MARINA COVE LANDINGS, A RESIDENTIAL CONDOMINIUM

EXHIBIT II "DECLARATION OF CONDOMINIUM"

DECLARATION OF CONDOMINIUM OF MARINA COVE LANDINGS, a RESIDENTIAL CONDOMINIUM

THIS DECLARATION of Condominium is made on this _____ day of September, 2002, by ACREAL ESTATE DEVELOPMENT CORP., a Utah corporation, hereinafter called "Developer." The Developer makes the following declaration:

ARTICLE I ESTABLISHMENT OF CONDOMINIUM

- 1.1 PURPOSE. The purpose of this declaration is to submit the lands herein described and the improvements to be constructed thereon to the condominium form of ownership and use in the manner provided in Chapter 718, Florida Statutes, hereinafter called the Condominium Act.
- 1.2 NAME AND ADDRESS. The name by which this condominium is to be identified is MARINA COVE LANDINGS, A RESIDENTIAL CONDOMINIUM (the "Condominium"). Its units are located on 28 and 29 Captain's Walk, 17 and 18 Marina Point Place, 1, 2, 3 and 4 Marina Point Place, 73, 74, 75 and 76 River's Edge, all in Palm Coast, Florida.
- 1.3 THE LAND. The land owned by the Developer, the fee simple title of which is hereby submitted to the condominium form of ownership is described in Exhibit A attached hereto.

ARTICLE II DEFINITIONS

The terms used herein or in the exhibits attached hereto shall have the meanings stated in the Condominium Act, Chapter 718, Florida Statutes, and as follows, unless the context otherwise requires:

- 2.1 ASSOCIATION means Marina Cove Landings Condominium Association, Inc., a Florida non-profit corporation, and its successors.
- 2.2 ASSESSMENT means a share of the funds required for the payment of common expenses which, from time to time, are assessed against the unit owner.
- 2.3 COMMON ELEMENTS means the portions of the condominium property not included in the units.
- 2.4 LIMITED COMMON ELEMENTS are those common elements which are or can be reserved for the use of a certain unit to the exclusion of other units. Appurtenant to each unit as limited common elements are an entryway and a garage. The driveway area extending from each garage to the street is also a limited common element appurtenant to the same unit as the garage.
 - 2.5 COMMON EXPENSES. Common expenses include:
 - A. Expenses of administration; expenses of maintenance, operation, repair or replacement of the common elements, and of the portions of units to be maintained by the Association.
 - B. Expenses declared common expenses by provisions of this Declaration or by the By-Laws.

- C. Any valid charge against the condominium as a whole.
- 2.6 CONDOMINIUM means that form of ownership of condominium property under which units or improvements are subject to ownership by different owners, and there is appurtenant to each unit as part thereof, an undivided share in the common elements.
- 2.7 COMMON SURPLUS means the excess of all receipts of the Association, including but not limited to assessments, rents, profits, and revenues on account of the common elements, over the amount of common expenses.
- 2.8 CONDOMINIUM PROPERTY. The condominium property means and includes only the land described in Exhibit A attached hereto, including all improvements now or hereafter thereon and all rights appurtenant thereto. "Condominium Property" shall mean and include all land submitted to condominium ownership and all improvements thereon and all assessments and rights appurtenant thereto.
- 2.9 DEVELOPER shall mean A C Real Estate Development Corp., a Utah corporation, and any successor to which it may assign its rights and obligations, or any entity which may succeed to those rights and obligations by operation of law.
- 2.10 CONDOMINIUM PARCEL means a unit together with the undivided share in the common elements which is appurtenant to the unit.
- 2.11 MAJORITY OR MAJORITY OF OWNERS means owners of units to which more than 50% of the common elements are appurtenant.
- 2.12 OPERATION OR OPERATION OF THE CONDOMINIUM means and includes the administration and management of the condominium property.
- 2.13 UNIT means a part of the condominium property which is subject to private ownership.
 - 2.14 UNIT OWNER Unit owner means the owner of a condominium parcel.

ARTICLE III CONDOMINIUM DOCUMENTS

This Declaration of Condominium, hereinafter called "Declaration," sets forth the nature of the property rights in the condominium and the covenants running with the land which govern those rights. This Declaration shall include the surveys of the land and the plot plans, which comprise Exhibit A to this Declaration of Condominium.

The following documents which are also attached to this Declaration are also a part of the "condominium documents," to wit:

- A. Schedule of percentages of Common Elements, Common Surplus and Common Expenses appurtenant to each unit which is Exhibit B.
- B. Articles of Incorporation of Marina Cove Landings Condominium Association, Inc., a non-profit corporation of Florida, which is Exhibit C.
- C. By-Laws of Marina Cove Landings Condominium Association, Inc., which is Exhibit D.

- D. Easement and Facilities Use Agreement entered into on December 13, 2001, by and between Developer and Marina Cove at Palm Coast Condominium Association, Inc., which is Exhibit E.
- 3.1 ALTERATION OF UNIT PLANS: To the extent permitted by Chapter 718, Developer reserves the right to change the interior design and arrangement of the units. No change may increase or decrease the number of units or alter the boundaries of the common elements without the amendment of this Declaration by approval of the Association, unit owners and owners of mortgages in the manner elsewhere provided and as required by Chapter 718, Florida Statutes.

3.2 IMPROVEMENTS - GENERAL DESCRIPTION,

A. IMPROVEMENTS

This Condominium is not complete as of the recording of this Declaration. The improvements located or to be located on the Condominium Property are as shown on page 1 of Exhibit A. There will be one (1) type of unit which is described as follows:

No. of Bedrooms	No. of Bathrooms	No. of Stories	Approx. Sq. Ft. of Living Area
3	2 1/2	2	2,223

The Condominium will contain twelve (12) total units.

Time-share estates will not be created in the Condominium.

- 3.3 SCHEDULE OF COMPLETION OF ALL UNITS: Developer anticipates a faster schedule of completion, but assures that construction on all four buildings and their units will have been completed prior to December 31, 2007.
- 3.4 UNIT NUMBERING SYSTEM. Each unit will be designated by a different number, so that units may be described for all purposes, including conveyancing. Each unit shall have the number designated on the plot plans which are part of Exhibit A.
- 3.5 EASEMENTS. The following easements are expressly provided for and reserved, to wit:
 - A. Every dwelling unit shall be subject to the following easements:
 - 1. Every portion of a dwelling unit, contributing to the support of the common elements or of other dwelling units shall be burdened with an easement of support for the benefit of the Association and the owners and occupants of supported units.
 - 2. An easement for the location, maintenance and repair of wiring, plumbing and duct work serving units other than that traversed is reserved through all interior partitions and through all areas within units above any dropped ceiling. This easement shall be for the benefit of the Association and any other unit owner or occupant whose wiring, plumbing or duct work passes through such easements.

- 3. An easement in favor of the Association, its employees, agents and independent contractors to install or make necessary repairs to, or replacements of utility services, plumbing, wiring or any portion of the common elements, and to perform all obligations and duties of the Association.
- B. All unit owners shall have as appurtenances to their units:
 - 1. A perpetual non-exclusive easement for ingress to and egress from their units over and upon driveways, walks, corridors, halls, and other common elements to and from the public streets and roads abutting the Condominium.
 - A perpetual non-exclusive easement for the use and enjoyment for their intended purposes of all common elements except limited common elements.
- C. In the event that any condominium unit as originally constructed or because of settlement shall encroach upon any of the common elements of the condominium property or upon any other condominium unit, then an easement shall exist to the extent of such encroachment so long as the same shall exist.
- D. Certain of the common elements of the Condominium are hereby subject to non-exclusive easements in favor of owners of units in The Landings at Marina Cove and its Association and their respective invitees, and the Marina Coast at Palm Coast Condominium and its Association and their respective invitees as follows:
 - 1. Easements for access and the installation, maintenance, repair and replacement of all utilities and communication facilities (including cable TV) over, under and upon all streets in the condominium, the six foot wide area containing the sidewalk which surrounds the marina and an easement 20 feet in width extending from the easterly end of Marina Point Place to the sidewalk adjacent to the marina; and
 - 2. Easements for the installation, maintenance, repair and replacement of all utilities and communication facilities (including cable TV) over, under all streets and sidewalks in the condominium.
 - 3. The Board of Directors of the Marina Cove at Palm Coast Condominium Association, and the Board of Directors of The Landings at Marina Cove Condominium Association, may grant such additional utility easements, as either Board, in its sole discretion, deems appropriate.

The Landings at Marina Cove Condominium Association and Marina Cove at Palm Coast Condominium Association shall be responsible for the prompt repair, including replacement of any landscaping and sod, of any damage which the common elements may sustain by reason of the utilization of the above easements by The Landings at Marina Cove Condominium Association, Marina Cove at Palm Coast Condominium Association, their members and their invitees, but neither. An owner of a unit in The Landings at Marina Cove and Marina Cove at Palm Coast will be liable for the cost of

- repairing any damage caused by his or her own intentional or grossly negligent action or that of his invitee.
- E. Temporary easements are reserved in favor of the Developer, until all units are sold by Developer, to maintain signs, models, and displays upon the common property and in any unit owned by Developer, and to permit access to and utilization of the common property in all parts of the property by prospective purchasers, and to utilize any units owned by Developer for sales purposes.
- F. Easements of ingress and egress, passage and entry are reserved to employees and independent contractors of the Association any management entity hired by the Association and the Developer, in the performance of their duties and functions on behalf of the Condominium and the Developer.
- G. Easements for access and the installation, maintenance, repair and replacement of utilities and communication facilities (including cable TV) are reserved over under and upon all streets in favor of the owner and its successors in title of the lands.
- 3.6. UNIT BOUNDARIES. Each unit shall include that space which lies within the boundaries of the unit, which boundaries shall be determined in the following manner:
 - A. PERIMETRICAL BOUNDARIES. The perimetrical boundaries for the unit shall be the vertical planes of the undecorated finished interior surface of the walls bounding the unit extended to intersection with each other and with the upper and lower boundaries.
 - B. LOWER BOUNDARY. The lower boundary of each unit shall be the horizontal plane of the upper finished undecorated surfaces of the floor slab.
 - C. UPPER BOUNDARIES. The upper boundary of each unit shall be the horizontal planes of the lower unfinished decorated surfaces of the ceiling finish. Appurtenant to each unit shall be an air conditioning compressor serving that unit which may be located outside that unit maintenance of individual air conditioning compressors shall be the responsibility of the owner of that unit which the compressor serves.
- 3.7 APPURTENANCES. The ownership of each condominium parcel shall include, and there shall pass with each condominium parcel as appurtenances thereto, whether or not separately described, all of the right title, and interest of a unit owner in the condominium property, which shall include, but not be limited to:
 - A. SHARE OF GENERAL COMMON ELEMENTS AND LIABILITY OF COMMON EXPENSES. The general common elements are all parts of the condominium property other than individual units. The right to use the general common elements in common with the other unit owners is granted to all condominium unit owners. Each condominium unit shall have an undivided share in and of the common elements and surplus, and shall be responsible for the payment of an undivided share of the common expenses as hereinafter set forth. Each unit owner shall own 1/12th undivided share of the common elements and of the common surplus of the condominium and shall bear a 1/12th share of the common expenses for operation and maintenance of the Condominium.

- B. DEVELOPER'S TEMPORARY EXEMPTION FROM ASSESSMENTS. Developer shall be excused from the payment of assessments on units which it owns during the period set forth below, but shall be obligated to pay any amount of common expense incurred which is not produced by the assessments receivable from other unit owners. The period for which the exemption set forth below shall be in effect shall begin in the month in which the first closing occurs of a purchase contract for a unit in that condominium and end no later than the first day of the fourth calendar month following the month in which the first closing occurred.
- C. ASSOCIATION. The owner of each condominium unit shall be a member of the Association. The vote appurtenant to each unit shall be the same percentage of the total votes appurtenant to all units as the percentage of common elements appurtenant to that unit.

ARTICLE IV MAINTENANCE, ALTERATION AND IMPROVEMENT

Responsibility for the maintenance of the condominium property and restrictions upon the alteration and improvement thereof shall be as follows:

4.1 COMMON ELEMENTS.

- A. BY THE ASSOCIATION. Except as provided in Section 4.3 below, the maintenance and operation of the common elements shall be the responsibility of the Association and the expense associated therewith shall be designated as a common expense.
- B. ALTERATION AND IMPROVEMENT. There shall be no alteration or further improvement of the real property constituting the common elements without prior approval in writing by the owners of units to which not less than a majority of the common elements are appurtenant, and if the alteration or improvement is of such magnitude as to require a special assessment, it shall not be made without prior written approval in writing by the owners of units to which not less than 75% of the common elements are appurtenant.

4.2 UNITS.

- A. BY ASSOCIATION. The Association shall maintain, repair and replace as a common expense of the Association:
 - 1. All portions of a unit, except interior surfaces, contributing to the support of the building, including load-bearing columns and load-bearing walls.
 - 2. All building exteriors including doors and windows.
 - 3. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of a unit maintained by the Association; and all such facilities contained within a unit that service part or parts of the condominium other than the unit within which such facilities are contained. This provision excludes from its coverage any air conditioning compressor facility located outside a unit but serving that unit.

- 4. All incidental damage caused to a unit by reason of the maintenance, repair and/or replacement which is the responsibility of the Association, and such damage shall be promptly repaired by the Association.
- B. BY THE UNIT OWNER. Responsibilities of the unit owner includes, but is not limited to, the following:
 - 1. To maintain, repair and replace at his or her sole and personal expense, all electric panels, electric wiring, electric outlets and fixtures, air conditioners, including air conditioning compressors and other related outside utility facilities referred to in Section 4.2A, heaters, hot water heaters, refrigerators, dishwashers, other appliances, drains, plumbing fixtures and connections, interior surfaces of all walls, floors and ceiling, and all other portions of his or her unit except the portions specifically to be maintained, repaired and replaced by the Association.
 - 2. Not to enclose, paint or otherwise decorate or change the appearance of any portion of the exterior of the building.
 - 3. To report to the Association promptly any defect or need for repairs, the responsibility for which is that of the Association.
 - 4. To pay for any repair, replacement or maintenance occasioned by negligence as more fully set forth in Section 16.2 hereof.
 - 5. To maintain the limited common elements appurtenant to his or her unit to the extent provided in Section 4.3 below.
 - C. ALTERATION AND IMPROVEMENT. Subject to the other provisions of Section 4.2, which in all cases shall supersede and have priority over the provisions of this section when in conflict therewith, a unit owner may make such alterations or improvements within his or her unit, at his or her sole and personal cost, as he or she may be advised, provided all work shall be done without disturbing the rights of other unit owners, and further provided that a unit owner shall make no changes or alterations to any interior boundary wall, exterior wall, terrace, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service (except that serving only his or her unit), without first obtaining approval in writing of owners of all other units in the building in which his unit is located and the approval of the Board of Directors of the Association. All alterations and improvements must be in compliance with all existing building codes.
- 4.3 LIMITED COMMON ELEMENTS. The unit owners having the exclusive right of use of a terrace, entryway or garage, if applicable, shall be responsible for day to day maintenance and cleaning of such limited common elements. The Association will maintain and replace the standard landscaping in the entryway of each unit. No additional landscaping or planting shall be installed by any unit owner without the prior written approval of the Association. The Association may deny approval or may impose such conditions on its approval as the Board of Directors, in its sole discretion, deems appropriate, including the requirement that the unit owner be responsible for all costs of maintenance of landscaping in the entryway.

ARTICLE V APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP OF COMMON ELEMENTS AND COMMON SURPLUS

5.1 COMPLETED UNITS. Appurtenant to each unit is a 1/12th undivided interest in the common elements. Common expenses and common surplus will be apportioned in the same manner as common elements. The allocation of common elements, common surplus and common expense is based upon a per unit basis, all units being townhome units.

ARTICLE VI ADMINISTRATION OF CONDOMINIUM BY ASSOCIATION

In order to provide for the efficient and effective administration of the condominium by the owners of dwelling units, a non-profit corporation known as Marina Cove Landings Condominium Association, Inc. (hereafter referred to as "Association") has been organized, and said Association shall administer the operation and management of the condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions, and conditions of this Declaration of Condominium, and in accordance with the terms of the Articles of Incorporation of the Association, its By-Laws and the rules and regulations promulgated by the Association from time to time. A true copy of said Articles of Incorporation and By-Laws setting forth voting rights and other pertinent matters are attached hereto and made a part hereof as Exhibits C and D respectively. The owner or owners of each unit shall automatically become members of the Association upon acquisition of an ownership interest in the title to any unit and its appurtenant undivided interest in common elements, and the membership of such owner or owners shall terminate automatically upon such owner or owners being divested of such ownership interest in the title to such unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any liens, mortgage or other encumbrance upon any unit shall be entitled, by virtue of such lien, mortgage or other encumbrance to membership in the Association or to any of the rights, privileges, or duties of such membership provided, however, that nothing herein shall be construed as prohibiting the membership in the Association of a first mortgagee which acquires title to a unit either by foreclosure or by voluntary conveyance from the mortgagor or his successor. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of Condominium, levy and collect assessments in the manner hereinafter provided, unless the share of common expenses or assessments due is secured by a claim of lien of assessments that is recorded prior to the recording of the foreclosed mortgage, for common expenses, and to adopt, promulgate and enforce such rules and regulations governing the use of the units, common property, and limited common property, as the Board of Directors of the Association may deem to be in the best interests of the Condominium.

ARTICLE VII USE RESTRICTIONS

The condominium property is intended as a multi-unit residential complex and shall be used in accordance with the following provisions as long as the condominium exists:

7.1 RESIDENTIAL USE RESTRICTIONS. Excepting those units owned or leased by Developer, each unit is hereby restricted to residential use by the owner or owners thereof, their immediate families, guests, invitees and lessees. However, so long as Developer shall retain any interest in the condominium, it may utilize a unit or units for a sales office, model, construction office prototype, and other usage for the purpose of selling or constructing units in the Condominium. Developer may assign this commercial usage rights to such other persons or entities as it may choose; provided, however, that when all units in said condominium have been conveyed once by Developer to a third party purchaser, this commercial right of usage shall immediately cease as to all units.

- 7.2 RENTAL. Any lease shall provide that the Lessee shall comply with and abide by all of the restrictions pertaining to the use of Units, Common Property, and Limited Common Property contained in this Declaration of Condominium, and with the rules and regulations contained herein or hereafter established by the Association governing the use of such units, Common Property, and Limited Common Property.
- on the Condominium property. No outdoor cooking shall be permitted on the terraces or patios of units or on any other portion of the common elements, except areas at the pool or clubhouse which may be designated by the Board of Directors and the terraces which are limited common elements appurtenant to the units. No outdoor clotheslines shall be installed or used. No recreational vehicles, mobile homes, trailers of any kind or boat shall be parked on the Condominium property except within a garage whose door shall be kept closed except when being used for vehicular access. No vehicle which is not currently licensed and registered shall be brought upon or parked on the Condominium property. The use of Common Property by the owner or owners of all units and all other parties authorized to use the same, and the use of Limited Common Property by the owner or owners, shall be at all times subject to such other reasonable rules and regulations as may be prescribed and established by the Association.
- 7.4 LAWFUL USE. No immoral, improper, offensive or unlawful use shall be made of any unit or of the Common Property, or of the Limited Common Property, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the condominium shall be observed. No owner of any unit shall permit or suffer anything to be done or kept in his unit, or on the Common Property, or on the Limited Common Property, which will increase the rate of insurance on the condominium or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises, nor shall any owner undertake any use or practice which shall create and constitute a nuisance to any other owner of a unit, or which interferes with the peaceful possession and proper use of any other unit or the Common Property, or the Limited Common Property.

ARTICLE VIII INSURANCE

Insurance, which shall be carried upon the condominium property, shall be governed by the following provisions:

8.1 AUTHORITY TO PURCHASE. All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association, and in the case of insurance covering damage to buildings and its appurtenances, also for the benefit of unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Such policies and endorsements thereon shall be deposited with the Insurance Trustee, if one has been designated. It shall not be the responsibility or duty of the Association to obtain insurance coverage for the personal liability, contents personal property, redecorating or living expenses of any unit owner.

8.2 COVERAGE.

A. CASUALTY. All buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors of the Association. The word "building" in this article does not include floor coverings, wall coverings or ceiling coverings. Such coverage shall afford protection against:

- Loss or damage by fire and other hazards covered by a standard extended coverage; and
- 2. Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.
- B. PUBLIC LIABILITY. In such amounts and such coverage as may be required by the Board of Directors of the Association, with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner, where available.
- C. WORKMEN'S COMPENSATION POLICY. To meet the requirements of applicable law.
- D. DIRECTOR AND OFFICER LIABILITY INSURANCE. In such amounts as the Board of Directors deem appropriate and with the coverage permitted in the Articles and By-Laws of the Association. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association.
- E. FIDELITY BONDS. When and as required by law, provided that nothing here shall preclude the Board of Directors from securing such insurance sooner than specified in the Condominium Act.
- F. OTHER. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.
- 8.3 PREMIUMS. Premiums for insurance shall be a common expense and shall be paid by the Association.
- 8.4 SHARE OF PROCEEDS. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interest may appear and shall provide that all proceeds covering property losses shall be paid to the Association.
 - A. COMMON ELEMENTS. Proceeds on account of damage to common elements shall be held in undivided shares for each owner of the condominium, each owner's share being the same as his or her undivided share in the common elements appurtenant to his or her unit.
 - B. UNITS. Proceeds on account of damage to units shall be held in the following undivided shares:
 - 1. When the damaged building is to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered by each owner, which cost shall be determined by the Board of Directors of the Association.
 - 2. When the building is not to be restored, for the owners of units in such building, and their respective mortgagees. Each unit owner's share shall be that percentage which the share of common elements appurtenant to his or her unit bears to the total of the shares of common elements appurtenant to all units in the building.

- C. MORTGAGEES. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired except as provided in 9.1 B.1 and 2. No mortgagee shall have any right to apply or have applied to the reduction of the mortgage debt any insurance proceeds, except a distribution of such proceeds made to the unit owner and mortgagee pursuant to the provisions of paragraphs 8.5 A and B and 9.6 A.
- 8.5 DISTRIBUTION OF PROCEEDS. Proceeds of insurance policies received by the Association or the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:
 - A. RECONSTRUCTION OR REPAIR. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.
 - B. FAILURE TO RECONSTRUCT OR REPAIR. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.
- 8.6 ASSOCIATION AS AGENT. The Association is hereby irrevocably appointed Agent for each unit owner and for each owner of any other interest in the Condominium property, for the purpose of empowering the Association to negotiate and adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases on behalf of each unit owner upon payment of a claim. The Association may, by action of its Board of Directors, delegate some or all of its duties and powers to an Insurance Trustee, which must be an institution authorized to exercise trust powers in the State of Florida. In the event of such delegation, Trustee's fees and expenses shall be common expenses.

ARTICLE IX RECONSTRUCTION OR REPAIR AFTER CASUALTY

- 9.1 DETERMINATION TO RECONSTRUCT OR REPAIR. If any part of the Condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:
 - A. COMMON ELEMENTS. If the damaged improvement is a common element, the same shall be reconstructed or repaired unless the damaged common elements are within a building and damage to the building containing such common element extends to units contained within such building, in which case the provisions relative to reconstruction and repair of the buildings, as elsewhere herein provided, shall apply.

B. BUILDINGS.

- 1. PARTIAL DESTRUCTION. If there is damage to the condominium improvements such that, in the judgment of a majority of the Board of Directors, repair and reconstruction costs will not exceed 80% of total replacement cost of all condominium improvements (exclusive of excavation and foundation cost), then the improvements shall be reconstructed and-repaired unless owners of 75% of all units in the condominium and all holders of first mortgages on units in the Condominium agree in writing that the same shall not be repaired.
- 2. SUBSTANTIAL DESTRUCTION. If all buildings are so seriously damaged that the cost of repair will, in the judgment of a majority of the Board of Directors, exceed 80% of total replacement cost (exclusive of excavation and foundation cost), then no buildings shall be reconstructed or repaired unless within ninety (90) days after the casualty the owners of 75% of all units in the Condominium and the holders of all mortgages on units in the Condominium agree in writing that the same shall be reconstructed and repaired. If there is no decision to reconstruct and repair, the the provisions for termination set forth in Article XIV shall apply.
- 9.2 PLANS AND SPECIFICATIONS. Any reconstruction or repair must be substantially in accordance with the plans and specifications of the original building and improvements; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and, if the damaged property is a building, by the owners of all damaged units, therein, which approvals shall not be unreasonably withheld.
- 9.3 RESPONSIBILITY. If the damage is only to those parts of units for which the responsibility of maintenance and repair is that of unit owners, then the owners shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.
- 9.4 ESTIMATE OF COSTS. When the Association shall have the responsibility of reconstruction or repair, prior to the commencement of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to repair or rebuild.
- 9.5 ASSESSMENTS FOR RECONSTRUCTION AND REPAIR. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the cost of reconstruction and repair are insufficient, assessment shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the owners' shares in the common elements.
- 9.6 RECONSTRUCTION FUNDS. Reconstruction funds, which shall consist of the proceeds of insurance held by the Association and funds collected by the Association from assessments against unit owners, shall be disbursed in the following manner:
 - A. UNIT OWNER. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a unit owner, shall be paid by the Association to the unit owner, or, if there is a mortgage

- endorsement as to such unit, then to the unit owner and the mortgagee jointly, who may use such proceeds as they may be advised.
- B. ASSOCIATION MINOR DAMAGE. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$10,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association.
- C. ASSOCIATION MAJOR DAMAGE. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.
- D. SURPLUS. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to all owners who have paid assessments pursuant to 9.5 hereof in proportion to such assessments, up to the full amount of said assessments. If funds remain after full refund of all such assessments, such funds shall be distributed to each unit owner in accordance with such unit owner's share of common surplus, with remittance to an owner of a mortgaged unit being payable jointly to such owner and his mortgagee.

ARTICLE X LENDER'S NOTICES

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- A Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
- B. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which its holds the mortgage;
- C. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners association; or
- D. Any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE XI REGISTRY

The Association shall at all times maintain a Register setting forth the names of the owners of all of the units, and in the event of the sale or transfer of any unit to a third party, the purchaser or transferee shall notify the Association in writing of his of her interest in such unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his or her interest in any unit. The holder of any mortgage upon any unit may notify the Association of the existence of any mortgage or mortgages held by such party on any

unit and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

ARTICLE XII MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial owners who are responsible, and thus protect the value of the units, the rental of units by any owner, other than the Developer, shall be subject to the following provisions as long as the condominium exists upon the land, which provisions each unit owner covenants to observe:

12.1 LEASES REQUIRED.

- A. LEASE. No unit owner may rent or lease a unit or any interest in a unit except by a lease in writing. Any such lease shall be subject to the terms of this Declaration and the Exhibits hereto and shall contain or be deemed to contain a provision whereby tenant specifically agrees to comply with all terms and provisions of the Declaration, the Exhibits thereto and all rules and regulations promulgated by the Board of Directors of the Association.
- 12.2 MINIMUM TERM. No lease or rental agreement shall be entered into for a term of less than six (6) months, nor shall any unit be the subject of more than one lease or rental agreement during any twelve (12) month period. Nothing herein shall be deemed to prohibit the extension for less than six months of a lease having an original term of six (6) months or more, provided that no assignment or subletting of the original tenancy shall be permitted and the tenant in any extension or renewal shall be the same person as was the tenant under the original lease. Units may be transferred subject to a lease provided that written consent if given by the Board of Directors of the Association.
- 12.3 EXCEPTIONS. The foregoing provisions of this Article shall not apply to a lease to or by the Developer or to a lease to or by a mortgage holder that acquires its title as the result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor, its successors or assigns, or through foreclosure proceedings.
- 12.4 UNAUTHORIZED TRANSACTIONS. Any lease or rental not authorized pursuant to the terms of this Declaration shall be void as to the Association, which may deny the lessee access to and use of the leased unit and of the common elements; and this refusal of access and use shall be in addition to such other remedies, legal or equitable, as may be available to the Association.

ARTICLE XIII ASSESSMENTS; LIABILITY, LIEN AND ENFORCEMENT

The Association is given the authority to administer the operation and management of the condominium. To provide the funds necessary for such operation and management, the Association has the right to make, levy and collect assessments against the owners of all units. The making and collection of assessments for common expenses shall be pursuant to the By-Laws and the following provisions:

- 13.1 ASSESSMENTS. Common expenses and assessments shall be allocated among the units in accordance with Section 3.7 above.
- 13.2 PAYMENTS. The regular annual assessment shall be payable in monthly installments, due in advance on or before the first day of each month. Any assessments or installments not paid on or before ten (10) days after the same is due shall bear interest until paid at the rate of fifteen percent (15%) per annum. All payments on account shall be first applied to

interest and then to the assessment payment first due. If any installment of an assessment remains unpaid thirty (30) days after the same shall become due, the Board of Directors may declare the entire annual assessment as to that delinquent owner due and payable in full.

LIEN FOR ASSESSIMENTS. The Association shall have a lien on each unit for any 13.3 unpaid assessments, for interest thereon and for attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien. Said lien shall be effective from and after the time of recording in the Public Records of Flagler County, Florida, a claim of lien stating the description of the unit, the name of the record owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid or until otherwise discharged by law. Such claims of lien shall be signed and verified by an officer of the Association or by a managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for assessment may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. If the unit owner remains in possession of the unit after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party which does not prevail in the foreclosure action. The Association may also sue to recover a money judgment for unpaid assessments without waiving the lien securing the same. Where a purchaser of a unit obtains title to the unit as a result of the foreclosure of the first mortgage or where the holder of a first mortgage of record obtains title to the unit as a result of a conveyance in lieu of foreclosure of the first mortgage, such acquirer of title, its successors and assigns, shall remain jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

ARTICLE XIV TERMINATION

- TERMINATION FOLLOWING DESTRUCTION. Where termination is pursuant to Section 9.1 B.2, a certificate of a resolution of the Board of Directors of the Association to said effect and notice of cancellation and termination of this Declaration of Condominium shall be executed by the President or Vice President and Secretary or Assistant Secretary of the Association in recordable form, and such instrument shall be recorded in the Public Records of Flagler County, Florida. Upon termination of this Declaration of Condominium, all of the owners of dwelling units shall be and become tenants in common as to the ownership of the real property herein described and any then remaining improvements thereon, the undivided interest in such real property and remaining improvements held by the owner or owners of each unit to be the same as the undivided interest in common property which was formerly appurtenant to such unit. The lien of any mortgage or other encumbrance upon each unit shall attach in the same order of priority (a) to the percentage of undivided interest of the owner of a unit in the property, (b) to the then remaining improvements and (c) to any insurance proceeds allocable to the unit. Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, the Association shall distribute the proceeds of any policy or policies of casualty insurance to the owners of the units and their mortgagees, as their respective interests may appear, such distribution to be made in accordance with the undivided interest appurtenant to each unit. The assets of the Association shall, upon termination of the plan of condominium ownership created hereby, then be distributed to the owner or owners of each unit and his or their respective mortgagees, as their respective interests may appear, in the same manner as was provided above for the distribution of any final insurance indemnity.
- 14.2 TERMINATION BY OWNERS. Except as provided in the preceding paragraphs, this Declaration of Condominium and plan of condominium ownership may only be terminated by the unanimous consent of all of the owners of all units in the Condominium, and all of the parties

holding mortgages, liens or encumbrances against said units, in which event, the termination of the condominium shall be by such plan as may then be adopted by said owners and parties holding any mortgages, liens and encumbrances. Such election to terminate this Declaration of Condominium and the plan of condominium ownership shall be executed in writing by all of the aforenamed parties, and such instrument shall be recorded in the Public Records of Flagler County, Florida.

ARTICLE XV AMENDMENT OF DECLARATION OF CONDOMINIUM

Subject to the provisions hereinafter set forth, this Declaration of Condominium may be amended in the following manner:

- 15.1 ARTICLES OF INCORPORATION AND BY-LAWS. Said documents may be amended in accordance with the respective provisions for amendment contained therein, and such amendment shall constitute an amendment to the Exhibits to this Declaration, provided however that, in the event that an amendment of the Articles of Incorporation or By-Laws is inconsistent with any provision of this Declaration, (other than the Exhibit being amended), then the Declaration shall govern, and the amendment shall be ineffective until adopted or ratified in the manner hereinafter set forth.
- DECLARATION. An amendment or amendments to this Declaration of Condominium other than as set forth in the previous subsections of this Article may be proposed by the Board of Directors of the Association acting upon a vote of the majority of Directors, or by the owners of the majority of the units within the condominium, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to this Declaration of Condominium being proposed by said Board of Directors or members, such a proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written or printed notice, of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such special meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, postage prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of not less than 75% of the members of the Association in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of this Declaration of Condominium shall he transcribed and certified by the President or Vice President and Secretary or Assistant Secretary of the Association as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall promptly be recorded in the Public Records of Flagler County, Florida. Thereafter, a copy of said amendment or amendments in the form in which the same were recorded shall be delivered to all of the owners of all units, but delivery of a copy thereof shall not be condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy.

PROVIDED HOWEVER, THAT:

A. Except as provided in section 15.1 and 15.2, neither the percentage of ownership of common elements and common surplus appurtenant to any unit,

nor any unit's share of he common expense shall be altered, amended or modified without the written consent of all owners and mortgagees of units in Marina Cove Landings Condominium whose percentages would be altered.

- B. No alteration, amendment, or modification shall be made in the rights and privileges of Developer, without the written consent of the Developer, or its successor.
- C. No alteration, amendment or modification shall be made in the rights and privileges of mortgagees; including specifically, but not by way of limitation, those contained in Articles VIII and IX (Insurance and Reconstruction) or Article XIII (Assessments) or this Article without the consent of all institutional mortgagees holding mortgages upon units in the Condominium.

ARTICLE XVI REMEDIES IN EVENT OF DEFAULT

The owner or owners of each unit shall be governed by and shall comply with the provisions of this Declaration of Condominium, and the Articles of Incorporation and By-Laws of the Association, and its Rules and Regulations as they may be amended from time to time. A default by the owner or owners of any unit shall entitle the Association or the owner or owners of any other unit or units to the following relief:

- 16.1 GROUNDS FOR RELIEF. Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or its Rules and Regulations, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, and which relief may be sought by the Association or, if appropriate, by an aggrieved owner of a unit.
- 16.2 NEGLIGENCE. The owner or owners of each unit shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness, or by that of any member of his or her family, or its or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.
- 16.3 ATTORNEY'S FEES. In a proceeding arising because of an alleged default by the owner of any unit, the prevailing party shall be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court.
- 16.4 NO WAIVER. The failure of the Developer, or of the Association, or of the owner of a unit to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or other above mentioned documents shall not constitute a waiver of the right of the Developer, the Association or the owner of a unit to enforce such right, provision, covenant or condition in the future.
- Association or the owner or owners of a unit pursuant to any terms, provisions, covenants or conditions of this Declaration of Condominium or other above mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be available to such party at law or in equity.

ARTICLE XVII RIGHTS OF DEVELOPER ASSIGNABLE

All rights in favor of the Developer reserved in this Declaration of Condominium and in the Articles of Incorporation and the By-Laws of the Association are fully assignable in whole or in part by the Developer, and may be exercised by the nominee of the Developer and/or exercised by any person designated by the Developer to succeed to such right or rights and by any person or entity becoming a successor to the Developer by operation of law.

ARTICLE XVIII USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS OF DECLARATION OF CONDOMINIUM RULES AND REGULATIONS

All present or future owners, tenants, or any other person who might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration of Condominium, and documents appurtenant hereto and incorporated herewith, and the acquisition or rental of any unit, or the occupancy of any unit shall signify that the provisions of this Declaration of Condominium and such documents are accepted and ratified in all respects.

ARTICLE XIX SEVERABILITY

In the event that any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

IN WITNESS WHEREOF, A C Real Estate Development Corp., has caused these presents to be executed and its corporation seal affixed this 25th day of Sight why, A.D. 2002.

WITNESSES:

(print) or type name)

(print or type name)

A C REAL ESTATE DEVELOPMENT

CORP., a Utah corporation

Thomas Anderson, President

(SEAL)

STATE OF FLORIDA
COUNTY OF FLAGGER

The foregoing instrument was acknowledged before me this 25th day of September, 2002, by Thomas Anderson, President of A C Real Estate Development Corp., a Utah corporation. He is personally known to me or has produced ______ as identification.

NOTARY PUBLIC:
Sign:
Print:
State of FLOCIDA At Large
(Seal)
My Commission Expires:
Title/Rank:
Commission Number:

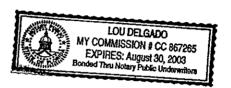


EXHIBIT A TO DECLARATION OF CONDOMINIUM

SURVEY/PLOT PLAN, FLOOR PLANS AND ELEVATIONS (attached hereto)

Legal Description of Property:

A PARCEL OF LAND LYING IN PARTS OF SECTIONS 5, 38 AND 39, TOWNSHIP 11 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE CENTERLINE INTERSECTION OF CLUB HOUSE DRIVE AND PALM HARBOR PARKWAY, A 104 FOOT RIGHT-OF-WAY; THENCE N 20°57′23" W ALONG THE CENTERLINE OF SAID PALM HARBOR PARKWAY 983.06 FEET TO A POINT OF CURVATURE IN SAID CENTERLINE; THENCE N 69°02′37" E ON A RADIAL LINE TO SAID CURVE 52.00 FEET TO A POINT OF CURVATURE ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID PALM HARBOR PARKWAY HAVING A TANGENT BEARING OF N 20°57′23" W; THENCE NORTHERLY ALONG SAID CURVE BEING CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 852.00 FEET AND A CENTRAL ANGLE OF 23°33′24", A DISTANCE OF 350.29 FEET; THENCE N 69°10′12" E 160.41 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N 69°10′12" E 70.00 FEET; THENCE S 33°21′53" E 147.82 FEET; THENCE N 87°49′48" W 150.35 FEET; THENCE N 2°10′12" E 92.94 FEET TO THE POINT OF BEGINNING. CONTAINING 0.301 ACRES.

AND

A PARCEL OF LAND LYING IN PARTS OF SECTIONS 5, 38 AND 39, TOWNSHIP 11 SOUTH RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE CENTERLINE INTERSECTION OF CLUB HOUSE DRIVE AND PALM HARBOR PARKWAY, A 104 FOOT RIGHT-OF-WAY; THENCE N 20°57'23" W ALONG THE CENTERLINE OF SAID PALM HARBOR PARKWAY, 983.06 FEET TO A POINT OF CURVATURE IN SAID CENTERLINE; THENCE N 69°02'37" E ON A RADIAL LINE TO SAID CURVE 52.00 FEET TO A POINT OF CURVATURE ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID PALM HARBOR PARKWAY; THENCE S 20°57'23" E ALONG SAID EASTERLY RIGHT-OF-WAY LINE 263.06 FEET TO A POINT ON THE NORTH LINE OF CLUB HOUSE WATERWAY; THENCE N 61°50'56" E ALONG SAID NORTH LINE OF CLUB HOUSE WATERWAY 308.20 FEET; THENCE N 69°02'37" E ALONG NORTH LINE OF CLUB HOUSE WATERWAY 128.79 FEET; THENCE N 36°20'26" W 139.02 FEET; THENCE S 68°37'08" W 167.30 FEET TO THE POINT OF BEGINNING; THENCE S 57°22'02"W 73.45 FEET, THENCE N 70°49'48" W 105.00 FEET; THENCE N 42°21'50" E 136.15 FEET; THENCE S 71°18'27"E 10.00 FEET; THENCE N 69°10'12" E 15.62 FEET; THENCE S 24°48'28" E 107.77 FEET TO THE POINT OF BEGINNING. CONTAINING 0.277 ACRES.

AND

A PARCEL OF LAND LYING IN PARTS OF SECTIONS 5, 38 AND 39, TOWNSHIP 11 SOUTH RANGE 31, EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE CENTERLINE INTERSECTION OF CLUB HOUSE DRIVE AND PALM

HARBOR PARKWAY, A 104 FOOT RIGHT-OF-WAY; THENCE N 20°57'23" W ALONG THE CENTERLINE OF SAID PALM HARBOR PARKWAY 983.06 FEET TO A POINT OF CURVATURE IN SAID CENTERLINE; THENCE N69°02'37" E ON A RADIAL LINE TO SAID CURVE 52.00 FEET TO A POINT OF CURVATURE ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID PALM HARBOR PARKWAY; THENCE S 20°57'23" E ALONG SAID EASTERLY RIGHT-OF-WAY LINE 153.29 FEET TO THE POINT OF BEGINNING; THENCE N 61°56'54" E 193.26 FEET; THENCE S 28°08'59" E 108.57 FEET; THENCE S 61°50'56" W 207.00 FEET; THENCE N 20°57'23" W 109.77 FEET TO THE POINT OF BEGINNING. CONTAINING 0.500 ACRES.

AND

A PARCEL, OF LAND LYING IN PARTS OF SECTIONS 5, 38, AND 39, TOWNSHIP, 11 SOUTH, RANGE 31 EAST FLAGLER COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE CENTERLINE INTERSECTION OF CLUB HOUSE DRIVE AND PALM HARBOR PARKWAY, A 104 FOOT RIGHT-OF-WAY; THENCE N 20°57'23" W ALONG THE CENTERLINE OF SAID PALM HARBOR PARKWAY, 983.06 FEET TO A POINT OF CURVATURE IN SAID CENTERLINE; THENCE N 69°02'37" E ON A RADIAL LINE TO SAID CURVE 52.00 FEET TO A POINT OF CURVATURE ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID PALM HARBOR PARKWAY; THENCE S 20°57'23" E ALONG SAID EASTERLY RIGHT-OF-WAY LINE 263.06 FEET TO A POINT ON THE NORTH LINE OF CLUB HOUSE WATERWAY; THENCE N 61°50'56" E ALONG SAID CLUB HOUSE WATERWAY 308.20 FEET; THENCE N 69°02'37" E ALONG SAID CLUB HOUSE WATERWAY 530.23 FEET; THENCE N 20°49'48" W 117.04 FEET TO THE POINT OF BEGINNING; THENCE S 69°10'13" W 150.00 FEET; THENCE N 24°57'51" W 180.47 FEET; THENCE N 69°10'13" E 163.01 FEET; THENCE S 20°49'48" E 180.00 FEET TO THE POINT OF BEGINNING. CONTAINING 0.646 ACRES.

*this Exhibit "A" is continued on the following page and contains copies of surveys and plot plans.