

MASTER DECLARATION OF COVENANTS AND RESTRICTIONS
for
HAMMOCK CREEK

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THIS MASTER DECLARATION OF COVENANTS AND RESTRICTIONS, made and executed this 26th day of April, 1995, by PALM TREE GOLF CORP., INC., a Florida corporation (“Developer”);

WITNESSETH:

WHEREAS, the Developer is the owner of that certain parcel of real property located in Martin County, Florida, and legally described in attached Exhibit A;

WHEREAS, the Developer desires to establish a general scheme for development of the Property; and

WHEREAS, the Developer desires to provide for the preservation of the values and amenities in the community and the maintenance and/or administration of the “Common Property” (as hereinafter defined);

NOW, THEREFORE, the Developer hereby declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, reservations, assessments, charges, liens and other provisions hereinafter set forth.

1. Definitions and Effect.

a. Definitions. The following terms shall have the following meaning:

“Additional Property” the property described in paragraph 2b. hereof.

“Approved Builder” a party with whom the developer contracts for the development of a portion of the Project or the construction of Dwellings on at least five (5) Parcels in the Project.

“Architectural Review Board” or “A.R.B.” the permanent committee of the Master Association created for the purpose of establishing and enforcing criteria for the construction, maintenance, repair and replacement of Improvements on the Property.

“Articles of Incorporation” the Articles of Incorporation of the Master Association, filed with the Department of State, Florida, on May 18, 1994, as they may exist from time to time.

“Assessment” those charges made from time to time by the Master Association against a Parcel for the purposes set forth herein. The term “Assessment” shall include general, special and emergency special and individual Assessments, unless the context requires otherwise.

“Board” or “Board of Directors” the Board of Directors of the Master Association.

“Bylaws” the Bylaws of the Master Association as they may exist from time to time.

“Common Expenses” all expenses incurred by the Master Association in conjunction with its obligations set forth herein, including, without limitation, the ownership and maintenance of the Common Property.

“Common Property” all portions of the Property which are intended for the common use and enjoyment of the Owners, however acquired by the Master Association, whether by plat dedication, grant of easement, deed or other transfer, both real and personal, including, without limitation, the Conservation Areas, all Streets, surface water management tracts located on the Property, guardhouses and security equipment, parklands, entrance features, landscaping, walkways and signs.

“Conservation Areas” portions of the Project dedicated by the plat or other recorded instrument for upland or wetland preserve purposes.

“County” Martin County, Florida.

“Developer” Palm Tree Golf Corp., Inc., a Florida corporation, and its successors or designated assign.

“Dwelling” a residence constructed, or to be constructed, on a Parcel, and appurtenances thereto.

“Golf Club Facilities” the eighteen (18) hole golf course and all structures, additions and improvements used or useful with regard to the golf course, including, with limitation, a clubhouse, maintenance buildings and cart paths, situate or to be constructed on the Golf Club Parcel.

“Golf Club Parcel” the real property legally described on the attached Exhibit B, and any other property subsequently acquired by the Golf Club Owner for the purposes of improving same with the Golf Club Facilities.

“Golf Club Owner” Golden Bear International, Inc., a Florida Corporation, its successors or designated assign.

“Improvements” all structures, additions and improvements of any kind, including without limitation, a Dwelling, building, fence, wall, sign, paving, grading, parking and building addition, alteration, screen enclosure, sewer, drain, disposal system, decorative building, landscaping, or landscape device or object, swimming pool, tennis courts, well, sign or rock garden.

“Institutional Mortgage” any bank, bank holding company, trust company or subsidiary thereof, savings and loan association, Federal National Mortgage Association, insurance company, union pension fund, mortgage company approved by the Developer, an

agency of the United States Government, or the Developer, which holds a first mortgage of the public record on any parcel of land, and the holder of any mortgage of public record given or assumed by the Developer, whether a first mortgage or otherwise, and their successors and assigns.

“Master Association” Hammock Creek Master Homeowners Association, Inc., a Florida not for profit corporation, and its successors and assigns.

“Master Declaration” this instrument, and all exhibits hereto, as to the same may be amended from time to time.

“Master Site Plan” the development scheme for the Project approved by the County attached herein as Exhibit C, as the same may be amended from time to time.

“Member” a member of the Master Association, as described in paragraph 3b, hereof.

“Owner” the record owner, whether one or more persons or entities, of the fee simple title to any Parcel.

“Parcel” any tract of land located within the Property which is intended for the use as a site for a dwelling.

“Phase” the portion of the Project described in paragraph 2c. hereof.

“Project” the residential development located on the Property.

“Property” the real property legally described in attached Exhibit A, and any other property subsequently subjected to this Master Declaration pursuant to the provisions hereof.

“Street” any street, highway or other thoroughfare which is constructed at any time within the Project (whether designed as a street, avenue, boulevard, drive, place, court, road, terrace, way, circle, lane, walk or other similar designation) including any curbs, gutters or sidewalks within the right-of-way therefore.

“Sub-Association” the homeowners’ association for a Phase described in paragraph 2c. hereof.

“Supplemental Declaration” the instrument described in paragraph 2b. hereof.

“Traffic Regulations” the speed limits and other regulations which may be promulgated from time to time by the Master Association for use of the Streets.

b. Effect of Definitions. The definitions provided in this paragraph 1. Shall apply throughout this Master Declaration, all exhibits hereto and all amendments thereof, as the context may require.

2. Property Subject to this Master Declaration; Development Scheme.

a. Property. The Property and the Golf Course Parcel are hereby subjected to this Master Declaration.

b. Additional Property. The Developer may, at any time and from time to time, subject additional property (the “Additional Property”) to this Master Declaration by recording in the Public Records of the County an amendment to this Master Declaration (a “Supplemental Declaration”) describing such Additional Property, even though by such action the Developer would increase the intensity of use of the Common Property. The additional property, may include, but shall not be limited to, portions of the land described in attached Exhibit D. Such amendments may be made the Developer in its sole and absolute discretion and without the joinder or consent of the Master Association, other owners or mortgagees of any portion of the Project, or any other person or entity. Nothing contained herein shall obligate the Developer to subject additional property to this Master Declaration. Additional property shall not be subject to this Master Declaration unless and until a Supplemental Declaration shall have been recorded in the Public Records of the County.

c. Development Scheme.

1. The Developer intends to develop the Project in multi-parcel sections or phases (“Phase(s)”). Each Phase will have its own property owners association (a “Sub-Association”). Each Sub-Association will be created by the time the supplemental declaration is recorded in the Public Records of the County creating such Phase. Each Supplemental Declaration may contain additional covenants and restrictions relative to such Phase which are not inconsistent with the terms of this Master Declaration. The Developer may license or otherwise transfer to an Approved Builder any of its rights hereunder, including, without limitation, the right to transact any business necessary to consummate sales of property in the Project.

2. The Master Site Plan reflects the Developer’s current intentions for the Project. The Developer hereby notifies all persons and entities that it reserves the right to make from time to time such revisions to the Master Site Plan as it should deem appropriate in its sole and absolute discretion. The Developer does not intend by this Master Declaration or otherwise to restrict in any way its right to seek revisions to the Master Site Plan. Further, the Developer has the sole and absolute discretion to determine Common Property design, construction procedures, materials and amenities, such as paving surfaces, landscaping and lighting.

3. Master Association

a. Formation. The Master Association is a Florida not-for-profit corporation charged with the duties and empowered with the rights set forth in this Master Declaration, the Articles of Incorporation and the Bylaws.

b. Membership. The Master Association shall have three (3) classes of membership: (i) the "Class A Membership", which consists solely of the Developer; (ii) the "Class B Membership", which consists of each person or entity who acquires the fee simple record of title to any Parcel; and (iii) the "Class C Membership" which consists solely of the Golf Club Owner. The Class A Membership shall continue until such time as the Developer no longer has the right to control the affairs of the Master Association, as set forth in paragraph 3d. hereof. The Class B Membership is appurtenant to the ownership of a Parcel; it is not separable from the ownership of a Parcel and is deemed to have been transferred to such transferee with a voluntary or involuntary conveyance of the Parcel, whether or not expressly referred to in the instrument affecting the conveyance. The Class C Membership is appurtenant to the ownership of the Golf Course Parcel: it is not separable from the ownership of the Golf Course Parcel and is deemed to have been transferred to such transferee with a voluntary or involuntary conveyance of the Golf Course Parcel, whether or not expressly referred to in the instrument affecting such conveyance.

c. Administration. The affairs of the Master Association shall be administered by the Board of Directors in accordance with the Master Declaration, the Articles of Incorporation and the Bylaws.

d. Control. The Developer shall have the right to appoint all members of the Board of Directors and to approve the appointment of all officers of the Master Association until the Developer owns no parcels and has no right to purchase any of the Additional Property and no Approved Builder owns any Parcels. The Developer may relinquish this right in writing earlier at any time in its sole discretion.

4. Common Property

a. Title. Title to the Common Property shall remain vested in the Developer until it has relinquished control of the Master Association, as set forth in paragraph 3d. hereof, at which time it shall convey to the Master Association and the Sub-Association(s) all of its right, title and interest in the Common Property. Notwithstanding the foregoing, the Developer may transfer to such Associations all or any portion of the Common Property prior to the time it has relinquished control of the Master Association. No such conveyance shall require the consent of or acceptance by the Associations.

b. Maintenance and Operations.

1. The Master Association shall be responsible for the maintenance, repair, operation, management and restoration of the Common Property, and for the payment of all property taxes and other assessments thereon.

2. The Master Association shall regulate the use of the Common Property by Members and Owners and may from time to time promulgate such rules and regulations consistent with this Master Declaration as it may deem to be in the best interest of its Members. A copy of all rules and regulations established by the Master Association shall be made available to all Members at the office of the Master Association.

3. The Master Association shall have the power to promulgate and post Traffic Regulations. The Master Association shall also have the power to establish enforcement mechanisms for violation of the Traffic Regulations, including, without limitation, the assessment of fines which shall be collected pursuant to paragraph 6 of the Master Declaration, the removal of vehicles from the Property, and the suspension of an Owner's rights and easements of enjoyment provided herein.

4. The Developer shall have the right, in its sole and absolute discretion and until it shall have transferred control of the Master Association as set forth in Paragraph 3d. hereof, to assign to the Master Association additional duties pertaining to all portions of the Property by filing of record in the County an amendment to this Master Declaration authorizing the Master Association to perform such other duties or services, including, but not limited to, those pertaining to utilities, maintenance, insurance, security, litter removal, weed control, dry and liquid fertilization, shrub and tree care, and such other duties or services as may be incidental to the ownership or use of Parcels and/or Dwellings. The cost of any such additional duties or services shall be assessed against each Parcel Owner as determined by the Master Association.

5. The Developer or any of its affiliates may be the management agent for the Master Association or any Sub-Association with such power and authority as may be delegated to it by such Association. No such management agreement shall be held invalid solely for the reason that at the time of entering into such management agreement, the employees, officers or agents of the Developer or its affiliate(s) are also officers, directors and/or employees of such Master Association.

6. The expense of any maintenance, repair or restoration of any portion of the Common Property necessitated by the negligent or willful of an owner, or his lessees, invitees, licensees, family or guests, shall be borne solely by such Owner, and his Parcel shall be subject to an Individual Assessment for such expense.

c. Conservation Areas and Surface Water Management Tracts. The Common Property includes Conservation Areas and parcels for surface water management, such as lakes and drainage easements. The Master Association shall be responsible for monitoring and maintaining, repairing and restoring all Common Property, including the Conservation Areas as outlined in the Preserve Area Management Plan with Martin County. There are preservation requirements with regard to the Conservation Area adjacent to residential lots.

d. Sub-Associations. Notwithstanding the forgoing, a Sub-Association shall assume all or any of the rights and obligations of the Master Association with regard to the Common Property in the Phase for which it was formed, and the Master Association shall hereby

be relieved from any obligation with regard to such rights and duties, if and when the Master Association should determine to transfer same. This will be provided in an amendment to the Master Declaration, which may be the Supplemental Declaration subjecting such Phase to the terms of this Master Declaration. For example, a Sub-Association may assume the responsibility of maintaining the Streets within its Phase. However, the Master Association shall remain responsible for the Conservation Areas. Each Sub-Association is to make adequate plans to be prepared for such responsibilities, including, without limitation, budgeting for reserves for replacement as well as for periodic maintenance.

5. Easements.

a. Grants and Reservations. Subject to the terms of this Master Declaration, the following easements are hereby granted or reserved as the case may be, in, over, under and upon the Property:

1. A non-exclusive easement is hereby granted in and to the Common Property and the Parcels in favor of the Master Association and Sub-Associations and their employees and agents to permit them to carry out their duties, including, without limitation, easements of access over the Parcels to permit the Master Association to monitor, repair and restore the Conservation Areas.

2. A non-exclusive easement is hereby granted for pedestrian and vehicular traffic upon all Streets in favor of the owners, their families, guests, lessees and invitees; and a non-exclusive easement of enjoyment is hereby granted in and to the Common Property in favor of the Owners, their families, guests, lessees and invitees; and these easements shall be appurtenant to, and shall pass with, the title to each Parcel.

3. A non-exclusive easement is hereby granted upon all Streets in favor of each Institutional Mortgagee for the purpose of access to the Parcel subject to its mortgage.

4. A non-exclusive easement is hereby reserved over, under and upon the Common Property (including, the Streets) by the Developer and the Approved Builders and their agents, employees, licensees and invitees, for all purposes.

5. The exclusive right is hereby reserved by the Developer with regard to Common Property owned by it, and with the conveyance by the Developer to the Master Association of any such Common Property such right shall be deemed to have been transferred to the Master Association, to grant non-exclusive easements over, under, and upon the Common Property for the provision of utility services to the Property, including, without limitation, potable water, sanitary sewer, power, telephone, cable television and cable radio. However, the establishment of any specific easement as aforesaid shall be in the sole and absolute discretion of the Developer until it has transferred its control of the Master Association as set forth in Paragraph 3d. hereof.

6. A non-exclusive easement is hereby granted over and upon the Property (including the Streets) in favor of the Golf Club Owner and its officers, agents, members and invitees to permit the doing of every act which is usual, common, necessary and incident to the

ownership, maintenance, repair, restoration, use and enjoyment of the Golf Club Facilities. These acts shall include, but not limited to, the recovery of golf balls from Parcels, the flight of golf balls over and upon the Parcels, the creation of the usual and common noises associated with playing the game of golf, the creation of the usual and common noises associated with the maintaining the Golf Club Facilities, the driving of machinery and equipment used in connection with the maintaining the Golf Club Facilities over and upon the Streets, the Common Property and the Golf Club Facilities and ingress and egress over, across and through the Streets to and from the Golf Club Facilities. Such noises may occur on or off the Golf Club Facilities, throughout the day from early morning until late evening.

7. A non-exclusive easement is hereby granted over, under and upon the Common Property within areas designated therefore in favor of the Golf Club Owners for replacement, use and maintenance of pipes, wires, conduits and other facilities for the transmission of potable water, storm water, drainage, irrigation, sewer, electricity, gas, telephone, cable television signals and other similar "Utilities".

8. A non-exclusive easement is hereby reserved over, under and upon the Golf Club Parcel by the Developer and the Approved Builders for access to and/or the development of the Property; provided, however, such use shall not adversely affect the Golf Club Owner's ability to own, operate and/or maintain the Golf Club Facilities; and provided, further, the person who exercises such right shall indemnify and hold the Golf Club Owner harmless from and against any damage caused to the Golf Club Facilities and any other losses directly arising in connection with such use.

b. Conservation Areas. The Conservation Areas are hereby dedicated as Common Property. They shall be the perpetual responsibility of the Master Association and may in no way be altered from their natural state. Activities prohibited within the Conservation Areas shall include, but are not limited to, construction or placing of buildings on or above the ground; dumping or placing soil or other substances such as trash; removal or destruction of trees, shrubs or other vegetation - with the exception of exotic/nuisance vegetation removal; and any other activities detrimental to drainage, flood control, water conservation, erosion control or fish and wildlife habitat conservation or preservation

c. Additional Easements. The Developer and the Master Association shall also have the right to grant such additional easements or to relocate existing easements throughout the Property as the Developer or the Master Association may deem necessary or desirable for the proper operation and maintenance of the Property, or any portion thereof; provided, such additional easements or relocation of existing easements may not prevent or unreasonably interfere with the Owners' use or enjoyment of the Property or directly and adversely affect the Golf Club Parcel; and provided, further, no such additional easements or relocation of existing easements may be made without the consent of the Developer, until the Developer shall have transferred control of the Master Association pursuant to paragraph 3d. hereof.

d. Limitations. The right and easements created hereby shall be subject to the following:

1. The right, which is hereby reserved or granted, of the Developer and the Master Association to borrow money for the purpose of improving the Common Property and, in connection therewith, to mortgage the Common Property.

2. The right, which is hereby reserved or granted, of the Developer and the Master Association to take such steps as are reasonably necessary to protect the Common Property.

3. The right, which is hereby reserved or granted, of the Master Association to suspend the enjoyment rights and easements of any Owner for a period during which an Assessment remains unpaid by that Owner.

4. The right, which is hereby reserved or granted, of the Developer and the Master Association to dedicate or transfer all, or any part, of the Common Property to any governmental or quasi-governmental agency, authority, utility, water management or water control district.

5. Covenants, restrictions, reservations and other terms and provisions in any plat(s), which have been or may hereafter be recorded by the Developer in the Public Records of the County, which right the Developer hereby reserves.

6. All of the provisions of this Master Declaration, the Articles of Incorporation and Bylaws, and all exhibits thereto, and all the rules and regulations adopted by the Master Association and Traffic Regulations, as same may be amended from time to time.

7. In the event of any emergency originating in, or threatening any Parcel, regardless of whether the Owner is present at the time of such emergency, the right which is hereby granted, of the Master Association, any person authorized by the Master Association or the Management entity under a management agreement, to enter such Parcel and the Improvements located thereon for the purpose of remedying or abating, the cause of such emergency, and such right of entry shall be immediate.

8. The right, which is hereby reserved, of the Developer to develop the Property and sell Parcels. As a material condition for ownership of a Parcel, each Owner, by accepting a deed to a Parcel from the Developer or an Approved Builder, releases the Developer and such Approved Builder from any claim for interference with the quiet enjoyment of his Parcel or Common Property due to the development of the Property, whether or not the construction operations are performed on the Common Property or the Parcels.

9. For so long as the Developer owns any Parcels or has the right to purchase any additional Property or an Approved Builder owns any Parcels, the Developer's right, which is hereby reserved, to transact any business necessary to consummate sales of a property throughout the Project, including, but not limited to, the right to maintain office(s) on the Property in location(s) to be selected by the Developer; to construct and maintain structures or appurtenances which are necessary or desirable for the development and sales of property throughout the Project, such as sales models and parking lots; to post and display a sign or signs

on any Parcels owned by the Developer or on the Common Property; and to use the Common Property to help effect such sales. Sales office signs and all other structures and appurtenances pertaining to the sale or development of property within the Project shall not be considered Common Property, shall remain the property of the Developer until transferred to the Master Association or a Sub-Association when the Developer determines it has no further use for same. An Approved Builder shall have the same or similar rights as those possessed by the Developer and expressed in this subparagraph (9) to the extent assigned to such Approved Builder and expressed in a Supplemental Declaration or contract or license agreement between the Developer and such Approved Builder.

10. Neither the Master Association, Developer nor any Approved Builder shall have any responsibility or liability to any Owner because of any matter which may arise through the use of the Golf Club Facilities, including any claim or objection to or by reason of noise, negligence of any party using the Golf Club Facilities or any part of the Common Property or because of any damage caused to an Owner, his family, guests, licensees, invitees, employees, agents or the Owner's Parcel or Dwelling from the flight of errant golf balls or from any person recovering golf balls from Parcels. By acceptance of a deed to a Parcel from the Developer or an Approved Builder, an Owner (i) waives any claims or causes of action which he, his family, guest, licensees, invitees, employees or agents may have against the Master Association, Developer and such Approved Builder arising out of such personal injury or property damage and (ii) acknowledges that he knows and appreciates the nature of all risks, both apparent and latent, associated with living in a golf course community and expressly assumes the risk of personal injury or property damage that may occur in connection with such risks.

6. Assessments and Fines.

a. Authority of Master Association. The Master Association, through its Board of Directors, shall have the power and authority to make and collect Assessments as hereinafter set forth. The Parcels and the Golf Club Parcel and their owners will be subject to levy for Assessments and fines.

b. General Assessments.

1. The Master Association shall levy and collect general Assessments for the purpose of paying all costs incurred by the Master Association in performing its duties. Without limiting the foregoing, general Assessments shall be used for payment of: operation, maintenance and management of the Master Association and the Common Property; property taxes and assessments; insurance; legal and accounting fees; maintenance of the Streets; management fees; security costs; normal repairs and replacements; charges for utilities; expenses and liabilities incurred by the Master Association in the enforcement of its rights and duties against the Members or others; maintenance of vacant property; the creation of reasonable reserves; and all other expenses deemed by the Board of Directors to be necessary and proper for the performance of its management, maintenance, repair, operation and enforcement duties.

2. The Master Association shall annually estimate the Common Expenses it expects to incur and in the period of time involved therein and shall assess its Members sufficient monies to meet this estimate. The amount of the general Assessment may be adjusted

periodically as deemed necessary by the Master Association. General Assessments shall be payable quarterly, in advance, on the first day of each Calendar quarter. General Assessments shall be assessed as follows: Each Parcel shall pay that portion of the entire obligation which is equivalent to a fraction, the numerator of which is one (1) and the denominator of which is the sum of all Parcels subject to the general assessment plus twenty-five (25). The Golf Club Parcel shall be assessed that portion of the entire obligation which is a fraction, the numerator of which is twenty-five (25) and the denominator of which is the sum of all Parcels subject to the general Assessment plus twenty-five (25).

c. Special Assessments. The Master Association may levy and collect a special Assessment for payment of the following: the acquisition of property by the Master Association; the cost of construction of capital improvements, reconstruction, unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related to the Improvements; unbudgeted or unanticipated Common Expenses; and the expense of indemnification of each director, officer, employee and agent of the Master Association. Special Assessments shall be assessed against the Parcels and the Golf Club Parcel in the same manner as general Assessments and shall be collectible in such manner as the Master Association shall determine.

d. Emergency Special Assessments. The Master Association may levy and collect an emergency special Assessment when, in the sole determination of the Board of Directors, there is potential danger of damage to persons or property. Emergency Special Assessments may be utilized to pay for preventative, protective or remedial construction, reconstruction, improvements, repairs or replacements. Events justifying emergency Special Assessments include, but are not limited to, hurricanes, floods, freeze and fires. Emergency Special Assessments shall be assessed against the Parcels and the Golf Club Parcel in the same manner as general Assessments and shall be collectible in such manner as the Master Association shall determine.

e. Individual Assessments. The Master Association may levy and collect an individual Assessment against a particular Parcel or the Golf Club Parcel for the cost of maintenance, repairs or replacements within or without such Parcel (including the Common Property) which the owner thereof has failed or refused to perform as required herein or which are necessary by reason of the negligent or willful acts of such owner, or his lessee, invitee, licensee, family or guest. The individual Assessment may include an administrative fee charged by the Master Association in an amount to be determined by the Board of Directors in its discretion. Individual Assessments shall be collectible in such manner as the Master Association shall determine.

f. Fines. The Master Association may levy and collect reasonable fines for violations of the provisions contained in this Master Declaration, the Articles of Incorporation, the Bylaws, the Traffic Regulations and Rules and Regulations promulgated from time to time. Owners who violate any of the foregoing shall be entitled to notice and a hearing before the Board of Directors prior to the imposition of any fine. Fines are individual Assessments and shall be collectable as such.

g. Non-Payment. All notices of Assessments or fines from the Master Association to the Members shall designate when the Assessment or fine is due and payable. If an Assessment or fine is not paid on the date when due, it shall become delinquent and shall bear interest at the maximum rate allowed by Florida laws, from the date when due until paid. An assessment or fine is a personal obligation of the owner of the Parcel or Golf Club Parcel assessed. The Master Association may also record a claim of lien in the Public Records of the County in such form as it should deem advisable. The Master Association may bring an action to collect such Assessment or fine, including, without limitation, as action to foreclose the lien in the manner in which mortgages on real property are foreclosed. There shall be added to the amount of the Assessment or fine all the Master Association's costs of collection, whether or not it brings legal action, including attorneys' fees at trial and upon appeal. Any successor in title to a Parcel or the Golf Club Parcel shall be held to have constructive notice of the records of the Master Association to determine the existence of any delinquency in the payment of Assessments or fines.

h. Subordination of Lien to Mortgages. Regardless of the effective date of the lien of any Assessment or fine, such lien shall be superior to all liens, including homestead rights, but shall be subordinate and inferior to the lien of the mortgage of any Institutional Mortgagee. Such subordination shall, however, apply only to Assessments or fines which have become due and payable prior to a final sale or transfer of the mortgaged property pursuant to a decree of foreclosure, or in any other proceeding or conveyance in lieu of foreclosure of the mortgage. The written opinion of the Master Association that the lien for Assessments or fines is subordinate to a mortgage lien shall be dispositive of any question of subordination. No sale or other transfer shall relieve any property from liability for any Assessment or fine becoming due thereafter, nor from the lien of any such subsequent Assessment or fine; provided, however, that the successor in title shall not be personally liable for such delinquent Assessment or fine, unless such successor assumes such obligation. Any delinquent Assessments or fines which are extinguished pursuant to a sale or transfer in connection with the foreclosure of a mortgage, or any proceeding or deed in lieu of foreclosure, shall be reallocated and assessed to all Members in the same manner as general Assessments are assessed.

i. Exemptions. The following shall be permanently exempt from the payment of all Assessments:

- (i) All property dedicated to, or owned by, the Master Association;
- (ii) Any portion of the Property dedicated to the County; and
- (iii) The Developer and any portion of the Property owned by the Developer (unless specified by the Developer in writing with the Master Association).

j. Capital Contribution. In addition to all of the foregoing Assessments, each person who acquires a Parcel from the Developer shall pay to the Master Association upon closing the purchase of his Parcel a sum equal to two (2) months' general Assessments against the Parcel, as an initial contribution to the working capital of the Master Association. This initial contribution shall not relieve an Owner of the Owner's responsibility to pay all quarterly installments of the general Assessments assessed against the Owner's Parcel, as well as all other

Assessments. This contribution shall not be refundable for any reason. An Approved Builder may be exempt from the obligation to pay this capital contribution if the Developer should determine to do so in its sole and absolute discretion. The Golf Club Owner is not obligated to pay this initial capital contribution.

7. Protective Covenants

a. Residential Use. Each Parcel shall be occupied and used only as a single family residence, except that the Developer and any builder authorized by the Developer in its sole and absolute discretion shall have the right to construct and to use and occupy any Improvement on a Parcel for offices, sales offices, model units and samples.

b. Pets. Owners may keep as pets tropical fish and no more than two (2) dogs weighing collectively no more than one hundred ten (110) pounds, two (2) cats and four (4) tropical birds, all other pets being strictly prohibited, provided that no such pets are kept, bred or maintained for any commercial purpose. All pets shall be restrained and/or kept on a leash under the control of a responsible person at all times when the pet is outside of a Dwelling. At no time shall a pet be allowed to enter upon the Golf Club Facilities or any Parcel other than the Parcel on which the pet is kept. The pet owner shall be responsible at all times for cleaning up and removing all excrement after a pet relieves itself while on the Property and for appropriately disposing of said excrement using the sanitary containers on said Owner's Parcel. The Master Association shall have the right to order removal of any pet which is considered a nuisance, in the Master Association's sole discretion. In such event, the Master Association shall give written notice thereof to the pet owner, and the pet shall immediately thereafter be permanently removed from the Property.

c. Boats. Except as needed for authorized maintenance and control of the lakes and waterways by the Developer or the Master Association and for retrieval of golf balls, no boat or water craft of any kind shall be kept or used upon any lake or waterway within the Property.

d. Recreational and Commercial Vehicles. No boats, trailers, habitable motor vehicles of any kind, motor homes, golf carts, motorcycles, pickup trucks or recreational or commercial vehicles of any type shall be kept, placed or stored upon any Parcel for any reason (unless within an improvement which totally removes it from the public view). Notwithstanding the foregoing, service and delivery vehicles may park on a Parcel during regular business hours, as needed to provide services or deliveries to the Parcel. No vehicles of any kind shall be parked overnight on any street. In the event of a dispute concerning the type of vehicle, the manufacturer's classification of the vehicle shall control. The Master Association shall have the right to authorize the towing of any vehicle in violation of this provision, and to collect the costs thereof from the Owner who caused or permitted such violation on his Parcel, as an individual Assessment.

e. Temporary Structures. No structure or object of a temporary character such as, but not limited to, trailers, vans, tents, shacks, sheds or accessory buildings or structures, shall be erected, kept or maintained on a Parcel. This restriction shall not apply to temporary structures used by the Developer or an Approved Builder for Development, construction or sale of property in the Project.

f. Drilling and Mining. No drilling, refining, quarrying or mining operations for oil, gas, or other minerals shall be caused at or performed on any Parcel.

g. Nuisances. No Owner shall commit or permit any nuisance or any immoral or illegal activity in or about the Property. No Owner shall knowingly or willfully make or create any unnecessary, excessive or offensive noise or disturbance (including odors) which destroys the peace, quite or comfort of ant other Owner, or allow any such noise or disturbance (including odors) to be made on his Parcel.

h. Antennae. No radio, television or other electronic antennas, tower, aerial, or other reception or transmission device may be erected or maintained on any Parcel, except entirely within an Improvement so as to be removed from public view, unless installed by the Developer or the Master Association. Notwithstanding the foregoing, the use of satellite dishes is permitted with the express written approval of the A.R.B. upon such conditions as may be imposed from time to time by the A.R.B. in its sole discretion.

i. Signs. Except in connection with the development or sales of property throughout the project by the Developer or any Approved Builder, or with the erection of signs by the Master Association or Sub-Association, no signs, advertisements or notices of any kind, including, without limitation, "For Sale" or "For Rent" signs, shall be displayed to the public view on any Parcel or on the Common Property, without prior written approval of the Master Association.

j. Maintenance of Parcels. Each Owner shall maintain his Parcel and the Improvements thereon in a clean and sanitary condition and shall permit no rubbish, refuse or garbage to accumulate or any fire hazard to exist. Each Owner (other than the Developer) shall also maintain the Common Property immediately abutting his Parcel and to the edge of the nearby Street or water body, which duty shall include, without limitation, the provision of irrigation water, replacement of sod and the repair and restoration of walkways. An Owner may not plant or construct Improvements in any easement, right-of-way or in the Common Property. In the event an Owner fails to maintain his Parcel as aforesaid, for a period of at least thirty (30) days, the Master Association shall have the right to exercise in its sole discretion, to clear any unsightly debris and/or refuse from any Parcel deemed by the Master Association to be a health menace, fire hazard or a detraction from the aesthetic appearance of the Project; provided, however, that at least (15) days prior notice shall be given by the Master Association to the Owner of such Parcel before such work is done by the Master Association. In the event the Master Association, after such notice, causes such work to be done, the costs of such work, together with interest thereon at the rate of eighteen (18%) percent or at the maximum rate permitted by the usury laws of the State of Florida, whichever is greater, shall be charged to the Owner and shall become a lien on the subject Parcel, which lien shall be effective, have priority and be enforced pursuant to the procedures set forth in Article 6 of the Master Declaration.

k. Refuse Containers and Storage Tanks. No Parcel shall be used or maintained as a dumping ground for rubbish, Trash, garbage and other waste shall be kept in sanitary refuse containers, which shall be located in a walled, fenced or landscaped areas so that

such containers are not visible from any Street or adjoining property. Trash, refuse or waste materials shall not be burned on any Parcel. No Owner may keep or maintain any oil tanks or bottled gas tanks (with the exception of bottled gas used to fuel barbeque grills) on his Parcel. Refuse containers shall be removed from the Street or in front of a Parcel within (12) hours after pick up.

l. Wheeled Vehicles. No bicycles, tricycles, scooters, baby carriages, skateboards or other similar vehicles or toys shall be allowed to stand on Common Property. The sidewalks, walkways and Streets shall not be obstructed or used for any purpose other than for ingress to and egress from the Parcels and the Common Property.

m. Air Conditioners. All air conditioner compressors shall be screened from view from the Street and any adjacent property and shall be insulated by landscaping, a fence or wall to minimize the transmittal of noise. All window and wall air conditioning units are also prohibited unless used in a Phase by an Approved Builder for a specific house model specifically approved by the A.R.B.

n. Laundry. No portion of a Parcel shall be used for the drying or hanging of laundry, unless such laundry is not visible from the Street or adjacent property.

o. Underground Utilities. All secondary electrical conduits and hook-ups shall be kept underground. No above ground wires of any kind shall be permitted.

p. Common Property. No one other than the Master Association shall have the right to perform any maintenance, repairs or alteration of the Common Property, or the Improvements located thereon or to construct any Improvements of any type or nature whatsoever on Common Property. Each Owner shall be responsible for any damage to the Common Property or the Improvements located thereon caused by such Owner, his family, lessees and invitees. The cost of such damage shall be levied against such Owner and his Parcel as an individual Assessment.

q. Architectural Guidelines. Each Owner shall comply with all guidelines for construction and landscaping which are adopted by the A.R.B. at the time of original placement or later when reconstruction, alteration or repair is to be performed.

8. Golf Club Parcel

a. Use. Use of the Golf Club Facilities shall be totally and solely at the risk of those individuals using such facilities. The Golf Club Owner has the sole and exclusive right to determine all matters relative to the management, control and operation of the Golf Club Facilities, and by accepting title to a Parcel, each Owner shall be deemed to have disclaimed any interest in such matters. Except in conjunction with their permitted use of the Golf Club Facilities, the Owners shall have no right to use the Golf Club Facilities or enter upon any portion of the Golf Club Parcel or use same for any purpose, whether for walking, running, vehicular use or any other purpose.

b. Limitations and Restrictions.

(1) The mortgagee of the Golf Club Parcel shall not be responsible for any obligations of the Golf Club Owner unless and until it has acquired fee title thereto.

(2) The Golf Club Parcel shall be used only as a golf course and related operations and may not be subdivided or used for any other use.

(3) No drilling, refining, quarrying or mining operations for oil, gas or other minerals shall be caused at or performed on the Golf Club Parcel.

(4) The Golf Course Owner shall not commit or permit any nuisances or any immoral or illegal activity in or about the Golf Course Parcel.

9. Architectural and Landscape Controls

a. Architectural Review Board. The Developer intends to create a residential community through a phased development scheme. The Phases may have different construction styles or themes. The Developer intends for each Phase to have harmonious Improvements. Accordingly, the Master Association has established the A.R.B. The A.R.B. shall consist of not less than three (3) and not more than seven (7) individuals, none of which need be a Member but all of whom shall serve at the pleasure of the Board of Directors.

b. Design Review and Approval. No Improvement shall be commenced, erected, installed planned, maintained or replaced upon any Parcel nor shall any addition to or alteration thereof be made until the plans, specifications, site plans and location of the same shall have been submitted to and approved in writing by the A.R.B. The A.R.B. will consider all material factors, including without limitation, harmony of external design, elevation, landscaping, height, floor plan, location in relation to surrounding structures, topography and color(s). The A.R.B.'s approval or disapproval shall be dispositive and final. The Owner shall pay to the A.R.B. at the time of each submittal for approval a review fee in accordance with the fee schedule approved by the Master Association. Approvals in no manner certify the adequacy of the health, safety or welfare of the residents or compliance of any work with laws or ordinances. In connection with all review, the A.R.B. Shall not be liable to an Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other person and arising out of or in any way relating to the subject matter thereof.

c. Non Approved Work. In the event any Improvement or any addition to or alteration thereof is constructed or placed upon a Parcel without the prior written approval of the A.R.B., the A.R.B. shall have the right to demand that such Improvement, addition or alteration be removed and the Parcel be restored to its original condition at the sole cost and expense of the Owner responsible. If such owner fails to remove such Improvement, addition or alteration and restore the Parcel to its original condition within twenty (20) days after the giving of written notice by the A.R.B. demanding such removal and restoration, the Master Association may, at its option, in addition to any other rights and remedies available to it, cause such Improvements, addition or alteration to be removed and the Parcel restored at the sole cost, expense and risk of such Owner. The Master Association, its contractors, agents and employers, shall have the right to enter upon the Parcel at all reasonable times for the purpose of performing such removal and restoration. If such Owner fails to pay the costs and expenses of such removal

and restoration within twenty (20) days after written demand therefore, the Master Association may assess such Owner and his Parcel for the amount of such costs and expenses.

d. Developer Exempt. Notwithstanding anything contained herein to the contrary, any Improvements of any nature made or to be made by the Developer shall not be subject to the review of the A.R.B.

10. Amendments

a. Procedure. This Master Declaration may be amended or terminated upon the recordation of an appropriate instrument in the Public Records of the County, subject, however, to the following provisions:

1. The Developer has reserved the absolute and unconditional right to amend this Master Declaration as specifically set forth in certain provisions of the of the Master Declaration including without limitation paragraph 2b., 2c(2) and 4b(4).

2. Until the Developer owns no parcel and has no right to purchase any of the Additional Property and no approved Builder owns any Parcel, the Developer specifically reserves the unilateral, absolute and unconditional right to amend or terminate this Master Declaration. The Owners, Master Association, Members, Institutional Mortgagees, Golf Club Owner and all individuals or entities hereby waive any right to consent to such changes.

3. Once the Developer has no further right to amend or terminate this Master Declaration, this Master Declaration may be amended or terminated by an amendment duly adopted by the affirmative vote of a majority of the voting interests of the Members. Until such time, the Master Association may not affect any amendment or termination of this Master Declaration without the consent of the Developer, which it may give or withhold in its sole and absolute discretion.

b. Golf Club Owner. Notwithstanding other provisions of this Master Declaration, this Master Declaration may not be amended in a manner which directly and adversely affects the Golf Club Parcel without the written consent of the Golf Club Owner. which consent the Golf Club Owner will not unreasonably withhold or delay. An example of such an amendment would be restricting the non-exclusive easement enjoyed by the Golf Club Owner and its officers, agents, members and invitees over the Streets for the purpose of gaining access to the Gold Club Facilities. No other amendment shall require the consent of the Golf Club Owner. For example, amending any of the provisions set forth in paragraph 7 hereof, other than set forth in sub-paragraph s., would not be amendments which directly and adversely affect the Golf Club Parcel.

c. Institutional Mortgagees. No amendment or termination of this Master Declaration may impair the validity or priority of a first mortgage held by an Institutional Mortgagee encumbering a Parcel or the rights granted herein to Institutional Mortgagees without the written consent of such Institutional Mortgagee, which consent shall be executed with the formalities required for deeds and recorded with the amendment or termination. No other amendment shall require the consent of any mortgagee or lien holder.

d. Surface Water Management System. No amendment or termination of this Declaration which would affect in any material respect the surface water management system or any of the Conservation Areas shall be effective unless the South Florida Management District shall have provided its consent thereto, as evidenced by its limited joiner therein.

11. Provision for County

a. Master Association. The Master Association shall not be dissolved nor shall it dispose of any Common Property, by sale or otherwise (except to an organization conceived and organized to own and maintain the Common Property), without first receiving approval from the Martin County Board of Commissioners. The Board, as a condition precedent to the dissolution or disposal of Common Property, may require dedication of common open areas or utilities to the public as deemed necessary.

b. County's Right of Entry, Possession and Maintenance. If the Master Association (or any successor organization) fails at any time to maintain the Common Property in reasonable order and condition in accordance with the final development plan approved by the County, the Martin County Board of Commissioners can serve written notice by certified mail, return receipt requested, upon the Master Association and upon each Owner, which notice shall set forth the manner in which the Master Association has failed to maintain the Common Property order and condition and shall demand that such failure be remedied within 30 days of the sending of such notice or, in the alternative, that the Master Association appear before the Board at a specified time (at least 10 days but not more than 30 days after the sending of such notice) either to contest the alleged failure to maintain the Common Property or to show cause why it cannot remedy such failure within the 30-day period. If such failure has not been remedied within the 30-day period or such longer period as the Board may have allowed, the Board, in order to preserve the taxable values of the real property within the Project and to prevent the Common Property from becoming a public nuisance, shall hold a public hearing to consider the advisability of the County entering upon such Common Property and maintaining them for a period of one year. Notice of such hearing shall be sent by certified mail, return receipt requested, to the Master Association and to each Owner and shall be published one time in a newspaper of general circulation published in the County. Such notice shall be sent and published 15 days in advance of the hearing. At such hearing, the Board may determine that it is or is not advisable for the County to enter upon such Common Property, take possession of them and maintain them for a period for one year. The County is specifically granted the right of entry, possession and maintenance in order to affect the purposes of this subparagraph 11b., provided the above procedures have been followed. Such entry, possession and maintenance shall not constitute a trespass nor shall they give the public any right to use the Common Property.

c. County's Right to Return Possession and Maintenance. The Martin County Board of Commissioners may, upon public hearing with notice given and published in the same manner set forth in the subparagraph 11b. above, return possession and maintenance of such Common Property to the Master Association (or successor organization), abandon such possession and maintenance, or continue such possession and maintenance for additional one-year periods.

d. Costs. The cost of such maintenance by the County shall be assessed ratably against all Lots within the Project that have a right to enjoyment of such Common Property and shall become a charge or lien on said Lots, and such charge shall be paid by the Owners of such Lots within 30 days after receipt of a statement therefore.

12. General Provisions

a. Assignment. All or any of the rights, powers, obligations, easements and estates reserved by, or granted to, the Developer or the Master Association may be assigned by the Developer or the Master Association. Upon any such assignment, the Developer or the Master Association shall be relieved and released of any such rights, powers, obligations, easements or estates.

b. Duration. All of the covenants, restriction and other provisions of this Master Declaration shall run with the land and bind the Property for a term of twenty five (25) years from the date of recordation of this Master Declaration, after which time they shall be automatically extended for successive periods of ten (10) years each, unless an instrument executed by at least seventy-five (75%) of the votes of the Members then existing and by all the Institutional Mortgagees has been recorded in the Public Records of the County.

c. Covenants Running with the Land. The agreements, covenants, conditions, restrictions, Assessments, liens and other provisions contained herein shall constitute servitude's upon the designated lands, shall run with the land, shall be binding upon the owners thereof and shall accrue to the benefit of the designated beneficiaries.

d. Construction. The Master Declaration, the Articles of Incorporation and the Bylaws shall be read and interpreted consistently. However, in the event of any conflict in the terms thereof, the terms of the Master Declaration shall prevail over the terms of the Articles of Incorporation and the Bylaws, and the terms of the Articles of Incorporation shall prevail over the terms of the Bylaws. The terms of the Articles of Incorporation and the Bylaws are incorporated herein by this reference.

e. Notice. Any notice required or permitted to be given by this Master Declaration shall be in writing and delivered by personal delivery or by certified mail, return receipt requested, postage prepaid, addressed to the last known address of the addressee. Any notice given in accordance with the provisions of this subparagraph shall be deemed to be effective, if personally delivered, on the date of such delivery, or if mailed by certified mail, on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be.

f. Gender and Number. The use of the singular herein shall include the plural, and the use of any gender shall include all genders.

g. Severability. Invalidation of any one of the covenants or restrictions contained

herein by judgment or court order shall in no way affect any other provision hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused this Master Declaration to be executed on the day first above written.

Signed, sealed and delivered PALM TREE GOLF CORP., INC. in the presence of:

_____ By: s/Conrad W. Schaefer
Conrad W. Schaefer, as its

VICE PRESIDENT
(SEAL)

Date: 26 APRIL, 95

NOTE--- The following have been omitted and may be referred to directly from the filed document:

Acknowledgement Page
Joinder of Association
Consent of Mortgagee
Exhibits

This version of the Master Declaration of Covenants and Restrictions for Hammock Creek was transcribed from that filed in the Office of the Martin County Clerk as set forth above. It has been done as accurately as possible and no attempt was made to correct any typographical, spelling or other errors in the filed document so as to replicate the filed document as closely as possible.