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THIS DOCUMENT PREPARED  
BY AND RETURN TO:  
AVIS TITLE INSURANCE, INC.  
15 CYPRESS BRANCH WAY, STE 203  
PALM COAST, FL 32164  
FILE #08-0231

**SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED** (the "Special Warranty Deed") is made and executed as of the \_\_\_\_\_ day of May, 2008, by **THE RESERVE, LLC**, a Delaware limited liability company (the "Grantor"), whose address is 10739 Deerwood Park Boulevard, Suite 300, Jacksonville, Florida 32256, in favor of **SEAGATE HOMES, LLC**, a Delaware limited liability company, (the "Grantee"), whose mailing address 185 Cypress Point Parkway, Palm Coast, Florida 32164.

**WITNESSETH:**

That in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, bargains, sells, conveys, and confirms to Grantee, its successors and assigns, all of the real property in Flagler County, Florida, more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the "Property"), together with all tenements, hereditaments, and appurtenances pertaining to the Property, subject to the restrictions, easements, agreements, reservations and other matters set forth on **Exhibit "B"** attached hereto and made a part hereof (the "Permitted Exceptions").

**TO HAVE AND TO HOLD** the same in fee simple forever.

Grantor hereby covenants with Grantee that the Property is free from all encumbrances (except for the Permitted Exceptions as set forth on Exhibit "B") and that Grantor will warrant and defend Grantee's title against lawful claims of all persons claiming by, through or under Grantor (except claims made pursuant to matters set forth on Exhibit "B"), but against none other. By acceptance and execution of this Special Warranty Deed, Grantee hereby agrees to the following terms and provisions:

1. **Right of Repurchase.** It is specifically understood and agreed that Grantee is acquiring the Property as finished lots and intends to construct single family homes thereon for sale to third party retail buyers. If Grantee decides to re-sell any portion of the Property as a unvacant finished lot, without a contract that also obligates the Grantee to build a single family spec or custom home on the lot, Grantor shall have the right, but not the obligation, to purchase the lot(s) at the price originally purchased by Grantee from Grantor. If Grantee elects to sell such unfinished lot(s), then Grantee shall deliver written notice to Grantor of its intent to sale such lot(s) and Grantor shall have thirty (30) days from receipt of such notice to exercise its repurchase rights by delivering to Grantee written notice of its intent to repurchase such lot(s). As to any finished Lot, Seller agrees to release its right to repurchase at the completion of the finished Lot as evidenced by the issuance of a Certificate of Occupancy or its equivalent. Upon Grantee's delivery to Grantor of a copy of: (i) a building permit issued for any lot, (ii) an affidavit that an application for a building permit has been prepared and is ready for submittal to the City of Palm Coast for the construction of a model or spec home on a lot, or (iii) an affidavit that a retail third party buyer has executed a contract with Grantee for the construction of a single family home on

a lot and Grantee is prepared to record a Spreader Agreement in favor of Grantee's lender and a notice of commencement pertaining to the lot, Grantor shall release in writing for recording in the public records, its right to repurchase such lot.

The foregoing restrictions are not for the benefit of the general public, but are solely for the benefit of the Grantor and shall continue to effect for a period of twenty-five (25) years from the date of this Special Warranty Deed. While thus in effect, any of the foregoing restrictions may be waived or cancelled by Grantor, in its sole discretion, with the consent of Grantee, or Grantee's successors or assigns.

2. Remedies for Default. To the extent that any party bound shall default in its obligations pursuant to the terms of this Special Warranty Deed, the other parties shall be entitled to exercise all remedies available to them in law or in equity to enforce the rights and privileges herein contained recognizing that damages may be an inadequate remedy. Notwithstanding, a party shall be entitled to seek reasonable damages as a remedy from the other party in the event the other party argues in response to a specific performance action that specific performance is not an available remedy.

3. Attorneys' Fees. In the event of litigation arising pursuant to the provisions of this Special Warranty Deed, the prevailing party shall be entitled to collect reasonable attorneys' and paralegals' fees and expenses from the non-prevailing party and costs and expenses of such litigation, whether at the pre-trial, trial level, on appeal or in any bankruptcy proceeding or collection proceeding.

4. Severability. Whenever possible, each provision of this Special Warranty Deed shall be interpreted in such manner as to be effective and valid, but if any provision or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision which can be given effect without the invalid provision or application, and to this end the provisions of this Special Warranty Deed are declared to be severable.

5. No Third Party Beneficiaries. This Special Warranty Deed constitutes an agreement between Grantor and Grantee as to all provisions contained herein. Notwithstanding anything contained herein to the contrary, this Special Warranty Deed is not intended nor shall it be construed to create any rights or remedies as to any third parties.

6. Successors and Assigns. The rights, covenants and restrictions contained herein shall run with the title to the Property and be binding upon Grantee and all subsequent owners of the Property, or any Lots or other portions of the Property.

7. Assignment of Rights. Grantor may assign any and all of its rights, powers, obligations and privileges under this Deed to any other corporation, association or person, and except for any obligations of Grantor contained herein, such assignment may be without the consent or joinder of any other party.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Grantor and Grantee have hereunto set their hands and seals the day and year first above written

Signed, sealed and delivered in the presence of:

*Cheryl A. Duarte*  
Print Name: Cheryl A. Duarte

*Barbara Pasella*  
Print Name: BARBARA Pasella

GRANTOR:

THE RESERVE, LLC, a Delaware limited liability company

By: LandMar Group, LLC, a Delaware limited liability company  
Its sole member

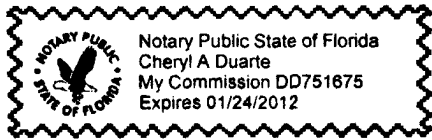
By: LandMar Management, LLC, a Delaware limited liability company  
Its Manager

*[Signature]*  
By: \_\_\_\_\_  
Print Name: James T. Cullis  
Its Vice President

STATE OF FLORIDA

COUNTY OF Flagler

The foregoing instrument was acknowledged before me this 20th day of MAY, 2008, by Jim Cullis, as Vice President of LandMar Management, LLC, a Delaware limited liability company, the manager of LandMar Group, LLC, a Delaware limited liability company, the sole member of The Reserve, LLC, a Delaware limited liability company, on behalf of the limited liability companies.



*Cheryl A. Duarte*  
Print Name: Cheryl A. DUARTE

NOTARY PUBLIC  
State of Florida at Large  
Commission # DD751675  
My Commission Expires: 1/24/2012  
Personally Known  or  
Produced ID

Type of Identification Produced:  
N/A

Signed, sealed and delivered  
in the presence of:

[Signature]  
Print Name: TAM MARQUES

Melinda L. Dahlberg  
Print Name: Melinda L. Dahlberg

**GRANTEE:**

**SEAGATE HOMES, LLC**, a Delaware  
limited liability company

By: SeaGate Management, LLC, an  
Alaska limited liability company  
Its Manager

By: [Signature]  
Robert Gazzoli, Its Manager

STATE OF FLORIDA

COUNTY OF Flagler

The foregoing instrument was acknowledged before me this \_\_\_ day of May,  
200\_\_\_, by Robert Gazzoli, as the Manager of SeaGate Management, LLC, an Alaska limited  
liability company, the manager of SeaGate Homes, LLC, a Delaware limited liability company,  
on behalf of the limited liability companies.

Melinda L. Dahlberg  
Print Name: Melinda L. Dahlberg

**NOTARY PUBLIC-STATE OF FLORIDA**  
**Melinda L. Dahlberg**  
Commission # DD699876  
Expires: SEP. 17, 2011  
BONDED THRU ATLANTIC BONDING CO., INC.

NOTARY PUBLIC  
State of Florida at Large  
Commission # \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
Personally Known  or  
Produced ID

Type of Identification Produced:  
\_\_\_\_\_

Official Copy

Exhibit A

Lots 17 and 18, of the subdivision plat of GRAND LANDINGS - PHASE I, according to the plat thereof, as recorded in Plat Book 36, Pages 37 through 47, of the Public Records of Flagler County, Florida.

Unofficial Copy

Exhibit B

[Permitted Exceptions]

1. Taxes and assessments for the year of closing and subsequent years.
2. Easements, dedications and reservations as shown on the subdivision plat of Bunnell Development Company's Subdivision as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida.
3. Easement in favor of the City of Flagler Beach as recorded in Official Records Book 253, Page 27, of the Public Records of Flagler County, Florida.
4. That certain General Warranty Deed recorded in Official Records Book 253, Page 29, of the Public Records of Flagler County, Florida.
5. Easement in favor of the City of Flagler Beach as recorded in Official Records Book 10, Page 432, and Consent to Easement recorded in Official Records Book 10, Page 442, of the Public Records of Flagler County, Florida.
6. Rights of The United States of America or its successors in title to the glide angle easements as shown in Official Records Book 10, Page 432 and Official Records Book 28, Page 694, of the Public Records of Flagler County, Florida.
7. Glide Path Easement as recorded in Official Records Book 30, Page 454, of the Public Records of Flagler County, Florida.
8. Easement as shown on that certain Warranty Deed recorded in Official Records Book 467, Page 1, of the Public Records of Flagler County, Florida.
9. Drainage Easement as recorded in Official Records Book 549, Page 991, of the Public Records of Flagler County, Florida and as assigned in Official Records Book 602, Page 53 and assigned in Official Records Book 1329, page 1285, and as assigned in Official Records Book 1375, page 1340, of the Public Records of Flagler County, Florida.
10. Easement in favor of Palm Coast Utility Corporation as recorded in Official Records Book 600, Page 679, of the Public Records of Flagler County, Florida.
11. Florida Water Services Well Site LW-14 as recorded in Official Records Book 601, Page 1972, of the Public Records of Flagler County, Florida.
12. Easement to Palm Coast Utility Corporation as recorded in Official Records Book 615, page 1352, of the Public Records of Flagler County, Florida.
13. Easement in favor of Palm Coast Utility Corporation as recorded in Official Records Book 632, Page 1800, of the Public Records of Flagler County, Florida.
14. Florida Water Easement as recorded in that certain Special Warranty Deed recorded in Official Records Book 641, Page 1051, of the Public Records of Flagler County, Florida.
15. Easements, dedications and reservations as shown on that certain subdivision plat of THE GRANDS LANDINGS - PHASE I as recorded in Plat Book 36, Pages 37 through 47, of the Public Records of Flagler County, Florida.
16. The Grand Landings Planned Unit Development Agreement as recorded in Official Records Book 1254, Page 605, of the Public Records of Flagler County, Florida.
17. Agreement for Conveyance of Environmentally Sensitive Land as recorded in Official Records Book 1371, Page 823, of the Public Records of Flagler County, Florida. Partial Assignment of Reserved Rights as recorded in Official Records Book 1375, Page 1344, of the Public Records of Flagler County, Florida.
18. Utility Agreement for Water and Wastewater Service as recorded in Official Records Book 1563, Page 688, of the Public Records of Flagler County, Florida.

19. Declaration of Covenants and Restrictions for Grand Landings as recorded in Official Records Book 1567, Page 797, of the Public Records of Flagler County, Florida, and any subsequent amendments thereof.
20. First Amendment to the Declaration of Covenants and Restrictions for Grand Landings as recorded in Official Records Book 1613, Page 1625, of the Public Records of Flagler County, Florida, and any subsequent amendments thereof.
21. Declaration of Covenants, Easements and Restrictions for the Grand Club as recorded in Official Records Book 1567, Page 841 of the Public Records of Flagler County, Florida.
22. By-Laws of Grand Landings Master Homeowner's Association, Inc. as recorded in Official Records Book 1613, page 1629, of the Public Records of Flagler County, Florida.
23. Ordinance No. 2007-14 AX-VOL-07-04 - Grand Landings as recorded in Official Records Book 1578, Page 349, of the Public Records of Flagler County, Florida.

Unofficial Copy