right-of-way of the Intracoastal Waterway a distance of 288.04 feet, thence departing said Intracoastal Waterway North 85°47'21" East a distance of 1202.32 feet to a point on the Westerly right-of-way line of State Road A-1-A, thence South 16°45'12" East along said right-of-way a distance of 347.61 feet to the POINT OF BEGINNING.

Parcel containing 91.6200 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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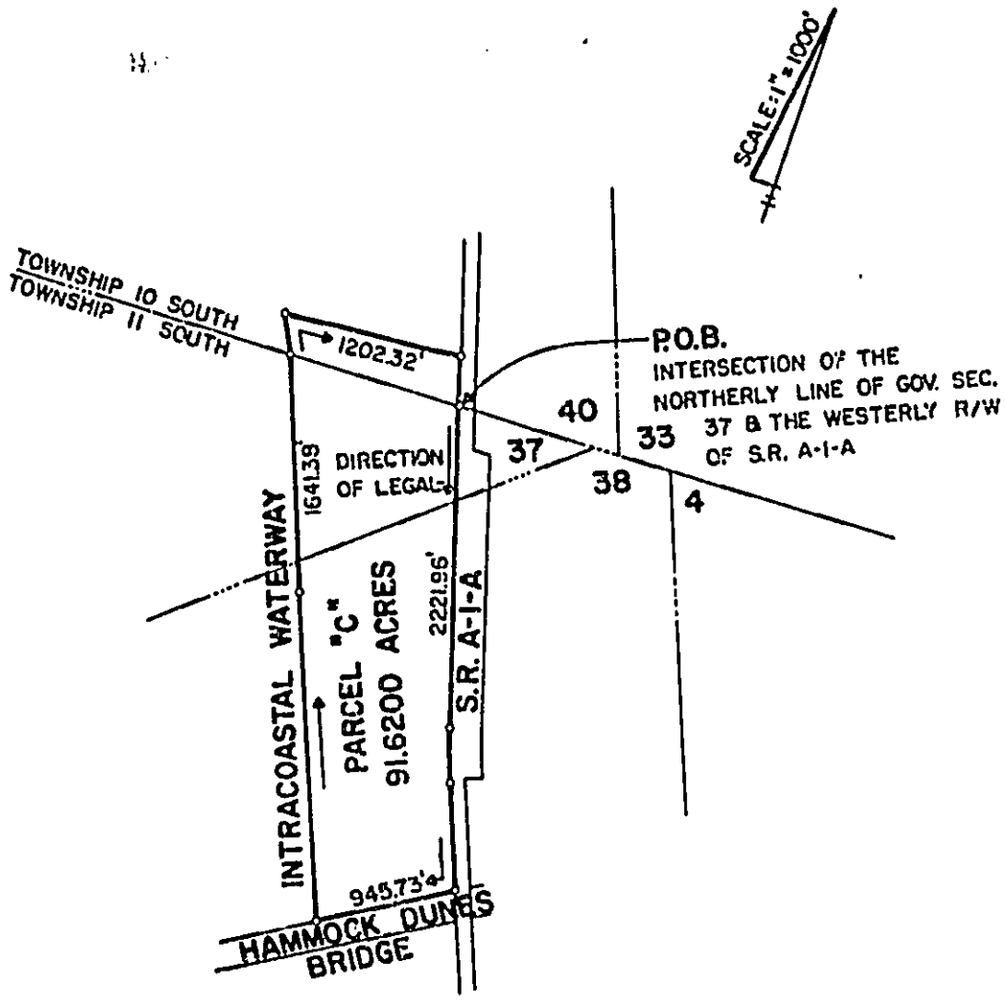
OFF REC 0392 PAGE 0424



SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "C"

SHEET 2 OF 2

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; February 4, 1989.

PARCEL "D" Hammock Dunes.

LEGAL DESCRIPTION:

OFF REC 0392 PAGE 0125

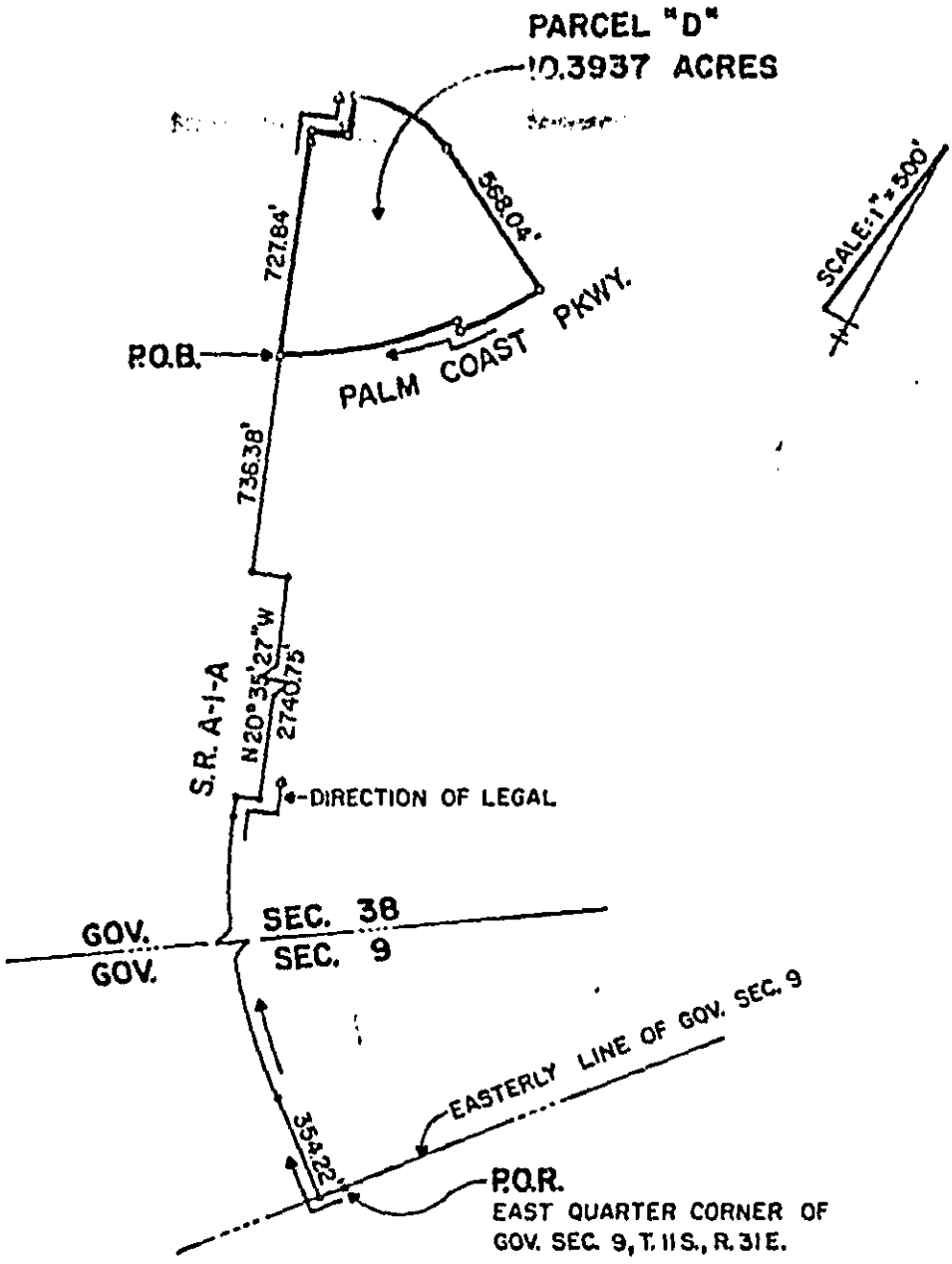
A parcel of land lying East of State Road A-1-A in Government Section 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the East Quarter Corner (1/4) of Government Section 9, Township 11 South, Range 31 East, thence South 00°37'39" East along the Easterly line of said Section 9 a distance of 81.97 feet to a Point on the Northerly right-of-way of State Road A-1-A (140'R/W), thence South 89°35'06" West along the Northerly right-of-way of State Road A-1-A a distance of 354.22 feet to a Point of curvature, thence 2218.06 feet along a curve to the right (concave Northeasterly) having a central angle of 69°49'27", a radius of 1820.08 feet, a chord bearing of North 55°30'10" West and a chord distance of 2083.33 feet to a Point of tangency, thence North 20°35'27" West along said right-of-way a distance of 64.87 feet, thence North 69°25'19" East along said right-of-way a distance of 76.00 feet, thence North 20°35'27" West along said Easterly right-of-way line of State Road A-1-A (216'R/W) a distance of 2740.75 feet, thence South 69°24'33" West along said right-of-way a distance of 116.00 feet, thence North 20°35'27" West along the Easterly right-of-way line of State Road A-1-A (100'R/W) a distance of 736.38 feet to a Point on the Northerly right-of-way line of Palm Coast Parkway (200'R/W) and the POINT OF BEGINNING of this description, thence continue North 20°35'27" West along said Easterly right-of-way of State Road A-1-A a distance of 727.84 feet to a Point of curvature, thence 33.60 feet along a curve to the right having a central angle of 00°20'20", a radius of 5679.65 feet, a chord bearing of North 20°25'17" West and a chord distance of 33.60 feet, thence departing said curve along a radial line North 69°44'54" East a distance of 116.00 feet radially intersecting a curve, thence Northerly along the Easterly right-of-way of State Road A-1-A (216'R/W) 136.47 feet along a curve to the right having a central angle of 01°24'19", a radius of 5563.65 feet, a chord bearing of North 19°32'57" West and a chord distance of 136.46 feet, thence departing said curve and State Road A-1-A North 71°29'00" East a distance of 33.87 feet to a Point of curvature, thence 317.23 feet along a curve to the right having a central angle of 49°23'30", a radius of 368.00 feet, a chord bearing of South 83°49'16" East and a chord distance of 307.50 feet to a Point of tangency, thence South 59°07'31" East a distance of 568.04 feet to a point on the Northerly right-of-way line of Palm Coast Parkway (120'R/W) said Point being in a curve, thence Southwesterly 288.58 feet along a curve to the right having a central angle of 12°02'53", a radius of 1372.39 feet, a chord bearing of South 33°07'56" West and a chord distance of 288.05 feet, thence departing said curve along a radial line North 50°50'37" West a distance of 40.00 feet radially intersecting a curve, thence Southwesterly 465.18 feet along a curve to the right having a central angle of 20°00'13", a radius of 1332.39 feet, a chord bearing of South 49°09'29" West and a chord distance of 462.82 feet to a Point of tangency, thence South 59°09'36" West along said Palm Coast Parkway a distance of 95.79 feet to the POINT OF BEGINNING.

Parcel containing 10.3937 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East zone of Florida.

OFF REC 0392 PAGE 0126



SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "D"

SHEET 2 OF 2

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; February 4, 1989.

PARCEL "E" Hammock Dunes.

OFF REC 0392 PAGE 0127

LEGAL DESCRIPTION:

A parcel of land lying East of State Road A-1-A in Government Sections 3, 4, 9, 10, 15, 37 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the East Quarter Corner (1/4) of said Government Section 9 thence South 00°37'39" East along the Easterly line of Section 9 a distance of 81.97 feet to a Point on the Northerly right-of-way of State Road A-1-A (140'R/W) and the POINT OF BEGINNING of this description, thence South 89°35'06" West along the Northerly right-of-way of State Road A-1-A a distance of 354.22 feet to a Point of curvature, thence 2218.06 feet along a curve to the right (concave Northeasterly) having a central angle of 69°49'27", a radius of 1820.08 feet, a chord bearing of North 55°30'10" West and a chord distance of 2083.33 feet to a Point of tangency, thence North 20°35'27" West along said right-of-way a distance of 64.87 feet, thence North 69°25'19" East along said right-of-way a distance of 76.00 feet, thence North 20°35'27" West along said Easterly right-of-way line of State Road A-1-A (216'R/W) a distance of 2740.75 feet, thence South 69°24'33" West along said right-of-way a distance of 116.00 feet, thence North 20°35'27" West along the Easterly right-of-way line of State Road A-1-A (100'R/W) a distance of 533.14 feet to a Point on the Southerly right-of-way line of Palm Coast Parkway (200'R/W), thence departing State Road A-1-A North 59°09'36" East along said Palm Coast Parkway right-of-way line a distance of 131.96 feet to a Point of curvature, thence 535.01 feet along a curve to the left having a central angle of 20°00'13", a radius of 1532.39 feet, a chord bearing of North 49°09'29" East and a chord distance of 532.29 feet, thence departing said curve North 50°50'37" West along a radial line a distance of 40.00 feet radially intersecting a curve, thence Northeasterly 436.91 feet along a curve to the left (concave Northwesterly) having a central angle of 16°46'25", a radius of 1492.39 feet, a chord bearing of North 30°46'10" East and a chord distance of 435.35 feet, thence departing said curve and Southerly right-of-way of Palm Coast Parkway (120°R/W) North 67°37'02" West along a radial Line a distance of 120.00 feet radially intersecting a curve, thence Southwesterly 48.93 feet along a curve to the right having a central angle of 02°02'34", a radius of 1372.39 feet, a chord bearing of South 23°24'15" West and a chord distance of 48.93 feet, thence departing said curve along a non-radial line North 59°07'31" West 562.32 feet to a Point of curvature, thence 372.40 feet along a curve to the left having a central angle of 49°23'30", a radius of 432.00 feet, a chord bearing of North 83°49'16" West and a chord distance of 360.98 feet to a Point of tangency, thence South 71°29'00" West a distance of 33.87 feet to a Point on the Easterly right-of-way line of State Road A-1-A (216'R/W) said Point being on a curve, thence Northerly 139.24 feet along a curve to the right (concave Easterly) having a central angle of 01°26'02", a radius of 5563.65 feet, a chord bearing of North 17°28'13" West and a chord distance of 139.24 feet to a Point of tangency, thence North 16°45°12" West along the Easterly right-of-way of State Road A-1-A a distance of 1897.51 feet, thence departing State Road A-1-A North

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89°19'02" East a distance of 27.84 feet to a Point being the Southeast corner of a parcel of land recorded in Official Records Book 75, Page 210, thence North 16°34'25" West along the Easterly line of said parcel of land a distance of 193.37 feet to a Point on the Southerly right-of-way line of Jungle Hut Road (66'R/W), thence North 89°19'02" East along the Southerly right-of-way line of said Jungle Hut Road a distance of 3923.38 feet to a Point on the Mean High Water Line of the Atlantic Ocean, thence Southerly along said Mean High Water Line the following closing lines, thence South 20°59'25" East a distance of 164.00 feet to a Point on said High Water Line, thence South 20°20'30" East a distance of 505.02 feet to a Point on said High Water Line, thence South 20°08'17" East a distance of 500.64 feet to a Point on said High Water Line, thence South 19°52'12" East a distance of 393.57 feet to a Point on said High Water Line, thence South 19°41'02" East a distance of 730.20 feet to a Point on said High Water Line, thence South 21°19'23" East a distance of 377.64 feet to a Point on said High Water Line, thence South 19°57'05" East a distance of 507.06 feet to a Point on said High Water Line, thence South 17°56'45" East a distance of 507.34 feet to a Point on said High Water Line, thence South 18°49'25" East a distance of 504.65 feet to a Point on said High Water Line, thence South 21°02'20" East a distance of 497.73 feet to a Point on said High Water Line, thence South 21°04'43" East a distance of 493.99 feet to a Point on said High Water Line, thence South 19°11'42" East a distance of 496.68 feet to a Point on said High Water Line, thence South 22°23'45" East a distance of 506.75 feet to a Point on said High Water Line, thence South 20°55'06" East a distance of 500.63 feet to a Point on said High Water Line, thence South 20°42'16" East a distance of 499.00 feet to a Point on said High Water Line, thence South 22°07'09" East a distance of 499.32 feet to a Point on said High Water Line, thence South 21°45'31" East a distance of 500.88 feet to a Point on said High Water Line, thence South 21°59'39" East a distance of 491.56 feet to a Point on said High Water Line, thence South 22°30'14" East a distance of 498.51 feet to a Point on said High Water Line, thence South 22°43'23" East a distance of 499.93 feet to a Point on said High Water Line, thence South 21°20'52" East a distance of 499.51 feet to a Point on said High Water Line, thence South 22°12'03" East a distance of 499.95 feet to a Point on said High Water Line, thence South 21°18'01" East a distance of 498.09 feet to a Point on said High Water Line, thence South 23°31'50" East a distance of 493.34 feet to a Point on said High Water Line, thence South 23°12'12" East a distance of 498.28 feet to a Point on said High Water Line, thence South 22°31'35" East a distance of 392.83 feet to a Point on said High Water Line, thence departing said Mean High Water Line of the Atlantic Ocean South 63°01'06" West a distance of 262.18 feet to a Point on the Easterly right-of-way line of State Road A-1-A (140'R/W), thence North 23°16'13" West along said Easterly right-of-way a distance of 3273.85 feet to a Point of curvature, thence 2297.01 feet along a curve to the left having a central angle of 67°08'41", a radius of 1960.08 feet, a chord bearing of North 56°50'33" West and a chord distance of 2167.80 feet to a Point of tangency, thence South 89°35'06" West along said right-of-way a distance of 167.80 feet, thence North 00°24'54" West along said right-of-way of State Road a distance of 40.00 feet, thence South 89°35'06" West along said right-of-way a distance of 738.82 feet to the POINT OF BEGINNNING.

Parcel containing 730.5510 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

SHEET 2 OF 3

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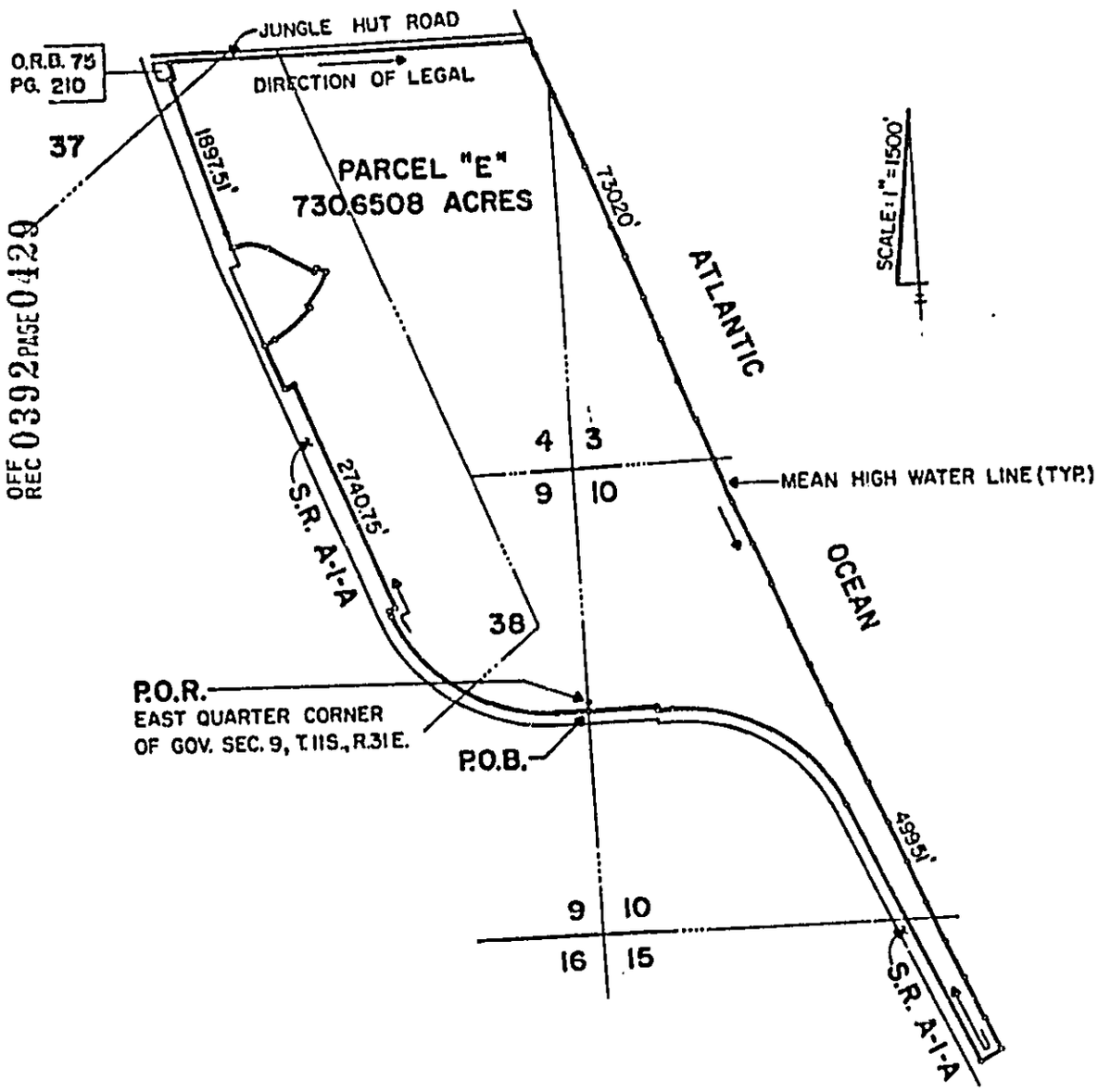

SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "E"

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc., [illegible] Grade, Palm Coast, Florida.
Date: February 4, 1989.

PARCEL "F" Hammock Dunes.

LEGAL DESCRIPTION:

A parcel of land lying West of State Road A-1-A and East of the Old Florida East Coast Canal in Government Sections 10 and 15, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the East quarter (1/4) corner of said Government Section 9, thence South 00°37°39" East along the Easterly line of Section 9 a distance of 221.97 feet to a Point on the Southerly right-of-way line of State Road A-1-A, thence departing said Easterly line of Section 9 North 89°35'06" East along the Southerly right-of-way of State Road A-1-A a distance of 308.96 feet to the POINT OF BEGINNING of this description, thence continue North 89°35'06" East a distance of 429.34 feet, thence South 00°24'54" East along said right-of-way a distance of 40.00 feet, thence North 89°35'06" East a distance of 167.80 feet to a Point of curvature, thence 2132.94 feet along a curve to the right having a central angle of 67°08'41", a radius of 1820.08 feet, a chord bearing of South 56°50'33" East and a chord distance of 2012.97 feet to a Point of tangency, thence South 23°16'13" East along the Westerly right-of-way of State Road A-1-A a distance of 4237.06 feet to a Point on the Southerly line of Government Lot 6 of said Section 15, thence departing State Road A-1-A South 89°27'11" West along said Southerly line of Government Lot 6 a distance of 22.22 feet to a Point on the Easterly right-of-way line of the old Florida East Coast Canal (200'R/W), thence North 19°11'11' West along said canal right-of-way a distance of 138.98 feet, thence North 26°58'55" West along said canal right-of-way a distance of 1662.72 feet, thence North 22°41'38" West along said canal right-of-way a distance of 2357.63 feet to a Point of curvature, thence 1884.38 feet along said canal right-of-way and a curve to the left having a central angle of 66°59'49", a radius of 1611.52 feet, a chord bearing of North 56°11'33" West and a chord distance of 1778.85 feet to a Point of tangency, thence North 89°41'27" West along the Northerly right-of-way line of the old Florida East Coast Canal a distance of 743.90 feet, thence departing said canal North 00°37'47" West a distance of 247.39 feet to the POINT OF BEGINNING.

Parcel containing 18.8138 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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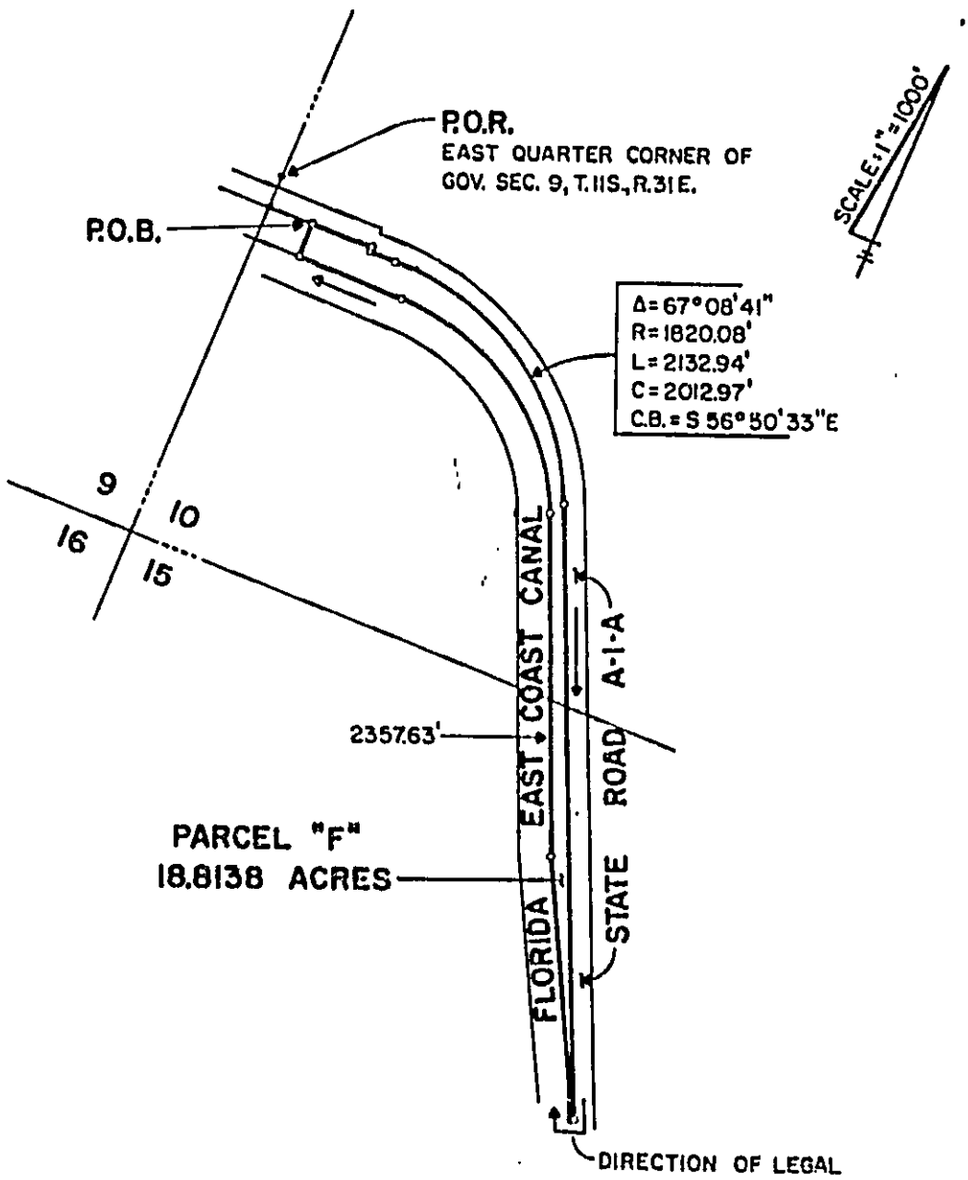

SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "F"

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.
Date; January 28, 1989.

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Parcel "G", Fish Island boundary.

LEGAL DESCRIPTION:

A parcel of land being all that parcel locally known as Fish Island, said parcel bounded on the North and East by the Southerly and westerly right-of-way line of the old "Florida East Coast Canal" (200'R/W), said parcel bounded on the West by the Mean High Water Line of the Intracoastal Waterway (500'R/W) lying in Government Sections 9, 10, 15, 22 and 23, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the West quarter (1/4) corner of said Government Section 10, Township 11 South, Range 31 East, thence South 00°37'39" East along the Westerly line of said Section 10 a distance of 665.47 feet to a Point on the Southerly right-of-way line of the old "Florida East Coast Canal" (200'R/W), thence departing the Westerly line of Government Section 10 Easterly and Southerly along said "Florida East Coast Canal" right-of-way the following courses South 89°41'27" East a distance of 1049.64 feet to a Point of curvature, thence 1650.52 feet along a curve to the right (concave Southwesterly) having a central angle of 66°59'49", a radius of 1411.52 feet, a chord bearing of South 56°11'33" East and a chord distance of 1558.08 feet to a Point of tangency, thence South 22°41'38" East a distance of 2365.12 feet, thence South 26°58'55" East a distance of 1656.58 feet, thence South 19°11'11" East a distance of 2844.27 feet, thence South 17°01'23" East a distance of 3542.51 feet to a Point being the intersection of the Westerly right-of-way line of said old "Florida East Coast Canal" with the Easterly right-of-way line of the Intracoastal Waterway (500'R/W), thence continue South 17°01'23" East a distance of 144.37 feet to a Point on the Easterly Mean High Water Line of the Intracoastal Waterway, thence departing the Westerly right-of-way line of said old "Florida East Coast Canal" Northerly along the Easterly Mean High Water Line being further described by the following closing lines North 73°45'41" West a distance of 14.39 feet, thence North 45°51'02" West a distance of 74.23 feet, thence North 52°00'24" West a distance of 134.04 feet, thence North 53°00'40" West a distance of 145.06 feet, thence North 48°00'14" West a distance of 147.53 feet, thence North 42°41'54" West a distance of 129.05 feet, thence North 48°26'09" West a distance of 100.34 feet, thence North 43°07'48" West a distance of 122.35 feet, thence North 28°52'46" West a distance of 135.79 feet, thence North 37°40'13" West a distance of 225.16 feet, thence North 44°07'16" West a distance of 138.00 feet, thence North 32°49'40" West a distance of 133.49 feet, thence North 29°29'52" West a distance of 118.27 feet, thence North 25°14'44" West a distance of 140.25 feet, thence North 22°52'36" West a distance of 115.55 feet, thence North 15°17'58" West a distance of 175.79 feet, thence North 28°53'53" West a distance of 96.70 feet, thence North 21°34'34" West a distance of 158.31 feet, thence North 19°59'38" West a distance of 143.44

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feet, thence North 35°11'04" West a distance of 36.29 feet, thence North 10°02'25" West a distance of 50.18 feet, thence North 16°49'46" West a distance of 59.07 feet, thence North 24°13'24" West a distance of 453.54 feet, thence North 20°32'05" West a distance of 151.41 feet, thence North 71°32'55" West a distance of 72.49 feet, thence North 18°29'21" West a distance of 139.30 feet, thence North 37°40'07" East a distance of 26.89 feet, thence North 23°41'43" West a distance of 209.45 feet, thence North 22°26'18" West a distance of 140.73 feet, thence North 18°29'56" West a distance of 139.46 feet, thence North 22°31'46" West a distance of 145.64 feet, thence North 19°34'35" West a distance of 140.71 feet, thence North 22°03'28" West a distance of 147.96 feet, thence North 23°37'51" West a distance of 147.19 feet, thence North 27°29'36" West a distance of 136.98 feet, thence North 22°26'58" West a distance of 156.13 feet, thence North 23°41'16" West a distance of 143.86 feet, thence North 22°18'46" West a distance of 125.08 feet, thence North 23°43'54" West a distance of 613.87 feet, thence North 16°01'02" West a distance of 134.49 feet, thence North 23°04'33" West a distance of 154.64 feet, thence North 22°41'02" West a distance of 154.86 feet, thence North 25°02'08" West a distance of 151.45 feet, thence North 24°16'31" West a distance of 150.14 feet, thence North 19°11'18" West a distance of 147.32 feet, thence North 22°35'20" West a distance of 152.90 feet, thence North 25°09'48" West a distance of 151.52 feet, thence North 19°27'32" West a distance of 151.44 feet, thence North 22°22'48" West a distance of 139.85 feet, thence North 21°08'54" West a distance of 162.57 feet, thence North 24°03'49" West a distance of 158.68 feet, thence North 21°03'04" West a distance of 151.15 feet, thence North 25°48'09" West a distance of 164.37 feet, thence North 19°28'33" West a distance of 136.91 feet, thence North 21°31'35" West a distance of 152.17 feet, thence North 24°23'53" West a distance of 147.35 feet, thence North 21°11'56" West a distance of 160.73 feet, thence North 24°18'57" West a distance of 152.84 feet, thence North 25°01'09" West a distance of 130.10 feet, thence North 21°32'38" West a distance of 142.24 feet, thence North 18°53'42" West a distance of 151.44 feet, thence North 21°36'20" West a distance of 155.87 feet, thence North 23°31'31" West a distance of 116.33 feet, thence North 27°20'48" West a distance of 151.68 feet, thence North 23°33'42" West a distance of 144.08 feet, thence North 26°29'38" West a distance of 172.89 feet, thence North 19°25'06" West a distance of 278.03 feet, thence North 37°13'11" West a distance of 120.66 feet, thence North 42°37'30" West a distance of 144.70 feet, thence North 47°01'07" West a distance of 151.39 feet, thence North 42°24'23" West a distance of 112.55 feet, thence North 41°00'13" West a distance of 146.70 feet, thence North 44°48'41" West a distance of 147.08 feet, thence North 48°30'21" West a distance of 457.98 feet, thence North 57°49'56" West a distance of 199.75 feet, thence North 81°56'33" West a distance of 82.24 feet, thence North 47°17'41" West a distance of 103.10 feet, thence North 64°59'30" West a distance of 143.34 feet, thence North 66°41'47" West a distance of 149.09 feet, thence North 68°19'52" West a distance of 375.12 feet, thence North 83°50'20" West a distance of 100.45 feet, thence North 34°50'35" West a distance of 50.20 feet, thence North 67°54'04" West a distance of 118.14 feet, thence North 87°26'01" West a distance of 72.65 feet, thence North 64°33'50" West a distance of 164.48 feet, thence North 67°49'49" West a distance of 152.92 feet, thence North 50°49'06" West a distance of 73.38 feet, thence North 62°42'08" West a distance of 124.43 feet, thence North 69°28'24" West a distance of 313.40 feet, thence North 71°11'46" West a distance of 219.87 feet, thence South 88°09'59" West a distance of 53.69

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feet, thence North 70°14'21" West a distance of 25.62 feet to a Point on the Southerly right-of-way line of the old "Florida East Coast Canal", thence departing said Mean High Water Line of the Intracoastal Waterway South 89°41'27" East along the Southerly right-of-way line of said old "Florida East Coast canal" a distance of 557.72 feet to a Point being the intersection of the Southerly right-of-way line of the old "Florida East Coast Canal" with the Easterly right-of-way line of the Intracoastal Waterway, thence continue South 89°41'27" East along said old canal right-of-way a distance of 894.58 feet to the POINT OF BEGINNING.

Parcel containing 262.1226 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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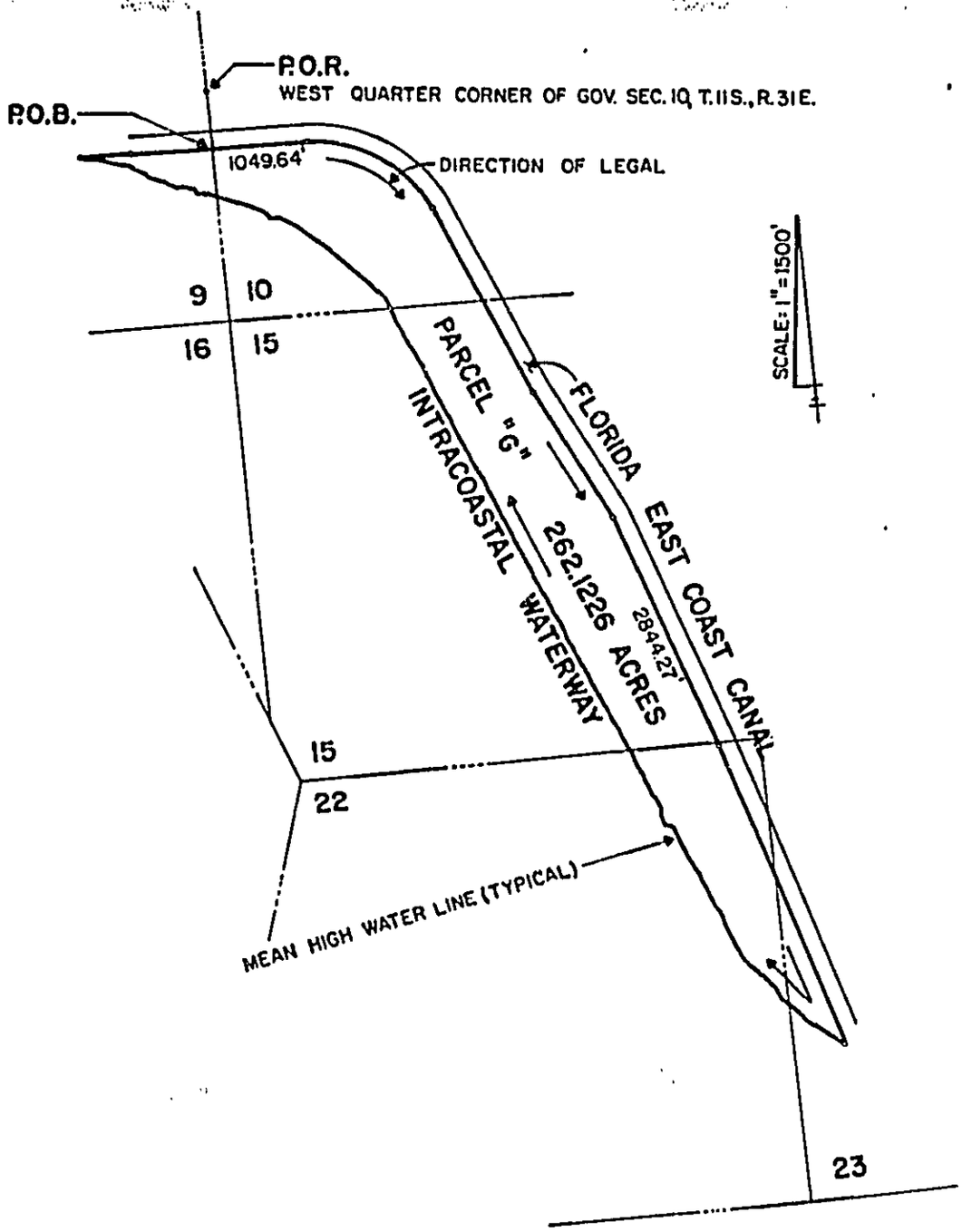

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SKETCH OF LEGAL DESCRIPTION
HAMMOCK DUNES PARCEL "G"

Exhibit "B"

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Exhibit "B" is the legal description of the proeprty which the Developer has, at this time, committed to develop. As of March 20, 1989, Exhibit "B" consists of the legal description attached as Exhibit "B-1".

LEGAL DESCRIPTION:

A parcel of land lying in Government Sections 4 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

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As a Point of Reference being the Southeast corner of Government Section 38, Township 11 South, Range 31 East, thence North 20°38'59" West along the Easterly line of said Government Section 38 a distance of 3932.47 feet, thence departing said Easterly line of Section 38 North 51°52'52" West a distance of 74.78 feet to the POINT OF BEGINNING of this description, thence continue North 51°52'52" West a distance of 96.97 feet to a Point of curvature, thence 137.02 feet along a curve to the right (concave Northeasterly) having a central angle of 39°15'13", a radius of 200.00 feet, a chord bearing of North 32°15'15" West and a chord distance of 134.36 feet to a Point of tangency, thence North 12°37'39" West a distance of 113.32 feet to a Point of curvature, thence 91.93 feet along a curve to the right having a central angle of 52°40'22", a radius of 100.00 feet, a chord bearing of North 13°42'32" East and a chord distance of 88.73 feet to a point of tangency, thence North 40°02'43" East a distance of 122.48 feet to a Point of curvature, thence 56.76 feet along a curve to the right having a central angle of 32°31'13", a radius of 100.00 feet, a chord bearing of North 56°18'20" East and a chord distance of 56.00 feet to a Point of reverse curvature, thence 231.28 feet along a curve to the left having a central angle of 33°05'20", a radius of 400.47 feet a chord bearing of North 56°01'17" East and a chord distance of 228.07 feet to a Point of compound curvature, thence 111.22 feet along a curve to the left having a central angle of 68°11'37", a radius of 93.45 feet, a chord bearing of North 05°22'48" East and a chord distance of 104.77 feet to a Point of compound curvature, thence 36.62 feet along a curve to the left having a central angle of 03°46'11", a radius of 556.53 feet, a chord bearing of North 30°36'06" West and a chord distance of 36.61 feet to a Point of compound curvature, thence 24.21 feet along a curve to the left having a central angle of 27°44'32", a radius of 50.00 feet, a chord bearing of North 46°21'27" West and a chord distance of 23.97 feet to a Point of reverse curvature, thence 127.18 feet along a curve to the right having a central angle of 56°31'08", a radius of 128.93 feet, a chord bearing of North 31°58'09" West and a chord distance of 122.09 feet to a Point of tangency, thence North 03°42'35" West a distance of 28.69 feet to a Point of curvature, thence 70.10 feet along a curve to the right having a central angle of 10°02'29", a radius of 400.00 feet, a chord bearing of North 01°18'40" East and a chord distance of 70.01 feet to a Point of tangency, thence North 06°19'55" East a distance of 237.49 feet, thence North 07°22'59" West a distance of 117.13 feet to a Point intersecting a curve, thence Westerly 76.47 feet along a curve to the right (concave Northerly) having a central angle of 09°48'07", a radius of 447.00 feet, a chord bearing of South 87°31'04" West and a chord distance of 76.38 feet to a Point of tangency, thence North 87°34'52" West a distance of 200.00 feet to a Point of curvature, thence 312.68 feet along a curve to the left having a central angle of 13°05'46", a radius of 1368.00 feet, a chord bearing of South 85°52'15" West and a chord distance of 312.00 feet to a Point of tangency, thence South 79°19'22" West a distance of 65.26 feet to a Point on the Easterly right-of-way line of Palm Coast Parkway (120'R/W), thence South 10°40'38" East along said right-of-way a distance of 58.00 feet to a Point of curvature, thence 861.12 feet along a curve to the right having a central angle of 33°03'36", a radius of 1492.39 feet, a chord bearing of South

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05°51'10" West and a chord distance of 849.22 feet, thence departing said Easterly right-of-way North 67°37'02" West a distance of 120.00 feet to a Point on the Westerly right-of-way of said Palm Coast Parkway, thence 791.88 feet along a curve to the left having a central angle of 33°03'36", a radius of 1372.39 feet, a chord bearing of North 05°51'10" East and a chord distance of 780.94 feet to a Point of tangency, thence North 10°40'38" West a distance of 122.00 feet, thence departing said Westerly right-of-way North 79°19'22" East a distance of 185.26 feet to a Point of curvature, thence 67.93 feet along a curve to the right having a central angle of 02°43'04", a radius of 1432.00 feet, a chord bearing of North 80°40'54" East and a chord distance of 67.92 feet, thence North 03°07'14" East a distance of 666.10 feet, thence North 00°32'39" West a distance of 265.18 feet, thence North 03°30'01" West a distance of 315.90 feet, thence North 89°19'02" East a distance of 173.04 feet, thence North 06°15'43" East a distance of 86.74 feet, thence South 83°44'18" East a distance of 474.16 feet to a Point on a curve, thence Southwesterly 94.79 feet along a curve to the left (concave Southeasterly) having a central angle of 77°35'15", a radius of 70.00 feet, a chord bearing of South 57°28'05" West and a chord distance of 87.71 feet to a Point of tangency, thence South 18°40'27" West a distance of 60.65 feet to a Point of curvature, thence 45.75 feet along a curve to the left having a central angle of 67°20'27", a radius of 38.92 feet, a chord bearing of South 14°59'46" East and a chord distance of 43.16 feet, thence departing said curve along a non-radial line South 26°47'10" West a distance of 27.69 feet to a Point radially intersecting a curve, thence 93.86 feet along a curve to the right having a central angle of 12°39'14", a radius of 425.00 feet, a chord bearing of South 56°53'13" East and a chord distance of 93.67 feet, thence departing said curve North 37°27'23" East a distance of 37.16 feet to a Point of curvature, thence 64.22 feet along a curve to the right having a central angle of 24°31'54", a radius of 150.00 feet a chord bearing of North 49°43'20" East and a chord distance of 63.73 feet to a point of tangency, thence North 61°59'18" East a distance of 25.28 feet to a Point of curvature, thence 72.59 feet along a curve to the right having a central angle of 83°11'05", a radius of 50.00 feet, a chord bearing of South 76°25'10" East and a chord distance of 66.38 feet to a Point of reverse curvature, thence 62.31 feet along a curve to the left having a central angle of 102°00'00", a radius of 35.00 feet, a chord bearing of South 85°49'37" East and a chord distance of 54.40 feet to a Point of tangency, thence North 43°10'23" East a distance of 29.17 feet to a Point of curvature, thence 32.99 feet along a curve to the right having a central angle of 54°00'00", a radius of 35.00 feet, a chord bearing of North 70°10'23" East and a chord distance of 31.78 feet to a Point of tangency, thence South 82°49'37" East a distance of 20.88 feet to a Point of curvature, thence 17.24 feet along a curve to the left having a central angle of 39°31'06", a radius of 25.00 feet, a chord bearing of North 77°24'50" East and a chord distance of 16.90 feet, thence departing said curve along a non-radial line South 59°42'11" East a distance of 92.55 feet, thence South 26°19'31" West a distance of 248.24 feet to a Point of curvature, thence 80.99 feet along a curve to the left having a central angle of 30°56'06", a radius of 150.00 feet, a chord bearing of South 10°51'28" West and a chord distance of 80.01 feet, thence departing said curve along a non-radial line South 52°47'33" West a distance of 51.11 feet radially intersecting a curve, thence Southeasterly 122.11 feet along a

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curve to the left (concave northeasterly) having a central angle of 03°32'33", a radius of 1975.00 feet, a chord bearing of South 38°58'43" East and a chord distance of 122.09 feet to a Point of tangency, thence South 40°45'00" East a distance of 78.62 feet to a Point intersecting a curve, thence Northeasterly 105.23 feet along a curve to the right (concave Southeasterly) having a central angle of 21°00'31", a radius of 287.00 feet, a chord bearing of North 64°45'06" East and a chord distance of 104.65 feet to a Point of tangency, thence North 75°15'21" East a distance of 444.74 feet, thence South 14°44'39" East a distance of 64.00 feet, thence South 75°15'21" West a distance of 444.74 feet to a Point of curvature, thence 244.86 feet along a curve to the left having a central angle of 62°54'47", a radius of 223.00 feet, a chord bearing of South 43°47'58" West and a chord distance of 232.75 feet to a Point of tangency, thence South 12°20'34" West a distance of 150.00 feet to a Point of curvature, thence 76.08 feet along a curve to the right having a central angle of 19°19'05", a radius of 447.00 feet, a chord bearing of South 22°00'07" West and a chord distance of 150.00 feet, thence departing said curve along a radial line South 58°20'21" East a distance of 81.59 feet, thence South 05°35'22" West a distance of 434.53 feet, thence South 24°16'05" East a distance of 465.59 feet, thence South 06°38'58" West a distance of 337.77 feet to a Point non-radially intersecting a curve, thence Westerly 208.68 feet along a curve to the left having a central angle of 79°42'37", a radius of 150.00 feet, a chord bearing of South 86°55'59" West and a chord distance of 192.25 feet to a Point of tangency, thence South 47°04'40" West a distance of 417.13 feet, thence South 68°00'45" West a distance of 41.26 feet to a Point of curvature, thence 52.45 feet along a curve to the right having a central angle of 60°06'23", a radius of 50.00 feet, a chord bearing of North 81°56'03" West and a chord distance of 50.08 feet to a Point of tangency and the POINT OF BEGINNING.

Parcel containing 44.1745 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

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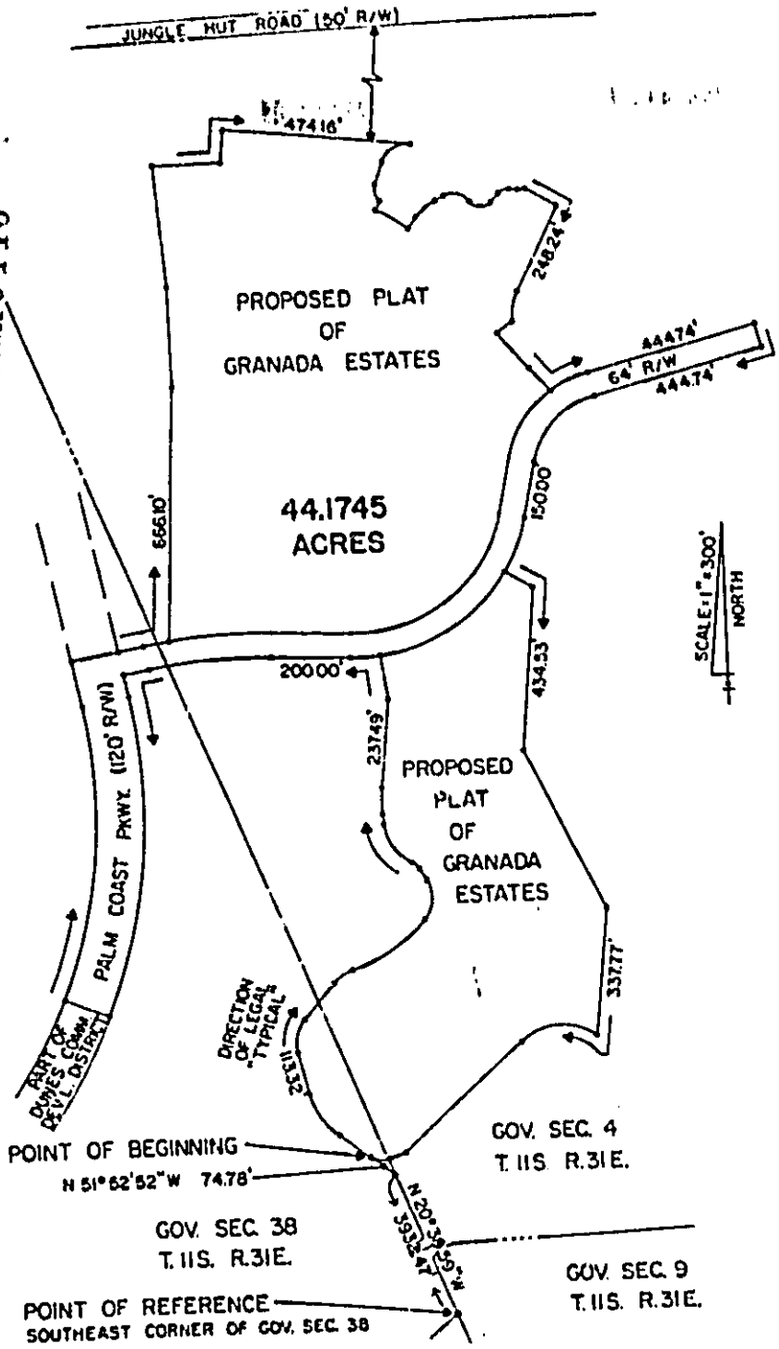

SKETCH OF LEGAL DESCRIPTION

SHEET 4 OF 4

Exhibit "C"

Exhibit "C" is a property plan which assigns land use classifications to the property described in Exhibit "B". As of March 20, 1989, Exhibit "C" consists of the page attached as Exhibit "C-1".

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OFF REC 0392 PAGE 0412

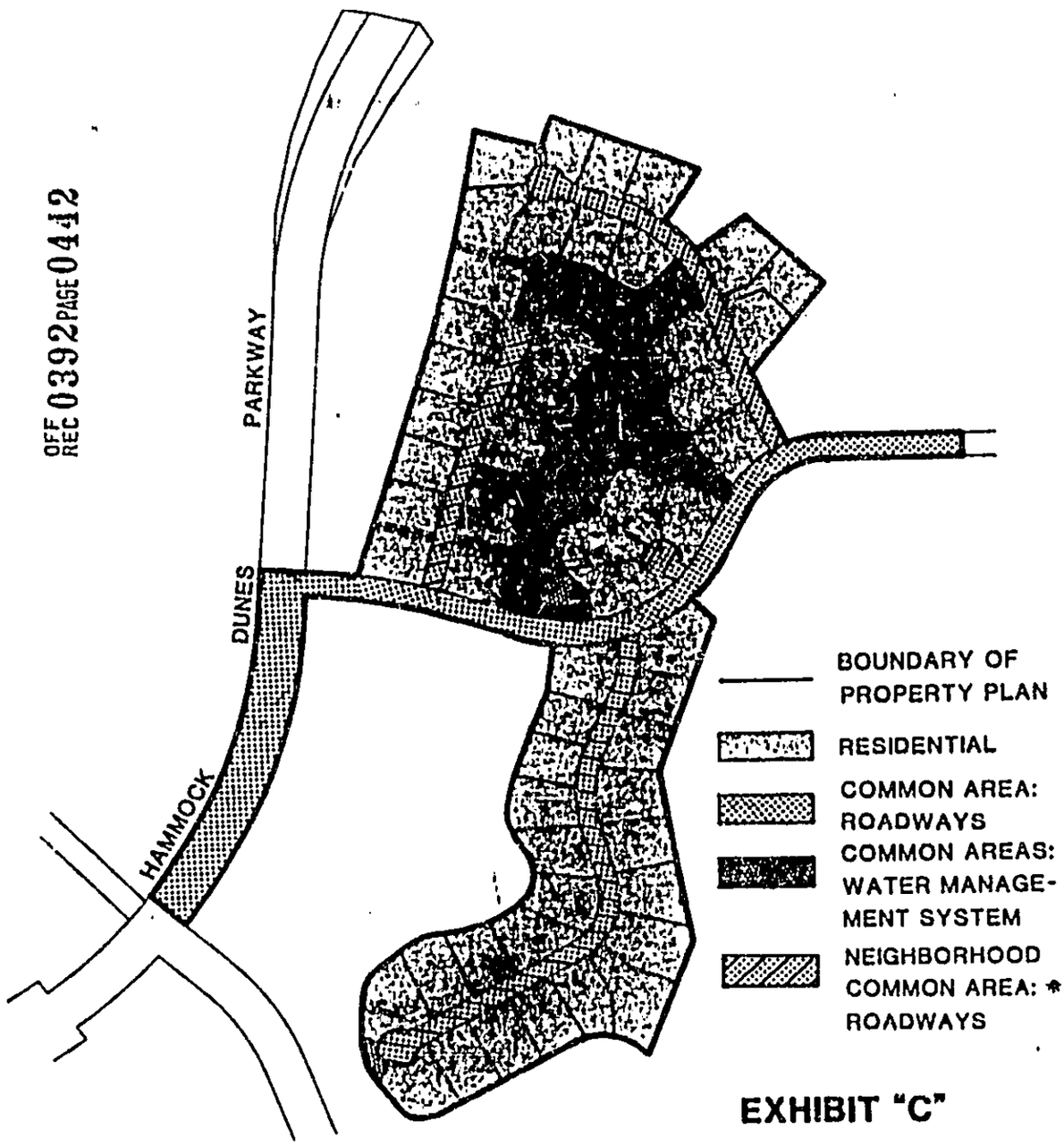

EXHIBIT "C"

* THE NEIGHBORHOOD COMMON AREA: ROADWAYS DELINEATED ON THIS PLAN PERTAIN TO THE GRANADA ESTATES NEIGHBORHOOD ONLY.

"PROPERTY PLAN"

Exhibit "D"

OFF REC 0392 PAGE 0413

Exhibit "D" is a legal description of the common areas which are, at this time, committed to be developed. As of March 20, 1989, Exhibit "D" consists of the legal description attached as Exhibit "D-1".

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EXHIBIT "D"

LEGAL DESCRIPTION OF COMMON AREAS

All those parcels of land lying East of State Road A-1-A in Government Sections 4 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

Those portions of the Road right-of-way, Granada Estates more particularly described in Exhibit "D-1", attached.

Those portions of the Plat of Granada Estates Section-1, recorded at Map Book 28 Pages 26 through 27 of the Public Records of Flagler County, Florida.

1. All of Reserved Parcel "A"
2. All of Anastasia Court, Vilano Court and Cordoba Court

Those portions of the Plat of Granada Estates Section-2, recorded at Map Book 28 Pages 28 through 29 of the Public Records of Flagler County, Florida:

1. All of San Marco Court

Road right-of-way, Granada Estates.

LEGAL DESCRIPTION:

A parcel of land lying East of State Road A-1-A in Government Sections 4 and 38, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

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As a Point of Reference being the Southeast corner of Government Section 38, Township 11 South, Range 31 East, thence North 20°38'59" West along the Easterly line of said Government Section 38 a distance of 5392.66 feet to a Point on a curve said Point being the POINT OF BEGINNING of this description, thence departing said Easterly line of Section 38 Westerly 49.04 feet along a curve to the left (concave Southerly) having a central angle of 02°03'14", a radius of 1368.00 feet, a chord bearing of South 80°20'59" West and a chord distance of 49.03 feet to a Point of tangency, thence South 79°19'22" West a distance of 65.26 feet to a Point on the Easterly right-of-way line of Palm Coast Parkway (120'R/W), thence South 10°40'38" East along said right-of-way a distance of 58.00 feet to a Point of curvature, thence 861.12 feet along a curve to the right having a central angle of 33°03'36", a radius of 1492.39 feet, a chord bearing of South 05°51'10" West and a chord distance of 849.22 feet, thence departing said Easterly right-of-way North 67°37'02" West a distance of 120.00 feet to a Point on the Westerly right-of-way of said Palm Coast Parkway, thence 791.88 feet along a curve to the left having a central angle of 33°03'36", a radius of 1372.39 feet, a chord bearing of North 05°51'10" East and a chord distance of 780.94 feet to a Point of tangency, thence North 10°40'38" West a distance of 122.00 feet, thence departing said Westerly right-of-way North 79°19'22" East a distance of 185.26 feet to a Point of curvature, thence 327.31 feet along a curve to the right having a central angle of 13°05'46", a radius of 1432.00 feet, a chord bearing of North 85°52'15" East and a chord distance of 326.60 feet, thence South 87°34'52" East a distance of 200.00 feet to a Point of curvature, thence 535.28 feet along a curve to the left having a central angle 80°04'34", a radius of 383.00 feet, a chord bearing of North 52°22'51" East and a chord distance of 492.77 feet to a Point of tangency, thence North 12°20'34" East a distance of 150.00 feet, thence 315.14 feet along a curve to the right having a central angle of 62°54'47", a radius of 287.00 feet, a chord bearing of North 43°47'58" East and a chord distance of 299.54 feet to a Point of tangency, thence North 75°15'21" East a distance of 444.74 feet, thence South 14°44'39" East a distance of 64.00 feet, thence South 75°15'21" West a distance of 444.74 feet to a Point of curvature, thence 244.86 feet along a curve to the left having a central angle of 62°54'47", a radius of 223.00 feet, a chord bearing of South 43°47'58" West and a chord distance of 232.75 feet to a Point of tangency, thence South 12°20'34" West a distance of 150.00 feet to a Point of curvature, thence Southeasterly 624.72 feet along a curve to the right having a central angle of 80°04'34", a radius of 447.00 feet, a chord bearing of South 52°22'51" West and a chord distance of 575.11 feet to a Point of tangency, thence North 87°34'52" West a distance of 200.00 feet to a Point of curvature, thence 263.65 feet along a curve to the left having a central angle of 11°02'32", a radius of 1368.00 feet, a chord bearing of South 86°53'52" West and a chord distance of 263.24 feet to the POINT OF BEGINNING.

Parcel containing 5.6102 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

SHEET 1 OF 2

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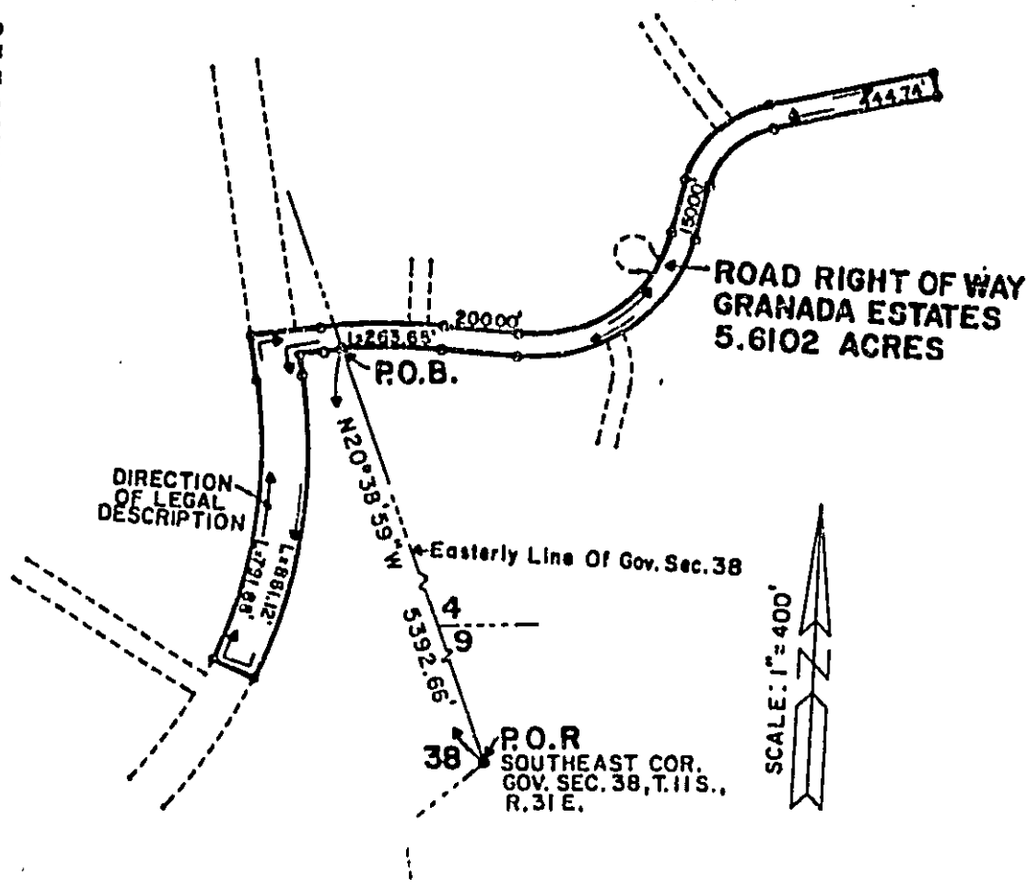

SKETCH OF LEGAL DESCRIPTION
ROAD RIGHT-OF-WAY, GRANADA ESTATES

SHEET 2 OF 2

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State of Florida

Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of HAMMOCK DUNES OWNERS' ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on February 20, 1989, as shown by the records of this office.

The document number of this corporation is N30763.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
20th day of February, 1989.

GREAT SEAL OF THE STATE OF FLORIDA · IN GOD WE TRUST

CR2EO22 (6-88)

Jim Smith
Secretary of State

L/SA-93
Rev: 02/09/89

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ARTICLES OF INCORPORATION

OF

HAMMOCK DUNES OWNERS' ASSOCIATION, INC.
(A Corporation Not for Profit)

In order to form a corporation not for profit for the purposes and with the powers set forth herein, under and in accordance with the provisions of Chapter 617 of the Florida Statutes, the undersigned by these Articles of Incorporation (the "Articles") hereby certify as follows:

ARTICLE I
DEFINITIONS

A. All terms which are defined in the Declaration of Protective Covenants, Conditions, and Restrictions for Hammock Dunes ("Master Declaration") shall be used herein with the same meanings as defined in said Master Declaration.

B. "Owners' Association" as used herein shall mean the Hammock Dunes Owners' Association, Inc., a Florida corporation not for profit, the corporation formed by these Articles, its successors or assigns.

ARTICLE II
NAME

The name of this Owners' Association shall be Hammock Dunes Owners' Association, Inc. (hereinafter referred as the "Owners' Association"), whose present address is One Corporate Drive, Palm Coast, Florida 32051.

ARTICLE III
PURPOSES

The purposes for which this Owners' Association is organized are to take title to, operate, administer, manage, lease and maintain the Common Areas or such portions thereof or of Hammock Dunes as are dedicated to or made the responsibility of the Owners' Association in the Master Declaration or in any other Master Documents or in the Order in accordance with the terms of and purposes set forth therein; and to conduct any lawful business permitted under the laws of the State of Florida for corporations not for profit in order to carry out the covenants and enforce the provisions of any of the Master Documents, or any Subassociation documents. The Owners' Association in NOT a condominium association under Chapter 718, Florida Statutes.

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ARTICLE IV
POWERS

The Owners' Association shall have the following powers and shall be governed by the following provisions:

A. The Owners' Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of the Master Documents.

B. The Owners' Association shall have all of the powers reasonably necessary to implement its purposes including but not limited to, the following:

1. To perform any act required or contemplated by it under the Master Declaration or any other Master Documents.

2. To perform any act required or contemplated by it under the Order.

3. To make, establish and enforce reasonable rules and regulations governing the use of Hammock Dunes or any portions thereof, including, without limitation, the Common Areas.

4. To make, levy and collect Assessments for the purpose of obtaining funds for the payment of Operating Expenses or other expenses in the manner provided in the Master Documents and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Owners' Association.

5. To maintain, repair, replace and operate those portions of Hammock Dunes that it is required to maintain, repair, replace and operate in accordance with the Master Documents.

6. To enforce the provisions of the Master Documents.

7. To construct improvements to Hammock Dunes in accordance with the Master Documents.

8. To employ personnel and to retain independent contractors and professionals; and to enter into service contracts to provide for the maintenance, operation and management of property; and to enter into any other agreements consistent with the purposes of the Owners' Association, including, but not limited to, agreements with respect to the installation, maintenance and operation of a telecommunications receiving and distribution system and surveillance system, or for professional management and to delegate to such professional management certain powers and duties of the Owners' Association.

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ARTICLE V
MEMBERS AND VOTING

The qualification of Members, the manner of their admission to membership, and voting by Members shall be as follows:

A. The Membership of the Owners' Association shall be comprised of the Owners, including Declarant, and the Hammock Dunes Club. Membership shall be established as hereinafter set forth.

B. There shall be at least three (3) classes of Members: Residential Members, Hammock Dunes Club and Declarant. Membership in each class shall be established as follows:

1. Residential Members. Residential Membership shall, subject to the provisions of Paragraph C below, be comprised of Dwelling Unit Owners and Land Segment Owners and shall be established effective, either (a) immediately upon a Person's becoming a Dwelling Unit Owner or (b) upon a Land Segment Owner's Land Segment becoming subject to Assessments, as set forth in Paragraph 10.01(b) of the Master Declaration.

2. Hammock Dunes Club. The Membership of the Hammock Dunes Club in the Owners' Association shall be established effective either (a) upon creation of the Hammock Dunes Club, or (b) if the Hammock Dunes Club is in existence prior to the creation of the Owners' Association, then upon the filing of these Articles.

3. Declarant. Declarant's Membership in the Owners' Association shall be established effective immediately upon the creation of the Owners' Association, and until the establishment and effectiveness of any other Member's Membership, the Membership of the Owners' Association shall be comprised solely of Declarant.

C. Residential Membership, once established with regard to any Unit as provided in Paragraph V.B immediately above, shall pass with title to the Unit in question as an appurtenance thereto with no such Membership or rights arising therefrom being transferable in any manner except as and appurtenance to such Unit. No new Residential Member's rights shall be effective until the new Member presents the Owners' Association with a copy of the recorded deed or other muniment of title conveying title to the Unit.

D. A Structure for which final certificates of occupancy have been issued but which has subsequently been destroyed or demolished shall be deemed, for the purpose of voting, to have the number of Dwelling Units which were contained in the original Structure until such time as a replacement Structure is erected and a final certificate of occupancy issued therefor.

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Thereupon, the number of Dwelling Units of the replacement Structure shall control in lieu of the number of Dwelling Units in the Structure so destroyed or demolished.

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E. Voting Rights. The voting rights of the Members shall be as follows:

1. Voting. Each Member shall possess the voting rights such Member is entitled to, as set forth in the Master Declaration.

2. Casting of Votes.

The Members who belong to each class of Membership in the Owners' Association shall cast their votes as follows:

(a) Declarant. Declarant shall cast its votes at meetings of the Members in person or by written proxy. Nothing herein contained shall require that Declarant cast in the same manner all the votes he is entitled to cast as a Member, and Declarant may cast fewer than the total number of votes he possesses.

(b) Hammock Dunes Club. The Hammock Dunes Club shall cast its votes through its Voting Member. The Voting Member shall cast the votes of the Hammock Dunes Club as such Voting Member determines to be in the best interests of the Hammock Dunes Club at meetings of the Members of the Owners' Association called for such purpose. Nothing herein contained shall require that a Voting Member cast in the same manner all of the votes which he is entitled to cast at the meetings of the Members of the Owners' Association, and the Voting Member may cast fewer than the total number of votes possessed by the Members he represents. Notwithstanding anything contained in this subparagraph, the amount of votes a Voting Member possesses for purposes of electing an Administrator shall be set forth in Paragraph X.E. below.

(c) Residential Members. Each Residential Member shall cast its vote through its Voting Member. The Voting Member shall have the same number of votes as the number of Members in the Neighborhood he represents and shall cast the votes of the Members he represents as such Voting Member determines to be in the best interests of such Members at meetings of the Members of the Owners' Association, called for such purpose. Nothing herein contained shall require that a Voting Member cast in the same manner all of the votes which he is entitled to cast at the meetings of the Members of the Owners' Association, and the Voting Member may cast fewer than the total number of votes possessed by the Members he represents. Notwithstanding anything contained in this subparagraph, the amount of votes a Voting Member possesses for purposes of electing an Administrator shall be set forth in Paragraph X.E. below.

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3. Election of Voting Members.

There shall be one (1) voting Member for each Neighborhood and the Hammock Dunes Club. The election of Voting Members shall be as follows:

(a) Neighborhoods with Associations. The Voting Member of a Neighborhood with a Neighborhood Association shall be selected on an annual basis by the Members of that Neighborhood Association in accordance with a procedure set forth in the Neighborhood Documents which has been approved by Declarant.

(b) Neighborhoods without Associations. The Voting Member of a Neighborhood with No Neighborhood Association shall be selected on an annual basis by the Dwelling Unit Owners and Land Segment Owners of that Neighborhood at a meeting of these Owners called by the Owners' Association for the purpose of electing the Voting Member. This meeting shall be held at least ninety (90) days, but no more than one hundred twenty (120) days, prior to the Annual Members' Meeting. Notice of this meeting shall be delivered or mailed by the Owners' Association at least thirty (30) days, but not more than forty (40) days, in advance of the meeting. Notice may be given either personally or by sending a copy of the notice through the mail, postage prepaid, to the address of the Member appearing on the books of the Owners' Association. The presence at this meeting of the Dwelling Unit Owners and Land Segment Owners entitled to cast one-quarter (1/4) of the votes possessed by the total of all Dwelling Units and Property Units located in the Neighborhood shall constitute a quorum. Dwelling Unit Owners and Land Segment Owners shall be entitled to vote by proxy.

(c) Hammock Dunes Club. The Voting Member of the Hammock Dunes Club shall be the president or chief executive officer of the Hammock Dunes Club unless otherwise specified in accordance with a procedure set forth in the governing documents of the Hammock Dunes Club which has been approved by Declarant.

(d) Initial Voting Member. Until such time as a Voting Member is selected by a Neighborhood or the Hammock Dunes Club in accordance with the procedures set forth above, the initial Voting Member of a Neighborhood or the Hammock Dunes Club shall be appointed by Declarant.

(e) Vacancy. Any vacant Voting Member position occurring because of death, resignation or other termination of services shall be filled by the Board. A Voting Member appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office and shall serve until his successor shall have been elected and/or appointed and qualified.

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F. Each and every Member shall be entitled to the benefits of membership, and shall be bound to abide by the provisions of the Master Documents.

G. The rights and qualifications of any other Tract Owners and the manner of their admission to Membership shall be set forth by Declarant in a Supplement, in accordance with the Master Declaration, and Declarant shall have the right to unilaterally amend these Articles to comport with such supplement.

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ARTICLE VI
TERM

The term for which this Owners' Association is to exist shall be perpetual.

ARTICLE VII
INCORPORATORS

The names and street addresses of the Incorporators of the Owners' Association are as follows:

Name	Address
John Schlegel	1 Corporate Drive Palm Coast, Florida 32051
David Teal	1 Corporate Drive Palm Coast, Florida 32051
Steve Tubbs	1 Corporate Drive Palm Coast, Florida 32051

The rights and interests of the Incorporators shall automatically terminate when these Articles are filed with the Secretary of State of Florida.

ARTICLE VIII
OFFICERS

A. The affairs of the Owners' Association shall be managed by the President, one (1) or more Vice Presidents, a Secretary and a Treasurer and, if elected by the Board, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, which officers shall be subject to the direction of the Board.

B. The Board shall elect the President, the Vice President, the Secretary and the Treasurer; and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall, from time to time, determine appropriate. Such officers shall be elected annually by the Board at the first meeting of the Board; provided, however, that such officers may

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be removed by the Board and other persons may be elected by the Board as such officers in the manner provided in the By-Laws. The President shall be a member of the Board, but no other officer need be a member of the Board. The same person may hold two offices, the duties of which are not incompatible; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary or Assistant Secretary be held by the same person.

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ARTICLE IX
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	-	John Schlegel
Vice President	-	David Teal
Secretary	-	Alan Markee
Treasurer	-	Alan Markee

ARTICLE X
BOARD OF ADMINISTRATORS

A. The number of members of the First Board of Administrators ("First Board") shall consist of three (3) Administrators. Thereafter, the number of members of the Board shall be as provided in Paragraph C of this Article X.

B. The names and street addresses of the persons who are to serve as the First Board are as follows:

Name	Address
John Schlegel	1 Corporate Drive Palm Coast, Florida 32051
David Teal	1 Corporate Drive Palm Coast, Florida 32051
Steve Tubbs	1 Corporate Drive Palm Coast, Florida 32051

The First Board shall be the Board of the Owners' Association until the first Annual Members' Meeting after Declarant has conveyed twenty percent (20%) of the Dwelling Units permitted to be constructed on the Total Property. Declarant shall have the right to appoint, designate or elect all the members of the First Board until such Annual Members' Meeting, and in the event

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of any vacancy, fill any such vacancy. After such Annual Members' Meeting, Declarant shall have the right to appoint, designate, or elect all the Administrators who are not elected by the Members other than Declarant as set forth in Paragraph C below. Declarant reserves the right to remove any Administrator it has appointed, designated, or elected to the First Board or any other Board.

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C. 1. At the first Annual Members' Meeting after Declarant has conveyed twenty percent (20%) of the Dwelling Units permitted to be constructed on the Total Property, and at all Annual Members' Meetings thereafter until the Annual Members' Meeting described in Paragraph C.2 below, the Board shall include: two (2) Administrators designated by Declarant and one (1) Administrator elected by the Voting Member as more specifically set forth in the By-Laws.

2. At the first Annual Members' Meeting after Declarant has conveyed fifty percent (50%) of the Dwelling Units permitted to be constructed on the Total Property, the number of Administrators shall be expanded to five (5), and until the first Annual Members' Meeting described in Paragraph C.3 below, the Board hall include: three (3) Administrators designated by Declarant and two (2) Administrators elected by the Voting Members, as more specifically set forth in the By-Laws.

3. At the Turnover meeting, which is to be held as set forth in the Master Declaration, the number of Administrators shall be expanded to a maximum number of eleven (11) . At the Turnover meeting and at all Annual Members' Meetings after Turnover, the Voting Members shall elect one (1) Administrator from each Community, for a maximum of nine (9) Administrators. In addition, after Turnover and for so long as Declarant owns any interest in the Total Property, Declarant shall have the right, but not the obligation, to designate two (2) additional Administrators and his/her successors ("Declarant Administrator"), thus providing for up to a total of eleven (11) Administrators. Notice of the Turnover meeting shall be given as provided in Article X, Section 3 of the By-Laws.

D. Until Turnover, Administrators of the Owners' Association named by Declarant shall serve at the discretion of Declarant, and in the event of vacancies of such Administrators, such vacancies shall be filled by the person designated by Declarant. The fact that the Owners have not elected or refuse to elect Administrators shall not interfere with the right of Administrators designated by Declarant to resign.

E. At the Turnover meeting and thereafter, Voting Members may cast their votes for Administrators only for the Administrator vacancy set aside for their respective Communities. In electing Administrators, each Voting Member is entitled to one

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(1) vote only, regardless of the total amount of Members located in the Neighborhood such Voting Member represents.

F. The resignation of an Administrator who has been designated, appointed or elected by Declarant, or the resignation of an officer of the Owners' Association who was elected by the First Board, shall remise, release, acquit and forever discharge such Administrator or officer of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, claims, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity which the Owners' Association or Members had, now have, or will have; or which any personal representative, successor, heir or assign of the Owners' Association or Members hereafter may have against such Administrator or officer by reason of his having been an Administrator or officer of the Owners' Association.

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ARTICLE XI
INDEMNIFICATION

Every Administrator and every officer of the Owners' Association shall be indemnified by the Owners' Association against all expenses and liabilities, including attorneys, fees through all trial and appellate levels, reasonably incurred by or imposed upon him in connection with any proceeding, arbitration or settlement to which he may be a party, or in which he may become involved, by reason of his being or having been an Administrator or officer of the Owners' Association, whether or not he is an Administrator or officer at the time such expenses are incurred. Notwithstanding the foregoing, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement. Notwithstanding anything contained herein to the contrary, in instances where the Administrator or officer admits or is adjudged guilty of willful malfeasance in the performance of his duties, the indemnification provisions contained herein shall not apply. Otherwise, the foregoing right of indemnification shall be in addition to and not exclusive of any and all right of indemnification to which such Administrator or officer may be entitled by common law or statute.

ARTICLE XII
BY-LAWS

By-Laws of the Owners' Association shall be adopted by the First Board and thereafter may be altered, amended or rescinded in the manner provided for in the By-Laws. In the event of a conflict between the provisions of these Articles and the provisions of the By-Laws, the provisions of these Articles shall control.

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ARTICLE XIII
AMENDMENTS

A. These Articles may be amended by the following methods:

1. (a) The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the Annual Members' Meeting or a special meeting. Any umber of proposed amendments, may be submitted to the Members and voted upon by them at one meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Voting Member and Declarant within the time and in the manner provided in the By-Laws for the giving of notice of meetings of Members ("Required Notice").

(c) At such meeting a vote of the Voting Members and Declarant shall be taken on the proposed amendment(s). The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-third (2/3) of all votes entitled to be cast.

2. An amendment may be adopted by a written statement, in lieu of a meeting, signed by all Administrators, all Voting Members entitled to vote at meetings of the Members, and Declarant setting forth their intention that an amendment to these Articles be adopted.

3. Consistent with the provisions of the Master Declaration allowing certain instruments, including Supplements, to be effected by Declarant alone, Declarant alone may amend these Articles to bring the Articles into conformity with such instruments.

B. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Master Declaration.

C. A copy of each amendment shall be filed and certified by the Secretary of State of the State of Florida.

D. A certified copy of each such amendment shall be attached to any certified copy of these Articles and shall be part of such Articles and an exhibit to the Master Declaration upon the recording of the Master Declaration; or, in lieu thereof, "Restated Articles" (as defined in Article XV) may be adopted and a certified copy thereof shall be attached as an exhibit to the Master Declaration upon recordation thereof.

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E. There shall be no amendment to these Articles which shall abridge, amend or alter the rights of: (i) Declarant, including, without limitation, the right to designate and select the Administrators as provided in Article X hereof and the rights reserved to Declarant in Article VI of the Master Declaration, without the prior written consent thereto by Declarant; (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee; and (iii) any of the Clubs, without the prior written consent of Declarant.

ARTICLE XIV
SUCCESSOR ENTITIES

In the event of the dissolution of the Owners' Association, or any successor entity thereto, any property dedicated or conveyed to the Owners' Association shall be transferred to either a successor entity or an appropriate governmental agency or public body to be maintained for the purposes for which the property in accordance with terms and provisions under which such property was being held by the Owners' Association, or such successor.

ARTICLE XV
RESTATEMENT OF ARTICLES

A. All provisions contained within these Articles plus any amendments thereto may at any time be integrated into a single instrument as "Restated Articles" and adopted by the Board. Such Restated Articles shall be specifically designated as such and shall state, either in the heading or in the introductory paragraph, the name of Owners' Association and, if it has been changed, the name under which it was originally incorporated and the date of filing of the original Articles or any restatements thereof in the Office of the Secretary of State of Florida. Such Restated Articles shall also state that they were duly adopted by the Board and that such Restated Articles only restate and integrate and do not further amend the provisions of these Articles as theretofore amended, or that any amendment included therein has been adopted pursuant to Article XIII hereof and that there is no discrepancy between these Articles as theretofore amended and provisions of the Restated Articles other than the inclusion of the properly adopted amendments.

B. Upon the filing of Restated Articles by the Secretary of State of Florida, the original Articles, as theretofore amended, shall be superseded, and thenceforth the Restated Articles shall be these Articles of Incorporation of the Owners' Association.

C. Amendments may be made simultaneously with restatement of these Articles if the requirements of Article XIII are

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complied with. In such event, the Articles of Incorporation shall be specifically designated as such.

ARTICLE XVII
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Owners' Association is 1 Corporate Drive, Palm Coast, Florida 32051 and the initial Registered Agent of the Owners' Association at that address shall be John Schlegel.

IN WITNESS WHEREOF, we, John Schlegel, David Teal, and Steve Tubbs, the Incorporators of the Hammock Dunes Owners' Association, Inc., have hereunto affixed our signatures this day of February 15, 1989.

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The undersigned hereby accepts the designation of Registered Agent of Hammock Dunes Owners' Association, Inc. as set forth in Article XVII of these Articles.

STATE OF FLORIDA)
: ss.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared John Schlegel, David Teal and Steve Tubbs to me known to be the persons described as the Incorporators of the Hammock Dunes Owners' Association, Inc.

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and who executed the foregoing Articles of Incorporation and they acknowledged before me that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal this 15th day of February 1989.

Victoria P. Gard
Notary Public
My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

(SEAL)

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STATE OF FLORIDA)
: ss.:
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day, before me a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared John Schlegel, to me known to be the person described as initial Registered Agent, in and who executed the foregoing Articles of Incorporation and he acknowledged before me that he executed the same for the purposes therein expressed.

WITNESS my hand and official seal this 15th day of February 1989.

Victoria P. Gard
Notary Public
My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 1, 1992
Bonded Thru Troy Fain - Insurance Inc.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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B Y - L A W S

OF

HAMMOCK DUNES OWNERS' ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

Section 1. All terms which are defined in the Declaration of Protective Covenants, Conditions, and Restrictions for Hammock Dunes ("Master Declaration") shall be used herein with the same meanings as defined in said Master Declaration.

Section 2. Owners' Association as used herein shall mean Hammock Dunes Owners' Association, Inc., a Florida corporation not for profit. The Owners' Association is NOT a condominium association.

ARTICLE II
LOCATION OF PRINCIPAL OFFICE

The principal office of the Owners' Association shall be located at 1 Corporate Drive, Palm Coast, Florida 32051, or at such other place as may be established by resolution of the Board of Administrators of the Owners' Association.

ARTICLE III
MEMBERSHIP, ASSESSMENTS AND VOTING MEMBERS

Section 1. Every Owner, including Declarant, and the Hammock Dunes Club shall become a Member of the Owners' Association in the manner set forth in the Articles; provided, however, that any such person or entity who holds an ownership interest only as security for the performance of an obligation shall not be a Member. Once established, an Owner's membership shall be appurtenant to, and may not be separated from, ownership of a Unit.

Section 2. Assessments and installments thereof not paid when due shall bear interest from the date due until paid at the rate set forth in the Master Declaration and, upon thirty (30) days' written notice, shall result in the suspension of voting privileges and other rights of membership until such Assessments and installments thereof are paid.

Section 3. Members shall be represented at all meetings of the Owners' Association by their Voting Members. Voting Members shall speak, vote and generally act on behalf of the Members they represent at meetings of the Owners' Association

Exhibit "F"

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called for such purpose. Members other than Declarant shall not have the right to attend or speak at any meeting of the Board unless specifically requested by the Board.

ARTICLE IV
BOARD OF ADMINISTRATORS

Section 1. A majority of the Board shall constitute a quorum to transact business at any meeting of the Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Board.

Section 2. Any vacancy occurring on the Board because of death, resignation or other termination of services of any Administrator, shall be filled by the Board; except that Declarant, to the exclusion of other Members and/or the Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Administrator appointed by Declarant. An Administrator appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office and shall serve until his successor shall have been elected and/or appointed and qualified.

ARTICLE V
ELECTION OF ADMINISTRATORS
BY VOTING MEMBERS

Section 1. At the first Annual Members' Meeting after Declarant has conveyed twenty percent (20%) of the Dwelling Units permitted to be constructed on the Total Property, one (1) Administrator shall be elected by the Voting Members on behalf of the Members other than Declarant.

Section 2. At the first Annual Members' Meeting after Declarant has conveyed fifty percent (50%) of the Dwelling Units permitted to be constructed on the Total Property, two (2) Administrators shall be elected by the Voting Members on behalf of the Members other than Declarant.

Section 3. At the Turnover meeting, which is to be held as set forth in the Master Declaration, the number of Administrators shall be expanded to a maximum of eleven (11). At the Turnover meeting and at all Annual Members' Meetings after Turnover, nine (9) Administrators shall be elected by the Voting Members on behalf of the Members; provided that each Community is represented by one (1) Administrator, and further provided that Voting Members may cast their votes for Administrators only for the Administrator vacancy set aside for their respective Communities. In addition, after Turnover and as long as Declarant owns any interest in the Total Property, Declarant

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shall have the right, but not the obligation, to designate two (2) additional Administrators and his/her successors, thus providing for a total of eleven (11) Administrators.

Section 4. All elections to the Board set forth above shall be made by written ballot.

Section 5. The Nominating Committee shall provide to the Voting Members a slate of candidates in accordance with the procedure set forth in Article IX hereof.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD

Section 1. The Board shall have power:

(a) To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article X, Section 2 hereof;

(b) To appoint and remove at pleasure all officers, agents and employees of the Owners' Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, officer or Administrator of the Owners' Association in any capacity whatsoever;

(c) To establish, levy and assess, and collect Assessments;

(d) To adopt and publish Rules and Regulations governing the use of the Common Areas and facilities and the personal conduct of the Members and their guests thereon;

(e) To exercise for the Owners' Association all powers, duties and authority vested in or delegated to the Owners' Association, except those reserved to the Members in the Master Declaration.

Section 2. It shall be the duty of the Board:

(a) To cause to be kept minutes of all its acts and corporate affairs.

(b) To supervise all officers, agents and employees of the Owners' Association.

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ARTICLE VII
BOARD MEETINGS

Section 1. A regular meeting of the Board shall be held at least once each calendar quarter. A regular meeting of the Board shall also be held immediately following the regular annual meeting of the Members.

Section 2. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no additional notice thereof need be given.

Section 3. Special meetings of the Board shall be held when called by the President of the Owners' Association or by a majority of the Administrators after not less than three (3) days' notice to each Administrator except in cases of emergency.

Section 4. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Administrators not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records of the Owners' Association and made part of the minutes of the meeting.

Section 5. Administrators may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.

ARTICLE VIII
OFFICERS

Section 1. The officers of the Owners' Association shall be a President, a President Elect, a Vice President, a Secretary and a Treasurer and such other officers as may be deemed necessary or appropriate by the Board. The President shall be an Administrator.

Section 2. The officers shall be chosen by a majority vote of the Administrators.

Section 3. All officers shall hold office at the pleasure of the Board.

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Section 4. The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out and sign all notes, leases, mortgages, deeds and all other written instruments. The President shall not also be the Secretary.

Section 5. The President Elect shall perform all of the duties of the President in his absence and shall automatically become President for a full term after he has served his full term as President Elect. The President Elect's term as President shall begin at the commencement of the first meeting of the Board elected at the Annual Members' Meeting held at the end of the President Elect's term as President Elect.

Section 6. The Vice President shall perform all the duties of the President Elect in his absence and such other duties as the Board shall prescribe.

Section 7. The Secretary of the Owners' Association shall be the ex-officio Secretary of the Board, shall record the votes, and keep minutes of all proceedings in a minute book to be kept for that purpose. He shall keep the records of the Owners' Association. He shall record in a book kept for that purpose the names of all Voting Members together with their addresses as registered by such Voting Members (as set forth in Article X, Section 3 hereof).

Section 8. The Treasurer shall receive and deposit in appropriate accounts all monies of the Owners' Association and shall disburse such funds as directed by resolution of the Board, provided however that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. Any check issued by the Owners' Association must be signed by two (2) authorized Persons, one (1) of whom shall be the Treasurer or the Assistant Treasurer. The Treasurer shall keep proper books of account and cause an annual accounting of the Owners' Association's books to be made by a certified public accountant in accordance with good accounting practices at the completion of each fiscal year and shall provide Declarant with a copy thereof within thirty (30) days of its preparation. He shall prepare the annual Budget and an annual balance sheet statement and the Budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE IX
COMMITTEES

Section 1. The Owners' Association may have the following committees, amongst others:

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(a) Architectural Committee;

(b) Maintenance Committee;

(c) Finance Committee;

(d) Community Relations Committee; and

(e) Nominating Committee.

Unless otherwise provided herein, each committee shall consist of a Chairperson and two or more persons and shall include a member of the Board for Board contact. Committee members may be appointed by the Board to serve until the close of the next annual meeting. The Board shall have the right to create, from time to time, such other committees as it deems desirable.

Section 2. The Architectural Committee shall perform such functions prescribed in the Master Documents regarding the initial design and location of all Structures, and all alterations and modifications to existing structures, as the Board shall determine from time to time and advise the Board on all matters pertaining to same, and shall perform such other functions as the Board, in its discretion, determines.

Section 3. The Maintenance Committee, if created by the Board, shall advise the Board on all matters pertaining to the maintenance, repair, replacement, or improvement of Common Areas and facilities of the Owners' Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Finance Committee, if created by the Board, shall supervise the annual accounting of the Owners' Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex-officio member of the Finance Committee.

Section 5. The Community Relations Committee, if created by the Board, shall advise the Board and seek response from the Members on all matters pertaining to community relations.

Section 6. The Nominating Committee shall be comprised of no less than three (3) or more than five (5) Members appointed by the Board no less than ninety (90) days prior to Turnover or an Annual Members' Meeting. The chairperson shall be an Administrator. The Nominating Committee shall have the responsibility of preparing a slate of candidates for the election of Administrators in accordance with Article V of these By-Laws. The Nominating Committee shall provide the slate of candidates to the Board for its approval. If approved, the Board shall then provide the slate of candidates to the Voting Members

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at the time the Voting Members receive notice of the meeting, as set forth in Article X, Section 3 of these By-Laws. The Voting Members may nominate additional candidates at the meeting at which the votes are cast, and nothing herein shall be construed to limit a Voting Member's right to vote for a candidate other than those presented by the Nominating Committee.

Section 7. It shall be the duty of each committee, if created, to receive complaints from Members on any matter involving Owners' Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Administrator or officer of the Owners' Association as is further concerned with the matter presented.

ARTICLE X
MEETINGS OF MEMBERS

Section 1. Annual Members' Meeting. The regular, annual meeting of the Members ("Annual Members' Meeting") shall be held at such time on such day of the month of March in each year, and at such place as the Board shall determine. If the day for the Annual Members' Meeting shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President of the Owners' Association, a majority of the members of the Board, or upon written request of the Voting Members who have the right to vote one-fourth (1/4) of all of the votes of the entire membership at meetings of the Members.

Section 3. Notice. Notice of any meeting shall be given to the Voting Members and Declarant by the Secretary. Notice may be given either personally, or by sending a copy of the notice through the mail, postage prepaid, to the address of Declarant or the Voting Member appearing on the books of the Owners' Association. Each Voting Member shall register his address with the Secretary, and notices of meetings shall be mailed by him to such address. Failure to so register shall release the Secretary from the requirement of sending notice of meeting to such person. Notice of any meeting, regular or special, shall be delivered or mailed at least forty (40), but not more than sixty (60), days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article V, or any action governed by the Articles or by the Master Declaration, notice of such meeting shall be given or sent as therein provided.

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Section 4. Quorum. The presence at any meeting of the Voting Members or Declarant entitled to cast one-third (1/3) of the votes possessed by the entire membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles or by the Master Declaration shall require a quorum as therein provided.

ARTICLE XI
VOTING AND PROXIES

Section 1. At all meetings of Members, Declarant and the Voting Members may vote in person or by written ballot, as more fully set forth in the Articles. Voting Members and Declarant shall have the right to vote by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months.

ARTICLE XII
BOOKS AND PAPERS

The books, records and papers of the Owner's Association shall, upon prior written request, be subject to inspection by any Member, Voting Member, Institutional Mortgagee or Declarant during normal business hours.

ARTICLE XIII
CORPORATE SEAL

The Owners' Association shall have a seal in circular form having within its circumference the words:

HAMMOCK DUNES OWNERS' ASSOCIATION, INC.

ARTICLE XIV
ACCOUNTING RECORDS; FISCAL MANAGEMENT

Section 1. Accounting Method. The Owners' Association shall use the accrual method of accounting, as the Board shall determine, all records of which shall be open to inspection by Declarant and Voting Members, or their respective authorized designees at reasonable times upon prior written request. Such authorization of a designee of a Voting Member must be in writing and signed by the Person giving the authorization and dated within sixty (60) days of the date of inspection.

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Section 2. Budget. The Board shall adopt a Budget (as provided for in the Master Declaration) of the anticipated Operating Expenses of the Owners' Association for each forthcoming fiscal year at a regular or special meeting of the Board ("Budget Meeting") called for that purpose to be held no later than October 1 of the year prior to the year to which the Budget applies. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to Declarant and each Voting Member. The copy of the Budget shall be deemed furnished and the notice of the Individual Unit Assessment shall be deemed given upon its delivery or upon its being mailed as aforesaid. The failure of the Board to adopt a Budget in a timely fashion shall not abrogate or alter the obligation to pay Operating Expenses.

Section 3. Fiscal Year. In administering the finances of the Owners' Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) Assessments shall be made monthly, quarterly, semi-annually, or annually, as determined by the Board.

Section 4. Payment of Assessments. Assessments shall be payable as provided for in the Master Declaration.

Section 5. Deficit Spending. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should any deficiency exist which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be the subject of an adjustment to the applicable Assessment (e.g., Base Assessments, Community Assessments, Neighborhood Assessments, or Special Assessments).

Section 6. Depository. The depository of the Owners' Association shall be such bank(s) or savings and loan association(s) as shall be designated from time to time by the Board in which the monies of the Owners' Association shall be deposited. Withdrawal of monies from such account(s) shall be only by checks signed by such individuals as are authorized by the Board. All such funds shall be insured by an agency of the United States Government.

Section 7. Annual Report. A report of the accounts of the Owners' Association shall be made annually as set forth in Article VIII, Section 8 hereof, and a copy of the report shall be furnished to Declarant and each Voting Member no later than ninety (90) days following the fiscal year for which the report is made. Additionally, a copy of the report shall be furnished to any Institutional Mortgagee upon written request to the Owners' Association.

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Section 8. Notices. All notices and mailings to the Voting Members or Declarant required under these By-Laws shall be deemed to be furnished to the above-named parties upon their delivery or mailing to the above-named parties shown on the records of the Owners' Association at their last known addresses as shown on the records of the Owners' Association.

ARTICLE XV
AMENDMENTS

Section 1. In General. These By-Laws may be amended at any regular or special meeting of the Board at which there is a quorum by a vote of a majority of the Administrators, provided that those provisions of these By-Laws which are governed by the Articles may not be amended except as provided in the Articles or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Master Declaration may not be amended except as provided in such Master Declaration.

Section 2. Instrument. Any instrument amending, modifying, repealing or adding By-Laws shall identify the particular Section or Sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition certified to by the Secretary or Assistant Secretary of the Owners' Association shall be recorded amongst the Public Records of the County no sooner than five (5) business days after a copy of same has been delivered to Declarant and each Voting Member.

Section 3. Conflicts. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Master Declaration and these By-Laws, the Master Declaration shall control; and in the event of any conflict between the Articles and the Master Declaration, the Master Declaration shall control.

Section 4. Rights of Declarant. No amendment to these By-Laws shall be effective which prejudices or otherwise detrimentally affects any of Declarant's rights or privileges without Declarant's prior written consent.

Section 5. Rights of Clubs. No amendment to these By-Laws shall be effective which shall impair or prejudice the rights or priorities of any of the Clubs without specific written approval of Declarant.

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ARTICLE XVI
GENDER

Whenever the male pronoun is used herein, it shall be understood to be the female pronoun if the context or sex of the party referred to so requires.

IN WITNESS WHEREOF, we, being all of the Administrators of Hammock Dunes Owners' Association, Inc., have hereunto set our hands this _____ day of _____, 1989.

_____

_____

_____

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Exhibit "G"

Hammock Dunes Development of Regional Impact

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ATTACHMENT A

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Exhibit "G"

Approved 3/30/84

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GENERAL AND SPECIAL CONDITIONS OF DEVELOPMENT

The following are the General Conditions for development of the Hammock Dunes Development of Regional Impact:

1.0 GENERAL CONDITIONS

1.1 The Hammock Dunes ADA as accepted June 7, 1983, and Sufficiency Response submitted August 3, 1983, and the commitments therein plus letters and information submitted by the Applicant on May 26 and 27; September 13; October 5; November 7 and 9 are made a part of the development order.

1.2 This development shall be subject to further Chapter 380 review in the event significant physical development, as determined by the County Engineer, has not commenced within three years of when this development order becomes final; provided this time period shall be tolled during the pendency of any judicial or administrative review of this development order or permits necessary thereto.

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2.0 SCHOOL COMMITMENTS

2.1 To mitigate capital outlay expenditures required of the Flagler County School Board and to aid in providing convenient additional facilities and unique educational opportunities for the school age residents of Flagler County, including those of Hammock Dunes, the Applicant shall convey to the School Board at no charge:

a. A fifteen (15) acre school site to be located at the Transportation Distribution Services (the TDS site);

b. A twenty (20) acre school and Intracoastal Waterway experience site to be located at the north end of Bon Terra/Harbor Village (the Bon Terra site); and

c. A five (5) acre oceanfront natural experience site to be located immediately south of the end of Malacompra Road (the oceanfront site). This unimproved site shall include 450 feet of ocean frontage.

2.2 The Applicant shall prepare the Bon Terra site for construction of a school facility including appropriate clearing, removal of unsuitable soils, filling, grading, and drainage as required

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by the applicable codes, and the Applicant shall obtain any permits to satisfy the above requirements. The Applicant shall prepare the site and extend water and sewer lines at no cost to the School Board to the property lines of the TDS and Bon Terra sites within six months of the date the School Board receives approval of the particular school site from the Florida Department of Education. The Applicant shall have no other construction or service obligations with regard to the three sites described in paragraphs 2.1.a. - 2.1.c. above.

The Applicant has the right to fill and otherwise prepare the Bon Terra site for a school facility at any time prior to when the School Board commences construction of a school facility on this site.

2.3 The Applicant shall convey the three sites described in paragraphs 2.1.a. - 2.1.c. above by an unrestricted general warranty deed within sixty (60) days after the development order becomes final. Appropriate agreements separate from the deed shall give the Applicant a right of first refusal in the event of the sale of any of the sites to a non-governmental person or entity. Any such sale and the right of first refusal shall be subject to and exercisable only upon compliance with the valuation

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and appraisal principles of Rule 6A-2.28, as amended, of the Florida Administrative Code. Applicant shall furnish the School Board with appropriate surveys of the sites prior to the delivery of the deeds. None of these sites described in paragraphs 2.1.a - 2.1.c above shall be offered for sale by the School Board to any non-governmental person or entity prior to completion of 3,000 dwelling units or 12 years from the date the development order becomes final, whichever is sooner.

2.4 Appropriate agreements shall allow the Applicant to continue to use the TDS buildings and parking areas at no cost for no more than 36 months after the date the Flagler County Commission issues the development order, unless such usage is otherwise extended by the School Board and the Applicant. The Applicant shall be responsible for maintenance and repairs to the buildings and property being used. The Applicant shall execute a hold harmless and indemnity agreement in favor of the School Board against any and all claims, actions, suits, judgments, damages, injuries, attorneys fees, and costs arising out of the Applicant's use of the TDS property. The Applicant shall carry and pay for insurance policies to cover general liability,

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property damage, fire, flood, windstorm, and insurance covering any other peril that is normally carried on School Board property. The Applicant shall name the School Board as a co-insured on all of the policies and provide the School Board a certificate of insurance as co-insured in amounts and policy limits approved by the School Board. The agreement shall provide for allocation of insurance proceeds which is acceptable to the School Board and shall relieve the School Board of any obligation to rebuild or repair in the event of substantial destruction of any portion of the TDS site. The agreement shall provide that in the event of substantial destruction preventing use of the TDS building and property the School Board shall receive the proceeds of any insurance covering damage to property owned by the School Board.

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3.0 ECONOMY AND INFRASTRUCTURE

3.1 The approval by the County of this development order is based on the fact that the project will be served by certain capital facilities. These capital facilities are:

- surface water management system
- internal potable water distribution and fire hydrant system
- wastewater collection, treatment and disposal systems
- major north/south arterial roads (main road network)
- an on-site public safety complex including a fire and police station
- on-site fire, police, emergency medical and secondary security equipment including vehicles and apparatus
- Intracoastal Waterway Bridge

3.2 The County has determined that it would prefer that the ownership, operation and maintenance of the above-listed capital facilities be provided through an independent special district. The County has further determined that, as presently authorized by Chapter 190, Florida Statutes, a Community Development District (CDD) is not such

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an appropriate independent special district because of the overbroad powers granted to CDDs by state law.

It is the County's preference that Chapter 190 be amended so as to narrow the statutory powers granted to CDDs so that the County may support the creation of such an independent special district for this project. The Applicant is willing to seek such statutory amendments during the 1984 and subsequent regular legislative sessions.

3.3 In order to avoid unduly delaying the approval of this project and to assure that its approval is consistent with the Flagler County Comprehensive Plan and the Regional Planning Council's report and recommendations, the County finds that this project's capital facility needs will be satisfied by the following:

a. The Applicant shall construct or convey at its own financial responsibility the following capital facilities, at no cost to the County:

- a surface water management system
- major north/south arterial roads

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- the public safety complex as described in Condition 12.3
- the on-site fire, police, emergency medical and security equipment, including vehicles and apparatus, as described in Condition 12.4

b. It shall be the Applicant's own financial responsibility to construct, or cause to be constructed through a governmental entity, acceptable to the County, the following capital facilities to serve the dwelling units as they are constructed within a phase:

- internal potable water distribution and fire hydrant system
- wastewater collection, treatment, and disposal system.

In the event the Applicant constructs the capital facilities in paragraph 3.3.b, the Applicant may recover its capital costs through user contributions in aid of construction and/or user rates. If, after construction of the capital facilities listed in this subsection, there is created an appropriate governmental entity approved by the Flagler County Commission for the maintenance and

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operation of these facilities, the Applicant shall transfer its ownership, operation, and maintenance responsibilities to that entity. The selling price would be the original cost of the system less net contributions-in-aid-of-construction (CIAC) (after accumulated amortization), less accumulated depreciation, less debt which is assumed by the purchaser.

c. The Intracoastal Waterway Bridge (first two lanes) shall be constructed by the Applicant or the Applicant shall cause it to be constructed by a governmental entity acceptable to the County. The Applicant proposes that one-half of the Intracoastal Waterway Bridge shall be financed through Applicant-imposed impact fees levied against each dwelling unit equivalent at the time of the unit's construction and the other one-half of the bridge costs be financed through user tolls. The County does not object to the Applicant using this proposed financing as a method of satisfying its financial responsibility for this bridge. The Applicant, in cooperation with the County, shall make a good faith effort to seek acceptance of the responsibility to own, operate, and maintain the Intracoastal Waterway Bridge or bridges by the Florida Department of Transportation.

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3.4 In each instance where the Applicant is responsible for the ongoing maintenance of the capital facilities described in this section, the Applicant may transfer any and all of its responsibilities to improve and maintain such capital facilities to an appropriate private or governmental entity, acceptable to the County, which has been created to perform such responsibilities. If an appropriate governmental entity is created by the County or by other authorized means, the Applicant shall transfer the responsibility for operation and maintenance to that governmental entity, subject to the financial arrangements described in Section 3.3.b. and to the repayment of any outstanding indebtedness for the bridge for which user tolls are pledged to guarantee such repayment.

4.0 TRANSPORTATION

4.1 Intracoastal Waterway Bridge (ICWW)

a. During Phase I, the Applicant shall construct, or cause to be constructed at no expense to Flagler County, the proposed two-lane Intracoastal Waterway Bridge and its ramp system as approved by the Florida Department of Transportation. Bridge construction shall begin no later than the commencement of dwelling unit construction and shall be completed not later than two years after the commencement of dwelling unit construction.

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b. When the Florida Department of Transportation and Flagler County determine that Level of Service "C" as that term is defined in the Federal Highway Capacity Manual of the Federal Highway Administration, as amended from time to time, has been met on the Intracoastal Waterway Bridge, the Applicant shall construct, or cause to be constructed at no expense to Flagler County, two additional through lanes of the bridge along with the necessary improvements to its ramp system. All imorovements shall be approved by and constructed within the time frame established by the Florida Department of Transportation and Flagler County. Three years before Level of Service "C" is predicted to be reached on the first bridge, the Applicant shall commence necessary design activities and shall apply for the necessary construction permits for the second bridge. In the event the bridge is owned and operated by a district or the Florida Department of Transportation, the Applicant's duties to seek such permits may be performed by the district or the Department.

c. The Applicant proposes that all or part of the cost of the bridge construction referred to in 4.1.b. above and all of the maintenance costs of both

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bridges may be paid for through user tolls. The County does not object to the Applicant using this proposed financing as a method of satisfying its financial responsibility for this bridge. If the tolls from the first bridge exceed the cost of operation and maintenance, the operating entity of the bridge shall accumulate such excess funds and the interest thereon and apply them towards the construction costs of the second bridge.

If the second Intracoastal Waterway Bridge is not constructed within a reasonable time as provided by Section 4.1.b., such failure to construct shall be presumed to be a substantial deviation from this development order.

4.2 <u>State Road A1A</u>

a. The Applicant shall construct concurrently with the first Intracoastal Waterway bridge:

- an acceleration/deceleration lane on the east side of SR A1A at its intersection with the Intracoastal Waterway Bridge on and off ramp;
- a left turn lane for southbound traffic on SR A1A at its intersection with the Intracoastal Waterway Bridge on and off ramp; and
- a left turn lane on the Intracoastal Waterway Bridge on and off ramp at its intersection with SR A1A.

b. The Applicant shall construct acceleration/deceleration and left turn lanes on SR A1A at all

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intersections with the project's internal road system. Signalization shall be provided when warranted as determined by the Florida Department of Transportation's review of annual traffic reports. Capital cost of signalization shall be at the Applicant's expense.

c. Upon determination by the Florida Department of Transportation that improvements are warranted on SR A1A, the Applicant shall be required to pay its proportionate share of the road improvement costs. The Florida Department of Transportation will review the annual traffic reports prior to making its determination. The Applicant shall escrow its share of the road improvement costs with the appropriate agency prior to proceeding to the next development phase. The Applicant's proportionate share (as determined by Florida Department of Transportation) shall be based on the percentage of Hammock Dunes' generated traffic using SR A1A. Flagler County will not pay any portion of these improvement costs.

4.3 Malacompra Road

Upon determination by Flagler County that improvements are warranted on Malacompra Road from A1A to its eastern terminus at the park entrance, the

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Applicant shall be required to pay its proportionate share of the road improvement costs. The County will review the annual traffic reports prior to making its determination. The Applicant shall escrow its share of the road improvement costs with the appropriate agency prior to proceeding to the next development phase. The Applicant's proportionate share shall be based on the percentage of Hammock Dunes' generated traffic using Malacompra Road.

4.4 <u>16th and Jungle Hut Roads</u>

The Applicant shall upgrade these two facilities from SR A1A to their eastern termini at the entrance to the parks to meet current County road standards per Flagler County Development and Subdivision Regulations and shall construct the necessary improvements at the roads' intersections with SR A1A upon the completion of the Intracoastal Waterway Bridge. Once these roads have been improved to County road standards, the County shall be responsible for maintaining them.

4.5 In the event that carbon monoxide levels exceed the EPA/DER eight (8) low standard for carbon monoxide pollution, the Applicant shall be required

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to improve the bridge interchange at A1A (construct the next phase improvement) within one year from the time of the filing of the annual monitoring report.

4.6 St. Joe Grade/Palm Coast Parkway

a. The concerns raised by the RPC relating to the construction of the appropriate additions to the I-95 overpass area are adequately provided for in an agreement between Flagler County and ITT Community Development Corporation dated March 30, 1984.

Except as provided in the March 30, 1984 agreement, the funds for this improvement will be from federal or state funds other than those which would be allocated to Flagler County for road and bridge improvements within the County.

No County funds or funds due to be expended by other agencies on projects within the County will be expended for this improvement.

b. Upon determination by Flagler County that improvements are warranted at the following intersections, the County should require the Applicant to escrow the proportionate share of the Applicant's and CDC's improvement costs with the appropriate agency. These intersections are:

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- St. Joe Grade/Palm Coast Parkway at Belle Terre Boulevard
- St. Joe Grade/Palm Coast Parkway at Old Kings Road
- St. Joe Grade/Palm Coast Parkway at Proposed Bifurcated Road; and
- Belle Terre Boulevard at Proposed Bifurcated Road

NOTE: See ADA maps on pages 31.25, 31.28, and 31.30.

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4.7 The Applicant shall four-lane all or any part of the road and bridges located on Palm Harbor Parkway (formerly known as Norman Young Parkway) between Clubhouse Drive and Florida Park Drive when traffic count on these road segments exceeds 10,000 ADT. The Applicant shall commence design and other pre-construction activities for such improvements when traffic count on these road segments reaches 8,000 ADT.

4.8 Internal Road Systems

The Applicant shall construct all internal roadway improvements during the Phase identified in the ADA. These roads may be privately owned and, if so, shall be maintained at no expense to the County.

4.9 Whenever this development order requires the Applicant to construct facilities, the Applicant shall have the right to contract for the construction of these facilities through other

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appropriate contractors or agents, including governmental entities. The purpose of this section is to allow the Applicant the convenience of contracting with various agents to do the actual work related to the capital items it is responsible to construct. This section is not intended to relieve the Applicant of any financial responsibility specifically imposed on it by this development order.

5.0 MARINA

5.1 At the same time marina permit applications are submitted to DER and the Corps of Engineers, the permit applications shall be sent by the Applicant to the RPC for review and comment to the agencies.

5.2 If DER denies the Applicant's request for a marina permit, the County shall determine whether any resulting changes in the development plan constitute a substantial deviation pursuant to F.S. 380.06(17)(a)(b) for the Harbor Village Community. If future review of the marina is determined to be required, such review shall be limited to the regional or local impacts of the Harbor Village Community, and shall not extend to the rest of the development.

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5.3 The Applicant shall provide boat holding tank pump out facilities, the number and location to be approved by DER.

5.4 Final marina development site plans, by phase, shall be submitted to the RPC concurrently with the submission of the site plans to the County. The RPC will review the plans for conformance with the intentions and commitments presented in the ADA and Sufficiency Response.

5.5 The Applicant shall institute preventive measures to prevent Manatee mortality associated with construction and operation of the marina.

5.6 The excavation to be performed in the marina area shall be done in a manner to maintain the same water level, in the marina excavation, as is in the Intracoastal Waterway.

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6.0 LAND RESOURCES/DUNES

6.1 The landward toe of the primary dune shall be determined by DNR in consultation with the Applicant and RPC; no excavation or other development shall be allowed on the landward toe of the primary dune that could destroy the integrity of the dune.

6.2 The primary dune breaches existing on Hammock Dune property, specifically #4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 (see page D-44 RPC DRI Assessment Report) shall be filled and stabilized with vegetation by the Applicant at the beginning of development, to be completed prior to the end of Phase I. The Applicant shall also restore primary dune breaches located within park sites being donated by it to the County. At the County's request, the Applicant shall pay to the County $60,000 for the County to use in constructing appropriate motor vehicular dune crossovers at the end of Malacompra Road and at the south beach park site and $17,000 for pedestrian walkovers at the end of 16th Road and Jungle Hut Road, or other beachfront park-related services. In order to ensure that these funds, which are currently adequate to pay the cost of such crossovers, remain adequate, the $77,000 shall be increased on January 1 of each year

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starting with January 1, 1985 by an amount equal to the one year Certificate of Deposit interest rate being paid by Barnett Bank of Flagler County on the principal and any accumulated interest. The inflation protection provision of this paragraph shall also apply to the $50,000 provision of paragraph 14.1.f.

6.3 Preliminary development plans for areas adjacent to the dunes submitted to the County shall simultaneously be provided to the RPC and shall include the following information regarding protection of the dunes:

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a. All dunes to be preserved in the buffer area shall be mapped;

b. Measures to be taken to preserve the integrity of the dune system, e.g. filling and revegetation of blowouts, shall be specified.

6.4 Final development plans for areas adjacent to the dunes submitted to the County shall simultaneously be submitted to the RPC to demonstrate that the type, density and design of development proposed adjacent to the primary dune will not substantially alter the existing integrity of the dune system.

6.5 The Applicant shall submit to DER, St. Johns River Water Management District (District), and the RPC, an erosion control plan, by phase. No land shall be left ungraded without groundcover for more than 30 days, except that which is necessary for construction of the water management system, golf courses, and roadways. The erosion control plan shall address the steps to mitigate erosion for the construction of the water management system, golf courses and roadways in sufficient detail to justify the exclusion of these from this condition.

7.0 WETLANDS

7.1 The Applicant shall prepare a planting and management plan for the littoral zone that surrounds any created lake system. The plan shall inclu

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types, extent and timing of planting that will be provided in the littoral zone. Also included in the plan shall be the identification of any management activities that are intended to ensure the continuance and health of the littoral zone. The plan shall be subject to the approval of the County and the St. Johns River Water Management District, in consultation with the Florida Game and Freshwater Fish Commission, East Flagler Mosquito Control District, and the RPC, prior to beginning excavation of the lake system.

7.2 The Applicant shall preserve, to the maximum extent possible, a buffer zone of upland edge vegetation around all wetland habitats and lakes. The amount of preserved habitat that shall occur beyond the high water limit of the wetland or lake shall be 10 square feet of edge habitat per linear foot of wetland perimeter occurring on the property. This upland edge habitat to be preserved shall be located such that not less than 35 per cent of all wetlands or lake perimeter has at least a 10 foot wide buffer of natural "ecotone" or edge consisting of native upland vegetation surrounding it. Where it is impossible or impractical to preserve natural edge vegetation, the

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minimum requirements may be met by planting or landscaping with native plant materials.

7.3 A littoral zone of 10:1 slope ratio out to a three foot depth shall be created on the golf course sides of the lake system, provided that the value of the water management storage system for the design storm is not decreased. In locations of existing wetlands, the wetlands shall be retained to the maximum extent possible.

7.4 In order to reduce insect pests through natural means, the Applicant shall initially stock and maintain the created lake system with freshwater forage and game fish. The fish maintenance program shall be the responsibility of the entity responsible for the maintenance of the water management system.

7.5 The Applicant, in consultation with the East Flagler Mosquito Control District, shall maintain the open lake system and littoral zone to help reduce the incidence of mosquito production. The Applicant shall control aquatic weeds associated with mosquito production to the satisfaction of the East Flagler Mosquito Control District. Corrective action shall be taken by the Applicant within thirty (30) days after notification by the East Flagler Mosquito Control District.

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8.0 WATER RESOURCES (SURFACE/GROUND)

8.1 In the event that the surficial aquifer on the project site is designated a single source aquifer (G-I) by the ERC, the County shall determine whether the resulting changes in the development's design, if any, constitute a substantial deviation.

8.2 A periodic monitoring program approved by the County Engineer shall be devised by the Applicant for the lake system that:

a. Measures dissolved organic nitrogen and phosphate levels in the runoff entering the lake system and being discharged into the Intracoastal Waterway, and

b. Measures dissolved organic nitrogen and phosphate levels in ground water at selected points near the perimeter of the site, and

c. Measures results from shallow monitoring wells using the criteria for Class G-I and G-II Ground Water as set forth in F.A.C. Chapter 17-3.404; the primary and secondary drinking water standards for public water systems as listed in Section 17-22.104, F.A.C., nutrients, oil and grease, and EDBs.

d. To protect against saltwater intrusion, all excavation of surface water management system, lakes, etc.

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shall be performed by holding the ground water level at 4.0 m.s.l. or at the existing ground water level, whichever is less, within 300 feet of existing domestic and commercial wells.

8.3 A one year background ambient condition study of the Intracoastal Waterway shall be conducted by the Applicant prior to the commencement of any construction which would impact the Intracoastal Waterway. In addition, an Intracoastal water quality monitoring program shall be instituted to monitor changes. Details of the program shall be worked out with DER.

8.4 The Applicant shall take steps to ensure that biodegradable fertilizers and EPA/DER approved pesticides and fungicides are the only materials used within the development. The Applicant shall take all reasonable steps to ensure that persons to whom it sells individual building sites also adhere to this condition through restrictions and covenants. The Applicant or its successors shall not use EDB or dioxin within the development boundaries.

8.5 If at the end of Phase III the existing culverts under State Road A1A as shown on page 22.5 of the Application for Development Approval are not

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adequate to handle the run-off from the Hammock Dunes development, they shall be replaced with appropriate structures capable of handling the increased flow at the expense of the Applicant.

9.0 VEGETATION AND WILDLIFE

9.1 The Applicant shall prepare and submit to the Game and Fresh Water Fish Commission for review and recommendations a plan to relocate any rare or endangered plant species or plant species of special concern found in areas to be developed, to be implemented prior to development in each phase.

9.2.a. The development in the Hammock area (hardwood forest area adjacent to A1A) located between 16th and Malacompra Roads shall be in compliance with and consistent with the provisions of Public Hearing Exhibit 7, which is a report entitled "Development Suitability Analysis of the Hammock Forest, 16th Road to Malacompra Road", revised January 14, 1984 and as amended March 30, 1984.
During the construction within the area described in the Analysis, the Applicant shall pay the County for daily on-site inspections as required by the staff of the County Engineer's office to guarantee its compliance with this provision and to maximize the tree protection required by Section 9.3.

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b. After it conveys the property to the School Board and it vacates the TDS site, the Applicant shall have no responsibility for the property conveyed to the School Board located adjacent to the TDS site in the Special Development Zone.

9.3 The Applicant shall take special care during any construction activity not to injure or destroy trees or tree root systems of trees identified as conservation or preservation on the PCD map on page 12.13 of the ADA as modified by Section 9.2.a. The Applicant shall by appropriate restrictions, obligate purchasers to comply with this standard during any construction undertaken by them. The areas covered by this provision include the Hammock area described in Section 9.2.a. and hardwood trees adjacent to the functional wetlands identified on the Preservation, Conservation, and Development Map, ADA p. 12.13.

The Applicant shall devise a system of financial penalties and inducements to encourage its contractors to comply with the terms of this section.

9.4 Prior to initial development in each phase, the Applicant shall relocate any existing Gopher Tortoises and Eastern Indigo Snakes from areas to be developed to suitable habitats as defined by the Game and Fresh Water Fish Commission.

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9.5 A detailed restrictive beachfront lighting plan designed to protect the Loggerhead Turtle, a threatened specie, shall be submitted to the Florida Game and Freshwater Fish Commission for review and approval prior to initiation of development. The Applicant shall cause other developers, if any, to conform to the approved lighting plan.

9.6 In its landscaping program, Applicant shall use native trees which will mature into canopy trees.

10.0 HISTORICAL AND ARCHEOLOGICAL SITES

If, in the process of development, any additional archeological sites are discovered, the Applicant shall immediately notify the County and the State Division of Archives. No disruption of the findings shall be permitted after notification until the appropriate officials can make an investigation and thereafter only with County approval. If no County action is taken within six months, the Applicant may proceed.

11.0 WATER SUPPLY

11.1 The Applicant shall annually provide test results from potable water monitoring wells located west of the Intracoastal Waterway to the County and the St. Johns River Water Management District. The

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Applicant shall also provide the County with any data it gathers from its on-site groundwater monitoring wells.

11.2 The Applicant shall provide a report on the feasibility of the use of a graywater system for irrigation purposes in Hammock Dunes, and submit it to the RPC, the County, and the District for review and recommendations prior to initial development.

11.3 To maximize water conservation in Hammock Dunes, the Applicant shall install or cause to have installed water conserving (low volume) water closets, and faucet and shower flow restrictors in all structures; retained storm water for irrigation and the use of indigenous plants for landscaping shall be used to the maximum extent feasible.

11.4 A Mitigation Plan shall be prepared by the Applicant and submitted to DER, the District, the RPC, and Flagler County for their review in a time period of not less than 60 days prior to the filing of application for initial surface water management permit. (The Mitigation Plan refers to the protection of the Surficial Aquifer.)

11.5 In the event that it is found that the Applicant's development activities adversely impact the

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surficial aquifer to the extent it becomes unusable by existing owners or their successors, the Applicant shall commit to providing such owners with potable domestic water from the appropriate utility. The cost of any required extension of water mains and laterals or plant expansion to serve such owners shall not be charged to them in the form of hookup or other charges; however, such owners shall be required to pay the reasonable cost of the quantities of water they use, based upon the utility's prevailing rates.

The determination of adverse impacts and causes of such impacts will be determined on the basis of actual monitoring data. This data will be obtained from a monitoring program/plan devised in conjunction with the St. Johns River Water Management District and the Department of Environmental Regulation, which will document existing baseline conditions, monitor changes during and after development and assess impacts as to cause and effect.

Disputes as to impacts, causes and costs shall be subject to judicial review by the Circuit Court of Flagler County, Florida.

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The extra monitoring required in order to determine impacts on the off-site surficial aquifer shall be discontinued if potable domestic water is provided to the existing users of the surficial aquifer pursuant to this section.

11.6 An adequate buffer around the perimeter of the wastewater treatment plant between the plant and the out-parcel shall be provided by the Applicant. The buffer area shall consist of an area of at least 150 feet measured from the plant oxidation ditch and/or grit chamber to the boundary line. A vegetation screen shall also be provided along the out-parcel boundary.

11.7 The Applicant shall install a standby electric generator for the wastewater treatment plant.

12.0 PUBLIC SAFETY

12.1 Hurricane Evacuation

Transfers of title to any property in the project shall be accompanied by a separate hazard disclosure document, stating that Hammock Dunes is within a hurricane hazard area, in which property is subject to damage and residents may be subject to an evacuation order in the event of any hurricane landfalling within 50 miles of Hammock Dunes.

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12.2 The Applicant shall require that all buildings in excess of three stories be equipped with internal fire suppression/protection equipment including standpipes and sprinkler systems and a minimum of two pressurized stairwells per each high rise building. In addition, streets leading to such buildings shall be wide enough and have sufficient support to accommodate heavy fire suppression apparatus up to the size of a ladder truck.

12.3 The Applicant shall construct, or cause to be constructed, a public safety complex consisting of a two-bay facility of approximately 5,000 square feet within the convenience/commercial site located at the easterly end of the Intracoastal Waterway bridge. The facility shall be constructed before 1,000 dwelling units are built on site.

12.4 On or before the completion of the public safety complex described in 12.3 above, the applicant shall contribute the following new public safety equipment to the County or other appropriate entity:

- one emergency service line unit (advance life support);
- one 1,250 gallon capacity fire pumper/tanker;
- two patrol units for use by the Sheriff's Office.

The Applicant may contribute the equivalent value

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of the patrol units to the Sheriff's Office for its use for public safety purposes in lieu of donating the two patrol units.

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13.0 ENERGY

13.1 The Applicant has committed to construct all residential, multi-family, commercial and recreational facilities to the standards of the Florida Power & Light Company's Watt-Wise program or an equivalent standard. These units shall be certified by the utility as having merited the Watt-Wise designation or its equivalent.

13.2 The Applicant shall construct or cause to be constructed the bike path as shown on the Bikeway and Pedestrian System Plan (bike map, ADA, p. 31.33), residents' path, and residents' trail as depicted on such map. The bike and residents' paths shall link residential areas to the commercial and recreational areas and school if located on the Hammock Dunes property. The paths shall be constructed to concur with the phasing of the development.

13.3 The Applicant shall install or cause to be installed bike racks/devices at the commercial and recreational facilities.

13.4 All outdoor lighting systems in areas such as parking and recreation, shall use energy efficient ...

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such as high pressure sodium or low pressure sodium.

13.5 If swimming pools for the condo units and beach clubs are to be heated, the equipment shall meet the following standards: for fossil fuel systems, a steady state efficiency rating of 85% or greater; for electrical systems, a C.O.P. of 2 or greater.

13.6 To evaluate the success of including such conservation measures in the development, the Applicant shall provide the RPC with information as to the status of the implementation of these measures in the annual report required by F.S. 380.06(16).

14.0 RECREATION AND OPEN SPACE

14.1 The Applicant shall convey and the County shall accept and maintain the 67 acres of four oceanfront sites and 10 acres of Intracoastal park to the County on the following schedule:

a. The Applicant shall convey two acres of land at the end of Jungle Hut Road for beach access and parking purposes upon completion of the ICWW bridge.

b. The Applicant shall convey eight acres of park land at the south end of the Hammock Dunes site (Beach Community) for park purposes upon approval

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of the first site development plan for Hammock Dunes.

c. The Applicant shall convey 19 acres of park land out of the total 24 acre Malacompra site shown in green on the Hammock Dunes ADA Master Development Map south of the Applicant's north Johnson Beach property line upon approval of the first site development plan for Hammock Dunes.

d. The Applicant shall convey the balance of the Malacumpra Road site shown in green on the Hammock Dunes ADA Master Development Plan map north of the Applicant's northern Johnson Beach property line upon request from the County any time after approval of the first site development plan for Hammock Dunes.

e. The Applicant shall convey the 33 acres of park land at the end of 16th Road on the following schedule:

- 1/3 of land and oceanfrontage upon completion of the ICWW bridge;
- 1/3 of land and oceanfrontage upon completion of Phase I;
- 1/3 of land and oceanfrontage upon completion of Phase II.

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f. The Applicant shall convey a 10 acre Intracoastal park as shown on the Master Development Plan at the conclusion of the Intracoastal Waterway bridge construction. Concurrent with the conveyance of the park site, the Applicant shall construct and convey to the County a two-bay boat ramp to be located in the vicinity of the Intracoastal Waterway bridge. This boat ramp shall comply with DNR and DER requirements. The Applicant may give the County $50,000 in lieu of this obligation.

g. In addition to the 77 acre park conveyances, the Applicant shall also convey to the County and the County shall accept and maintain for park purposes 13.9 acres designated on the original Master Development Plan Map as the Johnson Beach school site. This conveyance shall be made upon approval of the first Site Development Plan for Hammock Dunes.

14.2. The Applicant shall grade the park sites, except dune areas, in a reasonable manner suitable for recreational development under a schedule agreed upon with the County. The Applicant will assist the County in the design of the parks. All park conveyances referred to herein shall restrict the property's use to park or other governmental purposes, except for the conveyance described in 14.1.d.

14.3 The Applicant shall provide dune walkovers along the beachfront on the Applicant's property as submitted in the Sufficiency Response, p. S.27.13.

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14.4 The Applicant shall contribute $20,000 to the County for purposes of Malacompra park improvements such as the construction of picnic tables and other park facilities. These funds shall be contributed when the 19 acres of Malacompra park site are conveyed to the County.

14.5 Land identified for golf course usage on the Master Development Plan map (ADA, p. 12.5) shall be deed and plat restricted to ensure that the usage of this land is limited to golf courses (including appropriate associated golf club facilities), open space, parks or, if approved by the County Commission, other appropriate recreational usages. Since it is recognized that the final configurations of the proposed golf courses are not now available, the Applicant at the time of platting shall identify the specific acreage for golf course use. The plat shall show the boundaries and configurations of the golf courses. The plat and all deeds of land within the area so identified as golf course usage on the plat shall contain restrictions limiting the usage of the property platted to golf courses (including appropriate associated golf club facilities), open space, parks or, if approved by the County Commission, other appropriate recreational usages.

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15.0 RESIDENTIAL RECREATION

The Applicant shall reserve two acres for Hammock Dunes resident recreational purposes in each of the following eight communities in Hammock Dunes: Ocean Estates, Racquet Club, Ocean Recreation, Destination Resort, Varn Lake, Fish Island, Fairways Community and Harbor Village. There are no acres reserved in Johnson Beach or the Beach Community.

16.0 OCEAN ESTATES COMMUNITY AND JOHNSON BEACH SUBDIVISION

Because of the land use requirements of Section 9.2.a. relating to the Hammock forest located along A1A between 16th and Malacompra Road, it was necessary for the Applicant to adjust the land use and cluster plan for the adjacent Ocean Estates Community. The Ocean Estates Insert Map dated February 10, 1984, revises the land plan for Ocean Estates previously shown on the January 14, 1984, Master Development Plan Map. The adjusted plan is consistent with the provisions of Section 9.2.a. and provisions of Section 17.5.

16.1 Because of the County's concern that during the later phases of this development there be adequate public beach park and/or governmental facilities in the beachfront area the remaining portions of the Johnson Beach acres shall not be sold or conveyed by the Applicant until the Applicant and County have conducted a joint study of the

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need for additional park or governmental facilities in the beachfront area. This study shall be completed by the end of Phase II of the development. If the study shows that all or a part of the remaining Johnson Beach acreage is or will be needed for park or governmental purposes, the Applicant shall convey the needed property it now owns in the Johnson Beach area as shown on the Johnson Beach Site Study Map to the County for such purposes within sixty (60) days of such post-study determination of public need.

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16.2 The Applicant will construct or provide for the construction of 120 moderate priced ($40,000 in 1983 dollars) dwelling units on an area of approximately 35 acres (75 dwelling units to be constructed during Phase II and 45 dwelling units during Phase III) as designated on the Master Development Plan Map, or within a seven-mile radius of the resort core boundary, in a range of sizes which reflect typical employee housing.

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17.0 DENSITY, BUILDING SPACING, LAND USE CLASSIFICATION, AND OTHER DEVELOPMENT REQUIREMENTS

17.1 The Applicant shall perform site development work so as to minimize the impact of such work on existing housing and facilities. The Applicant shall perform its required infrastructure construction and site clearing in a contiguous manner whenever possible so that site construction will not be required in areas where there are existing houses and facilities. The phasing map, which is attached to the final development order and made a part thereof as composite Exhibit 2, shall be followed by the Applicant in its construction activities unless modifications are approved in advance by the County. Modifications of the timing of clusters within a phase shall not be a substantial deviation. Site development work including construction of the water management system, water and sewer facilities, drainage, grading, roads and dwelling units shall be at least 50% complete in Phase I prior to the start of site development work and dwelling units in Phase II. The following table sets forth the percentage of completion in the various phases which must be accomplished before construction may take place in a subsequent phase:

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Percent Completed Phase I	% Permitted In Phase II	% Permitted In Phase III
50%	Begin Construction in Phase II	0
60%	15%	0
70%	30%	0
80% (*)	Unlimited in Phase II	0
	50%	Begin Constructi in Phase III
	60%	15%
	70%	30%
	80% (*)	Unlimited in Phase III

(*) - For the purpose of this Table, construction is considered complete in a phase when 80% of the authorized dwelling units in that phase have been completed.

The percentage of completion of dwelling units as defined above is to be determined by dividing the number of dwelling units completed by the number of dwelling units authorized within a given phase and multiplying by 100.

17.2 Combustible materials which are created as a result of construction or land clearing activities shall be burned completely on site or transported off site to an appropriate County authorized trash facility provided by the Applicant. Non-combustible construction or demolition debris shall be transported off site to an

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appropriate County authorized trash facility provided by the Applicant.

17.3 Soil materials which are unsuitable for construction may be used by the Applicant for landscaping after building construction, but may not be otherwise used on buildable areas.

17.4 Coquina formation mining operations shall be prohibited within the project boundaries. This does not preclude the on-site use of coquina removed as part of other construction activities.

17.5 The Hammock Dunes DRI is a Planned Unit Development under Article X of the Flagler County Development and Subdivision Regulations because it provides adequate open space, vehicular circulation and parking, recreation, park and school sites, innovative housing designs, and the service needs for the tract when fully developed and populated, and because this development order provides adequate covenants or other legal provisions which will help assure conformity to and achievement of the purposes of Article X. For purposes of compliance with Article X and other County development ordinances, this project, during the life of this development order, shall be treated as a Planned Unit Development subject to the following substantive conditions:

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a. Density

The Hammock Dunes ADA Master Development Plan Map identifies 893 acres for residential development out of 2,258 acres. Even without credit for lands which the Applicant will convey or dedicate to parks, open space, schools (See Section 2) and other uses under this development order, based upon a comparison of the project to the Flagler County Comprehensive Plan which allows for up to eight (8) dwelling units per acre, the Applicant is entitled to 7,144 units. Regardless of future density changes in the Flagler County Comprehensive Land Use Plan or other County regulations, this order limits the Applicant to a total of 6,670 dwelling units, which is equivalent to 7.47 dwelling units per acre on the designated 893 residential acres.

b. Residential Clusters

The maximum number of dwelling units allowed for this project are those set forth in Section 17.5.a. Residential clusters are identified in Exhibit 17.5.1. attached. Data about individual clusters including community location, density category, acreage and number of dwelling units is shown on Table 17.5.2. Cluster Data. Site development plans,

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cluster diagrams, and any plats submitted for approval by the County shall comply with Table 17.5.2.

Individual clusters may vary 15% plus or minus from the cluster data identified in Table 17.5.2. In the event of such a change, the data of other clusters shall also be changed so that the overall dwelling units remain in balance. At the time of each site development plan and cluster diagram review, the Applicant shall also submit a revised Table 17.5.2 and revised Map 17.5.1. which reflects the data redistribution and clearly indicates those residential clusters affected.

c. Allowable Building Height

Within each cluster density category, there is a maximum allowable building height. Dwelling unit density and heights which are granted to the Applicant are regulated by the information below and Exhibits 17.5.1. (Residential Clusters) and 17.5.2.

Allowable Building Height

Cluster Data Density Category	Maximum Building Height in Stories
Low (L)	3
Low-Medium (L-M)	7
Medium-High (M-H)	20

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d. Building Spacing

The spacing for buildings shall be determined by the County at the time of site development plan submittal giving due consideration to the need for variety and innovation in housing types within this project.

e. Impact of Development Requirements

The density units, building spacing, and height provisions granted by this development order are not precedent setting, but are based upon particular factual circumstances and conditions relating to this development of regional impact, including the Applicant's extensive park and school site contributions; transportation improvements; open space and preservation area commitments; and commitments of equipment, facilities, and other financial resources to mitigate the impacts of the project, as well as other conditions and obligations imposed by this development order.

f. Signage and Lighting

Prior to the construction of the first dwelling units, the Applicant shall prepare signage and lighting guidelines to be used throughout the

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Hammock Dunes development. These guidelines shall deal with the type, location, dimensions and materials used for signage and lighting.

g. Flexibility Considerations

As a Planned Unit Development, this project is expected to seek flexibility within the County Development and Subdivision Ordinances, but any changes must first be approved through the site development plan review procedures of Section 17.6. Regulations which may be affected include, but are not limited to:

1. Yard, lot width and size, depth and building orientation requirements;
2. Minimum road rights-of-way widths, typical sections and paving sections;
3. Road swales and rights-of-way clearing requirements, particularly where trees and natural vegetation systems are to be preserved or protected;
4. Cul-de-sac length, right-of-way and turn around width provisions;
5. Block length and width provisions;
6. Bridge and other pedestrian walk requirements;
7. Off-street parking space requirements;
8. Drainage maintenance easements;
9. Waterway minimum depth and width.

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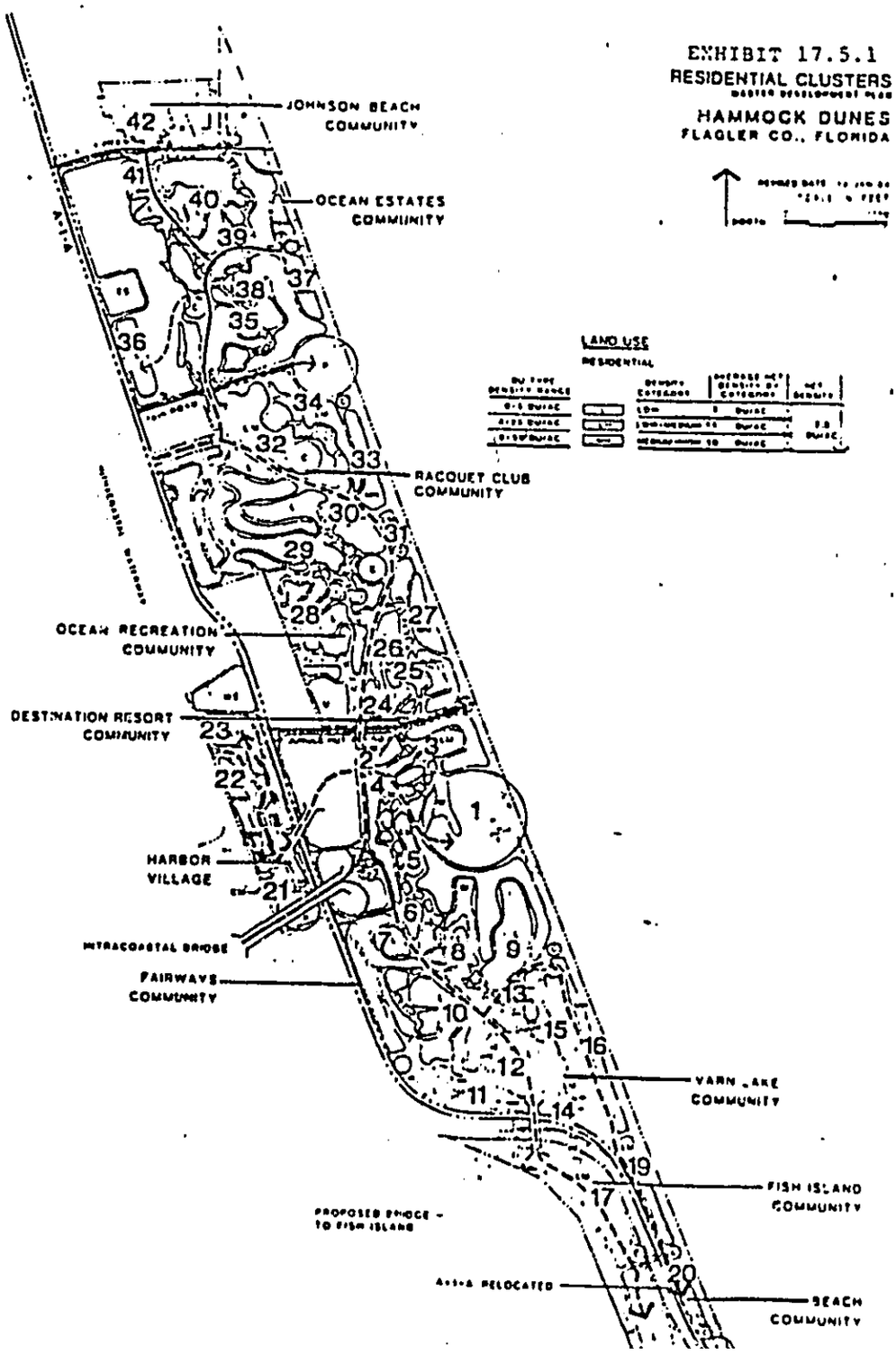
EXHIBIT 17.5.1
RESIDENTIAL CLUSTERS
MASTER DEVELOPMENT PLAN
HAMMOCK DUNES
FLAGLER CO., FLORIDA



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HAMMOCK DUNES
RESIDENTIAL CLUSTER DATA

ENHIBIT 17.5.2.

CALCULATED NET RESIDENTIAL DENSITY: 7.47 UNITS PER ACRE

Cluster Number	Cluster Community	Density Category	Acreage	Dwelling Units
1	D. Resort	M-H	22	545
2	D. Resort	L-M	8	80
3	D. Resort	L-M	16	118
4	D. Resort	L-M	6	35
5	D. Resort	L-M	7	72
6	Fairway	L	24	48
7	Fairway	L	9	18
8	Fairway	L	9	18
9	Fairway	L	29	65
10	Fairway	L	63	154
11	Fairway	L	19	38
12	Fairway	L	4	16
13	Fairway	L	15	81
14	Fairway	L	13	52
15	Yarn Lake	L-M	26	156
16	Yarn Lake	M-H	25	444
17	Fish Island	L-M	55	752
18	Fish Island	L	145	145
19	Beach	L-M	17	168
20	Beach	L-M	7	43
21	Harbor	L-M	11	94
22	Harbor	M-H	16	310
23	Harbor	L-M	17	190
24	Ocean Rec.	L	6	28
25	Ocean Rec.	M-H	10	204
26	Ocean Rec.	L-M	3	46
27	Ocean Rec.	M-H	17	288
28	Ocean Rec.	L	22	110
29	Ocean Rec.	L	68	342
30	Ocean Rec.	L	4	16
31	Ocean Rec.	L-M	7	105
32	Racq. Club	L-M	36	409
33	Racq. Club	M-H	23	357
34	Racq. Club	L-M	19	269
35	D. Estate	L-M	8	72
36	D. Estate	L	22	100
37	D. Estate	M-H	20	437
38	D. Estate	L-M	4	48
39	D. Estate	L	3	12
40	D. Estate	L	8	32
41	D. Estate	L	16	32
42	Johnson Beach	L	34	121
TOTAL			893	6670

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17.6 For purposes of compliance with the Flagler County Development and Subdivision Regulations and other development ordinances, this project for procedural purposes shall be treated as a "Planned Unit Development" under Article X of those regulations. This project shall be subject only to the following review provisions which are an elaboration of the review provisions of Article X.

a. Preliminary Planning Conference

The Applicant shall meet with appropriate County staff to review the preliminary design prior to the submittal of the site development plan. The preliminary design shall include a sufficient level of information to allow the conference participants to identify issues, coordinate requirements and otherwise promote proper and efficient review of the proposed development.

b. Site Development Plan

A site development plan which complies with this development order shall be submitted to the Flagler County Commission for approval prior to the start of construction. Where a residential cluster is to be phased, and a site development plan is submitted for only a portion of the cluster, a

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cluster diagram must be included along with the site development plan.

c. Submittal Requirements

The site development plan and any necessary supporting documents or exhibits shall contain the following information:

(1) Site Development Plan

(a) application form and fees;

(b) lot area in acres or square feet;

(c) existing site conditions including contours, water course, flood plains, coastal zone setback lines, unique natural features and wooded areas;

(d) proposed lot lines, plot designs, easements, and public rights-of-way;

(e) the location, height, and floor area of all existing and proposed buildings, structures and other improvements and the use and type of all structures shall be indicated;

(f) if residential use, the total number and number of each type of dwelling units, plus:

- gross residential density;
- percentage and square feet of building coverage;

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- percentage and square feet of driveway and parking;
- percentage and square feet of street right-of-way.

(g) the location and size in acres or square feet of all areas to be conveyed, dedicated, or reserved as common open space, public parks, recreational areas, bicycle paths, schools and other public and semi-public uses;

(h) the existing and proposed circulation system or arterial, collector, and local streets, including the number of off-street parking spaces, loading areas, service areas, and points of access to the circulation system;

(i) the existing and proposed utility systems including sanitary sewers and water, electric, gas and telephone lines;

(j) the existing and proposed water drainage pattern and any natural or man-made facilities to manage storm water, including their capacities and specifications;

(k) general landscape plan including existing and proposed vegetation, statement of Applicant's landscape plans and commitments,

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proposed treatment of perimeter of development with notes concerning signage and lighting;

(l) such engineering plans and drawings as may be required by the County Engineer for review including street layout and design, street cross sections and profiles, sanitary sewer design, storm drainage facilities and other utility lines and facilities;

(m) indication of the public or private ownership of all major facilities and amenities.

(2) Cluster Diagram

A cluster diagram is required along with a site development plan for residential developments which do not encompass an entire residential cluster. The cluster diagram shall contain the following information:

(a) the boundary and number of the cluster identified on Exhibit 17.8.2.;

(b) the location, acreage, and density of the proposed site development plan, any existing development, and the undeveloped portion of the cluster;

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(c) a diagrammatic land use plan showing overall utilities, vehicular and pedestrian circulation, water management, and all other appropriate project features.

(3) Approval of the Site Development Plan

The County shall review the Site Development Plan (and cluster diagram, if required) for conformance with the development order. Within sixty (60) days of submittal, the site development plan shall be approved, approved with conditions, or denied. If the site development plan is determined to be in compliance with the development order, it shall be approved. Written notice of action to deny the site development plan shall be given to the Applicant within ten (10) days after the action.

(4) Recording

Upon approval of the Site Development Plan and receipt of notification of such action from the County Commission, the Applicant may present such copies as are required to the Clerk of the Circuit Court of Flagler County for recording. A copy of the Site

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Development Plan shall also be sent to the Development Administrator.

17.7 The County and the Applicant recognize that this development order will form the basis upon which the Applicant or its successors will plan and conduct its phased development activities. Nothing contained herein shall be considered an endorsement or approval by the County of any trade practices, method of sale, construction or sales activities conducted by the Applicant or its successors.

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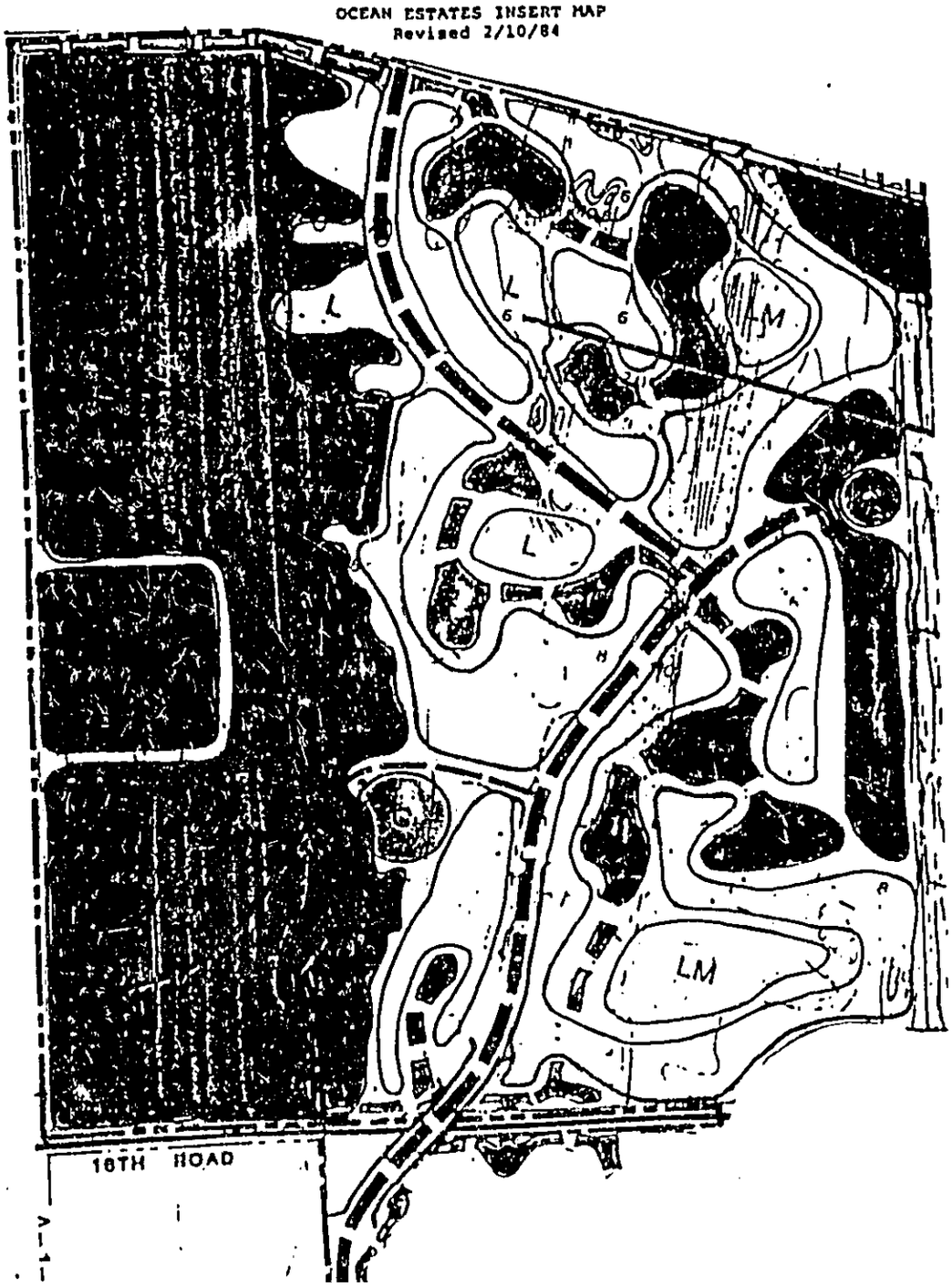
EXHIBIT 1

OCEAN ESTATES INSERT MAP
Revised 2/10/84



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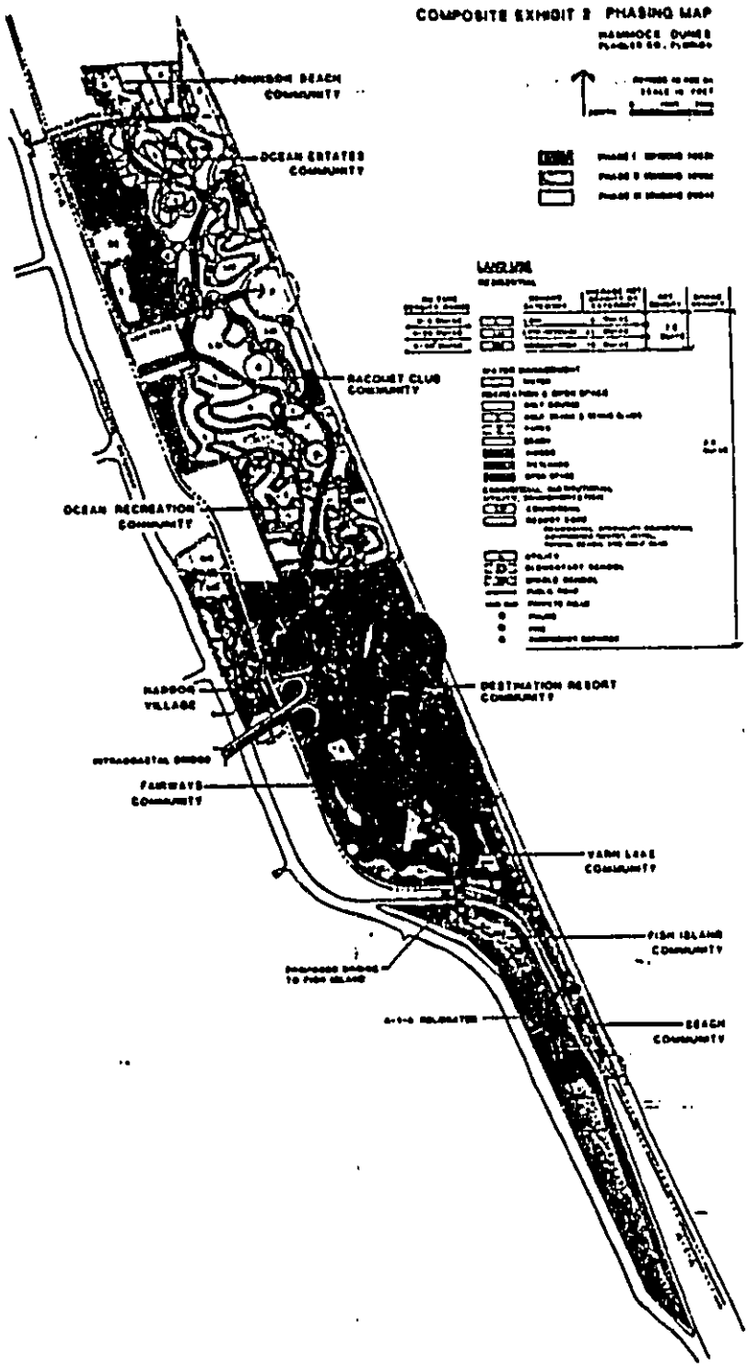
COMPOSITE EXHIBIT 2 PHASING MAP



Approved 3/30/84

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The following paragraphs address the conditions recommended to be included in the development order by the Northeast Florida Regional Planning Council in its report dated December 1, 1983. These conditions address the regional issues identified by the council.

A. Flagler County Resolution

8, 11 and 13

B. Flagler County Resolution Attachment "A"

1.1, 1.2, 2.1, 2.2, 2.3, 2.4, 3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3, 5.4, 5.5, 6.1, 6.2, 6.3, 6.4, 6.5, 7.1, 7.2, 7.3, 8.1, 8.2, 8.3, 9.1, 9.2, 9.3, 9.4, 9.5, 10.0, 11.1, 11.2, 11.3, 11.4, 12.1, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 14.1, 14.2, 14.3, 14.5, 15.0 and 16.2

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'89 MAY 18 A8:15

CLERK FLAGLER COUNTY FLA

CIRCUIT COURT FLAGLER COUNTY FLORIDA

Approved 3/30/84

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF FLAGLER COUNTY, FLORIDA, APPROVING THE APPLICATION FOR DEVELOPMENT APPROVAL OF ADMIRAL CORPORATION FOR HAMMOCK DUNES, SUBJECT TO CERTAIN CONDITIONS

WHEREAS, on April 22, 1983, Admiral Corporation, hereinafter referred to as "Applicant", submitted to Flagler County an application for development approval (ADA) for a development of regional impact (DRI) known as "Hammock Dunes", in accordance with Section 380.06, Florida Statutes; and

WHEREAS, on August 3, 1983, Applicant responded to a request from the Northeast Florida Regional Planning Council (RPC) for additional information by filing a supplement to said ADA; and

WHEREAS, Hammock Dunes as proposed in the ADA is a planned community located on approximately 2,258 acres in the unincorporated area of Flagler County, consisting of 6,670 residential units and related commercial, institutional, recreational and other uses; and

WHEREAS, pursuant to Sections 380.031 and 380.06, Florida Statutes, the Board of County Commissioners of Flagler County, (hereinafter referred to as either the Board or the County), as the local government having jurisdiction, is authorized and required by law to consider the Hammock Dunes DRI ADA; and

WHEREAS, the Board has received and reviewed the report and recommendations of the RPC, which recommends approval of the ADA subject to certain conditions; and

WHEREAS, the Board on January 16, 1984, held a public hearing on the ADA at which all parties were afforded the opportunity to present evidence and argument on all issues, conduct cross-examination and submit rebuttal evidence, and any member of the general public requesting to do so was given an opportunity to present written or oral communication; and

development shall be carried out substantially in conformance with the ADA, as amended by the revised maps dated January 14, 1984, and filed as Exhibits 9-12 at the January 16, 1984, hearing, except to the extent that the ADA as revised is inconsistent with the other terms and conditions of this development order. The ADA is amended by any inconsistent terms of this resolution and the attachments incorporated by reference.

8. The County Engineer is designated as the local official responsible for receiving and monitoring the annual reports. The procedures for review of Planned Unit Developments under Article X of the Flagler County Development and Subdivision Regulations incorporated by reference in Section 17 of Attachment A to this development order shall be followed to facilitate such compliance monitoring by the County Engineer. The provisions of Section 380.06(15), Florida Statutes as amended, shall apply to this development order. Section 380.06(15), Florida Statutes currently provides:

> "The local government issuing the development order is primarily responsible for monitoring the development order. Local governments shall not issue any permits or approvals or provide any extensions of services if the developer fails to act in substantial compliance with the development order."

9. This development order shall take effect upon adoption and shall remain in effect for the duration of the development as described in the ADA. The effectiveness of this development order may be extended by the Board upon a showing by Applicant or excusable delay and a showing that the completed portions of the development substantially comply with the conditions of this development order. The period of effectiveness of this development order shall be tolled during any period of time during which there is any building permit moratorium affecting the property within the Hammock Dunes DRI boundary imposed by Flagler County or other governmental agency having authority to do so.

10. Unless otherwise specifically provided in Attachment A, any changes proposed by the Applicant to the ADA, as amended herein, which exceed the limits established in Section 380.06

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(e) will favorably affect the ability of people to find adequate housing reasonably accessible to their places of employment; and

(f) will not create an unreasonable additional demand for, or additional use of, energy.

BE IT FURTHER RESOLVED THAT THE BOARD ENTERS THE FOLLOWING CONCLUSIONS OF LAW:

1. The proceedings herein have been conducted in compliance with the provisions of Chapter 380, Florida Statutes; and all conditions precedent to the granting of development approval required by Chapter 380, Florida Statutes, have occurred.

2. The proposed Hammock Dunes DRI is not located in an area of critical state concern designated pursuant to the provisions of Section 380.05, Florida Statutes.

3. The proposed development does not unreasonably interfere with the achievement of the objectives of any adopted state land development plan applicable to the area.

4. The proposed Hammock Dunes DRI, subject to the conditions imposed by this development order, is consistent with the Flagler County Comprehensive Plan, subdivision regulations, and other local land development regulations.

5. The proposed development is in all material aspects consistent with the report and recommendations of the RPC submitted pursuant to Section 380.06(11), Florida Statutes.

6. The ADA for the Hammock Dunes DRI is hereby approved, subject to the general and special conditions of deve opment contained in Attachment A which is made a part hereof by reference.

7. This resolution constitutes the development order pursuant to Section 380.06, Florida Statutes, for the Hammock Dunes DRI. The ADA and supplemental information filed by the Applicant are incorporated herein by reference and the proposed

WHEREAS, all persons and parties present at the hearing were given fourteen (14) days after the January 16, 1984, public hearing to file written comments and submit further written evidence and no person or group chose to do so; and

WHEREAS, pursuant to Section 380.06, Florida Statutes, public notice of said hearing was duly published in the Flagler/Palm Coast News/Tribune on November 16, 1983, December 14, 1983, and December 28, 1983, and was duly provided to the Florida Department of Community Affairs (DCA), the RPC, and other persons designated by DCA rules; and

WHEREAS, the Board conducted a further public meeting on March 30, 1984 where it fully considered the ADA, the report of the RPC, and the evidence of record presented at the public hearing, and was otherwise fully advised in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF FLAGLER COUNTY, FLORIDA, THAT SAID BOARD MAKES THE FOLLOWING FINDINGS OF FACT:

1. The legal description of the property comprising the proposed Hammock Dunes DRI is set forth on pages 2-6 of the ADA, which is incorporated herein by reference.

2. When developed in accordance with the conditions imposed by this development order, the Hammock Dunes DRI:

(a) will not have a significant negative impact on the environment and natural resources of the region;

(b) will have a favorable economic impact on the economy of the region by providing new employment and business for the residents of the region;

(c) will efficiently use water, sewer, solid waste disposal, public school facilities, and other necessary public facilities;

(d) will efficiently use public transportation facilities;

(17)(b), Florida Statutes, which limits are presumed not to be substantial deviations, shall be submitted to the Board for a determination if such change constitutes a substantial deviation and, therefore, requiring further review pursuant to Section 380.06, Florida Statutes.

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11. Pursuant to Section 380.06(16), Florida Statutes, Applicant shall provide an annual report relating to its activities to the County Engineer, the RPC, the DCA, the Florida Department of Environmental Regulation, and the St. Johns River Water Management District on July 31 of each year during the term of this development order, commencing on July 31, 1985. The annual report shall contain the following information:

(a) Total amount of square footage of buildings by land use type constructed during the preceding 12 months and estimated for the ensuing 12 month period.

(b) Total amount of square footage of buildings by land use type approved in construction contracts during the preceding 12 months and estimated for the ensuing 12 month period.

(c) Summary of Applicant's public facility improvements completed within the project boundaries during the preceding 12 months and estimated for the ensuing 12 month period.

(d) Beginning with completion of the Intracoastal Bridge, traffic counts, direction splits, turning movement counts and measurements counts and measurements of carbon monoxide concentration during the summer months of June through September for the Intracoastal Bridge/A1A Interchange.

(e) Total number of school children from Hammock Dunes enrolled in Flagler County schools, by grade, based on School Board records.

(f) The energy conservation measures, as stated in the energy-related conditions to the development order, which have been implemented during the preceding 12 months.

(g) Traffic reports shall be submitted to the Florida Department of Transportation (FDOT) district office in Deland as well as to the County and the RPC. The first traffic report shall be due two years after the commencement of the development and shall be provided annually for 20 years or until project buildout, whichever is later, unless otherwise specified by the RPC. The timing of recommended traffic improvements will be

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[illegible] the information contained in the monitoring reports. The following information shall be included:

(1) A description of current development by land use type, location, number of housing units, and commercial square footage, along with the proposed construction schedule for the ensuing 12 month period and appropriate maps.

(2) Traffic counts, turning movements and levels of service, actual for past 12 months and projected for ensuing 12 months, for:

--- SR A1A and Malacompra Road

--- All Hammock Dunes internal road system intersections with external public roadways

--- Intracoastal Waterway Bridge

--- Intersection of the Intracoastal Waterway Bridge ramp system with SR A1A

--- Palm Harbor Parkway and Palm Coast Parkway/St. Joe Grade

A map displaying the above information shall be provided.

NOTE: Actual traffic counts shall be used where possible. If actual FDOT counts are not available for a particular road, the Applicant shall retain, at its expense, an FDOT-approved traffic engineering firm to collect the necessary counts based on FDOT standards.

(3) A discussion of actual and projected traffic volumes in terms of the percentage relationship of Hammock Dunes traffic, non-project traffic using public roads and intersections of the internal road system with external public roads. The methodology used to project future traffic and to determine traffic percentages shall be described.

(4) A description of new and/or improved roadways, traffic control devices or other transportation facility improvements to be constructed or provided by the applicant or

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governmental entity to adequately accommodate the total existing and anticipated traffic demands.

(5) A schedule for implementing the traffic improvements described in (4) above.

(h) Measures taken to safeguard the Gopher Tortoise and Eastern Indigo Snake, including relocation sites.

(i) Measures taken to safeguard the Manatee, both during the construction and operation phases of the marina.

(j) Measures taken to protect or relocate the other rare, threatened or endangered vegetative or wildlife species, or species of special concern.

(k) Measurement of dissolved organic nitrogen and phosphate within the drainage (lake) system.

(l) Measurement of dissolved organic nitrogen and phosphate in ground water as sampled near the site perimeter.

(m) Measurements from shallow monitoring wells using the criteria for Class G-I and Class G-II Ground Water as set forth in F.A.C. Chapter 17-3.404; the primary and secondary drinking water standards for public water systems as listed in Section 17-22.104, F.A.C., nutrients, oil and grease, and EDBs.

(n) A copy of any notice of the adoption of a development order or the subsequent modification of an adopted development order that was recorded by the Applicant pursuant to Section 380.06(14)(d), Florida Statutes, and Paragraph 15 of this development order.

12. Definitions contained in Chapter 380, Florida Statutes, shall control in the construction of this development order. The developer Admiral corporation is referred to as the Applicant throughout this development order.

13. The obligations of this development order shall run with the land. Admiral Corporation, ITT Land and CDC are the present owners of the property which is the subject of this ADA.

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Each of these corporations is bound by the terms of this development order so long as it owns such property. This development order shall be binding upon and inure to the benefit of the Applicant and its assignees or successors in interest. It is understood that any reference herein to any governmental agency shall be construed to mean any future instrumentality which may be created and designated as successor in interest to, or which otherwise possesses any of the powers and duties of any referenced governmental agency in existence on the effective date of this development order. If the County is a party in any judicial or administrative proceeding to enforce this development order, the Applicant or its successors shall pay the County, if the County prevails and the action is determined not to be frivolous, its reasonable attorney fees and costs of such action. Nothing contained herein shall preclude the Applicant from recovering its or the County's attorneys fees and costs from other parties when authorized by law or contract.

Notwithstanding any other provisions of paragraph 13, the Applicant shall have an ongoing responsibility as provided in Attachment A for the capital facility construction set forth in Section 3, and for the requirements set forth in Sections 9 and 11. The Applicant shall provide financial assurances to the County in the amount of $3 million in the form of sureties, letters of credit, compensating balances, or other financial guarantees acceptable to the County guaranteeing compliance with this development order. The amount of the financial assurances provided herein shall be increased bi-annually to recognize any increases in the Federal Cost of Living Index. The form of the financial assurances shall be approved by the County.

The Applicant's obligation to provide financial assurances as set forth in this sub-paragraph shall be terminated as follows:

(a) the financial assurances shall be reduced by 1/3 in the event a central potable water supply becomes available to residents of the Hammock area;

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(b) the financial assurances shall be reduced by 1/3 when the second bridge is completed as provided for in Section 4.1.b and 4.1.c of this development order; and

(c) all remaining financial assurances shall be terminated at the completion of all other obligations of the Applicant as described in this development order.

14. In the event that any portion or section of this development order is determined to be invalid by a court of competent jurisdiction, the remaining portions or sections of this development order shall remain in full force and effect.

15. Notice of the adoption of this resolution and a certified copy of this resolution shall be recorded by the Applicant in accordance with Section 380.06(14)(d), Florida Statutes.

16. The County Clerk shall transmit a certified copy of this development order by certified mail to the DCA, the RPC, and the Applicant.

PASSED AND ADOPTED this 30 day of March 1984, 1984.

BOARD OF COUNTY COMMISSIONERS
OF FLAGLER COUNTY, FLORIDA

By Thomas W. Burrence

ATTEST:

By Cheryl Dukes

APPROVED AS TO FORM:

By_____

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ATTACHMENT A

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GENERAL AND SPECIAL CONDITIONS OF DEVELOPMENT

The following are the General Conditions for development of the Hammock Dunes Development of Regional Impact:

1.0 GENERAL CONDITIONS

1.1 The Hammock Dunes ADA as accepted June 7, 1983, and Sufficiency Response submitted August 3, 1983, and the commitments therein plus letters and information submitted by the Applicant on May 26 and 27; September 13; October 5; November 7 and 9 are made a part of the development order.

1.2 This development shall be subject to further Chapter 380 review in the event significant physical development, as determined by the County Engineer, has not commenced within three years of when this development order becomes final; provided this time period shall be tolled during the pendency of any judicial or administrative review of this development order or permits necessary thereto.

2.0 SCHOOL COMMITMENTS

2.1 To mitigate capital outlay expenditures required of the Flagler County School Board and to aid in providing convenient additional facilities and unique educational opportunities for the school age residents of Flagler County, including those of Hammock Dunes, the Applicant shall convey to the School Board at no charge:

a. A fifteen (15) acre school site to be located at the Transportation Distribution Services (the TDS site);

b. A twenty (20) acre school and Intracoastal Waterway experience site to be located at the north end of Bon Terra/Harbor Village (the Bon Terra site); and

c. A five (5) acre oceanfront natural experience site to be located immediately south of the end of Malacompra Road (the oceanfront site). This unimproved site shall include 450 feet of ocean frontage.

2.2 The Applicant shall prepare the Bon Terra site for construction of a school facility including appropriate clearing, removal of unsuitable soils, filling, grading, and drainage as required

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by the applicable codes, and the Applicant shall obtain any permits to satisfy the above requirements. The Applicant shall prepare the site and extend water and sewer lines at no cost to the School Board to the property lines of the TDS and Bon Terra sites within six months of the date the School Board receives approval of the particular school site from the Florida Department of Education. The Applicant shall have no other construction or service obligations with regard to the three sites described in paragraphs 2.1.a. - 2.1.c. above.

The Applicant has the right to fill and otherwise prepare the Bon Terra site for a school facility at any time prior to when the School Board commences construction of a school facility on this site.

2.3 The Applicant shall convey the three sites described in paragraphs 2.1.a. - 2.1.c. above by an unrestricted general warranty deed within sixty (60) days after the development order becomes final. Appropriate agreements separate from the deed shall give the Applicant a right of first refusal in the event of the sale of any of the sites to a non-governmental person or entity. Any such sale and the right of first refusal shall be subject to and exercisable only upon compliance with the valuation

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and appraisal principles of Rule 6A-2.28, as amended, of the Florida Administrative Code. Applicant shall furnish the School Board with appropriate surveys of the sites prior to the delivery of the deeds. None of these sites described in paragraphs 2.1.a - 2.1.c above shall be offered for sale by the School Board to any non-governmental person or entity prior to completion of 3,000 dwelling units or 12 years from the date the development order becomes final, whichever is sooner.

2.4 Appropriate agreements shall allow the Applicant to continue to use the TDS buildings and parking areas at no cost for no more than 36 months after the date the Flagler County Commission issues the development order, unless such usage is otherwise extended by the School Board and the Applicant. The Applicant shall be responsible for maintenance and repairs to the buildings and property being used. The Applicant shall execute a hold harmless and indemnity agreement in favor of the School Board against any and all claims, actions, suits, judgments, damages, injuries, attorneys fees, and costs arising out of the Applicant's use of the TDS property. The Applicant shall carry and pay for insurance policies to cover general liability,

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property damage, fire, flood, windstorm, and insurance covering any other peril that is normally carried on School Board property. The Applicant shall name the School Board as a co-insured on all of the policies and provide the School Board a certificate of insurance as co-insured in amounts and policy limits approved by the School Board. The agreement shall provide for allocation of insurance proceeds which is acceptable to the School Board and shall relieve the School Board of any obligation to rebuild or repair in the event of substantial destruction of any portion of the TDS site. The agreement shall provide that in the event of substantial destruction preventing use of the TDS building and property the School Board shall receive the proceeds of any insurance covering damage to property owned by the School Board.

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3.0 ECONOMY AND INFRASTRUCTURE

3.1 The approval by the County of this development order is based on the fact that the project will be served by certain capital facilities. These capital facilities are:

- surface water management system
- internal potable water distribution and fire hydrant system
- wastewater collection, treatment and disposal systems
- major north/south arterial roads (main road network)
- an on-site public safety complex including a fire and police station
- on-site fire, police, emergency medical and secondary security equipment including vehicles and apparatus
- Intracoastal Waterway Bridge

3.2 The County has determined that it would prefer that the ownership, operation and maintenance of the above-listed capital facilities be provided through an independent special district. The County has further determined that, as presently authorized by Chapter 190, Florida Statutes, a Community Development District (CDD) is <u>not</u> such

an appropriate independent special district because of the overbroad powers granted to CDDs by state law.

It is the County's preference that Chapter 190 be amended so as to narrow the statutory powers granted to CDDs so that the County may support the creation of such an independent special district for this project. The Applicant is willing to seek such statutory amendments during the 1984 and subsequent regular legislative sessions.

3.3 In order to avoid unduly delaying the approval of this project and to assure that its approval is consistent with the Flagler County Comprehensive Plan and the Regional Planning Council's report and recommendations, the County finds that this project's capital facility needs will be satisfied by the following:

a. The Applicant shall construct or convey at its own financial responsibility the following capital facilities, at no cost to the County:

- a surface water management system
- major north/south arterial roads

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- the public safety complex as described in Condition 12.3
- the on-site fire, police, emergency medical and security equipment, including vehicles and apparatus, as described in Condition 12.4

b. It shall be the Applicant's own financial responsibility to construct, or cause to be constructed through a governmental entity, acceptable to the County, the following capital facilities to serve the dwelling units as they are constructed within a phase:

- internal potable water distribution and fire hydrant system
- wastewater collection, treatment, and disposal system.

In the event the Applicant constructs the capital facilities in paragraph 3.3.b, the Applicant may recover its capital costs through user contributions in aid of construction and/or user rates. If, after construction of the capital facilities listed in this subsection, there is created an appropriate governmental entity approved by the Flagler County Commission for the maintenance and

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operation of these facilities, the Applicant shall transfer its ownership, operation, and maintenance responsibilities to that entity. The selling price would be the original cost of the system less net contributions-in-aid-of-construction (CIAC) (after accumulated amortization), less accumulated depreciation, less debt which is assumed by the purchaser.

c. The Intracoastal Waterway Bridge (first two lanes) shall be constructed by the Applicant or the Applicant shall cause it to be constructed by a governmental entity acceptable to the County. The Applicant proposes that one-half of the Intracoastal Waterway Bridge shall be financed through Applicant-imposed impact fees levied against each dwelling unit equivalent at the time of the unit's construction and the other one-half of the bridge costs be financed through user tolls. The County does not object to the Applicant using this proposed financing as a method of satisfying its financial responsibility for this bridge. The Applicant, in cooperation with the County, shall make a good faith effort to seek acceptance of the responsibility to own, operate, and maintain the Intracoastal Waterway Bridge or bridges by the Florida Department of Transportation.

3.4 In each instance where the Applicant is responsible for the ongoing maintenance of the capital facilities described in this section, the Applicant may transfer any and all of its responsibilities to improve and maintain such capital facilities to an appropriate private or governmental entity, acceptable to the County, which has been created to perform such responsibilities. If an appropriate governmental entity is created by the County or by other authorized means, the Applicant shall transfer the responsibility for operation and maintenance to that governmental entity, subject to the financial arrangements described in Section 3.3.b. and to the repayment of any outstanding indebtedness for the bridge for which user tolls are pledged to guarantee such repayment.

4.0 TRANSPORTATION

4.1 Intracoastal Waterway Bridge (ICWW)

a. During Phase I, the Applicant shall construct, or cause to be constructed at no expense to Flagler County, the proposed two-lane Intracoastal Waterway Bridge and its ramp system as approved by the Florida Department of Transportation. Bridge construction shall begin no later than the commencement of dwelling unit construction and shall be completed not later than two years after the commencement of dwelling unit construction.

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b. When the Florida Department of Transportation and Flagler County determine that Level of Service "C" as that term is defined in the Federal Highway Capacity Manual of the Federal Highway Administration, as amended from time to time, has been met on the Intracoastal Waterway Bridge, the Applicant shall construct, or cause to be constructed at no expense to Flagler County, two additional through lanes of the bridge along with the necessary improvements to its ramp system. All improvements shall be approved by and constructed within the time frame established by the Florida Department of Transportation and Flagler County. Three years before Level of Service "C" is predicted to be reached on the first bridge, the Applicant shall commence necessary design activities and shall apply for the necessary construction permits for the second bridge. In the event the bridge is owned and operated by a district or the Florida Department of Transportation, the Applicant's duties to seek such permits may be performed by the district or the Department.

c. The Applicant proposes that all or part of the cost of the bridge construction referred to in 4.1.b. above and all of the maintenance costs of both

County does not object to the Applicant using this proposed financing as a method of satisfying its financial responsibility for this bridge. If the tolls from the first bridge exceed the cost of operation and maintenance, the operating entity of the bridge shall accumulate such excess funds and the interest thereon and apply them towards the construction costs of the second bridge.

If the second Intracoastal Waterway Bridge is not constructed within a reasonable time as provided by Section 4.1.b., such failure to construct shall be presumed to be a substantial deviation from this development order.

4.2 State Road A1A

a. The Applicant shall construct concurrently with the first Intracoastal Waterway bridge:

- an acceleration/deceleration lane on the east side of SR A1A at its intersection with the Intracoastal Waterway Bridge on and off ramp;
- a left turn lane for southbound traffic on SR A1A at its intersection with the Intracoastal Waterway Bridge on and off ramp; and
- a left turn lane on the Intracoastal Waterway Bridge on and off ramp at its intersection with SR A1A.

b. The Applicant shall construct acceleration/deceleration and left turn lanes on SR A1A at all

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intersections with the project's internal road system. Signalization shall be provided when warranted as determined by the Florida Department of Transportation's review of annual traffic reports. Capital cost of signalization shall be at the Applicant's expense.

c. Upon determination by the Florida Department of Transportation that improvements are warranted on SR A1A, the Applicant shall be required to pay its proportionate share of the road improvement costs. The Florida Department of Transportation will review the annual traffic reports prior to making its determination. The Applicant shall escrow its share of the road improvement costs with the appropriate agency prior to proceeding to the next development phase. The Applicant's proportionate share (as determined by Florida Department of Transportation) shall be based on the percentage of Hammock Dunes' generated traffic using SR A1A. Flagler County will not pay any portion of these improvement costs.

4.3 <u>Malacompra Road</u>

Upon determination by Flagler County that improvements are warranted on Malacompra Road from A1A to its eastern terminus at the park entrance, the

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Applicant shall be required to pay its proportionate share of the road improvement costs. The County will review the annual traffic reports prior to making its determination. The Applicant shall escrow its share of the road improvement costs with the appropriate agency prior to proceeding to the next development phase. The Applicant's proportionate share shall be based on the percentage of Hammock Dunes' generated traffic using Malacompra Road.

4.4 <u>16th and Jungle Hut Roads</u>

The Applicant shall upgrade these two facilities from SR A1A to their eastern termini at the entrance to the parks to meet current County road standards per Flagler County Development and Subdivision Regulations and shall construct the necessary improvements at the roads' intersections with SR A1A upon the completion of the Intracoastal Waterway Bridge. Once these roads have been improved to County road standards, the County shall be responsible for maintaining them.

4.5 In the event that carbon monoxide levels exceed the EPA/DER eight (8) low standard for carbon monoxide pollution, the Applicant shall be required

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to improve the bridge interchange at A1A (construct the next phase improvement) within one year from the time of the filing of the annual monitoring report.

4.6 St. Joe Grade/Palm Coast Parkway

a. The concerns raised by the RPC relating to the construction of the appropriate additions to the I-95 overpass area are adequately provided for in an agreement between Flagler County and ITT Community Development Corporation dated March 30, 1984.

Except as provided in the March 30, 1984 agreement, the funds for this improvement will be from federal or state funds other than those which would be allocated to Flagler County for road and bridge improvements within the County.

No County funds or funds due to be expended by other agencies on projects within the County will be expended for this improvement.

b. Upon determination by Flagler County that improvements are warranted at the following intersections, the County should require the Applicant to escrow the proportionate share of the Applicant's and CDC's improvement costs with the appropriate agency. These intersections are:

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- St. [illegible] Coast Parkway at Belle Terre Boulevard
- St. Joe Grade/Palm Coast Parkway at Old Kings Road
- St. Joe Grade/Palm Coast Parkway at Proposed Bifurcated Road; and
- Belle Terre Boulevard at Proposed Bifurcated Road

NOTE: See ADA maps on pages 31.25, 31.28, and 31.30.

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4.7 The Applicant shall four-lane all or any part of the road and bridges located on Palm Harbor Parkway (formerly known as Norman Young Parkway) between Clubhouse Drive and Florida Park Drive when traffic count on these road segments exceeds 10,000 ADT. The Applicant shall commence design and other pre-construction activities for such improvements when traffic count on these road segments reaches 8,000 ADT.

4.8 Internal Road Systems

The Applicant shall construct all internal roadway improvements during the Phase identified in the ADA. These roads may be privately owned and, if so, shall be maintained at no expense to the County.

4.9 Whenever this development order requires the Applicant to construct facilities, the Applicant shall have the right to contract for the construction of these facilities through other

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appropriate contractors or agents, including governmental entities. The purpose of this section is to allow the Applicant the convenience of contracting with various agents to do the actual work related to the capital items it is responsible to construct. This section is not intended to relieve the Applicant of any financial responsibility specifically imposed on it by this development order.

5.0 MARINA

5.1 At the same time marina permit applications are submitted to DER and the Corps of Engineers, the permit applications shall be sent by the Applicant to the RPC for review and comment to the agencies.

5.2 If DER denies the Applicant's request for a marina permit, the County shall determine whether any resulting changes in the development plan constitute a substantial deviation pursuant to F.S. 380.06(17)(a)(b) for the Harbor Village Community. If future review of the marina is determined to be required, such review shall be limited to the regional or local impacts of the Harbor Village Community, and shall not extend to the rest of the development.

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5.3 The Applicant shall provide boat holding tank pump out facilities, the number and location to be approved by DER.

5.4 Final marina development site plans, by phase, shall be submitted to the RPC concurrently with the submission of the site plans to the County. The RPC will review the plans for conformance with the intentions and commitments presented in the ADA and Sufficiency Response.

5.5 The Applicant shall institute preventive measures to prevent Manatee mortality associated with construction and operation of the marina.

5.6 The excavation to be performed in the marina area shall be done in a manner to maintain the same water level, in the marina excavation, as is in the Intracoastal Waterway.

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6.0 LAND RESOURCES/DUNES

6.1 The landward toe of the primary dune shall be determined by DNR in consultation with the Applicant and RPC; no excavation or other development shall be allowed on the landward toe of the primary dune that could destroy the integrity of the dune.

6.2 The primary dune breaches existing on Hammock Dune property, specifically #4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 (see page D-44 RPC DRI Assessment Report) shall be filled and stabilized with vegetation by the Applicant at the beginning of development, to be completed prior to the end of Phase I. The Applicant shall also restore primary dune breaches located within park sites being donated by it to the County. At the County's request, the Applicant shall pay to the County $60,000 for the County to use in constructing appropriate motor vehicular dune crossovers at the end of Malacompra Road and at the south beach park site and $17,000 for pedestrian walkovers at the end of 16th Road and Jungle Hut Road, or other beachfront park-related services. In order to ensure that these funds, which are currently adequate to pay the cost of such crossovers, remain adequate, the $77,000 shall be increased on January 1 of each year

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starting with January 1, 1985 by an amount equal to the one year Certificate of Deposit interest rate being paid by Barnett Bank of Flagler County on the principal and any accumulated interest. The inflation protection provision of this paragraph shall also apply to the $50,000 provision of paragraph 14.1.f.

6.3 Preliminary development plans for areas adjacent to the dunes submitted to the County shall simultaneously be provided to the RPC and shall include the following information regarding protection of the dunes:

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a. All dunes to be preserved in the buffer area shall be mapped;

b. Measures to be taken to preserve the integrity of the dune system, e.g. filling and revegetation of blowouts, shall be specified.

6.4 Final development plans for areas adjacent to the dunes submitted to the County shall simultaneously be submitted to the RPC to demonstrate that the type, density and design of development proposed adjacent to the primary dune will not substantially alter the existing integrity of the dune system.

6.5 The Applicant shall submit to DER, St. Johns River Water Management District (District), and the RPC, an erosion control plan, by phase. No land shall be left ungraded without groundcover for more than 30 days, except that which is necessary for construction of the water management system, golf courses, and roadways. The erosion control plan shall address the steps to mitigate erosion for the construction of the water management system, golf courses and roadways in sufficient detail to justify the exclusion of these from this condition.

7.0 WETLANDS

7.1 The Applicant shall prepare a planting and management plan for the littoral zone that surrounds any created lake system. The plan shall include the

types, extent and timing of planting that will be provided in the littoral zone. Also included in the plan shall be the identification of any management activities that are intended to ensure the continuance and health of the littoral zone. The plan shall be subject to the approval of the County and the St. Johns River Water Management District, in consultation with the Florida Game and Freshwater Fish Commission, East Flagler Mosquito Control District, and the RPC, prior to beginning excavation of the lake system.

7.2 The Applicant shall preserve, to the maximum extent possible, a buffer zone of upland edge vegetation around all wetland habitats and lakes. The amount of preserved habitat that shall occur beyond the high water limit of the wetland or lake shall be 10 square feet of edge habitat per linear foot of wetland perimeter occurring on the property. This upland edge habitat to be preserved shall be located such that not less than 35 per cent of all wetlands or lake perimeter has at least a 10 foot wide buffer of natural "ecotone" or edge consisting of native upland vegetation surrounding it. Where it is impossible or impractical to preserve natural edge vegetation, the

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minimum requirements may be met by planting or landscaping with native plant materials.

7.3 A littoral zone of 10:1 slope ratio out to a three foot depth shall be created on the golf course sides of the lake system, provided that the value of the water management storage system for the design storm is not decreased. In locations of existing wetlands, the wetlands shall be retained to the maximum extent possible.

7.4 In order to reduce insect pests through natural means, the Applicant shall initially stock and maintain the created lake system with freshwater forage and game fish. The fish maintenance program shall be the responsibility of the entity responsible for the maintenance of the water management system.

7.5 The Applicant, in consultation with the East Flagler Mosquito Control District, shall maintain the open lake system and littoral zone to help reduce the incidence of mosquito production. The Applicant shall control aquatic weeds associated with mosquito production to the satisfaction of the East Flagler Mosquito Control District. Corrective action shall be taken by the Applicant within thirty (30) days after notification by the East Flagler Mosquito Control District.

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8.0 WATER RESOURCES (SURFACE/GROUND)

8.1 In the event that the surficial aquifer on the project site is designated a single source aquifer (G-I) by the ERC, the County shall determine whether the resulting changes in the development's design, if any, constitute a substantial deviation.

8.2 A periodic monitoring program approved by the County Engineer shall be devised by the Applicant for the lake system that:

a. Measures dissolved organic nitrogen and phosphate levels in the runoff entering the lake system and being discharged into the Intracoastal Waterway, and

b. Measures dissolved organic nitrogen and phosphate levels in ground water at selected points near the perimeter of the site, and

c. Measures results from shallow monitoring wells using the criteria for Class G-I and G-II Ground Water as set forth in F.A.C. Chapter 17-3.404; the primary and secondary drinking water standards for public water systems as listed in Section 17-22.104, F.A.C., nutrients, oil and grease, and EDBs.

d. To protect against saltwater intrusion, all excavation of surface water management system, lakes, etc.

shall be performed by holding the ground water level at 4.0 m.s.l. or at the existing ground water level, whichever is less, within 300 feet of existing domestic and commercial wells.

8.3 A one year background ambient condition study of the Intracoastal Waterway shall be conducted by the Applicant prior to the commencement of any construction which would impact the Intracoastal Waterway. In addition, an Intracoastal water quality monitoring program shall be instituted to monitor changes. Details of the program shall be worked out with DER.

8.4 The Applicant shall take steps to ensure that biodegradable fertilizers and EPA/DER approved pesticides and fungicides are the only materials used within the development. The Applicant shall take all reasonable steps to ensure that persons to whom it sells individual building sites also adhere to this condition through restrictions and covenants. The Applicant or its successors shall not use EDB or dioxin within the development boundaries.

8.5 If at the end of Phase III the existing culverts under State Road A1A as shown on page 22.5 of the Application for Development Approval are not

adequate to handle the run-off from the Hammock Dunes development, they shall be replaced with appropriate structures capable of handling the increased flow at the expense of the Applicant.

9.0 VEGETATION AND WILDLIFE

9.1 The Applicant shall prepare and submit to the Game and Fresh Water Fish Commission for review and recommendations a plan to relocate any rare or endangered plant species or plant species of special concern found in areas to be developed, to be implemented prior to development in each phase.

9.2.a. The development in the Hammock area (hardwood forest area adjacent to A1A) located between 16th and Malacompra Roads shall be in compliance with and consistent with the provisions of Public Hearing Exhibit 7, which is a report entitled "Development Suitability Analysis of the Hammock Forest, 16th Road to Malacompra Road", revised January 14, 1984 and as amended March 30, 1984.
During the construction within the area described in the Analysis, the Applicant shall pay the County for daily on-site inspections as required by the staff of the County Engineer's office to guarantee its compliance with this provision and to maximize the tree protection required by Section 9.3.

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b. After it conveys the property to the School Board and it vacates the TDS site, the Applicant shall have no responsibility for the property conveyed to the School Board located adjacent to the TDS site in the Special Development Zone.

9.3 The Applicant shall take special care during any construction activity not to injure or destroy trees or tree root systems of trees identified as conservation or preservation on the PCD map on page 12.13 of the ADA as modified by Section 9.2.a. The Applicant shall by appropriate restrictions, obligate purchasers to comply with this standard during any construction undertaken by them. The areas covered by this provision include the Hammock area described in Section 9.2.a. and hardwood trees adjacent to the functional wetlands identified on the Preservation, Conservation, and Development Map, ADA p. 12.13.

The Applicant shall devise a system of financial penalties and inducements to encourage its contractors to comply with the terms of this section.

9.4 Prior to initial development in each phase, the Applicant shall relocate any existing Gopher Tortoises and Eastern Indigo Snakes from areas to be developed to suitable habitats as defined by the Game and Fresh Water Fish Commission.

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9.5 A detailed restrictive beachfront lighting plan designed to protect the Loggerhead Turtle, a threatened specie, shall be submitted to the Florida Game and Freshwater Fish Commission for review and approval prior to initiation of development. The Applicant shall cause other developers, if any, to conform to the approved lighting plan.

9.6 In its landscaping program, Applicant shall use native trees which will mature into canopy trees.

10.0 HISTORICAL AND ARCHEOLOGICAL SITES

If, in the process of development, any additional archeological sites are discovered, the Applicant shall immediately notify the County and the State Division of Archives. No disruption of the findings shall be permitted after notification until the appropriate officials can make an investigation and thereafter only with County approval. If no County action is taken within six months, the Applicant may proceed.

11.0 WATER SUPPLY

11.1 The Applicant shall annually provide test results from potable water monitoring wells located west of the Intracoastal Waterway to the County and the St. Johns River Water Management District. The

Applicant shall also provide the County with any data it gathers from its on-site groundwater monitoring wells.

11.2 The Applicant shall provide a report on the feasibility of the use of a graywater system for irrigation purposes in Hammock Dunes, and submit it to the RPC, the County, and the District for review and recommendations prior to initial development.

11.3 To maximize water conservation in Hammock Dunes, the Applicant shall install or cause to have installed water conserving (low volume) water closets, and faucet and shower flow restrictors in all structures; retained storm water for irrigation and the use of indigenous plants for landscaping shall be used to the maximum extent feasible.

11.4 A Mitigation Plan shall be prepared by the Applicant and submitted to DER, the District, the RPC, and Flagler County for their review in a time period of not less than 60 days prior to the filing of application for initial surface water management permit. (The Mitigation Plan refers to the protection of the Surficial Aquifer.)

11.5 In the event that it is found that the Applicant's development activities adversely impact the

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surficial aquifer to the extent it becomes unusable by existing owners or their successors, the Applicant shall commit to providing such owners with potable domestic water from the appropriate utility. The cost of any required extension of water mains and laterals or plant expansion to serve such owners shall not be charged to them in the form of hookup or other charges; however, such owners shall be required to pay the reasonable cost of the quantities of water they use, based upon the utility's prevailing rates.

The determination of adverse impacts and causes of such impacts will be determined on the basis of actual monitoring data. This data will be obtained from a monitoring program/plan devised in conjunction with the St. Johns River Water Management District and the Department of Environmental Regulation, which will document existing baseline conditions, monitor changes during and after development and assess impacts as to cause and effect.

Disputes as to impacts, causes and costs shall be subject to judicial review by the Circuit Court of Flagler County, Florida.

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The extra monitoring required in order to determine impacts on the off-site surficial aquifer shall be discontinued if potable domestic water is provided to the existing users of the surficial aquifer pursuant to this section.

11.6 An adequate buffer around the perimeter of the wastewater treatment plant between the plant and the out-parcel shall be provided by the Applicant. The buffer area shall consist of an area of at least 150 feet measured from the plant oxidation ditch and/or grit chamber to the boundary line. A vegetation screen shall also be provided along the out-parcel boundary.

11.7 The Applicant shall install a standby electric generator for the wastewater treatment plant.

12.0 PUBLIC SAFETY

12.1 Hurricane Evacuation

Transfers of title to any property in the project shall be accompanied by a separate hazard disclosure document, stating that Hammock Dunes is within a hurricane hazard area, in which property is subject to damage and residents may be subject to an evacuation order in the event of any hurricane landfalling within 50 miles of Hammock Dunes.

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12.2 The Applicant shall require that all buildings in excess of three stories be equipped with internal fire suppression/protection equipment including standpipes and sprinkler systems and a minimum of two pressurized stairwells per each high rise building. In addition, streets leading to such buildings shall be wide enough and have sufficient support to accommodate heavy fire suppression apparatus up to the size of a ladder truck.

12.3 The Applicant shall construct, or cause to be constructed, a public safety complex consisting of a two-bay facility of approximately 5,000 square feet within the convenience/commercial site located at the easterly end of the Intracoastal Waterway bridge. The facility shall be constructed before 1,000 dwelling units are built on site.

12.4 On or before the completion of the public safety complex described in 12.3 above, the applicant shall contribute the following new public safety equipment to the County or other appropriate entity:

- one emergency service line unit (advance life support);
- one 1,250 gallon capacity fire pumper/tanker;
- two patrol units for use by the Sheriff's Office. The Applicant may contribute the equivalent value

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of the patrol units to the Sheriff's Office for its use for public safety purposes in lieu of donating the two patrol units.

13.0 ENERGY

13.1 The Applicant has committed to construct all residential, multi-family, commercial and recreational facilities to the standards of the Florida Power & Light Company's Watt-Wise program or an equivalent standard. These units shall be certified by the utility as having merited the Watt-Wise designation or its equivalent.

13.2 The Applicant shall construct or cause to be constructed the bike path as shown on the Bikeway and Pedestrian System Plan (bike map, ADA, p. 31.33), residents' path, and residents' trail as depicted on such map. The bike and residents' paths shall link residential areas to the commercial and recreational areas and school if located on the Hammock Dunes property. The paths shall be constructed to concur with the phasing of the development.

13.3 The Applicant shall install or cause to be installed bike racks/devices at the commercial and recreational facilities.

13.4 All outdoor lighting systems in areas such as parking and recreation, shall use energy efficient lighting

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such as high pressure sodium or low pressure sodium.

13.5 If swimming pools for the condo units and beach clubs are to be heated, the equipment shall meet the following standards: for fossil fuel systems, a steady state efficiency rating of 85% or greater; for electrical systems, a C.O.P. of 2 or greater.

13.6 To evaluate the success of including such conservation measures in the development, the Applicant shall provide the RPC with information as to the status of the implementation of these measures in the annual report required by F.S. 380.06(16).

14.0 RECREATION AND OPEN SPACE

14.1 The Applicant shall convey and the County shall accept and maintain the 67 acres of four oceanfront sites and 10 acres of Intracoastal park to the County on the following schedule:

a. The Applicant shall convey two acres of land at the end of Jungle Hut Road for beach access and parking purposes upon completion of the ICWW bridge.

b. The Applicant shall convey eight acres of park land at the south end of the Hammock Dunes site (Beach Community) for park purposes upon approval

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of the first site development plan for Hammock Dunes.

c. The Applicant shall convey 19 acres of park land out of the total 24 acre Malacompra site shown in green on the Hammock Dunes ADA Master Development Map south of the Applicant's north Johnson Beach property line upon approval of the first site development plan for Hammock Dunes.

d. The Applicant shall convey the balance of the Malacompra Road site shown in green on the Hammock Dunes ADA Master Development Plan map north of the Applicant's northern Johnson Beach property line upon request from the County any time after approval of the first site development plan for Hammock Dunes.

e. The Applicant shall convey the 33 acres of park land at the end of 16th Road on the following schedule:

- 1/3 of land and oceanfrontage upon completion of the ICWW bridge;
- 1/3 of land and oceanfrontage upon completion of Phase I;
- 1/3 of land and oceanfrontage upon completion of Phase II.

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f. Applicant shall convey [illegible]9 acre Intracoastal park as shown on the Master Development Plan at the conclusion of the Intracoastal Waterway bridge construction. Concurrent with the conveyance of the park site, the Applicant shall construct and convey to the County a two-bay boat ramp to be located in the vicinity of the Intracoastal Waterway bridge. This boat ramp shall comply with DNR and DER requirements. The Applicant may give the County $50,000 in lieu of this obligation.

g. In addition to the 77 acre park conveyances, the Applicant shall also convey to the County and the County shall accept and maintain for park purposes 13.9 acres designated on the original Master Development Plan Map as the Johnson Beach school site. This conveyance shall be made upon approval of the first Site Development Plan for Hammock Dunes.

14.2. The Applicant shall grade the park sites, except dune areas, in a reasonable manner suitable for recreational development under a schedule agreed upon with the County. The Applicant will assist the County in the design of the parks. All park conveyances referred to herein shall restrict the property's use to park or other governmental purposes, except for the conveyance described in 14.1.d.

14.3 The Applicant shall provide dune walkovers along the beachfront on the Applicant's property as submitted in the Sufficiency Response, p. S.27.13.

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14.4 The Applicant shall contribute $20,000 to the County for purposes of Malacompra park improvements such as the construction of picnic tables and other park facilities. These funds shall be contributed when the 19 acres of Malacompra park site are conveyed to the County.

14.5 Land identified for golf course usage on the Master Development Plan map (ADA, p. 12.5) shall be deed and plat restricted to ensure that the usage of this land is limited to golf courses (including appropriate associated golf club facilities), open space, parks or, if approved by the County Commission, other appropriate recreational usages. Since it is recognized that the final configurations of the proposed golf courses are not now available, the Applicant at the time of platting shall identify the specific acreage for golf course use. The plat shall show the boundaries and configurations of the golf courses. The plat and all deeds of land within the area so identified as golf course usage on the plat shall contain restrictions limiting the usage of the property platted to golf courses (including appropriate associated golf club facilities), open space, parks or, if approved by the County Commission, other appropriate recreational or governmental usages.

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15.0 RESIDENTIAL RECREATION

The Applicant shall reserve two acres for Hammock Dunes resident recreational purposes in each of the following eight communities in Hammock Dunes: Ocean Estates, Racquet Club, Ocean Recreation, Destination Resort, Varn Lake, Fish Island, Fairways Community and Harbor Village. There are no acres reserved in Johnson Beach or the Beach Community.

16.0 OCEAN ESTATES COMMUNITY AND JOHNSON BEACH SUBDIVISION

Because of the land use requirements of Section 9.2.a. relating to the Hammock forest located along A1A between 16th and Malacompra Road, it was necessary for the Applicant to adjust the land use and cluster plan for the adjacent Ocean Estates Community. The Ocean Estates Insert Map dated February 10, 1984, revises the land plan for Ocean Estates previously shown on the January 14, 1984, Master Development Plan Map. The adjusted plan is consistent with the provisions of Section 9.2.a. and provisions of Section 17.5.

16.1 Because of the County's concern that during the later phases of this development there be adequate public beach park and/or governmental facilities in the beachfront area the remaining portions of the Johnson Beach acres shall not be sold or conveyed by the Applicant until the Applicant and County have conducted a joint study of the

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need for additional park [illegible] the beachfront area. This study shall be completed by the end of Phase II of the development. If the study shows that all or a part of the remaining Johnson Beach acreage is or will be needed for park or governmental purposes, the Applicant shall convey the needed property it now owns in the Johnson Beach area as shown on the Johnson Beach Site Study Map to the County for such purposes within sixty (60) days of such post-study determination of public need.

16.2 The Applicant will construct or provide for the construction of 120 moderate priced ($40,000 in 1983 dollars) dwelling units on an area of approximately 35 acres (75 dwelling units to be constructed during Phase II and 45 dwelling units during Phase III) as designated on the Master Development Plan Map, or within a seven-mile radius of the resort core boundary, in a range of sizes which reflect typical employee housing.

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17.0 DENSITY, BUILDING SPACING, LAND USE CLASSIFICATION, AND OTHER DEVELOPMENT REQUIREMENTS

17.1 The Applicant shall perform site development work so as to minimize the impact of such work on existing housing and facilities. The Applicant shall perform its required infrastructure construction and site clearing in a contiguous manner whenever possible so that site construction will not be required in areas where there are existing houses and facilities. The phasing map, which is attached to the final development order and made a part thereof as composite Exhibit 2, shall be followed by the Applicant in its construction activities unless modifications are approved in advance by the County. Modifications of the timing of clusters within a phase shall not be a substantial deviation. Site development work including construction of the water management system, water and sewer facilities, drainage, grading, roads and dwelling units shall be at least 50% complete in Phase I prior to the start of site development work and dwelling units in Phase II. The following table sets forth the percentage of completion in the various phases which must be accomplished before construction may take place in a subsequent phase:

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Percent Completed Phase I	% Permitted In Phase II	% Permitted In Phase III
50%	Begin Construction in Phase II	0
60%	15%	0
70%	30%	0
80% (*)	Unlimited in Phase II	0
	50%	Begin Construction in Phase III
	60%	15%
	70%	30%
	80% (*)	Unlimited in Phase III

(*) - For the purpose of this Table, construction is considered complete in a phase when 80% of the authorized dwelling units in that phase have been completed.

The percentage of completion of dwelling units as defined above is to be determined by dividing the number of dwelling units completed by the number of dwelling units authorized within a given phase and multiplying by 100.

17.2 Combustible materials which are created as a result of construction or land clearing activities shall be burned completely on site or transported off site to an appropriate County authorized trash facility provided by the Applicant. Non-combustible construction or demolition debris shall be transported off site to an

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appropriate County authorized trash facility provided by the Applicant.

17.3 Soil materials which are unsuitable for construction may be used by the Applicant for landscaping after building construction, but may not be otherwise used on buildable areas.

17.4 Coquina formation mining operations shall be prohibited within the project boundaries. This does not preclude the on-site use of coquina removed as part of other construction activities.

17.5 The Hammock Dunes DRI is a Planned Unit Development under Article X of the Flagler County Development and Subdivision Regulations because it provides adequate open space, vehicular circulation and parking, recreation, park and school sites, innovative housing designs, and the service needs for the tract when fully developed and populated, and because this development order provides adequate covenants or other legal provisions which will help assure conformity to and achievement of the purposes of Article X. For purposes of compliance with Article X and other County development ordinances, this project, during the life of this development order, shall be treated as a Planned Unit Development subject to the following substantive conditions:

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a. Density

The Hammock Dunes ADA Master Development Plan Map identifies 893 acres for residential development out of 2,258 acres. Even without credit for lands which the Applicant will convey or dedicate to parks, open space, schools (See Section 2) and other uses under this development order, based upon a comparison of the project to the Flagler County Comprehensive Plan which allows for up to eight (8) dwelling units per acre, the Applicant is entitled to 7,144 units. Regardless of future density changes in the Flagler County Comprehensive Land Use Plan or other County regulations, this order limits the Applicant to a total of 6,670 dwelling units, which is equivalent to 7.47 dwelling units per acre on the designated 893 residential acres.

b. Residential Clusters

The maximum number of dwelling units allowed for this project are those set forth in Section 17.5.a. Residential clusters are identified in Exhibit 17.5.1. attached. Data about individual clusters including community location, density category, acreage and number of dwelling units is shown on Table 17.5.2. Cluster Data. Site development plans,

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cluster diagrams, and any plats submitted for approval by the County shall comply with Table 17.5.2.

Individual clusters may vary 15% plus or minus from the cluster data identified in Table 17.5.2. In the event of such a change, the data of other clusters shall also be changed so that the overall dwelling units remain in balance. At the time of each site development plan and cluster diagram review, the Applicant shall also submit a revised Table 17.5.2 and revised Map 17.5.1, which reflects the data redistribution and clearly indicates those residential clusters affected.

c. Allowable Building Height

Within each cluster density category, there is a maximum allowable building height. Dwelling unit density and heights which are granted to the Applicant are regulated by the information below and Exhibits 17.5.1 (Residential Clusters) and 17.5.2.

Allowable Building Height

Cluster Data Density Category	Maximum Building Height in Stories
Low (L)	3
Low-Medium (L-M)	7
Medium-High (M-H)	20

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d. Building Spacing

The spacing for buildings shall be determined by the County at the time of site development plan submittal giving due consideration to the need for variety and innovation in housing types within this project.

e. Impact of Development Requirements

The density units, building spacing, and height provisions granted by this development order are not precedent setting, but are based upon particular factual circumstances and conditions relating to this development of regional impact, including the Applicant's extensive park and school site contributions; transportation improvements; open space and preservation area commitments; and commitments of equipment, facilities, and other financial resources to mitigate the impacts of the project, as well as other conditions and obligations imposed by this development order.

f. Signage and Lighting

Prior to the construction of the first dwelling units, the Applicant shall prepare signage and lighting guidelines to be used throughout the

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Hammock Dunes development. These guidelines shall deal with the type, location, dimensions and materials used for signage and lighting.

g. Flexibility Considerations

As a Planned Unit Development, this project is expected to seek flexibility within the County Development and Subdivision Ordinances, but any changes must first be approved through the site development plan review procedures of Section 17.6. Regulations which may be affected include, but are not limited to:

1. Yard, lot width and size, depth and building orientation requirements;
2. Minimum road rights-of-way widths, typical sections and paving sections;
3. Road swales and rights-of-way clearing requirements, particularly where trees and natural vegetation systems are to be preserved or protected;
4. Cul-de-sac length, right-of-way and turn around width provisions;
5. Block length and width provisions;
6. Bridge and other pedestrian walk requirements;
7. Off-street parking space requirements;
8. Drainage maintenance easements;
9. Waterway minimum depth and width.

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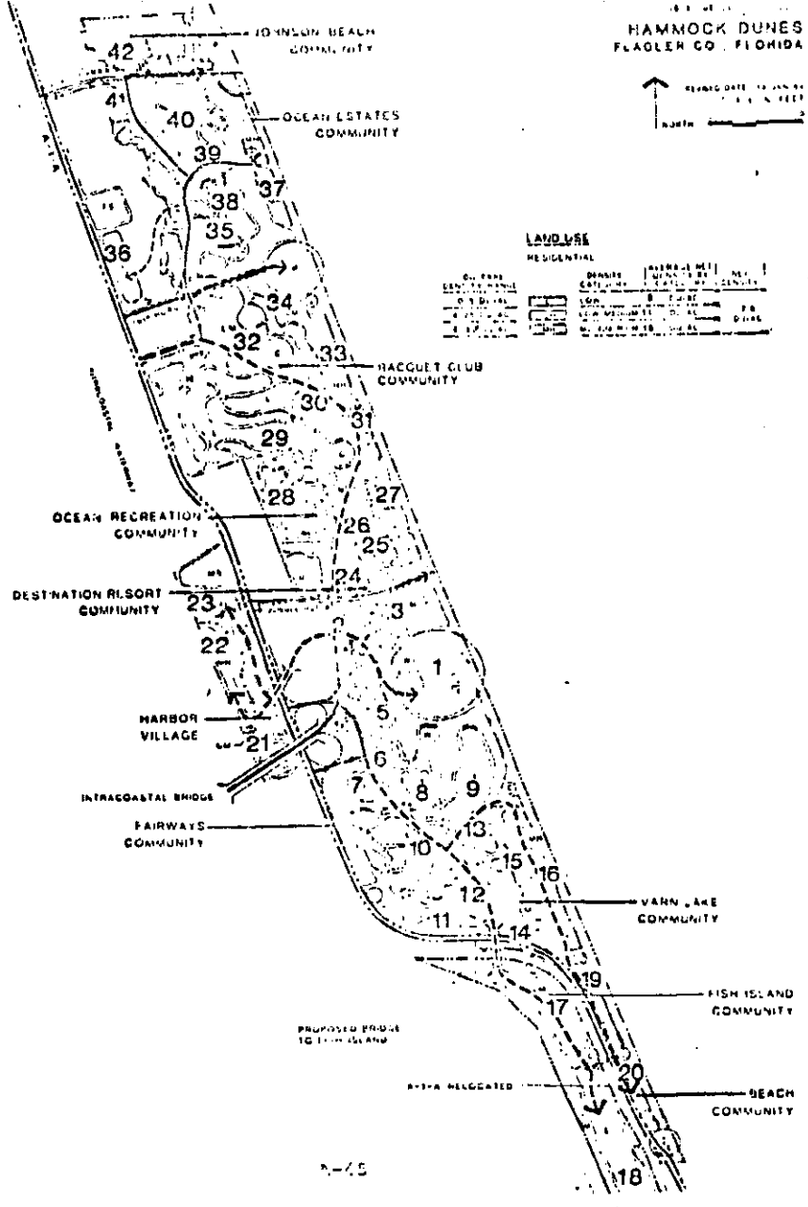
HAMMOCK DUNES
FLAGLER CO., FLORIDA
JOHNSON BEACH COMMUNITY
OCEAN ESTATES COMMUNITY
LAND USE
RESIDENTIAL
RACQUET CLUB COMMUNITY
OCEAN RECREATION COMMUNITY
DESTINATION RESORT COMMUNITY
HARBOR VILLAGE
INTRACOASTAL BRIDGE
FAIRWAYS COMMUNITY
VARN LAKE COMMUNITY
FISH ISLAND COMMUNITY
PROPOSED BRIDGE TO FISH ISLAND
A-1-A RELOCATED
BEACH COMMUNITY
A-45

EXHIBIT 17.5.2.

HAMMOCK DUNES
RESIDENTIAL CLUSTER DATA

OFF. REC. 238 PAGE 255

CALCULATED NET RESIDENTIAL DENSITY: 7.47 UNITS PER ACRE

Cluster Number	Cluster Community	Density Category	Acreage	Dwelling Units
1	D. Resort	M-H	22	545
2	D. Resort	L-M	8	80
3	D. Resort	L-M	16	118
4	D. Resort	L-M	6	35
5	D. Resort	L-M	7	72
6	Fairway	L	24	48
7	Fairway	L	9	18
8	Fairway	L	9	18
9	Fairway	L	29	65
10	Fairway	L	63	154
11	Fairway	L	19	38
12	Fairway	L	4	16
13	Fairway	L	15	81
14	Fairway	L	13	52
15	Yarn Lake	L-M	26	156
16	Yarn Lake	M-H	25	444
17	Fish Island	L-M	55	752
18	Fish Island	L	145	145
19	Beach	L-M	17	168
20	Beach	L-M	7	43
21	Harbor	L-M	11	94
22	Harbor	M-H	16	310
23	Harbor	L-M	17	190
24	Ocean Rec.	L	6	28
25	Ocean Rec.	M-H	10	204
26	Ocean Rec.	L-M	3	46
27	Ocean Rec.	M-H	17	288
28	Ocean Rec.	L	22	110
29	Ocean Rec.	L	68	342
30	Ocean Rec.	L	4	16
31	Ocean Rec.	L-M	7	105
32	Racq. Club	L-M	36	409
33	Racq. Club	M-H	23	357
34	Racq. Club	L-M	19	269
35	D. Estate	L-M	8	72
36	D. Estate	L	22	100
37	D. Estate	M-H	20	437
38	D. Estate	L-M	4	48
39	D. Estate	L	3	12
40	D. Estate	L	8	32
41	D. Estate	L	16	32
42	Johnson Beach	L	34	121
TOTAL			893	6670

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17.6 For purposes of compliance with the Flagler County Development and Subdivision Regulations and other development ordinances, this project for procedural purposes shall be treated as a "Planned Unit Development" under Article X of those regulations. This project shall be subject only to the following review provisions which are an elaboration of the review provisions of Article X.

a. Preliminary Planning Conference

The Applicant shall meet with appropriate County staff to review the preliminary design prior to the submittal of the site development plan. The preliminary design shall include a sufficient level of information to allow the conference participants to identify issues, coordinate requirements and otherwise promote proper and efficient review of the proposed development.

b. Site Development Plan

A site development plan which complies with this development order shall be submitted to the Flagler County Commission for approval prior to the start of construction. Where a residential cluster is to be phased, and a site development plan is submitted for only a portion of the cluster, a

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cluster diagram must be included along with the site development plan.

c. Submittal Requirements

The site development plan and any necessary supporting documents or exhibits shall contain the following information:

(1) Site Development Plan

(a) application form and fees;

(b) lot area in acres or square feet;

(c) existing site conditions including contours, water course, flood plains, coastal zone setback lines, unique natural features and wooded areas;

(d) proposed lot lines, plot designs, easements, and public rights-of-way;

(e) the location, height, and floor area of all existing and proposed buildings, structures and other improvements and the use and type of all structures shall be indicated;

(f) if residential use, the total number and number of each type of dwelling units, plus:

- gross residential density;
- percentage and square feet of building coverage;

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- percentage and square feet of driveway and parking;
- percentage and square feet of street right-of-way.

(g) the location and size in acres or square feet of all areas to be conveyed, dedicated, or reserved as common open space, public parks, recreational areas, bicycle paths, schools and other public and semi-public uses;

(h) the existing and proposed circulation system or arterial, collector, and local streets, including the number of off-street parking spaces, loading areas, service areas, and points of access to the circulation system;

(i) the existing and proposed utility systems including sanitary sewers and water, electric, gas and telephone lines;

(j) the existing and proposed water drainage pattern and any natural or man-made facilities to manage storm water, including their capacities and specifications;

(k) general landscape plan including existing and proposed vegetation, statement of Applicant's landscape plans and commitments,

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proposed treatment of perimeter of development with notes concerning signage and lighting;

(l) such engineering plans and drawings as may be required by the County Engineer for review including strect layout and design, street cross sections and profiles, sanitary sewer design, storm drainage facilities and other utility lines and facilities;

(m) indication of the public or priv te ownership of all major facilities and amenities.

(2) Cluster Diagram

A cluster diagram is required along with a site development plan for residential developments which do not encompass an entire residential cluster. The cluster diagram shall contain the following information:

(a) the boundary and number of the cluster identified on Exhibit 17.8.2.;

(b) the location, acreage, and density of the proposed site development plan, any existing development, and the undeveloped portion of the cluster;

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(c) a diagrammatic land use plan showing overall utilities, vehicular and pedestrian circulation, water management, and all other appropriate project features.

(3) Approval of the Site Development Plan

The County shall review the Site Development Plan (and cluster diagram, if required) for conformance with the development order. Within sixty (60) days of submittal, the site development plan shall be approved, approved with conditions, or denied. If the site development plan is determined to be in compliance with the development order, it shall be approved. Written notice of action to deny the site development plan shall be given to the Applicant within ten (10) days after the action.

(4) Recording

Upon approval of the Site Development Plan and receipt of notification of such action from the County Commission, the Applicant may present such copies as are required to the Clerk of the Circuit Court of Flagler County for recording. A copy of the Site

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Development Plan shall also be sent to the Development Administrator.

17.7 The County and the Applicant recognize that this development order will form the basis upon which the Applicant or its successors will plan and conduct its phased development activities. Nothing contained herein shall be considered an endorsement or approval by the County of any trade practices, method of sale, construction or sales activities conducted by the Applicant or its successors.

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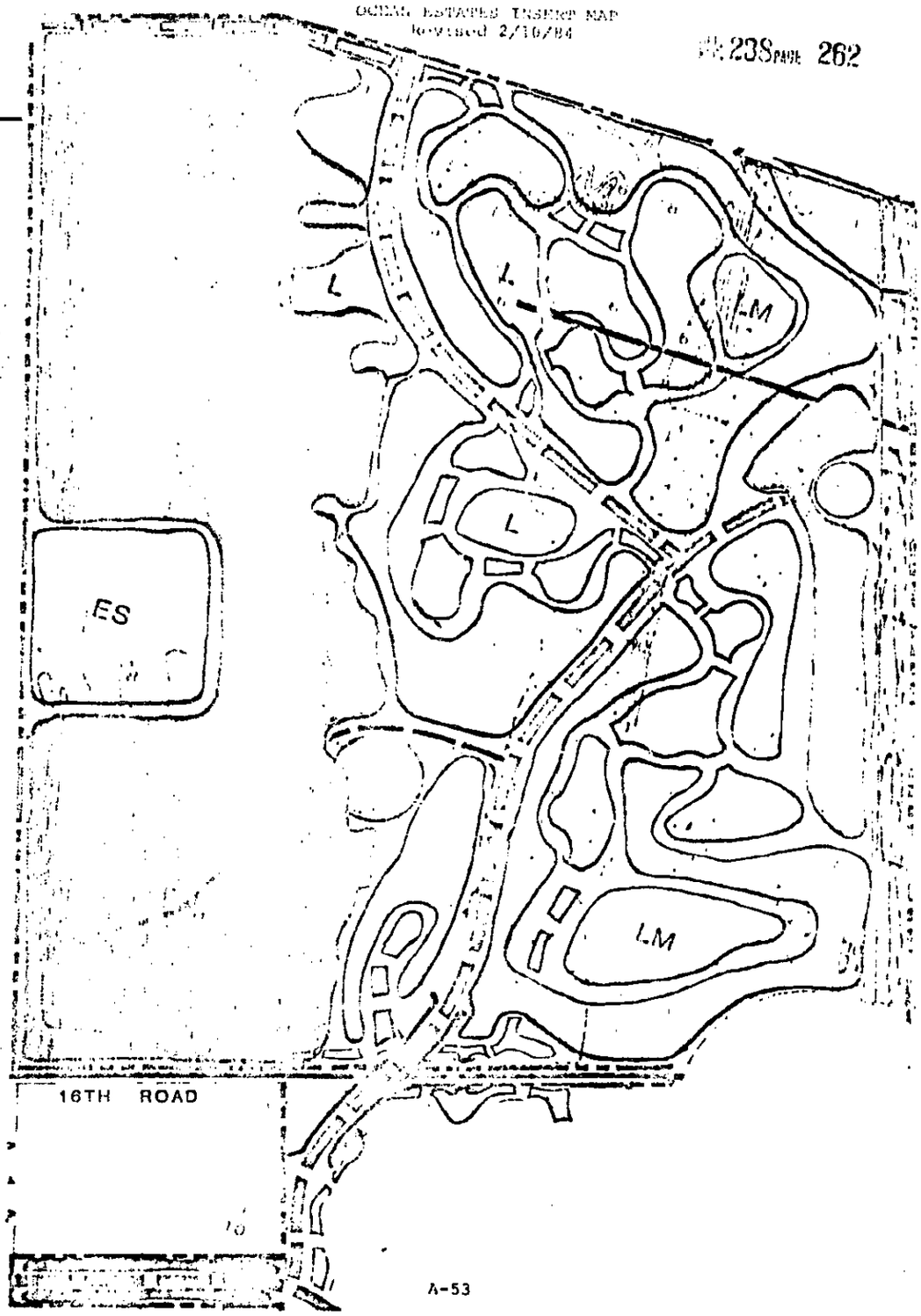
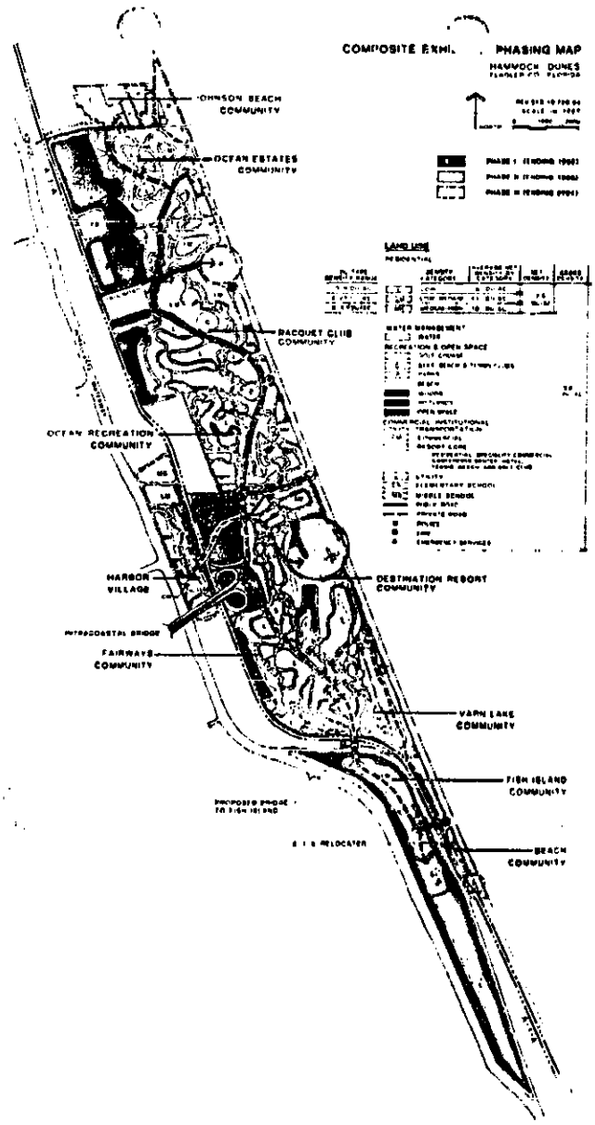
OCEAN ESTATES TRACT MAP
Revised 2/10/84



A-53



REC. 238 PAGE 263

The following paragraphs address the conditions recommended to be included in the development order by the Northeast Florida Regional Planning Council in its report dated December 1, 1983. These conditions address the regional issues identified by the council.

A. Flagler County Resolution

8, 11 and 13

B. Flagler County Resolution Attachment "A"

1.1, 1.2, 2.1, 2.2, 2.3, 2.4, 3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3, 5.4, 5.5, 6.1, 6.2, 6.3, 6.4, 6.5, 7.1, 7.2, 7.3, 8.1, 8.2, 8.3, 9.1, 9.2, 9.3, 9.4, 9.5, 10.0, 11.1, 11.2, 11.3, 11.4, 12.1, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 14.1, 14.2, 14.3, 14.5, 15.0 and 16.2

OFF. REC. 238 PAGE 265

OFF. REC. 235 PAGE 699

Admiral Corporation

June 5, 1984

The Honorable Thomas W. Durrance
Chairman
Flagler County Board of Commissioners
P.O. Box 787
Bunnell, Florida 32010

Dear Commissioner Durrance:

As you know, the Hammock Dunes development order contains a stipulation in Section 4.4, page A-14, that Admiral shall pave 16th and Jungle Hut Roads from A1A to their eastern termini at the entrance to the parks. During the March 30 meeting, at which the development order was approved, Commissioner Johnston raised a question of just how far into the park area the paving would extend. He was concerned that paving might stop at the western park edge rather than extending to the edge of the initial parking area, leaving an unpaved strip in between.

As we pointed out in the meeting, what is actually contemplated is that Admiral will pave to the edge of the area designated for parking within the proposed parks, as worked out with the County staff. Discussion of this issue is found on pages 16-19 of the official meeting transcript.

This letter is intended to provide the Board written confirmation of Admiral's intention to pave 16th and Jungle Hut Roads to the edge of the parking lot area within the park planned for the end of each road. This will also clarify the wording of item 4.4 on page A-14 of the development order.

We look forward to working with the Board and County staff as Hammock Dunes progresses.

Sincerely,

Allen E. Salowe
Vice President

AES/lb

cc: Mr. Donald Chinnery
Mr. Noah McKinnon
Mr. Gordon Murtaugh
Mr. Hubert Pellicer

'84 JUN 12 AM 11 24
OR. 235 PG. 696
FLAGLER CO. CLERK

410 Clubhouse Drive Palm Coast, Florida 32037 Telephone (904) 445-4900

Admiral Corporation

May 24, 1984

Mr. Donald R. Chinnery
County Engineer
P.O. Box 936
Bunnell, Florida 32010

Dear Mr. Chinnery:

The attached is a copy of an agreement made between Admiral Corporation and the State of Florida Department of Community Affairs, Bureau of Land and Water Management on May 21, 1984 for your information.

Please attach this document to the County's official copy of the Hammock Dunes development order.

Sincerely,

Gordon Murtaugh

Gordon Murtaugh
Vice President

GM/lb

Attachment

pc. Hubert
Smalley
Neal
[illegible]

410 Clubhouse Drive Palm Coast, Florida 32037 Telephone (904) 445-4900

NOTICE OF THE ADOPTION OF DEVELOPMENT ORDER

NOTICE IS HEREBY GIVEN pursuant to Section 380.06(14)(d), Florida Statutes (1983), that by resolution passed March 30, 1984, the Board of County Commissioners of Flagler County, Florida adopted a development order approving the Hammock Dunes development of regional impact. The development order, which constitutes a land development regulation applicable to the Hammock Dunes property, may be examined at the Office of the Clerk of the Circuit Court, County Finance Office, 206 East Moody Boulevard, Bunnell, Flagler County, Florida 32010.

The property covered by the Hammock Dunes development order is a parcel of land lying within Government Sections 20, 21, 28, 29, 33 and 40, Township 10 South, Range 31 East and Government Sections 3, 4, 9, 10, 15, 22, 23, 37 and 38, Township 11 South, Range 31 East of the Intracoastal Waterway (500' R/W), Flagler County, Florida, being more particularly described as follows:

From a POINT OF BEGINNING being the intersection of the Westerly boundary line of Government Section 10, Township 11 South, Range 31 East, with the Northerly right-of-way of A-1-A (100' R/W); Thence South 89° 35' 06" West 154.27 feet along said right-of-way to a POINT OF CURVATURE; Thence Northwesterly 2266.81 feet along a curve to the right having a radius of 1860.08 feet and a central angle of 69° 49' 27" to a POINT OF TANGENCY; Thence North 20° 35' 27" West 2955.90 feet; Thence departing said right-of-way South 69° 24' 33" West 100.00 feet to a POINT on the Westerly right-of-way of A-1-A; Thence departing said Westerly right-of-way South 69° 17' 51" West 928.90 feet to a POINT on the Easterly right-of-way of the Intracoastal Waterway (500' R/W); Thence North 20° 50' 24" West along said right-of-way 2677.38 feet; Thence North 20° 35' 42" West 1641.38 feet to a POINT on the Southerly boundary line of Township 10 South; Thence North 26° 09' 18" West 688.04 feet; Thence departing said right-of-way of the Intracoastal Waterway North 55° 44' 32" East 1295.75 feet to a POINT on the Westerly right-of-way of A-1-A, being a POINT ON A CURVE; Thence Southeasterly along said right-of-way 109.43 feet along a curve to the right having a radius of 1860.08 feet, a central angle of 03° 22' 14", a chord of 109.41 feet and a chord bearing South 18° 26' 19" East to a POINT OF TANGENCY; Thence South 16° 45' 12" East 1574.75 feet; Thence departing said Westerly right-of-way North 73° 14' 48" East 100.00 feet to a POINT on the Easterly right-of-way of A-1-A; Thence departing said Easterly right-of-way North 89° 19' 02" East 148.56 feet; Thence North 16° 34' 25" West 210.00 feet to a POINT on the Southerly right-of-way of Jungle Hut Road (50' R/W); Thence North 89° 19' 02" East along said right-of-way 855.66 feet; Thence departing said Southerly right-of-way North 19° 50' 00" West along the Westerly boundary line of Section 40, Township 10 South, Range 31 East 3356.28 feet; Thence South 71° 11' 00" West 1290.19 feet to a POINT on the Easterly right-of-way of said A-1-A, being a POINT ON A CURVE; Thence Northwesterly along said right-of-way 244.67 feet along a curve to the right having a radius of 1860.08 feet, a central angle of 07° 32' 11", a chord of 244.49 feet and a chord bearing North

22° 35' 06" West to a POINT OF TANGENCY; Thence North 18° 49' 00" West 1645.60 feet; Thence departing said right-of-way of A-1-A North 71° 11' 00" East 180.00 feet; Thence North 18° 49' 00" West 225.00 feet; Thence South 71° 11' 00" West 180.00 feet to a POINT on said Easterly right-of-way of A-1-A; Thence North 18° 49' 00" West along said right-of-way 350.65 feet; Thence departing said right-of-way North 71° 11' 00" East 1262.52 feet to a POINT on the Easterly boundary line of said Section 40; Thence North 19° 50' 00" West along said Easterly boundary line 200.03 feet; Thence departing said Easterly boundary line South 71° 11' 00" West 1258.97 feet to a POINT on said Easterly right-of-way of A-1-A; Thence North 18° 49' 00" West along said right-of-way 200.00 feet; Thence departing said right-of-way North 71° 11' 00" East 1255.42 feet to a POINT on the said Easterly boundary line of Section 40; Thence North 19° 50' 00" West along said Easterly boundary line 900.14 feet to a POINT on the Northerly right-of-way of 16th Road; Thence departing said boundary line of Section 40, South 71° 10' 52" West along said Northerly right-of-way 1239.45 feet to a POINT on the Easterly right-of-way of said A-1-A; Thence departing said right-of-way of 16th Road North 18° 49' 00" West along said right-of-way of A-1-A, 5178.50 feet to a POINT on the Southerly right-of-way of Malacompra Road; Thence North 71° 10' 09" East along said Southerly right-of-way 1138.42 feet; Thence North 88° 23' 31" East 9.62 feet to a POINT on the said Easterly boundary line of Section 40; Thence departing said right-of-way of Malacompra Road North 19° 50' 00" West along said boundary line of Section 40, also being the Westerly boundary line of Johnson Beach Subdivision as recorded in Map Book 5, Page 9 of the Public Records of said Flagler County, 1442.70 feet; Thence departing said Easterly boundary line of Section 40, North 88° 24' 11" East along the Northerly boundary line of said Johnson Beach Subdivision 2548.87 feet to the Northeast corner of Johnson Beach Subdivision being a POINT on the Westerly boundary line of said Section 21; Thence North 00° 36' 49" West along said Westerly boundary line 1045.49 feet to a POINT on the Mean High Water Line of the Atlantic Ocean; Thence departing said boundary line of Section 21 South 21° 15' 53" East along the said Mean High Water Line 34.75 feet; Thence continue along said Mean High Water Line South 21° 40' 54" East 503.93 feet; Thence South 21° 42' 19" East 497.12 feet; Thence South 20° 52' 14" East 500.98 feet; Thence South 23° 34' 38" East 505.92 feet; Thence South 21° 08' 22" East 425.12 feet; Thence South 20° 10' 54" East 130.81 feet; Thence South 19° 09' 30" East 440.47 feet; Thence South 19° 43' 32" East 498.51 feet; Thence South 19° 28' 39" East 506.20 feet; Thence South 19° 58' 00" East 510.90 feet; Thence South 19° 51' 56" East 498.83 feet; Thence South 19° 59' 52" East 505.34 feet; Thence South 18° 07' 53" East 498.03 feet; Thence South 18° 03' 02" East 504.39 feet; Thence South 19° 09' 34" East 300.28 feet to a POINT on the Northerly right-of-way of said 16th Road; Thence departing said Northerly right-of-way South 19° 09' 35" East 50.01 feet to a POINT on the Southerly right-of-way of said 16th Road; Thence departing said Southerly right-of-way along said Mean High Water Line South 19° 09' 34" East 153.39 feet; Thence South 19° 29' 22" East 511.45 feet; Thence South 20° 54' 05" East 497.62 feet; Thence South 19° 45' 00" East 507.57 feet; Thence

South 20° 49' 52" East 497.95 feet; Thence South 20° 18' 41" East 507.65 feet; Thence South 19° 30' 43" East 510.25 feet; Thence South 18° 30' 55" East 494.37 feet; Thence South 19° 52' 39" East 502.28 feet; Thence South 22° 20' 56" East 497.23 feet; Thence South 20° 41' 30" East 508.67 feet; Thence South 20° 26' 31" East 500.09 feet; Thence South 19° 53' 06" East 499.88 feet; Thence South 21° 45' 36" East 503.26 feet; Thence South 24° 02' 33" East 516.08 feet; Thence South 18° 20' 30" East 495.06 feet; Thence South 20° 59' 25" East 274.96 feet to a POINT on the Northerly right-of-way of Jungle Hut Road; Thence departing said Northerly right-of-way South 20° 59' 25" East 53.31 feet to a POINT on the Southerly right-of-way of Jungle Hut Road; Thence departing said Southerly right-of-way along said Mean High Water Line, South 20° 59' 25" East 181.06 feet; Thence South 20° 20' 30" East 505.02 feet; Thence South 20° 08' 17" East 500.64 feet; Thence South 19° 52' 12" East 501.56 feet; Thence South 19° 13' 54" East 497.29 feet; Thence South 21° 19' 23" East 502.64 feet; Thence South 19° 57' 05" East 507.06 feet; Thence South 17° 56' 45" East 507.34 feet; Thence South 18° 49' 25" East 504.65 feet; Thence South 21° 02' 20" East 497.73 feet; Thence South 21° 04' 43" East 482.98 feet; Thence South 21° 04' 34" East 11.02 feet; Thence South 19° 11' 42" East 496.68 feet; Thence South 22° 23' 45" East 506.75 feet; Thence South 20° 55' 06" East 500.63 feet; Thence South 20° 42' 16" East 499.00 feet; Thence South 22° 07' 09" East 499.32 feet; Thence South 21° 45' 31" East 500.88 feet; Thence South 21° 59' 38" East 227.33 feet; Thence South 21° 59' 39" East 264.23 feet; Thence South 22° 30' 14" East 498.51 feet; Thence South 22° 43' 23" East 499.93 feet; Thence South 21° 20' 52" East 499.51 feet; Thence South 22° 12' 03" East 499.95 feet; Thence South 21° 18' 01" East 498.09 feet; Thence South 23° 31' 50" East 493.34 feet; Thence South 23° 12' 12" East 498.28 feet; Thence South 22° 31' 35" East 507.15 feet; Thence South 22° 12' 00" East 498.62 feet; Thence South 22° 18' 34" East 527.38 feet; Thence departing said Mean High Water Line South 89° 27' 13" West 262.35 feet to a POINT on the Easterly right-of-way of A-1-A; Thence departing said Easterly right-of-way South 89° 27' 13" West 108.42 feet to a POINT on the Westerly right-of-way of A-1-A; Thence departing said Westerly right-of-way South 89° 27' 13" West 65.58 feet to a POINT on the Easterly right-of-way of the Old Florida East Coast Canal (200' R/W); Thence departing said Easterly right-of-way South 89° 27' 13" West 211.08 feet to a POINT on the Westerly right-of-way of said Old Florida East Coast Canal; Thence South 19° 11' 11" East along said Westerly right-of-way 2786.38 feet; Thence South 17° 01' 23" East 3542.51 feet to a POINT of intersection with the Easterly right-of-way of the Intracoastal Waterway (500' R/W); Thence departing said Westerly right-of-way of the Old Florida East Coast Canal North 46° 36' 23" West along said Easterly right-of-way of the Intracoastal Waterway 1326.21 feet; Thence North 22° 42' 28" West 8360.55 feet; Thence North 22° 41' 50" West 563.33 feet; Thence North 44° 45' 20" West 1003.14 feet; Thence North 66° 49' 09" West 1914.50 feet to a POINT of intersection with the Southerly right-of-way of said Old Florida East Coast Canal; Thence departing said Easterly right-of-way of the Intracoastal Waterway South 89° 41' 27" East along said Southerly right-of-way of the Old Florida East Coast Canal 1203.59 feet; Thence departing said Southerly right-of-way North 00° 18' 33"

West 200.00 feet to a POINT on the Northerly right-of-way of the Old Florida East Coast Canal; Thence departing said Northerly right-of-way North 00° 37' 47" West 247.39 feet to a POINT of the Southerly right-of-way of said A-1-A; Thence departing said Southerly right-of-way North 00° 24' 54" West 100.00 feet to a POINT on the Northerly right-of-way of A-1-A; Thence South 89° 35' 06" West along said Northerly right-of-way 309.45 feet to the POINT OF BEGINNING of this description.

Also including A PARCEL OF LAND LYING WESTERLY OF THE WESTERLY RIGHT-OF-WAY (500' R/W) OF THE INTRA-COASTAL WATERWAY IN GOVERNMENT SECTIONS 38 AND 46, TOWNSHIP 11 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

From a POINT OF REFERENCE being the intersection of the Southerly right-of-way of Club House Drive (60' R/W) with the Westerly right-of-way of Young Parkway (104' R/W) all according to Palm Coast Section 3, as recorded in Map Book 6, Page 8 of the Public Records of Flagler County, Florida; Thence South 20° 57' 23" East 72.45 feet along said right-of-way of Young Parkway; Thence North 69° 02' 37" East 104.00 feet; Thence South 20° 57' 23" East 62.50 feet; Thence North 69° 02' 37" East 833.97 feet to a POINT on the Westerly right-of-way of said Intracoastal Waterway; Thence South 20° 49' 48" East 857.71 feet along said Westerly right-of-way to the POINT OF BEGINNING of this description; Thence continue South 20° 49' 48" East 203.11 feet to a POINT ON A CURVE; Thence departing said right-of-way Southwesterly 1141.28 feet along a curve to the left having a radius of 1045.92 feet and a central angle of 62° 31' 12" to a POINT, tangent to said curve is North 04° 19' 03" West; Thence South 85° 40' 57" West 25.00 feet; Thence South 04° 19' 03" East 550.00 feet; Thence South 85° 40' 57" West 150.00 feet; Thence North 07° 04' 10" West 490.75 feet to a POINT OF CURVATURE; Thence Northeasterly 1458.01 feet along a concentric curve to the right having a radius of 1245.92 feet and a central angle of 67° 02' 57" to the POINT OF BEGINNING of this description.

Less and except the right-of-way of A-1-A, Jungle Hut Road, 16th Road, Malacompra Road; All platted streets lying within the Johnson Beach Subdivision, Lots 1 - 9, 15 - 22, Block 1; Lots 1 - 3, 18 & 19, Block 2; Lot 19, Block 3; Lots 1 - 4, 18 - 22, Block 4; Lots 1 - 11, 18 - 29, Block 5; Lots 13 & 14, 16 - 24, Block 7; Lots 2 & 5 - 11, Block 8 of said Johnson Beach Subdivision; Old Florida East Coast Canal and the Intracoastal Waterway.

Net Acres Containing 2244.91 Acres, more or less.

NOTE 1) All bearings are measured from Grid North per the Florida State Plane Coordinate System, East Zone, Transverse Mercator Projection.

2) The Mean High Waterline was located in accordance with Chapter 177, Part II, Florida Statutes and Chapter 16.3, Florida Administrative Code.

Pursuant to Section 380.06(14)(d), Florida Statutes (1983), the recording of this notice shall not constitute a lien, cloud, or encumbrance on the real property described herein, nor actual nor constructive notice of any of the same.

Dated this 5th day of April, 1984.

ADMIRAL CORPORATION

By Gordon Murtaugh
Vice President

Attest: Robert Scott
Robert Scott
Assistant Secretary

STATE OF FLORIDA)
) SS
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this 5th day of April, 1984, before me, a person authorized to take acknowledgements of deeds and other instruments, personally appeared Gordon Murtaugh, Vice President and Robert Scott, Assistant Secretary, respectively, of ADMIRAL CORPORATION, a Florida corporation, to me known and known by me to be the persons who executed the foregoing instrument as such officers and they severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned and that they affixed thereto the official seal of said corporation and that the said instrument is the free act and deed of said corporation.

WITNESS my signature and official seal at Palm Coast, Florida, County of Flagler, and State of Florida, on the day and year last aforesaid.

Geraldine Colombo
Notary Public

My Commission Expires: March 1, 1988

84 03142
NO.
O.R. 231 449-453
'84 APR 5 P3:28
CLERK
FLAGLER COUNTY, FL

This Instrument was Prepared By
Robert L. Scott, Jr
ITT Community Development Corporation
Executive Offices
Palm Coast Florida 32037

Order: 10980 Doc: FLFLAG:231-00449 Page 5 of 5 Created By: Anna Newsome Printed: 12/30/2014 9:32:41 AM EST