

EXHIBIT 10

SURVEY

(See Exhibit 7 - Plot Plan)

EXHIBIT 11
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS AGREEMENT made as of the ____ day of _____, 1983, by and between THOMPSON PROPERTIES, INC. OF FLORIDA, a Florida corporation, and Gaige Walters, whose address is Route 1, Daytona Beach, Florida 32014 (hereafter "Developers") and Cobb & Cole, P.A., whose address is 444 Seabreeze Boulevard, Suite 900, Post Office Box 191, Daytona Beach, Florida 32015 (hereafter "Escrow Agent").

WITNESSETH:

WHEREAS, Developers propose to market condominium units within the project known as The Glens at Spruce Creek, a condominium, located in Volusia County, Florida; and

WHEREAS, Developer, Gaige Walters, owns Units 81 through 84 which are complete, and Developer, Thompson Properties, Inc. of Florida, owns the property on which Units 85 through 88 are to be constructed.

WHEREAS, Developer desires to establish an escrow account for deposits made by buyers of units in The Glens at Spruce Creek pursuant to Section 718.202, Florida Statutes, and Cobb & Cole, P.A. is willing to act as Escrow Agent and to hold all payments it receives pursuant to the terms and provisions hereof;

NOW, THEREFORE, in consideration of the premises and the undertakings hereinafter set forth, Developer and Escrow Agent agree as follows:

1. Escrow Agent shall accept deposits made by purchasers for the purchase of units in The Glens at Spruce Creek, a condominium, and shall give a purchaser a receipt for such deposit.

2. Escrow Agent shall, subject to funds clearing, disburse funds escrowed hereunder in accordance with the following:

- A. That portion of a deposit which exceeds 10% of the purchase price of a unit may be disbursed jointly to Developer, Thompson Properties, Inc. of Florida, and Developer's construction contractor upon Developer's written certification to the Escrow Agent that the funds so disbursed will be used solely for construction purposes in accordance with Section 718.202, Florida Statutes.
- B. Except to the extent previously disbursed under Paragraph A above, to the purchaser within five (5) days after receipt of Developers' written certification that the purchaser has properly terminated his contract.
- C. Except to the extent previously disbursed under Paragraph A above, to the Developer owning the unit to be sold within five (5) days after the receipt of the Developer's written certification that the purchaser's contract has been terminated by reason of the purchaser's failure to cure a default in performance of purchaser's obligations thereunder.
- D. The deposit of a purchaser which has not been previously disbursed in accordance with the provisions of Paragraphs A, B and C above shall be disbursed to the Developer owning the unit sold upon receipt from Developer of a closing statement reflecting that the transaction for the sale and purchase of the subject condominium unit has been closed and consummated;

provided, however, that no disbursement shall be made under this Subparagraph D if, prior to the disbursement, Escrow Agent receives from the purchaser written notice of a dispute between the purchaser and Developer, in which case Escrow Agent may proceed in accordance with the other provisions of this Agreement.

- E. Escrow Agent shall at any time make distribution of the purchaser's deposit upon written direction duly executed by the Developer and purchaser.

3. Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no implied duties or obligations shall be read into this Agreement against Escrow Agent.

4. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited in this escrow, nor as to the identify, authority, or right of any person executing the same; and its duties hereunder shall be limited to the safekeeping of the certificates, moneys, instruments or other documents received by it as such escrow holder, and for the disposition of the same in accordance with the written instruments accepted by it as the Escrow Agent.

5. Developers hereby agree to indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees, or charges of any character or nature, which may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement unless caused by its willful misconduct or gross negligence; and in connection therewith, to indemnify Escrow Agent against any and all expenses, including attorney's fees and the cost of defending any action, suit or proceeding or resisting and claim.

6. If any two parties shall be in disagreement about the interpretation of this Escrow Agreement, or about the rights and obligations, or the propriety, of any action contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion, file an action in interpleader to resolve the disagreement.

7. Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suggested by it and hereunder in good faith and in accordance with the opinion of such counsel. Escrow Agent shall otherwise not be liable for any mistakes of fact or error of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.

8. Escrow Agent may resign upon thirty (30) days written notice to the parties in this Agreement. If a successor Escrow Agent is not appointed within this thirty day period, Escrow Agent may petition the Court to name a successor.

9. All notices and communications hereunder between Developers, or purchaser and Escrow Agent shall be in writing and shall be deemed to be duly given if sent by registered or certified mail, return receipt requested, to the respective addresses set forth herein. All other notices shall be given as specified in the Contract.

10. The rights created by this Agreement shall inure to the benefit of, and the obligations created hereby shall be binding upon

the successors and assigns of Escrow Agent and all parties to this Agreement.

11. This Agreement shall be construed and enforced according to the laws of the State of Florida.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

DEVELOPER

THOMPSON PROPERTIES, INC.
OF FLORIDA

By: _____

Gaige Walters

ESCROW AGENT

COBB & COLE, P.A.

By: _____

EXHIBIT 12

FLOOR PLAN

(See Exhibit 7 - Plot Plan)

EXHIBIT 13
COVENANTS AND RESTRICTIONS

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maintenance assessments ~~may~~ authorize special assessments as provided herein, all in accordance with the Association's Articles of Incorporation, as amended from time to time.

ARTICLE II

Section 1. Membership in the Association.

The following persons shall be members of the Association: Class A Members shall include every person who is a record owner of a fee-simple estate, a life estate, an estate pur autre vie, or a fee upon condition, in any lot, whether developed or undeveloped, which is subject, by this Declaration, or by any supplementary declaration, as contemplated by Article I, Section 2 hereof, to assessment by the Association, and FISC, which shall be the sole Class B Member; Membership of Class A members shall terminate immediately upon the divestment of such member's ownership interest regardless of the means by which ownership may be divested. No person or entity holding a lien, mortgage or encumbrance upon any lot shall be entitled by virtue of such lien, mortgage or encumbrance to membership in the Association or to any other rights or privileges of such membership.

Section 2. Voting Rights.

The Association shall have two classes of membership: Class A and Class B.

(a) Class A. Class A members shall be all those persons holding any interest required for membership, as specified in Section 1 of this Article, with the exception of FISC. Class A membership shall be a non-voting membership, except on such matters and in such events as are hereinafter specified. Class A members shall be entitled to full voting privileges at such time as FISC no longer owns any property which is subject to this Declaration (whether so made subject by the recording of this Declaration, or by the recording of a supplementary declaration pursuant to the provisions of Article I, Section 2, hereof), or on January 1, 1984, whichever is sooner, or at such earlier time as the Class B member may so designate by notice in writing delivered to the Association. Before the earlier of these events, Class A members shall be entitled only to vote on any proposal to change the amount of the annual assessments, on any proposal to levy a special assessment, on any proposal of merger, consolidation or dissolution, (but this shall not include the right to vote on the submission of additional property by FISC pursuant to Article I, Section 2 (a) hereof, on any proposal not to repair damaged property, on any proposal to amend the Certificate of Incorporation of the Association, and on such other matters where such right is given by the Association's Certificate of Incorporation, as amended from time to time. There shall be one vote appurtenant to each single family residential lot (a lot having the suffix "R"); 9 votes appurtenant to each multifamily lot (a lot with the suffix "M").

When a lot is jointly owned, such joint owners shall designate by a written certificate filed with the secretary of the Association one of their number to cast the vote for such lot. Such certificate shall be valid until revoked by a subsequent certificate signed by a majority of the owners. Votes appurtenant to any lots devoted to condominium use shall be cast by a representative of the Condominium Homeowner's Association to be selected by a majority vote of the members of such Association. A certificate executed by the President of the Condominium Homeowner's Association and bearing the seal of the Association designating such representative shall entitle such representative to cast all votes appurtenant to the lots submitted to condominium ownership in the Declaration of Condominium or such condominium. Such certificate shall be valid until revoked by a subsequent certificate signed by the President of the Condominium Homeowner's Association. The vote as to any lot owned by a corporation shall be cast by a representative designated in a certificate signed by a corporate officer, which certificate must be filed with the Secretary of the Association.

In those circumstances where a certificate designating a person to cast the vote or votes appurtenant to a lot or lots is required and no such certificate is filed prior to the meeting, then the vote or votes appurtenant to such lot or lots shall not be considered in determining the requirements for a quorum, nor for any other purpose. Where different physical portions of a multifamily lot are owned by different persons or entities, then the votes appurtenant to such lot shall be divided among the owners of such lot in approximately that proportion which each owner's square footage in that lot bears to the total square footage in the lot. However, fractional votes shall not be permitted, and the allowance will be rounded off so that an owner having the largest fraction of a vote shall be entitled to cast such vote. By way of illustration, if the ownership of a multifamily lot containing 25,000 square feet were divided among 3 adjoining owners so that owner A owned 5,000 square feet, owner B owned 7,000 square feet, and owner C owned 13,000 square feet, and there were 8 votes appurtenant to such lot, owner A would be entitled to 2 votes ($5000/25000 \times 8 = 1.6$; round up to 2); owner B would be entitled to 2 votes ($7000/25000 \times 8 = 56,000/25,000$ or 2.24; round down to 2); and owner C would be entitled to 4 votes ($13000/25000 \times 8 = 104000/25000 = 4.16$; round down to 4). Should 2 owners each have exactly $1/2$ a vote, then the owner having the fewer full votes shall be rounded upward and the owner having the larger number of full votes shall be rounded downward. If the ownership of a lot should be divided in such a way that the rounding off of fractions or decimals would result in such lot losing a vote (as, for example, 3.2 and 2.35 and 2.45), then the owner having the largest fraction shall receive the odd vote (in the example, the votes would be 3, 2 and 3).

(b) Class B. FISC shall be the sole Class B member. Class B Membership shall be a full voting membership, and the Class B member shall be entitled to vote on all matters and in all events. The Class B member shall be entitled to one vote for each lot to which it holds record title or as to which it is the Seller under an Agreement for deed. At such time as the Class A membership shall be entitled to full voting privileges, the Class B membership shall cease to exist and automatically terminate, in which event Class B membership shall be and become a Class A member, insofar as it may then hold any interest required for membership by Section I of this Article. From and after the date on which Class B membership shall automatically terminate and cease to exist, such membership shall not be revived or reinstated.

Section 3. Suspension of Membership Rights.

The membership rights of any member, including the right to vote, may be suspended by the Association's Board of Directors, pursuant to authority granted in the Association's Certificate of Incorporation, as amended from time to time. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of suspension, and shall not affect the permanent charge and lien on the member's property in favor of the Association.

Section 4. Meetings of the Membership.

All matters concerning meetings of the members of the Association, including the time within which and the manner in which notice of any of said meetings shall be given to said members and the quorum required for the transaction of business at any of said meetings, shall be as specified in the Certificate of Incorporation or the Bylaws of the Association, as amended from time to time.

ARTICLE III

PROPERTY RIGHTS IN THE ASSOCIATION PROPERTIES

Section 1. Member's Easements of Enjoyment.

Subject to the provisions of these covenants and restrictions, the rules and regulations of the Association, and any fees or charges established by the Association, every Member, and every tenant and

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guest of each such Member shall have an easement of enjoyment in and to the streets as designated on the plat prepared for FISC by Phillips, Wine & Phillips and recorded in Map Book 33, Page 103 of the Public Records of Volusia County, Florida, as "Slow-roll Lane", "Lazy Eight Drive", "Snaproll Lane", "Lindy Loop", and "Taxiway Echo". The easement of enjoyment shall also be in the runway designated in the same plat as "Active Runway 5/23". The foregoing streets, taxiways and runways, together with such other property as FISC may hereafter designate by similarly recorded declaration as a related recreational or common area in such subdivision, are hereinafter referred to as "Association Properties", and such easement shall be appurtenant to, and shall pass with, the title of every lot subject to this declaration. Subject to the provisions of these covenants and restrictions, the rules and regulations of the Association, each Member and each tenant and guest of each such Member shall have a non-exclusive easement of enjoyment for the normal use intended in and to the streets, taxiways, runways, and common areas and facilities as designated on the above plat.

Easements of access and normal use of all rights of way, taxiways and runways are reserved for the use of FISC and all owners, lessees, tenants, guests and business invitees of the utilities and service area, and the nature studies area.

Section 2. Title to Association Properties.

Notwithstanding the responsibility of the Association to maintain repair, replace and operate the Association Properties, as provided in Article IV of this Declaration, FISC may retain the legal title to the Association Properties until such time as the Association, in the sole opinion of FISC, is able to maintain such properties or, if the Association is to be responsible for construction of improvements thereon, until such time as in FISC's opinion the Association is capable of financing and constructing such improvements; provided, however, that such properties shall be conveyed by FISC to the Association not later than January 1, 1984. Said properties may be conveyed to the Association by Quit Claim Deed subject to all restrictions and easements of record at the time of the conveyance and subject to any existing debt affecting such Properties.

Section 3. Extent of Member's Easements.

The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of FISC to the temporary exclusive use of such portion of the Association Properties as it, in its sole discretion, may deem to be reasonably required for the improvement and sale of Lots and other property included within Exhibit "A", including, but not limited to, sales and business offices, storage areas, construction yards and signs. Such right of FISC shall and does exist notwithstanding any provisions of this Declaration which might be construed to the contrary until such time as FISC no longer owns any lot or other property included within Exhibit "A", and without affecting any Member's obligation to pay assessments coming due during such period of time or the permanent charge and lien on any member's property in favor of the Association; and

(b) The right of FISC or the Association to borrow money for the purpose of improving the Association Properties and in connection therewith, to mortgage or otherwise burden or encumber said properties. In the event of a default upon any such mortgage or other burden or encumbrance, the lender shall have the right, after taking possession of such properties (where such right to possession exists), to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage or other debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored; and

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(c) The right of the Association to take such steps as are reasonably necessary to protect the Association Properties against foreclosure; and

(d) The right of the Association, as provided in its Bylaws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations; and

(e) The right of the Association to charge reasonable admission and other fees for the use of the Association Properties; and

(f) The right of the Association at any time to dedicate or transfer all or any part of the Association Properties to any public agency or authority or any charitable, educational or scientific foundation for such purposes and subject to such conditions as may be approved at any regular meeting or duly called special meeting by Members entitled to cast two-thirds (2/3) of the total votes of all members.

(g) The right of the Association to grant such easements and rights of ways to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the privately owned Association Properties; and

(h) The right of FISC to impose reasonable covenants and restrictions in respect to such Association Properties, in addition to those set forth herein, at the time of conveyance of the Association Properties to the Association.

ARTICLE IV

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT.

The Association shall administer, manage and operate the Association Properties, and will incur costs and expenses for the mutual benefit of all lot owners. To provide the funds necessary for the proper operation and management of the Association Properties, the Association is hereby granted the right to make, levy and collect assessments against all lots subject to this Declaration or any supplementary Declaration and against the owners of such lots. In furtherance of said grant of authority, the following provisions shall be binding upon the owners of all lots subject to this Declaration or to any supplemental Declarations, to-wit:

(a) Initial Assessment. The initial annual assessment levied against each single family residential lot shall be \$150.00 per lot per year. The assessment levied against each lot other than a single family residential lot shall be the single family assessment multiplied by the number of votes appurtenant to such other lot. The assessment shall be increased annually by a percentage equal to the annual percentage cost of living increases reflected by the Bureau of Labor Statistics of the U.S. Department of Labor for the 12-month period ending October 31st of the year preceding. The initial assessment for single family lots shall be payable annually in advance. The initial assessment for multifamily and commercial lots shall be payable quarterly in advance, with installments due on or before January 1, April 1, July 1 and October 1. The assessment for 1974 shall be one-quarter (1/4) of the regular initial assessment and shall be payable

in full on or before October 1, 1974. The initial assessment shall remain in effect until such time as the Class B membership shall terminate and cease to exist. The initial assessments shall be utilized for:

- (i) Payment of taxes levied on Association property;
- (ii) Premiums for liability insurance and for hazard insurance on the Association Property;
- (iii) Payment of the salaries of Association employees and taxes, contributions and insurance required by law;
- (iv) The current maintenance, repair and replacement of Association Properties;
- (v) Amortization of mortgages encumbering Association Property; and
- (vi) For such other operating and capital expenses as may reasonably be incurred by the Association.

During the period in which the initial assessment is in effect, FISC shall not pay assessments on those lots which it owns, but in lieu thereof, shall pay to the Association, or on its behalf, such of the above expenses as cannot be paid from assessments actually collected. FISC shall not be entitled to reimbursement from the Association for any expenses paid by FISC except to the extent that such payments were required due to the late payment or non payment of assessments by other owners.

During the period that the initial assessment shall be in effect, no reserves for deferred maintenance or depreciation shall be established or maintained, unless and except to the extent that, assessments actually collected in any calendar year exceed costs and expenses incurred by the Association in such year.

(b) Assessments After the Expiration of the Initial Assessment. After the expiration of the initial assessment period, assessments shall be determined in the following manner:

- (i) The Board of Directors shall establish a budget in advance for the calendar year, and such budget shall project all expenses for the coming year which may be required for the proper operation, management and maintenance of the Association property, including allowances for such contingencies and reserves as the Board of Directors deems necessary. Based on such budget, the Board of Directors shall establish the assessment for each lot for the succeeding calendar year. Notice of any change in the assessment from that of the previous year shall be sent to each lot owner, at such owner's last known address, but the delivery of a copy of said budget shall not affect the liability of any owner for such assessment. A copy of the proposed budget shall be available for inspection by any lot owner or his designated agent at the Association office. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are, or may prove to be, insufficient to pay the cost of operation and management of the Association Property, the Board of Directors shall have authority to levy such additional assessment or assessments as it shall deem to be necessary. Anything hereinabove to the contrary notwithstanding, the first budget after the expiration of the initial assessment period shall be adopted by FISC, and if the initial assessment

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period shall expire at a time other than December 31st, such budget shall be for the balance of that calendar year in which the initial assessment period expires.

(ii) Assessment Computation of Each Lot. Except during the period of initial assessment, as hereinabove defined, the assessment made by Association against each lot and the owners thereof shall be that proportion of the total budget which the acreage in such lot bears to the total acreage to which voting rights are appurtenant.

(c) Separate Property. All monies collected by Association shall be treated as the separate property of the Association, and such monies may be applied to the payment of any expense of operating and managing the Association Properties, or to the proper undertaking of any acts and duties imposed upon the Association by virtue of this Declaration of Restrictions, or the Articles or ByLaws of said Association. As the monies for any assessment are paid to the Association by any lot owner, the same may be commingled with monies paid to the Association by the owners of other lots. Although all funds and other assets of the Association and any increments thereto or profits derived therefrom, or from the leasing or use of common property shall be held for the benefit of the members of the Association, no member shall have the right to assign, hypothecate, pledge, or in any manner transfer his membership interest therein except as an appurtenance to his lot. When the owner of a lot shall cease to be a member of Association by reason of the divestment of his ownership of such lot, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the association, or for any funds which may have been paid to said Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association for use in the continuing operation and management of the Association Properties.

(d) Interest. The payment of any assessment or installment thereof due to Association shall be in default if such assessment or installment thereof is not paid to Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to Association shall bear interest at the rate of 10% per annum until such delinquent assessment or installment thereof and all interest due thereon has been paid in full to Association.

(e) Joint and Several Liability. The owner or owners of any parcel in Fly-in Spruce Creek, Inc. Subdivision, Unit I, shall be personally liable, jointly and severally, to the Association for the payment of:

(i) All assessments, regular or special, which may be levied by the Association against the lot or lots and portions thereof comprising such parcel;

(ii) For interest on such delinquent assessments or installment; and

(iii) For all costs of collecting such assessment or installment thereof, including a reasonable attorney's fee, whether suit be brought or not.

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(f) No Exemption. No owner of a lot may exempt himself from liability for any assessment levied against such owner and his lot by waiver of the use or enjoyment of any of the common property or by abandonment of the lot or in any other manner.

(g) Enforcement. Recognizing that the necessity for providing proper operation and management of the Association Property entails the continuing payment of costs and expenses therefor, which results in benefit to all of the owners of lots, and that the payment of such common expenses by means of the assessments levied and collected by Association is necessary in order to preserve and protect the investment of the owner of each lot, the Association is hereby granted a lien upon each lot, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each lot, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by Association in enforcing the lien. The lien granted to Association may be foreclosed in the same manner as real estate mortgages may be foreclosed in the State of Florida. The lien granted to the Association shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the rate of 10% per annum on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any lot, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to Association and shall acquire such interest in any lot expressly subject to such lien, except as specifically otherwise provided herein.

(h) Lien. The lien herein granted unto Association shall be effective from and after the time of recording in the Public Records of Volusia County, Florida, a claim of lien stating the description of the lot, lots or portions thereof encumbered thereby, the name of the record owner, the amount due and the date when due. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claim of lien shall be signed and verified by an officer or agent of the Association. Upon payment of all sums secured by such claim of lien, the same shall be satisfied of record at the expense of the lot owner. The claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the Association's claim of lien.

(i) Statement of Lien Status. Whenever any lot may be leased, sold or mortgaged by the owner thereof, upon written request by the owner of such lot, the Association shall furnish a statement verifying the status of payment of any assessment due and payable. Such statement may be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and Association shall be bound by such statement.

(j) Delinquent Assessment. In the event that any lot is to be leased or sold at a time when payment of any

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assessment against the owner of said lot due to Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the rent, proceeds of such purchase or lease shall be applied by the lessee or purchaser first to payment of any then delinquent assessment or installation thereof due to Association before the payment of any such proceeds to the owner of any lot who is responsible for payment of such delinquent assets.

(k) Grantee Liability. In any voluntary conveyance of a lot, except a voluntary conveyance in lieu of foreclosure, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor such amounts as grantee may be required to pay.

(l) Exemptions of Mortgagee from Past Due Installments. Any person, firm or corporation acquiring title to any lot by virtue of any foreclosure or judicial sale, shall be liable and obligated only for such assessments as shall accrue and become due and payable for said lot subsequent to the date of the acquisition of such title, and such person, firm or corporation shall acquire such title free and clear of the lien of any delinquent assessment. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

(m) Election of Remedies. Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by Association which will prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure nor shall proceeding by foreclosure to attempt to affect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to the Association.

(n) Notification of Mortgagee of Default in Assessment Payments. If mortgagee gives the Association written notice of the existence of its mortgage, including the book and page where the original mortgage appears in the Public Records of Volusia County, Florida, and requests the Association to notify mortgagee in the event of default in payment of any assessments levied against the mortgaged lot, then and in such event, the Association shall comply with such request, and so notify mortgagee each time the owner of the mortgaged lot is more than thirty (30) days late in payment of any assessment.

ARTICLE V

Protective Covenants - Single Family Residential Areas.

Each single family lot shall be subject to the covenants and restrictions which shall be covenants running with the land until July 1, 1994, to-wit:

1. 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 detached single-family dwelling not to exceed two (2) stories in height, a private garage for not

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SUPPLEMENTARY DECLARATION OF COVENANTS
AND RESTRICTIONS
SPRUCE CREEK SUBDIVISION
AS PER MAP IN MAP BOOK 37, PAGE 9-16.

(All references to recording information herein are to the Public Records of Volusia County, Florida)

1. DEFINITIONS. The following terms when used in this Declaration shall have the meanings set forth below:

A. "Developer" shall mean Thompson Properties, Inc. of Florida, a Florida corporation.

B. "The Property" shall mean all property shown on the above referenced plat of Spruce Creek Subdivision except Lots R36 through R43 inclusive.

C. "Excluded Lots" shall mean Lots R36 through R43, inclusive, as shown on the above referenced plat.

D. "Original Declaration" shall mean the Declaration of Covenants and Restrictions for Fly-In Spruce Creek, Inc. Subdivision, Unit One as recorded in Official Records Book 1739, page 1093, et seq, as amended and supplemented by (a) First Amendment to Declaration of Covenants and Restrictions for Fly-In Spruce Creek, Inc. Subdivision Unit One recorded in Official Records Book 1777, page 1094; (b) Supplementary Declaration of Covenants and Restrictions of Fly-In Spruce Creek, Inc., recorded in Official Records Book 1824, page 1891, et seq; (c) First Amendment to Supplementary Declaration of Covenants - Fly-In Spruce Creek, recorded in Official Records Book 1883, page 1008, et seq; and (d) Second Amendment to Declaration of Covenants and Restrictions for Fly-In Spruce Creek, Inc. Subdivision Unit One in Official Records Book 1116, page 1565.

E. "Association" shall mean Spruce Creek Property Owners Association, Inc., a nonprofit Florida corporation.

2. PREMISES. Whereas concurrently with the recording of this Declaration, Developer, as owner of The Property, is recording the plat of Spruce Creek Subdivision; and

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Whereas, the Excepted Lots are subject to the terms, provisions, easements, covenants and restrictions of the Original Declaration; and

Whereas, pursuant to the Original Declaration, Developer desires to bring The Property within the scheme of the Original Declaration by the filing of this Supplementary Declaration;

NOW, THEREFORE, Thompson Properties, Inc. of Florida hereby subjects The Property to this Supplementary Declaration, and declares that the Lots and cluster-condo tracts which are a part of The Property shall be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Supplementary Declaration and to the covenants, restrictions, easements, agreements, charges and liens hereinafter set forth. Every grantee of any interest in any lot or condominium unit or cluster unit now or hereafter made subject to this Supplementary Declaration, by acceptance of a deed or other conveyance of such interest, whether or not it shall be so expressed in any such deed or other conveyance, whether or not such deed or other conveyance shall be signed by such persons, and whether or not such persons shall otherwise consent in writing, shall take subject to this Supplementary Declaration, and to all the terms and conditions hereof, and shall be deemed to have assented to all of said terms and conditions.

ARTICLE I

Section 1. Membership in Spruce Creek Property

Owners Association Inc. All record owners (other than Developer) of a fee simple interest, a life estate, an estate pur outre vie, or a fee upon condition, in any lot (other than an Excepted Lot) shown on the plat of Spruce Creek shall be Class A members of the Association. Likewise, any record owner of any of the above described estates in any

condominium unit or cluster unit hereafter created on any condominium cluster tract shown on the plat of Spruce Creek shall be a Class A member.

Thompson Properties, Inc. of Florida shall be the sole Class B member.

Section 2. Voting Rights. The respective voting rights of the Class A members and the Class B member shall be as set forth in Article II, Section 2 of the Original Declaration.

There shall be one (1) vote appurtenant to each single family lot and one (1) vote appurtenant to each condominium unit or cluster unit hereafter created on any cluster-condo tract shown on the plat of Spruce Creek.

Section 3. Provisions of Original Declaration Incorporated Herein. The provisions of sections 3 and 4 of Article II of the Original Declaration are incorporated herein by reference.

ARTICLE II

ASSOCIATION PROPERTIES

Section 1. Members' Easements of Enjoyment. Every member of the Association (whether such membership shall be pursuant to the Original Declaration or this Supplementary Declaration) shall have the easements of enjoyment described in Section 1 of Article III of the Original Declaration in the Association properties described therein, and, upon completion of construction and installation, in the following, which shall also be deemed to be "Association Properties", to wit: Spruce Creek Boulevard; Spruce Creek Boulevard East; Fly-In Road North; Slow Roll Lane; Country Club Drive; Taxiway Alfa; Tailspin Trail; Taxiway Bravo, Crosscountry Drive; Taxiway Charlie; Chandell Court; and Taxiway Delta.

Easements of access and normal use of all rights of way, taxiways, and runways are reserved for the use of Developers and all owners, lessees, tenants, guests and business

invitees of Developer and Owners, and for municipal and public utilities and communication companies, such as cable TV suppliers.

Section 2. Provisions of Original Declaration Incorporated Herein. All provisions of Sections 2 and 3 of Article III of the Original Declaration are incorporated herein by reference.

ARTICLE III

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

All terms and provisions of Article IV of the Original Declaration are incorporated herein by reference.

ARTICLE IV

PROTECTIVE COVENANTS - SINGLE-FAMILY RESIDENTIAL LOTS

Each single-family residential lot shall be subject to the covenants and restrictions contained in Sections 1 through 20 and 22 through 25 of Exhibit D1 (recorded in Official Records Book 2096, pages 1598 through 1605 inclusive) to Resolution No. 79-74, an Order Approving Amendments to CDP, recorded in Official Records Book 2096, page 1591, except that there shall be added to Section 7 of said Restrictions the following paragraph, to wit:

"Anything in this Section 7 to the contrary notwithstanding, the height and setback restrictions contained in this Section 7 may be waived by the architectural review committee where such waiver would create or enhance an architectural integrity between several, contiguous lots being developed as a community by one developer."

Said covenants and restrictions shall be covenants running with the land until December 31, 1999.

ARTICLE IV

PROTECTIVE COVENANTS - CLUSTER CONDOMINIUM AREAS

Each cluster-condo tract shall be subject to the covenants and restrictions set forth in Sections 1 through 29

within the tract or tracts which constitute that association's condominium or cluster group except the individual units and except the property and improvements for which the Association is responsible.

In order to assure the orderly development of the Cluster - Condo Tract, each Cluster - Condo Tract on the plat of Fly-In Spruce Creek Unit 2 is hereby declared subject to the following covenants, easements and restrictions, and each subject tract shall be developed, held, used, transferred, sold and conveyed subject to the covenants, easements and restrictions hereinafter set forth, and every grantee of any interest in any tract subject to this Declaration, by acceptance of the deed or other conveyance of such interest, shall be subject to this Declaration and to all terms and conditions hereof.

1. Limitation on Use. No buildings shall be located on any Cluster - Condo Tract other than residential condominiums or residential clusters.

2. Limitation on Height. Such buildings shall be not more than 36 feet in height above the average grade at the foundation wall of such structure.

3. Limitation on Density. The maximum density for any Cluster - Condo Tract shall be five units per acre, and buildings shall contain from one to sixteen dwelling units.

4. Setback Requirements. No portion of any building shall be located closer than twenty-five feet to the perimeter road. No portion of any building shall be located closer than ten feet to any road, common parking area or driveway which is a part of a Cluster - Condo Tract; provided, however, that no setback shall be required for a parking space or spaces which are limited common elements appurtenant to the nearest dwelling unit for that unit's exclusive use.

5. Unit Separations. Cluster or condominium buildings shall be located so that there is a minimum 20 foot separation from all other buildings.

EXHIBIT D-1-A

RESTRICTIONS FOR CLUSTER CONDOMINIUM AREAS

Certain areas on the plat of Spruce Creek Unit 2 are to be developed for condominium or cluster dwellings. These tracts are designated on the plat as tract A, tract B, tract C, tract D, tract E, tract F and tract M, and are hereafter referred to as "Cluster - Condo Tracts." A condominium or cluster group may consist of one or more tracts, and, where necessary or desirable for purposes of administration or maintenance, a condominium or cluster group may be created on a portion of a tract, in which event the perimeter setback shall apply to each portion of the tract.

Each cluster condominium tract shall be improved with several condominium or cluster buildings, with each building containing from one to sixteen dwelling units.

Each owner of a dwelling unit in a condominium or cluster group shall be a member of an association, the membership of which shall be limited to said condominium or cluster group. These associations are hereafter referred to as "Cluster - Condo Associations". Each owner of a dwelling unit shall also be a member of The Red Baron Association (hereafter referred to as the "Association"), the membership of which will include all residents of Spruce Creek Unit 2, and all other Spruce Creek Units hereafter platted.

The Association shall be responsible for the maintenance and upkeep of the private rights-of-way and for the operation, maintenance and upkeep of the drainage system and the water distribution and sewer collection system located on the Cluster - Condo Tract.

Each Cluster - Condo Association shall be responsible for the maintenance and upkeep of all property and improvements

inclusive of Exhibit D1A (recorded in Official Records Book 2096, pages 1506 through 1613 inclusive) to Resolution No. 79-74, an Order Approving Amendments to CDP, as recorded in Official Records Book 2096, page 1591, all of which restrictions and covenants shall be covenants running with the land until December 31, 1999.

IN WITNESS WHEREOF, Thompson Properties, Inc. of Florida has caused these presents to be executed on this 9th day of June, 1980.

Signed, sealed and delivered in the presence of:

John A. Hickey

William B. Hager
As to Thompson Properties, Inc.
of Florida

THOMPSON PROPERTIES, INC. OF FLORIDA

By: Robert H. Elliott
Robert H. Elliott
Vice President

Attest: William B. Hager
William B. Hager
Assistant Secretary

(Corporate Seal)

STATE OF FLORIDA

COUNTY OF SARASOTA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ROBERT H. ELLIOTT and WILLIAM B. HAGER, well known to me to be the Vice President and Assistant Secretary, respectively, of THOMPSON PROPERTIES, INC. OF FLORIDA, and they severally acknowledged executing the foregoing in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 9th day of June, 1980.

William B. Hager
Notary Public
State of Florida at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES MARCH 12, 1984

6. Parking and Traffic. Two parking spaces and/or garages of not less than two hundred square feet each shall be provided for each dwelling unit. Traffic lanes in parking areas shall be not less than twenty-four feet in width.

7. Street Width Requirements. Where two-way traffic is to be permitted on rights-of-way within a Cluster - Condo Tract, such rights-of-way shall be paved to a width of at least twenty feet. Where traffic is limited to one way, the right-of-way may have a minimum paving width of twelve feet.

8. Utilities. All utilities shall be located underground.

9. Minimum Square Footage. All dwelling units shall contain at least 750 square feet of floor area.

10. Architectural Review. No building shall be erected, placed or altered on any Cluster - Condo Tract in this subdivision until the building plans, specifications and plot plans showing the location of such building have been approved in writing as to conformity and harmony of external design and quality of construction with existing structures in the Development, and as to location of buildings with respect to topography and finished ground elevation, by the Developer, its successors or assigns or its designated representative. In the event Thompson Properties, Inc. (the Developer) its successors or assigns, or its designated representative, fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to the Developer, its successors or assigns, or its designated representative; or in any event, if no suit to adjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required, and this covenant will be deemed to have been fully complied with. The Developer, its successors or assigns, or its designated representatives, shall not be entitled to any

compensation for services performed pursuant to this covenant.

The powers and duties of the Developer, its successors or assigns, or its designated representative, shall cease on December 31, 1999.

11. Prohibition Against Temporary Structures. No structure of a temporary nature, trailer, basement, tent or shack shall be erected or maintained on any Cluster - Condo Tract or other property within the scope of these restrictions at any time, except that the Developer or its designees may maintain construction sheds or trailers on the premises during periods of actual construction.

12. Wells and Water Removal. No wells shall be drilled, dug or installed except by the developer, its successors or assigns. There shall be no devices installed or used for removal or extraction of water from any lake, canal, waterway, or pond.

13. Fences. No fences, walls or hedges shall be erected or maintained within ten feet of a golf course perimeter.

14. Waterfront Restrictions. No docks, bulkheads, sea walls, moorings, pilings or other construction shall be erected, placed or kept in or over any lake, canal or waterway located on or adjacent to any Cluster - Condo Tract or on or adjacent to the golf course. No power boats of any kind shall be used or operated on any lake or waterway. Where a Cluster - Condo Tract contains lake, canal, or waterway frontage, the Cluster - Condo Association responsible for maintenance of that tract shall extend the lawn and landscaped areas to the waters edge and shall keep and maintain the bank areas neat and attractive.

15. Antennas. There shall be no exposed radio antennas or masts or towers permitted on any Cluster - Condo Tract. Thirty days from and after the date when connection to a T.V. cable or master T.V. antenna system becomes available, no exposed TV antennas shall be permitted on any Cluster - Condo Tract.

16. Easements. A perpetual easement is reserved to the Developer and its successors and to Fly-in Association and their respective designees over and upon each Cluster - Condo Tract for the installation, construction, maintenance, repair and reconstruction of drainage facilities, utilities, and cable TV or master TV transmission and distribution facilities both for the benefit of the Cluster - Condo Tract and for the benefit of other lots and tracts which the Developer or its successor may hereafter develop.

17. No Obnoxious Uses. No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which shall be, or become, an annoyance or a nuisance to the neighborhood. No commercial activity shall be permitted on any residential Cluster - Condo Tract.

18. Animal Restrictions. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that household pets may be kept thereon in reasonable number if not permitted to run loose, and provided they are not kept, bred, or maintained for any commercial purpose.

19. Visible Parking or Storage. With the exception of bicycles and family-type non-commercial automobiles, no vehicle of any kind shall be parked or stored except inside an enclosed garage. This restriction includes, but is not limited to, golf carts, trucks, motor homes, trailers, boats, racing cars, or commercial equipment. It does not prohibit the parking of commercial vehicles during the performance of construction, repair, or regular performance of service functions of the tradesman or owners operating same, but such parking must be limited to the actual time during which such services are being performed. The developer may approve a designated area for storage of the aforementioned vehicles, provided such area is appropriately fenced and screened.

20. Trash and Containers. No unused building materials, junk, or rubbish shall be left exposed on any Cluster - Condo Tract except during actual building operations and no worn-out or discarded automobiles, trucks, commercial vehicles, trailers, house trailers, machinery, or other vehicles or parts thereof, shall be stored on any Cluster - Condo Tract, and no portion of any tract shall be used for the open storage of junk or waste material. There shall be no open burning of trash. All garbage or trash containers, oil tanks and bottled gas tanks must be underground or placed in walled in areas, and must be hidden from view by a structural wall or fence so that they shall not be visible from the adjoining properties, the street or the golf course. No swimming pool of a non-permanent nature, nor any "above ground" pool may be placed, maintained or kept on any Cluster - Condo Tract.

21. Firearms. There shall be no discharging of firearms on the premises.

22. Air Traffic. The Developer, its successors or assigns, or its designated representative, reserves the right to establish special traffic and safety rules for the handling of aircraft traffic on the ground, the utilization of streets and taxiways by aircraft and other vehicles, the parking of aircraft, engine run-up, and other activities peculiar to the Fly-In Community's needs.

23. Lot Maintenance. Nothing shall be done, and no condition shall be allowed to continue which may be or might become a nuisance. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon the premises herein described and said premises shall at all times be kept mowed and clear of debris and vegetation that may be either a health or fire hazard to the area.

In the event that the owners of any Cluster - Condo Tract shall fail or refuse to keep the premises free of weeds, underbrush or refuse, then the Developer, its successors

without discontinuance thereof, may commence proceedings at law or in equity to prevent him or them from so doing and/or to recover damages for such violation or violations. All costs of such proceeding, including reasonable attorney's fees, shall be borne by the person violating or attempting to violate these restrictions.

29. Invalidity and Paragraph Headings. Invalidity of any one of these covenants by judgment or by court order shall in no way affect any of the other provisions of these covenants, which shall remain in full force and effect. The paragraph headings shown herein are for reference purposes only and are not intended to limit the paragraph in any manner.