

181.50

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS  
HAMMOCK BEACH ESTATES  
(Armand Beach East Subdivision)

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THIS DECLARATION made this 24 day of January,  
1990, by SIM-PAR, INC., a Florida corporation, hereinafter  
referred to as the "Developer".

W I T N E S S E T H:

WHEREAS, the Developer is the record owner of the fee simple  
title of real property located in the City of Flagler Beach,  
Florida, more particularly described as follows, to-wit:

Lot 2; 68 through 71; 85 through 94; 109 through 128;  
129 through 138; 140 through 148; 163 and 164, 169  
through 230, and Parcels 15, 16, and 17, Armand Beach  
East Subdivision, as recorded in Plat Book 8, page 22,  
Public Records of Flagler County, Florida.

NOW, THEREFORE, the Developer hereby declares that the lots  
described above shall be held, transferred, sold, conveyed and  
occupied subject to the covenants, restrictions, reservations and  
liens hereinafter set forth.

ARTICLE I- DEFINITIONS

A. "Association" shall mean and refer to The Hammock Beach  
Estates Home Owner's Association, Inc., a Florida corporation not  
for profit.

B. "Developer" shall mean and refer to Sim-Par, Inc., a  
Florida corporation, its successors and assigns.

C. "Declaration" shall mean and refer to this instrument.

D. "Lot" shall mean and refer to any lot as more  
particularly described above.

E. "Lot Owner" shall mean and refer to the holder or  
holders of the fee title to a lot as herein defined.

F. "Person" shall mean and refer to any person, firm,  
association or corporation.

G. "Dwelling Unit" shall mean and refer to a single family  
residential unit to be used as an abode for one family.

H. "Enclosed Living Area" shall mean and refer to the  
square footage of a dwelling unit under roof, exclusive of open  
porches, atriums, screened in patios, court yards, garages, or  
other similar type space.

I. "Developer Improvements" shall mean and refer to the entrance feature, perimeter wall, landscaping, drainage, retention areas, lakes, and any street lighting or mailboxes which may be originally installed by the company, whether such improvements are located on dedicated rights of way, individual lots, or on real property owned by the Home Owner's Association. Upon creation of the Home Owner's Association provided for herein, the Developer shall provide to the Association a written statement of the developer improvements as defined herein and which shall be the responsibility of said Association to operate and maintain.

J. "Recreation Facility" shall mean and refer to the following described real property, to-wit:

Lots 203 and 204, Armand Beach East Subdivision, as recorded in Plat. Book 8, page 22, Public Records of Flagler County, Florida.

K. "Properties" shall mean and refer to the real property described above herein and any additions thereto as are subjected to this Declaration pursuant to the provisions of Article XI herein.

#### ARTICLE II- NEIGHBORHOOD DISTRICT

The Developer hereby designates the above-described lots to be a neighborhood district within the Armand Beach East Subdivision to be known as "Hammock Beach Estates".

#### ARTICLE III- GENERAL COVENANTS AND RESTRICTIONS

A. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) single family dwelling (which shall not exceed three (3) stories in height) and an attached garage for not less than two (2) nor more than four (4) cars. 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.

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B. No trade, business, profession or any other type of commercial activity shall be carried on upon any of the lots or in any dwelling unit; however, notwithstanding these restrictions, the Developer and his assigns shall not be prohibited from operating sales models or offices thereon.

C. No noxious or offensive activity shall be carried on upon any lot nor shall anything be done on any lot that may become an annoyance or nuisance to the neighborhood.

D. No motor vehicle, other than a private passenger type, with a current license tag shall be parked on any lot in excess of twenty-four (24) hours. The overnight parking or storage of trucks over one (1) ton capacity, trucks used for commercial purposes, boats, trailers, campers, motor homes or similar recreational vehicles, on the road right-of-way or on any lot is prohibited, other than in an enclosed garage or other screened or shielded area.

E. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot for commercial purposes. A maximum of two (2) dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No animals are permitted to roam at large.

F. No sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than one (1) square foot used to indicate only the name of the resident or one (1) sign of not more than three (3) square feet advertising an dwelling unit for sale. This provision shall not apply to Developer or his successors as long as he is the owner of any lots covered by this Declaration.

G. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. All lots shall be kept free of the accumulation of rubbish, trash, garbage or other solid waste materials and all unsightly weeds and underbrush. All garbage and trash containers must be placed so as to render

them hidden from view from adjoining properties or the street except during the day pick-up service is designated by the City.

H. No outdoor clothes drying shall be permitted except in the rear of the lot. All clothes drying shall be shielded from view of the street by shrubbery or other screening.

I. No fence or wall shall be erected or maintained on any lot within twenty (20) feet of front lot line. No hedge over three (3) feet in height shall be permitted along the front lot line. In any event, no fence or hedge shall be erected or maintained which shall exceed six (6) feet in wall height. Chain link fences are prohibited in all front yards.

J. All front yard areas of improved lots shall be sodded or otherwise appropriately landscaped and kept as a lawn which shall extend to the pavement line of the street. No graveled or blacktopped or paved parking strips are permitted. Lot owners shall, at all times, keep and maintain the lawn and exterior of the dwelling unit.

K. A radio, television or similar tower may be erected on any lot or attached to any building provided it (i) does not project more than ten (10) feet above the highest point of the roof, and (ii) is connected to the building solely by a singular, tubular support. Satellite dishes shall be permitted provided they are installed in the rear yard and shielded from public view by shrubbery or screening.

L. 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. The construction and/or use of individual wells for any purpose by lot owners is acceptable provided said wells meet all State, City and County regulations and are approved by same.

M. All electrical service, telephone and other utility lines shall be placed underground. Electric service to the dwelling will be installed underground from Florida Power and Light Company's secondary source and at the owner's expense in accordance with Florida Power and Light Company's tariff.

N. Trees situated between the building setback lines and the property lines (except for those trees lying within driveways and parking areas) having a trunk diameter of four (4) inches or more as measured one (1) foot from ground level, may not be removed without the prior approval of Developer or his assigns. Anyone violating this provision will be required to replace such trees with trees of like size and condition within thirty (30) days after demand by the Developer or his assigns. If the owner fails or refuses to replace the trees as demanded, the Developer or his assigns shall cause suitable replacements to be planted and the cost thereof shall be a lien against the lot. The owner grants to the Developer or his assigns, his agents and employees, an easement for ingress and egress over and across said lot to enable him to comply with this section.

ARTICLE IV- MAINTENANCE REQUIREMENTS

Section 1. In order to maintain the standard of the subdivision, each owner shall keep all lots owned by him and all improvements thereon in good order, repair, and free of debris including, but not limited to seeding, watering and mowing of all lawns; pruning and cutting of all trees and shrubbery and the painting or other exterior care of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. No weeds, underbrush, grass of five inches in height or other unsightly growths shall be permitted. In the event an owner shall fail to maintain the lot and improvements situated thereon as provided for herein the Association shall mail a 15 day written notice by certified or registered mail to the last known property address of the owner advising owner of the failure to comply with the above provisions. Failure of the owner to correct the violation(s) within fifteen (15) days of mailing of said notice shall give the Association the right, but not the obligation, to enter upon the premises and correct the violation(s) and such entry shall not be deemed trespassing. All costs related to such corrections, repair, restoration or maintenance shall become a special

assessment upon such lot and secured by a lien as provided in favor of the Association.

ARTICLE V- THE ASSOCIATION

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Section 1. Purposes and Powers. The Developer has incorporated under the laws of the State of Florida, as a not for profit corporation, The Hammock Beach Estates Home Owner's Association, Inc., true and complete copies of the Article of Incorporation and the By-Laws of which are annexed hereto and made a part hereof as Exhibits A and B, respectively. The purposes of the Association are to promote the health, safety and welfare of the Members and to implement, administer, enforce and interpret the provisions of the Declaration. In furtherance thereof, the Association has the following powers:

A. To acquire the fee simple record title to (i) the "Recreation Facility" and all improvements thereon, which will be conveyed to it by the Developer, as hereinafter provided and (ii) any lots used exclusively for the installation of "Developer Improvements".

B. To hold, operate, manage, improve, replace, maintain and beautify the "Recreation Facility" and "Developer Improvements" without profit to itself, for the use, benefit and enjoyment of the Members of the Association.

C. To implement, administer, enforce and interpret the provision of this Declaration, the Articles of Incorporation and the By-Laws.

D. To establish, make, levy and collect annual operating and special assessments against each Member and against each Member's lot.

E. To make, establish and enforce reasonable rules and regulations governing the use and enjoyment of the "Recreation Facility".

F. To operate, manage and maintain "Developer Improvements" as provided by the Developer.

G. Except as may otherwise be provided in this Declaration, the Articles of Incorporation or the By-Laws, the

corporation shall have all of the powers and privileges granted to corporations not for profit under the laws of the State of Florida.

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Section 2. Membership. The following shall be Members of the Association and no other person or entity shall be Member of the Association:

Every person or entity (including the Developer so long as it is the record owner of a fee or undivided fee simple interest in any Lot) who is the record owner of a fee or undivided fee simple interest in any Lot (as this term is defined in the Declaration) which is subject by covenants of record to assessment by the Association shall automatically be a Member of the Association, provided that any such person or entity who holds such interest as a security for the performance of an obligation shall not be a Member, except if such person or entity acquires such interest pursuant to foreclosure or any proceeding in lieu of foreclosure. At such time as a person or entity is no longer the record owner of such interest, the membership in the Association of such person or entity shall automatically terminate. The interest of a Member in the funds, assets or real property of the Association cannot be conveyed, assigned, hypothecated or otherwise transferred except as an appurtenance to such Member's lot. No Member shall bring or have the right to bring any action for partition or division.

Section 3. Association Control During Development. Anything hereinabove to the contrary notwithstanding, until the completion of the Development Period, as defined below, no action of the membership shall be effective or binding without the consent of the Board of Directors of the Association. The Developer shall have the right to appoint all directors of the Association until record title to the 25th lot in The Hammock Beach Estates Neighborhood District shall have been transferred to an individual purchaser. After such transfer and until the expiration of the Development Period, the Association membership shall have the right to elect one of three directors of the

Association, and the Developer shall have the right to appoint two of the directors of the Association. "The Development Period" shall be that period of time commencing with the record of this Declaration in the Public Records of Flagler County, Florida, and ending with a date forty-five (45) days after the transfer of the fee simple title to the last lot.

ARTICLE VI- PROPERTY RIGHTS IN RECREATION FACILITY.

Section 1. Purpose. The Recreation Facility as defined herein, shall be intended for the use and enjoyment of all lot owners in The Hammock Beach Estates Neighborhood District. During the Development Period, Developer may, at its sole discretion develop and install improvements and facilities thereon such as roadways, landscaping, sidewalks, trails, utilities, parking areas, recreational areas, swimming pool, clubhouse and additional facilities. Until thirty three (33%) percent of the lots have been conveyed, nothing contained herein shall be construed, as a representation, warranty or guarantee on behalf of the Developer to install said improvements and facilities, nor any other "Developer's Improvements"; it remaining Developer's sole discretion to do so. The "Recreation Facility" together with the improvements thereon shall be conveyed to the Association as hereinafter provided for.

The Recreation Facility is to be devoted to and intended for the common use and enjoyment of the Owners and their families, guests and persons occupying dwelling units as house guests or tenants, subject to the fee schedules and operating rules adopted by the Association.

Section 2. Use of Recreation Facility. The Recreation Facility shall be and same is hereby declared to be subject to a permanent, non-exclusive easement in favor of all of the Owners of Lots lying within The Hammock Beach Estates Neighborhood District, for the use of such Owners, and the use of their immediate families, guests, licensees, invitees and other similar uses for all proper and normal residential purposes, for the furnishing of services and facilities for which the same are



reasonably intended, and for the quiet enjoyment of said Owners. Such non-exclusive easement shall be appurtenant to each Lot and shall pass with the title to each and every Lot regardless of said easement being referred to or described in any instrument of conveyance.

By accepting any instrument of conveyance or by taking possession or occupying of any Dwelling Unit, each such person does agree to abide by and comply with all rules and regulations promulgated by the Association. It being understood that the compliance with such rules and regulations is necessary for the orderly enjoyment of the Recreation Facility.

Section 3. Limitations on Use. Each Lot Owner's permanent, non-exclusive easement for the use and enjoyment in and to the Recreation Facility shall be subject to and limited by the following:

(a) The right of the Association to suspend any Owner's right to use the Recreation Facility for any period during which an assessment against said Owner's Lot remains unpaid.

(b) The right of the Association to suspend an Owner's right and enjoyment to use the Recreation Facility for a period not to exceed sixty (60) days for violation of the terms and conditions of the Declarations, the Articles and By-Laws or the rules and regulations of the Association.

Section 4. Operation and Maintenance. Upon conveyance of the Recreation Facility to the Association as hereinafter provided for, and upon completion of "Developer Improvements" as previously defined, it shall become the Association's responsibility to operate and maintain the Recreation Facility and Developer Improvements. It shall be the obligation of the Association to assess, levy, enforce and collect any and all assessments from the Members of the Association which are required in order to maintain, operate, administer and repair the Recreation Facility.

Section 5. Non-Exclusively. When the Developer installs a

swimming pool and/or clubhouse, (hereinafter referred to as Facility), the Developer, at all times prior to the conveyance of the Recreation Facility and the Association thereafter, shall have the right to grant use rights to the Facility to all other lot owners of Armand Beach East Subdivision not included in The Hammock Beach Estates Neighborhood District, their families, guests, lessees and invitees in and to the Facility. In that event the Developer or the Association as the case may be, shall establish fee schedules for membership and reasonable rules and regulations relating thereto to be paid and complied with by the Lot Owners of The Hammock Beach Estates Neighborhood District. Notwithstanding the foregoing, the granting of such use rights shall in no way invalidate any terms or provisions of this Declaration and shall not reduce or abate any assessment payments by Members of the Association.

Section 6. Rights of Developer. Developer as long as it is the Owner of the Lot, shall always have the right, both prior to and subsequent to any conveyance of the Recreation Facility to the Association, to use the Recreation Facility for all lawful purposes which right includes, but is not limited to, the following:

(a) The right to use, occupy, demonstrate and show all portions of the Recreational Facility for the purpose of promoting and aiding in the marketing, sale or rental or any portion of the real property subject to this Declaration. Such rights may not be exercised in an unreasonable manner inconsistent with the rights of the Association and its members to use, occupy and enjoy the Recreation Facility. The exercise of such rights by Developer shall not reduce, abate or suspend in any way the obligation of Association and its members to maintain, operate, administer and repair the Recreation Facility.

(b) Display and erect signs, billboards and placards; and store, keep, exhibit and distribute printed, audio and visual promotional materials in and about the Recreation Facility.

(c) Establish and promulgate rules and regulations

concerning the use of the Recreation Facility not consistent with any of the provisions of this Declaration.

Section 7. Insurance.

(a) Upon conveyance of the Recreation Facility to the Association, the Association shall carry, at its expense, public liability insurance on the Recreation Facility and improvements thereon, with limits of personal injury liability of not less than Five Hundred Thousand Dollars (\$500,000.00) with respect to any one person, and One Million Dollars (\$1,000,000.00) with respect to any one accident; the limits for property damage liability shall be in an amount not less than One Hundred Thousand Dollars (\$100,000.00). The policy shall be written for the use and benefit of the Developer. The Association's public liability policy shall include all necessary endorsements evidencing contractual coverage for this grant.

(b) The Association shall deliver to the Developer a Certificate of Insurance in compliance with the coverage obligations set forth herein together with evidence of payment hereof, including an endorsement which states that such insurance may not be changed, altered or cancelled except upon thirty (30) days prior written notice to the Developer.

(c) Except for the Developer's negligence, and notwithstanding any insurance requirement set forth herein, the Association shall indemnify and save the Developer and its officers, agents, servants and employees, harmless from and against any and all liability, damage, penalty, claim, loss, lien, action, suit, proceedings, costs or judgments arising from the Association's and Developer's use of the Recreation Facility or from non-compliance with any law or regulation, or from injury or death to any person or injury to property sustained by anyone in and about the Recreation Facility, whether justifiable or not, including attorneys fees (appellate or otherwise) and any expense in connection therewith. The Association shall, at its own costs and expense, and at Developer's election, defend any and all suits or actions which may be brought against the Developer or

its officers, agents, servants and employees.

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Section 8. Title to Recreation Facility. The Developer may retain the legal title to the Recreation Facility until such time as it has completed improvements thereon, and until such time as, in the opinion of the Developer, the Association is able to administer the same but, notwithstanding any provision herein, the Developer hereby covenants for itself, its successors and assigns that it shall convey the Recreation Parcel and all improvements thereon, to the Association, at no cost and with no mortgage encumbering same, not later than six (6) months subsequent to the date of conveyance by the Developer of fee simple record title to the last Lot.

ARTICLE VII- ASSOCIATION OPERATION AND ASSESSMENTS

Section 1. Every owner of a fee simple undivided interest in any Lot as described herein, shall automatically become a member of The Hammock Beach Estates Home Owner's Association, Inc., a Florida corporation not for profit, and shall be bound by the Articles of Incorporation and By-Laws and all actions taken by the Association.

Section 2. The Association shall be organized for the purpose of maintaining and preserving the general aesthetic value of the Recreation Facility and Developer Improvements as herein defined by means of general and special assessments levied by the Association against the Lots.

Section 3. In order to provide funds for the operation and maintenance of the Association, the Association shall have the right to make, levy and collect the assessments against each Lot. All regular assessments shall be payable in monthly installments in advance on or before the 10th day of the month and any delinquent assessments shall bear interest at the rate of ten (10%) percent per annum until paid. Further, a late charge of Five (\$5.00) Dollars shall be assessed.

Section 4. In addition to the foregoing, each initial owner shall pay an additional sum of One Hundred (\$100.00) Dollars to the Association. Such sum shall be a working capital

contribution to the Association and shall be used for the Association for the purposes set forth herein. Said sum shall be due and payable in full at the time that each Owner acquires title to a Lot.

Section 5. The Owner or Owners of any Lot shall be personally liable, jointly and severally, to the Association for the payment of any assessments and the cost of collection, including but not limited to reasonable attorney's fees, whether suit be brought or not. The Association shall be irrevocably granted the right to impose a lien against each Lot for the collection of the assessments levied, which lien shall secure the monies due for all assessments hereafter levied against the Owner of each Lot, which lien shall also secure all costs and expenses including reasonably attorneys fees which are incurred by the Association in enforcing the lien.

Section 6. The lien granted to the Association may be foreclosed in the manner as a real estate mortgage may be foreclosed in the State of Florida. The 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 property, the name of the record title owner of the property, and the amount due and date when due.

ARTICLE VIII- ARCHITECTURAL REVIEW

Section 1. General. For as long as the Developer owns any lot, no building, structure, alteration, addition or improvement of any character, including but not limited to, exterior painting and roofing, other than interior alterations not affecting the external appearance of a building or structure, shall be permitted upon any portion of the properties unless and until a plan of such structure, alteration, addition or improvement shall have been approved by the Developer as to the quality of workmanship and materials, color, harmony of external design with surrounding structures, location with respect to topography and finished grade elevation, its effect on the outlook from surrounding property and all other factors which will, in the

opinion of the Developer, affect the quality of the planning and design of the Subdivision and the improvements thereof. Said approval shall not be unreasonably withheld.

Section 2. Review Process. Prior to the commencement of any improvements on said Lot, the Lot owner shall submit to the Developer a proposal for the intended improvements (including total available square footage). Said proposal shall include floor plan, all exterior elevations, a proposed site plan, a landscaping plan, showing type, location and size of plants, and abbreviated specifications setting forth materials and colors for review and approval by the Developer. In the event that the Developer fails to approve or disapprove said plan within forty-five (45) days of receipt thereof, then such approval of the Developer shall not be required. The Developer shall have the power to promulgate rules and regulations and shall have the power to grant variances to any rule, regulation or restrictive covenant set forth herein. The submitted proposal shall be accompanied by a Fifty (\$50.00) Dollar architectural review fee.

Section 3. Purpose. It is the intention of the Developer that all improvements be architecturally reviewed to ensure quality of design, materials and harmony of the structures all in order to preserve and enhance the character of the Subdivision. Developer, in its sole discretion, may, at any time it deems circumstances appropriate, abandon and discontinue said architectural review, taking into consideration whether or not a sufficient number of structures have been constructed within the Subdivision to set the tone and character of the Subdivision and neighborhood for which these covenants and restrictions are intended. In the alternative, the Developer, in its sole discretion, may assign the functions of architectural review to a review committee of not less than three (3) individuals who must be lot owners within the Subdivision. Should Developer elect to make such an assignment to any such committee, at that time Developer shall have the right to promulgate reasonable rules and regulations for the appointment of committee members, membership

rules of procedures, and duties of the committee by the filing of a document to that effect in the Public Records of Flagler County, Florida, as an amendment to this Declaration.

ARTICLE IX- CONSTRUCTION STANDARDS

Section 1. General. In an effort to maintain continuity of building types, the following minimum standards must be maintained throughout the Subdivision. All of the following must be included as part of the submittal process to the Developer for review and approval prior to construction.

Section 2. Submittal Process. If the following information does not appear on the submittal plans, the Developer may reject the submission in its sole discretion as incomplete. If the applicant is unclear as to what should be included on the submittal, he should then contact the Developer for clarification prior to submitting its documents.

Section 3. Materials/Standards. The following is a list of materials and standards to be used as a guideline in preparing the site plans and building plans and elevations for submittal and approval to the Developer.

(a) Facade Treatment. All residential units shall be constructed of concrete block or wood. In no case shall modular pre-fab type units or mobile homes be permitted on any lot. Siding materials shall be limited to stucco, brick, stone, and various wood finishes, all of which must be approved by the Developer. In no event shall exposed concrete block be permitted. The exterior front of the residence shall be either rough wood, glass, brick, or stone, or a combination with stucco.

(b) Roofing. All roof materials shall be of asphalt or wood shingle, cement or similar tile. In no event shall flat built-up roofs be permitted even for screened-in porches without the Developer's approval.

(c) Colors. All building colors, including but not limited to, the following, roofs, walls, fences, trim, shall be submitted to the Developer for approval prior to installation. Earth tones are recommended and should be used where feasible and

practical to maintain neighborhood continuity.

Section 4. Minimum Dwelling Unit Size. No dwelling unit shall contain less than 1,250 square feet of air conditioned living area. An enclosed garage for a minimum of two cars shall be provided. The method of determining the square footage of the enclosed living area shall be to multiply together the horizontal dimensions of the walls forming the outer boundaries of the dwelling unit. 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.

Section 5. Grades and Elevation. In order to preserve and maintain proper drainage, no changes in grades or elevation of any portion of a Lot (including the swale area) shall be made without prior approval of Developer. Final floor elevations and all other applicable grades must be shown on the site plan and approved by the Developer prior to construction.

Section 6. Drainage Swale. The Lot Owner shall maintain the drainage swale within or adjacent to the Lot. The location for the culverts and their invert grades, width and depth shall be such that they do not interfere or obstruct the overall drainage of the Subdivision. No driveway shall be constructed, maintained, or permitted to exist on any Lot if it obstructs or would obstruct or otherwise impede the flow of surface drainage from adjacent lots within the Subdivision. It shall be each Lot Owner's sole responsibility to construct and maintain proper grades and elevations so as not to interfere with the drainage in the Subdivision and neighboring lots.

Section 7. Setbacks.

(a) No part of any structure, except as may otherwise be provided for herein, shall be located nearer than twenty-five (25) feet to the front lot line, twenty-five (25) feet to the side of a corner lot, and seven and one-half (7-1/2) feet to the side lot line, and ten (10) feet from the rear lot line, except that the roof line overhang of a residential structure may be



constructed or extended to within five (5) feet of the side lot line. (In no event shall any part of any structure, except as otherwise provided herein, be located closer than twenty-five (25) feet from any road right-of-way line; front lot line shall mean that property line facing the front of any structure.)

(b) Swimming pools and sun decks, shall not be constructed closer than ten (10) feet from the rear and side lot lines.

ARTICLE X- EASEMENTS

A. Perpetual easements for installation, construction, maintenance, operation and inspections of all utilities and drainage for the benefit of the adjoining land owners, the Developer or any authority, commission, district, municipality or other agency are reserved. Additionally, easements are hereby reserved to the Developer and its assigns for the installation, construction, reconstruction, maintenance, operation and inspection of any and all services and utilities, including but not limited, cable television, sidewalks, drainage, or waterways, which easements shall be confined to a five (5) feet width along the interior boundaries of the rear and side lot lines and a ten (10) foot width along the front lot line of every lot. Also, easements in general in and over each lot for the installation of electric, gas and telephone facilities for service to the Dwelling Unit are reserved.

B. Perpetual easements are reserved to The Hammock Beach Estate Home Owner's Association, Inc. for the maintenance and repair of any "Developer Improvements" which may be installed or placed upon any portion of said lot as well as an easement for ingress and egress of such lot for the purpose of obtaining access thereto.

C. No building, structure, fence, hedge, wall or decorative item, such as rocks or posts, shall be erected nor any paving laid or filling or excavation done within the easement areas provided for in Paragraph 8(A) herein without the prior written consent of the Developer. No action shall be taken that

would restrict or obstruct the use of said easements.

ARTICLE XI- ADDITIONS TO THE PROPERTIES

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Section 1. Annexation. All or any portion of the real property described in Exhibit "C" attached hereto may be annexed from time to time to the Properties by the Owner of all or any portion thereof, whether said Owner be the Developer or its successors, assigns, or devisees, without any consent of the Association or of the members of the Association being required. Upon any such annexation, the real property so annexed shall be subject to all of the terms, conditions, provisions, limitations, assessment and lien rights, easements and restrictions contained in this Declaration and the annexing party thereof and any Owners of residences thereon shall be entitled to all of the rights and privileges set forth in this Declaration and shall be subject to all of the burdens imposed by this Declaration including, but not limited to members in the Association.

Section 2. Developer. The Developer or its successors, assigns or devisees, from time to time may, in their sole discretion, cause all or any portion of the real property described in Exhibit "C" attached hereto to become subject to the Declaration; but under no circumstances shall they be required to make any such additions, and no portion of the real property described in Exhibit "C" shall be subject to or encumbered by this Declaration until such time as said portion is annexed to the Properties in accordance with the provisions of this Article XI.

Section 3. Recording. Any annexations to the Properties in accordance with this Article XI shall be made by recording a supplementary Declaration of Covenants, Conditions and Restrictions in the Public Records of Flagler County, Florida, which shall subject the real property described therein to the terms and conditions of this Declaration.

ARTICLE XII- TERMINATION AND AMENDMENT

Section 1. Except as set forth in Sections 3 and 4, below, the Developer hereby reserves the right to amend, modify or

rescind all or any part of this Declaration as it deems necessary or desirable, in its sole discretion, as long as it is the Owner of any Lot and as long as such amendment or modification does not substantially adversely change the Subdivision Plat.

In addition to the foregoing, the Owners of seventy-five (75%) percent of the Lots, with written consent of Developer, if the Developer then owns any Lots, may amend, modify or rescind such provisions of this Declaration as they deem necessary or desirable.

In the event of any amendment or termination hereunder, the Present and Secretary of the Association shall execute a certificate under oath reciting that the amendment was adopted at a meeting duly called at which a quorum was present in person or by proxy, and at least a minimum percent of those entitled to cast a vote approved the amendment; provided, however, that if such amendment or modification is made solely by the Developer as herein provided, it shall cause an appropriate certificate to be executed. The foregoing certificates evidencing approval of the amendment or modification to this Declaration shall be filed of record in the Public Records of Flagler County, Florida, along with the amendment or modification adopted. It shall not be necessary for Owners to join in any document to effectuate the amendment or modification.

Section 2. If in the future these covenants and restrictions are amended to create any "right of first refusal", any such right shall not impair the rights of a first mortgagee to:

(a) Foreclose or take title to a townhouse pursuant to the remedies provided in the mortgage, or

(b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or

(c) Sell or lease a townhouse acquired by the mortgagee.

Section 3. Notwithstanding the provisions of Section 1, unless at least two-thirds (2/3) of the first mortgagees (based

upon one vote for each first mortgage owned) or owners (other than the Developer) of the individual townhouses have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Recreation Facility owned, directly or indirectly, by such Home Owner's Association for the benefit of the Owners (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Recreation Facility shall not be deemed a transfer within the meaning of this clause);

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against any individual Lot Owner;

(c) By act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the Recreation Facility, party walls and parking areas, or the upkeep of laws and plantings;

(d) Fail to maintain fire and extended coverage on the Recreation Facility on a current replacement cost basis in an amount not less than one hundred (100%) percent of the insurable value (based on current replacement cost);

(e) Use hazard insurance proceeds for losses to the Recreation Facility for other than the repair, replacement or reconstruction of the Recreation Facility.

Section 4. The Developer intends that the provisions of this Declaration meet and be consistent with the Federal Home Loan Mortgage Corporation (FHMLC) Secondary Mortgage Market requirements in effect on the date hereof. Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the Developer) have given their prior written approval, not to be unreasonably withheld, no amendment would disqualify or preclude the purchase of first mortgages on the FHMLC Secondary Mortgage Market.

ARTICLE XIII- GENERAL PROVISIONS

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Section 1. The covenants, conditions and restrictions of this Declaration shall constitute covenants running with the land and each shall constitute an equitable servitude upon the Owner of each Lot and the appurtenant undivided interest in the Recreation Parcel and upon the heirs, personal representatives, successors and assigns of each Owner. This Declaration shall be binding and of full force and effect for a period of thirty (30) years from the date this Declaration is recorded in the Public Records of Flagler County, Florida, after which time this Declaration shall automatically be extended for successive twenty (20) year periods, unless an instrument signed by not less than seventy-five (75%) percent of the then record Owners of the Lots is recorded containing an agreement of said Owners with respect to the alteration, change, modification or termination, in whole or in part, of the provisions of this Declaration.

Section 2. Association. As long as the Developer has rights and obligations under this Declaration, the Association may not use its resources nor take a public position in opposition to the Developer's Plan of Development, as the same may be amended, or its sales activities.

Section 3. Notices. Any notices, demands, requests, consents or other communications required or permitted to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person or entity who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 4. Enforcement. Enforcement of the terms, conditions, restrictions, covenants, reservations, liens and charges contained in this Declaration shall be by any proceeding at law or in equity against any person or entity violating or attempting to violate any of same, either to restrain violation or to recover damages, or against any real property subject to this Declaration or to enforce any lien rights hereunder. Any

such proceeding, action or suit may be brought by the Association, any Owner or the Developer. Failure by any Owner, the Association or the Developer, to enforce any covenant or restriction contained herein for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same. Should it become necessary to institute legal action against a member of the Association to enforce compliance with this Declaration, the Articles and By-Laws of the Association, or the Rules and Regulations of the Association, upon a binding by a court in favor of the Association, Owner or Developer, the defendant member shall reimburse the said party of its costs of suit, including reasonable attorney's fees at both trial and appellate level incurred by it in bringing such action.

Section 5. Transferability of Developer's Rights. All rights and privileges of the Developer under this Declaration shall be fully assignable and transferable. In the event of such transfer or assignment, the term "Developer" as used herein shall be deemed to include such assignee or transferee.

Section 6. Severability. Invalidation of any one of the provisions of this Declaration by judgment or court order shall in no way affect any provision which shall remain in full force and effect.

Section 7. Title and Captions. Section titles or other captions contained in this Declaration are inserted only as a matter of convenience and for reference purposes and in no way define, limit, extend or describe the scope of the Declaration or the intent of any provision hereof.

Section 8. Person or Gender. Whenever the singular number is used in this Declaration and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

Section 9. Applicable Law. The provisions of this Declaration and any dispute arising hereunder shall be governed by the laws of the State of Florida.

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IN WITNESS WHEREOF, the Developer has caused this Declaration of Covenants and Restrictions to be executed this

24 day of January, 1990.

Signed in the presence of:

[Signature]  
Witness

SIM-PAR, INC.

By: [Signature]  
Stan Rosenbaum, Vice President

[Signature]  
Witness

STATE OF FLORIDA  
COUNTY OF FLAGLER

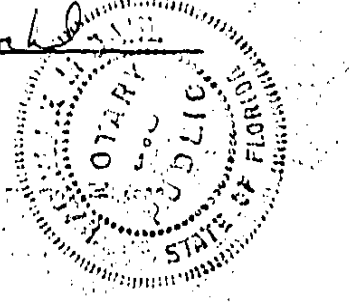
The foregoing instrument was acknowledged before me this 24 day of January, 1990, by STAN ROSENBAUM, Vice President of Sim-Par, Inc., a Florida corporation.

FCC RD

[Signature]  
Notary Public

My Comm. Expires:

NOTARY PUBLIC, STATE OF FLORIDA  
MY COMM. EXPIRES ON  
FEBRUARY 28, 1991



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# State of Florida



## Department of State

certify that the attached is a true and correct copy of the Articles of Incorporation of THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on January 29, 1990, as shown by the records of this office.

The document number of this corporation is N36431.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
2nd day of February, 1990.



*Jim Smith*

Jim Smith  
Secretary of State



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ARTICLES OF INCORPORATION  
OF

THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC.

(a corporation not for profit)

FILED

1988 JAN 23 11 8 23

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

In order to form a corporation under and in accordance with the laws of the State of Florida for the formation of corporations not for profit, I, the undersigned, hereby associate myself into a corporation for the purposes and with the powers hereinafter mentioned and to that end I do, by these Articles of Incorporation, set forth:

ARTICLE I  
NAME

The name of the corporation shall be THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Association".

ARTICLE II  
PURPOSE

2.1 The purpose for which the Association is organized is to provide an entity to carry out and accomplish the purposes described in the Declaration of Restrictive Covenants and Easements for The Hammock Beach Estates Home Owner's Association, Inc. ("The Declaration") as recorded in the Public Records of Flagler County, Florida, to undertake the management, maintenance, operation, ownership and other duties relating to the property for the common benefit of lots described in the above Declaration.

2.2 The Association shall make no distribution of income to its members, directors or officers, being conducted as a non-profit corporation for the benefit of its members.

ARTICLE III  
POWERS

The Association shall have the following powers:

3.1 The 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 these Articles.

3.2 The Association shall have all of the powers and duties set forth in the Declaration including, but not limited to, the following:

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a. To make and establish reasonable rules and regulations relating to Hammock Beach Estates.

b. To make and collect assessments against members of the Association as unit owners to defray the costs, expenses and losses of the Association.

c. To use the proceeds of assessments in the exercise of its powers and duties.

d. To enforce by legal means the provisions of the Declaration.

e. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association by the Declaration or By-Laws.

3.3 All funds acquired by the Association shall be held in a trust for the members in accordance with the provisions of the Declaration, these Articles of Incorporation and the By-Laws.

ARTICLE IV  
MEMBERS

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

4.1 The members of the Association shall consist of all of the record owners of a fee estate in any lot within the Hammock Beach Estates.

4.2 Immediately upon the divestment of a member's ownership in a lot, regardless of the means by which such ownership may be divested, such owner's membership shall terminate. Any successor owner shall be entitled to membership upon providing written notice to the Association of such ownership interest. At the request of the Association, the successor owner shall provide the Association with a certified copy of the instrument evidencing his ownership interest.

4.3 The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his lot. The funds and assets of the Association belong solely to the Association, subject to the limitation that the same be expanded, held or used for the benefit of the membership and in the By-Laws which may be hereinafter adopted.

4.4 On all matters on which the membership shall be entitled to vote, there shall be one (1) vote appurtenant to each

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lot. Votes may be exercised or cast by the owner or owners of each lot in such manner as may be provided in the Declaration and the By-Laws hereinafter adopted by the Association.

ARTICLE V  
PRINCIPAL OFFICE

The principal office of the Association shall be 2315 North A1A, Flagler Beach, Florida 32136, but the Association may maintain offices and transact business in such other places as may from time to time be designated by the Board of Directors.

ARTICLE VI  
DIRECTORS

6.1 The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than five (5) directors. The number of members of the Board of Directors shall be as provided from time to time by the By-Laws of the Association, and in the absence of such determination shall consist of three (3) directors. A Director need not be a member of the Association.

6.2 Directors of the Association shall be elected at the annual meeting of the members in the manner provided by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

6.3 The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed are as follows:

1. Stan Rosenbaum  
2315 North A1A  
Flagler Beach, Florida 32136
2. Lee Pelicano  
32 Seabreeze Drive  
Ormond Beach, Florida 32174
3. JoAnn Rosenbaum  
2315 North A1A  
Flagler Beach, Florida 32136

ARTICLE VII  
OFFICERS

7.1 The affairs of the Association shall be administered by a president, a secretary, a treasurer, and as many vice presidents, assistant secretaries, assistant treasurers and such other officers and agents as the Board of Directors shall determine. The President shall be elected from among the

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membership of the Board of Directors but no other officers need be a director. Any person may hold two or more offices, except the President may not be the secretary or assistant secretary of the Association. An officer need not be a member of the Association.

7.2 The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President	Stan Rosenbaum
Vice President	Lee Pelicano
Secretary/Treasurer	JoAnn Rosenbaum

ARTICLE VIII  
INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE IX  
BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws by a two-thirds vote of the Board of Directors and a two-thirds vote of the membership of the Association.

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ARTICLE X  
TERM

The term of the Association shall be perpetual.

ARTICLE XI  
AMENDMENTS

Amendments to these Articles shall be adopted in the following manner:

11.1 An amendment may be proposed by the Board of Directors by a majority vote or by a majority of the members, whether meeting as members or by instrument in writing signed by them.

11.2 Any such proposed amendment shall be transmitted to the President who shall thereupon call a special meeting of the members for a day no sooner than twenty (20) days nor later than sixty (60) days after receipt by him of the proposed amendment, and the secretary shall give to each member a written notice thereof stating the time and place of the meeting and reciting the proposed amendment in reasonably detailed form which notice shall be mailed to or presented personally to each member not less than ten (10) nor more than thirty (30) days before the date set for such 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 post office address as it appears in the records of the Association, the postage thereon 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 approved by an affirmative vote of not less than sixty-five (65%) percent of the entire membership of the Association in order for such amendment or amendments to become effective.

11.3 A copy of each amendment, after it has become effective shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State of the State of Florida and upon the registration of such amendment or amendments with said Secretary of State, a certified copy thereof shall be recorded in the Public Records of Flagler County, Florida within ten (10) days after the date on which the same are registered.

11.4 At any meeting held to consider any amendment or amendments to these Articles of Incorporation, the written vote of any member shall be recognized, if such member is not in

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attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

11.5 No amendment shall make any changes in the qualifications for membership nor the voting rights of members, without approval in writing of all members and the joinder of all record owners of mortgages upon the lot. No amendment shall be made that is in conflict with the law or the Declaration.

ARTICLE XII  
SUBSCRIBERS

The name and address of the subscriber of these Articles of Incorporation is as follows:

Stan Rosenbaum  
2315 North A1A  
Flagler Beach, Florida 32136

ARTICLE XIII  
REGISTERED AGENT AND OFFICE

The registered agent and office for this corporation shall be MICHAEL D. CHIUMENTO, ESQUIRE, 4 Old Kings Road North, Suite B, Palm Coast, Florida 32137, to accept service of process within this State as to this corporation.

IN WITNESS WHEREOF, the subscriber has affixed his signature, this 24 day of January, 1990.

Stan Rosenbaum  
Stan Rosenbaum

STATE OF FLORIDA  
COUNTY OF FLAGLER

BE IT REMEMBERED that on this 24 day of January, 1990, personally appeared before me, a Notary Public, Stan Rosenbaum, well known to be the subscriber of the foregoing Articles of Incorporation, and known to me personally to be his free act and deed and that the facts therein are truly set forth, and that he has associated himself to the foregoing certificate for the purpose of becoming a corporation not for profit under the laws of the State of Florida.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at County of Flagler, State of Florida, on the day and year first above written.

Daniel H. Dahl  
Notary Public


My Commission Expires:

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

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE  
FOLLOWING IS SUBMITTED:

THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC.  
DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF  
FLORIDA, WITH ITS PRINCIPAL PLACE OF BUSINESS AT 2315 NORTH A1A,  
CITY OF FLAGLER BEACH, STATE OF FLORIDA, HAS NAMED MICHAEL D.  
CHIUMENTO, ESQUIRE, LOCATED AT 4 OLD KINGS ROAD NORTH, SUITE B,  
STATE OF FLORIDA, AS ITS REGISTERED AGENT AND OFFICER TO ACCEPT  
SERVICE OF PROCESS WITHIN FLORIDA.

  
\_\_\_\_\_  
STAN ROSENBAUM, President

DATE: 1/24/90

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE  
ABOVE-STATED CORPORATION, AT THE PLACE DESIGNATED IN THIS  
CERTIFICATE, I HEREBY AGREE TO ACT IN THIS CAPACITY, AND I  
FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES  
RELATIVE TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES.

  
\_\_\_\_\_  
MICHAEL D. CHIUMENTO  
REGISTERED AGENT

DATE: 1/24/90

Exhibit "B"

BY - LAWS

OF

THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC.

(a corporation not for profit)

1. IDENTITY. These are the By-Laws of THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC., called "Association", a Florida non-profit corporation. The Association has been organized pursuant to Chapter 617, Florida Statutes, to administer the Hammock Beach Estates Restrictive Covenants and Easements to be recorded in the Official Records of Flagler County, Florida.

1.1 The office of the Association shall be 2315 North 1A1A, Flagler Beach, Flagler County, Florida.

1.2 The fiscal year of the Association shall be as determined by the Board of Directors.

1.3 The seal of the corporation shall be in the form prescribed by the Board of Directors.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES.

2.1 Membership in the Association, and voting by members shall be as set forth in the Articles of Incorporation, the applicable Declarative of Covenants, Restrictions and Easements.

2.2 A Quorum at members' meetings shall consist of the owners of a majority of the units, and decisions shall be made by the owners of a majority of the units represented at a meeting at which a quorum is present, except where approval by a greater number is required by the Declaration, the Articles of Incorporation, or the By-Laws. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such persons for the purposes of determining a quorum.

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

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

3.1 The Special Members' Meeting shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request of one-third of the members.

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3.2 The Annual Members' Meeting shall be held at the Association office, or such other place designated by the Board of Directors, at 7:30 p.m., local time, on the 2nd day of Saturday in January in each year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members; provided, however, if that date is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

3.3 Notice of all members' meetings, including annual meetings, stating a time and place and the object for which the meeting is called shall be given by the President, Vice-President or Secretary unless waived in writing. Such notice shall be in writing and mailed by certified mail to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than thirty (30) days prior to the date of the meeting. In addition, such notice shall be posted at a conspicuous place on the subdivision property for at least fourteen (14) days prior to said meeting.

3.4 Voting.

a. Each member shall have one vote for each lot owned by him.

b. In case a lot is owned by more than one person, or by a corporation or other entity, its vote may be cast by any person designated in writing by all owners of the lot, or by the President in case of a corporation, and filed with the Secretary. Such designation shall be valid until revoked in writing.

3.5 Adjourned Meetings. In the absence of a quorum at any meeting, the members present may adjourn the meeting from time to time until a quorum is present.

3.6 The Order of Business. At annual Members' Meetings and as far as practical at other members' meetings, shall be:

- a. Calling of the roll and certifying proxies.
- b. Proof of notice of meeting.
- c. Reading and approval of minutes.
- d. Reports of officers and committees.
- e. Election of inspectors of elections.
- f. Election of directors.
- g. Unfinished business.
- h. New business.

3.7 Minutes of all meetings of the lot owners shall be kept in a book available for inspection by lot owners or their

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authorized representatives and Board Members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

4. BOARD OF DIRECTORS.

4.1 The Board of Directors of the Association shall consist of not less than three nor more than five directors, the exact number to be determined at the time of election.

4.2 Election of directors shall be conducted in the following manner:

a. Election of directors shall be held at the Annual Members' Meeting.

b. A Nominating Committee of three (3) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the Annual Members' Meeting. The Committee shall nominate one person for each director to be elected. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

c. The elections shall be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes in each case, each person voting being entitled to cast his vote for each as many nominees as there are vacancies to be filled by the remaining directors.

d. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

e. Unless otherwise provided by law, any member of the board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all lot owners. A special meeting of the lot owners to recall a member or members of the board may be called by ten (10%) percent of the lot owners giving notice of the meeting as required for a meeting of lot owners and the notice shall state the purpose of the meeting.

4.3 The term of each director's service shall extend until the next annual meeting of the members and subsequently until a successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

4.4 The Organizational Meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the

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directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

4.5 Regular Meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meeting shall be given to each director personally or by mail, telephone or telegraph,, at least three (3) days prior to the date named for such a meeting, unless notice is waived.

4.6 Special Meetings of the directors may be called by the President, and must be called by the secretary at the written request of one-third of the directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

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

4.8 A quorum at directors' meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting in which a quorum is present shall constitute the acts of the Board of Directors, except where approval of a greater number of directors is required by the Declaration of Covenant Restrictions and Easements, the Articles of Incorporation these By-Laws.

4.9 The Presiding Officer of directors' meeting shall be the chairman of the board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

4.10 Meetings of the Board of Directors shall be open to all lot owners and notice of meeting shall be posted conspicuously, forty-eight (48) hours in advance for the attention of lot owners except in an emergency. Minutes of all meetings of the Board shall be kept in a book available for inspection by lot owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

## 5. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

5.1 All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under common law and the statutes, the Articles of Incorporation of the Association, these By-Laws and the Declaration of Covenant Restrictions and Easements.

6. OFFICERS.

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

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

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

6.4. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and other notices required by law. He shall keep the records of the Association, and shall perform all other duties incident to the office of secretary of an association as may be required by the directors or the President.

7. FISCAL MANAGEMENT. The provisions for fiscal management of the Association set forth in the Declaration of Covenant Restrictions and Easements shall be supplemented by the following provisions:

7.1 The assessment roll shall be maintained in a set of account books in which there shall be an account for each lot. Such an account shall designate the name and address of the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

7.2 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications shall be appropriate, all of which expenditures shall be common expense.

a. Current Expense, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or additional improvements. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.

b. Reserve for Deferred Maintenance, which shall include funds for maintenance items that occur less frequently than annually.

c. Reserve for Replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

d. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

7.3 Budget. The Board of Directors shall adopt a budget for the calendar year which shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Copies of the proposed annual budget will be considered, shall be mailed to each member not less than thirty (30) days prior to the meeting. Failure to do so shall not affect the liability of any member for payment of his proportionate share of the budget. If a budget is adopted by the Board which requires assessment against the lot owners in any fiscal or calendar year exceeding 115% of such assessments for the preceding year, upon written application of ten (15%) percent of the lot owners, a special meeting of the lot owners shall be held upon not less than ten (10) days written notice to each owner, but within thirty (30) days of delivery of such application to the Board or any member thereof, at which special meeting lot owners may consider and enact a revision of the budget, or recall any and all members of the Board and elect their successors, unless at that time the Developer is in control of the Board. The revision of the budget shall require a vote of not less than a majority of the whole number of votes of all lot owners. The Board may propose a budget at a meeting of members or by writing, and if such budget or proposed budget be approved by the lot owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be examined by the lot owners in the manner hereinabove set forth, nor shall the Board be recalled under the terms of this section. In determining whether assessments exceed 115% of similar assessments for prior years, there shall be excluded in the computation any provision for reasonable reserves made by the

Board in respect of repair or replacement of a common property or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded from such computation, assessment for betterments to the common property.

7.4 Assessments. Assessments against the lot owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 1 preceding the year for which the assessments are made. Such assessments shall be due in twelve (12) equal installments on the first days of each month of the year for which the assessments are made. If an annual assessment is not made as required, assessments shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors and the unpaid assessments for the remaining portion of the calendar year for which the amended assessment is made shall be due and payable in equal installments on the first day of each month remaining in the calendar year.

7.5 Acceleration of Assessment Installments Upon Default. If a lot owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the lot owner, and then the unpaid balance to the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the lot owner, or not less than twenty (20) days after the mailing of such notice to him by certified mail, whichever shall first occur.

7.6 Assessment for Emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such is given to the lot owners. After such notice and upon approval in writing by persons entitled to cast more than one-half (1/2) of the votes of the lot owners, the assessment shall become effective, and it shall be due after thirty (30) days notice in such manner as the Board of Directors may require.

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

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7.8 Written Summaries of the accounting records of the Association shall be supplied at least annually to each lot owner.

8. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Restrictive Covenants and Easements, Articles of Incorporation or these By-laws.

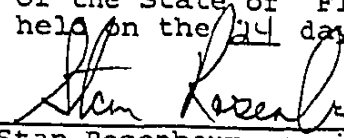
9. AMENDMENTS. These By-laws may be amended in the following manner:

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

9.2 A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approval must be by not less than two-thirds (2/3) of the entire membership of the Board of Directors and by not less than two-thirds (2/3) of the votes of the entire membership of the Association.

9.3 Proviso. Provided, however, that no amendment shall discriminate against any lot owner nor against any lot or class or group of lots unless the lot owner so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Restrictive Covenants and Easements.

The foregoing were adopted as the By-laws of THE HAMMOCK BEACH ESTATES HOME OWNER'S ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida, at the first meeting of the Directors held on the 24 day of January, 1990.

  
Stan Rosenbaum, as its President

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EXHIBIT "C"

LEGAL DESCRIPTION

Lots 1 through 33, Armand Beach Estates Subdivision, a/k/a Lots 213 to 225, inclusive and Lot 231, ARMAND BEACH EAST SUBDIVISION, as Recorded in Plat Book 8, Page 22, Public Records of Flagler County, Florida, in Section 20, Township 10 South, Range 31 East.

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FILED & RECORDED 4/6-  
O.R. BOOK 423 PAGE 455

'90 FEB -6 P 2:39  
J. Raughter, Jr.  
CLERK OF CIRCUIT COURT  
FLAGLER COUNTY, FLA.

