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GAIL WADSWORTH, FLAGLER Co.

Prepared by:
Ellen Avery-Smith, Esq.
Rogers Towers, P.A.
100 Whetstone Place, Suite 100
St. Augustine, Florida 32086

2011 DEC 20 PM 2:57

ESSENTIALLY BUILT-OUT AGREEMENT PURSUANT TO SECTION 380.06(15)(G)(4), FLORIDA STATUTES HAMMOCK DUNES DRI

THIS ESSENTIALLY BUILT-OUT AGREEMENT (the "Agreement") is made and entered into this 20th day of December, 2011 (the "Effective Date") by and among **FLAGLER COUNTY,** a political subdivision of the State of Florida (the "County"), **ADMIRAL CORPORATION**, a Florida corporation ("Admiral"), **ITT CORPORATION, INC.,** an Indiana corporation (formerly known as ITT Industries, Inc.)("ITT"), **ITT COMMUNITY DEVELOPMENT CORPORATION**, a Delaware corporation ("ITTCDC"), and the **FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY**, an agency of the State of Florida ("Department").

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RECITALS:

A. Admiral Corporation ("Admiral") is the applicant and master developer of the Hammock Dunes Development of Regional Impact ("DRI"), which includes the real property described in **Exhibit "A"** attached hereto and incorporated herein by this reference (the "Property").

B. Admiral is the applicant for this Essentially Built-Out Agreement, pursuant to Section 380.06(15)(g)(4), Florida Statutes.

C. The terms and conditions for development of the Property are memorialized in Flagler County Resolution No. 84-7 as the Hammock Dunes DRI Development Order dated March 30, 1984, as amended by Resolution Nos. 95-50, 98-10, 2001-135, 2002-107, 2003-21 and 2010-22 (which are collectively referred to herein as the "Development Order").

D. The original Development Order approved in 1984 included 6,670 residential units, which number of units was reduced to 4,400 in 1995, and which number of units was further

reduced to 3,800 in 2010; however, the Development Order mitigation conditions required to offset the impacts anticipated to be generated by the originally approved 6,670 units were never reduced commensurate with the reduction in the number of residential units.

E. The current DRI build-out and expiration date contained in the Development Order is February 28, 2012.

F. In order to provide financial assurance to the County that Admiral would complete certain improvements if required by the Development Order, ITT, an entity affiliated with Admiral, entered into that certain Guaranty Agreement with the County dated November 24, 1999 and recorded at Official Records Book 676, Page 423, Public Records of Flagler County, Florida (the "ITT Guaranty Agreement").

G. In order to provide financial assurance to the County that Admiral would complete certain improvements if required by the Development Order, Admiral's parent company, ITTCDC, entered into that certain Guaranty Agreement with the County dated November 24, 1999 and recorded at Official Records Book 676, Page 432, Public Records of Flagler County, Florida (the "ITTCDC Guaranty Agreement")(the ITT Guaranty Agreement and the ITTCDC Guaranty Agreement are sometimes referred to collectively herein as the "Guaranty Agreements").

H. The Guaranty Agreements are partially secured by a surety bond in the amount of Ten Million Dollars ($10,000,000.00), as may be adjusted pursuant to the terms of the Development Order.

I. In the 27 years since the original Development Order was approved by the County, Admiral and its affiliated companies have sold all of their developable land to third parties, and those third parties have completed construction of approximately 2,200 of the 3,800 units currently approved in the Development Order; however, most of the developable land within

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the DRI boundaries has been used in the construction of the approximately 2,200 units (many successors in interest to Admiral opted to construct lower density single-family homes in lieu of higher density condominium units) so it is unlikely that all of the approved 3,800 units will ever be constructed within the existing clusters contained in the DRI.

J. Admiral and its affiliates, or their successors and assigns, have completed construction of, provided funds for, or bonded the performance of all transportation and other infrastructure mitigation required by the Development Order to date and projected to be needed to mitigate for the reduced number of units currently approved within the DRI for the next several years (including transportation mitigation requirements for a minimum of the next four years) and therefore the amount of development that remains to be built does not create the likelihood of any additional impacts not previously reviewed.

K. Based on the above facts, the parties hereto have determined that the Hammock Dunes DRI is essentially built out, and the Development Order shall expire, effective on December 20, 2011, pursuant to the provisions of subsection 380.06(15)(g)(4), Florida Statutes (2011), and desire to memorialize that agreement herein.

L. Notwithstanding the new DRI build-out date of December 20, 2011 approved herein, the Future Development (as defined below) may proceed in accordance with the provisions of Section 3 hereof.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars and No/100s ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

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2. **DRI Essentially Built Out**. Subsection 380.06(15)(g)(4), Florida Statutes (2011), states that a project may be determined to be essentially built out through an agreement executed by the developer, the state land planning agency, and the local government. Such agreement can allow certain development to continue without further DRI review subject to the local government comprehensive plan and land development regulations. The parties hereto acknowledge and agree that the proper parties to this Agreement are Admiral Corporation, as the applicant and master developer of the Hammock Dunes DRI, the Florida Department of Economic Opportunity as the state land planning agency, and Flagler County as the local government that approved the original Development Order and all amendments thereto. The parties hereto, after reviewing the 2011 Development Order Annual Status Report and Build-Out Report for the Hammock Dunes DRI (the "Build-Out Report"), have determined that all mitigation requirements in the Development Order that have been triggered by project development to date and are projected to be needed to mitigate for the reduced number of units currently approved within the DRI for the next several years (including transportation mitigation requirements for a minimum of the next four years) have been satisfied, all developers are in compliance with all applicable terms and conditions of the Development Order except the build-out date, and the Department and the County have agreed that the amount of development to be built does not create the likelihood of any additional regional impact not previously reviewed. Therefore, the parties hereto agree that the Hammock Dunes DRI is essentially built out and that Admiral, ITTCDC and ITT, and their successors and assigns, have fully satisfied any and all obligations under the Development Order, except to the extent defined herein. The build-out date for the Hammock Dunes DRI shall be December 20, 2011. The Development Order shall expire on December 20, 2011. After the build-out date, no property owner within the DRI shall be required to file an annual report pursuant to Section 380.06(18), Florida Statutes.

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3. **Future Development**.

a. Notwithstanding the fact that the Hammock Dunes DRI has been determined to be essentially built out effective on December 20, 2011, the County will continue to issue building permits to property owners with remaining entitled units, pursuant to subsection 380.06(15)(g)(4), Florida Statutes, including the following (which shall be referred to collectively herein as the "Future Development"):

i. Oare Associates, LLC, owner of Parcel No. 04-11-31-2984-000E1-0180, an un-platted commercial parcel within the DRI that could be permitted for a maximum of 64,000 square feet of commercial space.

ii. WCI Communities, LLC, owner of Parcel No. 04-11-31-5720-00000-0020 and 04-11-31-5720-00000-0030 (the remainder of Parcel 16B) that is entitled for Land Development Permit No. 20060301[illegible], which approved site improvements for two condominium building pads with 128 associated residential units called "South Towers at Hammock Dunes" under a single plat (Arezzo and Murano Condominiums), at the maximum building height set forth in such development permit. The parties hereto acknowledge that WCI Communities submitted a letter to the County in December 2011 (received by the County on December 7, 2011) attempting to invoke a four-year extension of the Hammock Dunes DRI expiration and termination dates, pursuant to Section 380.06(19)(c), Florida Statutes. All units owned by WCI within the Property are vested pursuant to this Agreement.

iii. Owners of lots that are platted as of the Effective Date hereof.

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iv. The foregoing recognition of Future Development does not exempt such development from impact fees, development review fees, building permit fees, inspection fees and other fees and costs required by Flagler County pursuant to its Code of Ordinances.

b. In the event that development in excess of the Future Development is requested, such additional development shall be required to comply with the provisions of the Flagler County Comprehensive Plan and Flagler County Land Development Code. The zoning for the Property shall remain Planned Unit Development ("PUD"). Any such development shall be subject to payment of impact fees, development review fees, building permit fees, inspection fees and other fees and costs required by Flagler County pursuant to its Code of Ordinances.

c. Nothing contained herein shall affect the validity or enforceability of subdivision covenants, conditions and restrictions that may be recorded against title to various parcels within the Property.

4. **Guaranty Agreements**. Because the Hammock Dunes DRI has been determined to be essentially built out and all concurrency and other mitigation requirements in the Development Order that have been triggered by project development to date and are projected to be needed to mitigate for the reduced number of units currently approved within the DRI for the next several years (including transportation mitigation requirements for a minimum of the next four years) have been satisfied or are to be satisfied by the undertakings provided herein, the County agrees that the Guaranty Agreements are terminated and hereby releases Admiral, ITTCDC and ITT from any and all obligations and liabilities thereunder and under the Development Order. The County also agrees that the surety bond provided by ITTCDC and ITT pursuant to paragraph 13 of the Development Order and the terms of the Guaranty Agreements

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should be returned to those companies for cancellation within forty-five (45) days following the Effective Date of this Agreement.

5. **Other Bridge Expansion Agreements**. Because the Hammock Dunes DRI has been determined to be essentially built out and all concurrency and other mitigation requirements in the Development Order that have been triggered by project development to date and are projected to be needed to mitigate for the reduced number of units currently approved within the DRI for the next several years (including transportation mitigation requirements for a minimum of the next four years) have been satisfied, the County agrees that Admiral, ITTCDC, ITT and the Dunes Community Development District are hereby released from any and all obligations and liabilities related to future expansion of the Intracoastal Waterway Bridge pursuant to Section 4.1 of the Development Order.

6. **Build-Out Obligations**. The Hammock Dunes Build-Out Report reflects certain limited Development Order obligations that may be triggered by build-out of the project. Admiral Corporation, on behalf of its affiliates and successors in interest, hereby agrees to contribute Three Hundred Fifty Thousand and No/100 Dollars ($350,000.00) (the "Admiral Contribution") to pay for obligations that may be triggered by build-out of the DRI, as reflected in the Build-Out Report. Admiral will remit the Admiral Contribution to Flagler County in cash forty-five (45) days following the Effective Date of this Agreement. Admiral will not be required to pay any funds, perform any improvements or take any other actions related to the Development Order or other obligations related to the Hammock Dunes DRI beyond the Admiral Contribution. Pursuant to an Interlocal Agreement between the Dunes Community Development District (the "CDD") and the County dated December 19, 2011, the CDD has agreed to contribute funds to the County for which a portion of said funds shall, in addition to

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the Admiral Contribution, be used by the County to pay for any Development Order obligations that may triggered by build-out of the project and are reflected in the Built-Out Report.

7. **Concurrency**. Because Admiral, ITTCDC, ITT and their successors in interest have collectively completed the Development Order concurrency and other mitigation obligations triggered by project development to date and projected to be needed to mitigate for the reduced number of units currently approved within the DRI for the next several years (including transportation mitigation requirements for a minimum of the next four years), including the provision of the funds and resources pursuant to Section 6 above, the County hereby agrees that the owners of the Property previously subject to the Development Order, and the residential units and commercial space previously constructed or to be constructed thereon as Future Development, have fully satisfied any and all public facility concurrency requirements set forth in Florida law and County ordinance, except as specified herein.

8. **Mutual Satisfaction, Release and Termination of Development Order Obligations and Covenants Related to Park Land Conveyances.** Pursuant to Condition 14.1 of the Development Order, Admiral and its successors in interest have conveyed certain lands to Flagler County for beach access, recreation, conservation and other public park purposes (the "Park Lands"). Development Order Condition 14.1 and the deeds for the aforementioned conveyances included conditions on the County's development and use of the Park Lands for the benefit of the public. Development Order Condition 14.1 also imposed certain conditions on Admiral and its successors related to the Park Lands. The County, Admiral, ITT and ITTCDC hereby acknowledge and agree that each of them has fully and completely satisfied all applicable requirements contained in Condition 14.1 of the Development Order and Park Lands deed covenants related thereto, except that the following conditions will

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remain in effect as related to the Park Lands: i) that certain easement for necessary construction and maintenance of a connector road, as described more fully in that certain General Warranty Deed between ITTCDC and the County dated September 17, 1998 and recorded at Official Records Book 627, Page 1689, Public Records of Flagler County, Florida; and ii) that certain Billboard Lease between ITTCDC and Admiral dated August 27, 1998 and memorialized in that certain Memorandum of Billboard Lease recorded at Official Records Book 627, Page 1478, Public Records of Flagler County, Florida, which Billboard Lease for Billboard Numbers BN643 and BN638 shall not be renewed or extended. As a result, the County, Admiral, ITT and ITTCDC hereby release and forever discharge each other and their respective successors, legal representatives and assigns, from any and all actions, causes of action, claims and demands resulting from or arising out of past, present and future performance of any and all obligations contained in Condition 14.1 of the Development Order, with the aforementioned exceptions. Accordingly, the parties shall execute the Release and Termination of Covenants and Obligations in the form attached hereto as **Exhibit "B"** and incorporated herein by reference. This Section 8 and the related Release and Termination of Covenants and Obligations shall not apply to that certain Maintenance and Easement Agreement by and between Lowe Ocean Hammock, Ltd. and the County dated November 21, 2001 and recorded at Official Records Book 786, Page 1463, Public Records of Flagler County, Florida.

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9. **Legal Authority**. Section 380.06(15)(g)(4), Florida Statutes, gives Flagler County, as the local government that approved the resolutions creating and then amending the Hammock Dunes DRI, and the Department the authority to determine that the DRI is essentially built out.

10. **Remedies**. Each party to this Agreement shall be entitled to seek enforcement of this Agreement against the other parties and shall have all remedies available at law or in equity, including the remedy of specific performance and all forms of injunctive relief.

11. **Binding Effect.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto. The County shall record this Agreement in the Official Records of Flagler County, Florida, at the expense of Admiral, and shall provide Admiral with a copy of the recorded Agreement, including Book and Page number, within two (2) weeks of the date of execution of the Agreement.

12. **Status of Northshore Property Developers.**

a. By letter dated October 20, 2011, LRA Marina, LLC, LRA Northshore Hammock, LLC and Northshore Ocean Hammock Investment, Ltd., LLLP (hereafter collectively the "Northshore Property Developers") provided notice to Flagler County that they were invoking the provision of Section 380.06(19)(c), Florida Statutes, enacted by Chapter 2011-139, Laws of Florida, to extend the build-out date of the Hammock Dunes DRI by an additional four (4) years. In relevant part, that statutory section provides: "In recognition of the 2011 real estate market conditions, at the option of the developer, all commencement, phase, buildout, and expiration dates for projects that are currently valid developments of regional impact are extended for 4 years regardless of any previous extension." (Hereinafter referred to as the "DRI Extension Law"). While this provision does not expressly define "the developer," within the context and operation of the DRI Extension Law, and based upon the full text of Chapter 380, Florida Statutes, and case law related to its interpretation, as well as the historical practices of Flagler County, the parties deem the reference to "the developer" in the case of the

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Hammock Dunes DRI to be the original applicant and master developer of the DRI, which is Admiral Corporation. Admiral Corporation filed a letter with the County on May 18, 2011 stating that, as the developer of the Hammock Dunes DRI, it will not extend any phase, build-out or expiration date related to the DRI pursuant to the DRI Extension Law and objects to any third party attempting to extend the same. Flagler County hereby acknowledges Admiral Corporation as "the developer" under the DRI Extension Law and determines that it will not recognize or grant any further extensions of the Hammock Dunes DRI commencement, phase, build-out and expiration dates. The parties nevertheless acknowledge the notice of the Northshore Property Developers.

b. The DRI Extension Law may be subject to revision by the Florida Legislature in the legislative session that commences in January 2012 and which will not be concluded before March 2012. Based on its best available information, Flagler County expects Section 380.06, Florida Statutes, to be amended. Within said amendment, the parties are unsure whether or in what form the DRI Extension Law will be revised. The parties intend by Subsection 12(d) of this Agreement to address the possible outcomes of any such legislation in the 2012 session or of any judicial proceedings that specifically address this DRI. Notwithstanding any potential changes to the DRI Extension Law, the parties hereto acknowledge and agree that whether the Florida Legislature or a court determines that the build-out or expiration date of the Hammock Dunes DRI is legally extended pursuant to an amendment to Section 380.06, Florida Statutes, the parties hereto currently have, and will continue to have, the legal right and ability to enter into this Essentially Built-Out Agreement pursuant to Section 380.06(15)(g)(4), Florida Statutes, regardless of any such date extension.

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c. In 2009, the Northshore Property Developers applied for a Notice of Proposed Change to develop a maximum of 561 units (hereafter "NOPC") within their previously platted lands by creating a new development cluster near the Hammock Beach condominium project. By final order of the Florida Land and Water Adjudicatory Commission entered on August 4, 2011, the NOPC was denied on several grounds, including: i) the NOPC did not follow the DRI provisions, ii) the NOPC did not comply with the Flagler County Comprehensive Plan and Land Development Code, and iii) the 561 units requested in the NOPC are not vested or entitled for development under the DRI. Ginn-LA Marina, LLLP, Ltd., et al. vs. Flagler County, FLAWAC Case No. APP-10-007.

d. Should the Northshore Property Developers or their successors desire to pursue development of any of their remaining lands, they must pursue the same under Section 3(b) hereof because the 561 units have been determined not to be legally vested. Alternatively, should the Northshore Property Developers obtain a judicial order which invalidates this Agreement or any part hereof related to their ability to seek additional development of their lands, they shall be required, pursuant to Section 10 of that certain Development Order Allocation and Indemnification Agreement between ITTCDC and Lowe Ocean Hammock, Ltd. dated December 20th, 1996, as amended by that certain Amendment to Development Order Allocation and Indemnification Agreement dated October 19, 1998 (collectively, the "Allocation Agreement"), to bifurcate the DRI and assume any and all Development Order obligations attributable to the Northshore lands and related units (Northshore Property Developers are the successor in interest to Lowe Ocean Hammock with respect to the Allocation Agreement). Such bifurcation shall preserve the integrity of this Agreement as applied to Admiral and other successor developers; and said bifurcation shall not alter the development rights of other successor developers as set forth herein, shall not alter the release by Admiral of Flagler

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County's obligations under Condition 14.1 of the Development Order or the release by Flagler County of Admiral's obligations under said Condition 14.1 as provided herein and, further, shall not alter the satisfaction of DRI obligations by Admiral, ITTCDC, ITT and other successor developers other than Northshore Property Developers as provided herein. If Northshore Property Developers or their successors fail to comply with the bifurcation requirements set forth in the Allocation Agreement, Admiral, ITT and ITTCDC shall have the legal right to seek judicial enforcement of the Allocation Agreement and any other remedies they may have in law or in equity.

e. If Northshore Property Developers or their successors elect to develop any of their lands within the Property, all transportation, off-site stormwater, school, park, public safety and solid waste concurrency for such development to a maximum of 561 equivalent residential units (which may include hotel room units) shall be deemed satisfied by the terms of this Agreement. Notwithstanding the foregoing, Northshore Property Developers or their successors shall be required to pay any and all impact fees, development review fees, building permit fees, inspection fees and other fees and costs required by Flagler County pursuant to its Code of Ordinances. Further, the foregoing shall not release Performance Bond 20BCSAG6813 for signalizing the specified intersections, which has been previously provided to offset anticipated traffic impacts and to meet transportation concurrency for existing platted lots.

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f. Should the Northshore Property Developers or their successors pursue any legal action seeking to invalidate any provision hereof, Admiral shall hold the County harmless from any such action and shall incur all costs of defense of said action until its final conclusion; provided, however, that Admiral shall be entitled to provide such defense of the County and to participate as a co-party to any such action (including the right to make any separate counter-

claims against Northshore Property Developers or their successors available to Admiral and its affiliates in law or in equity). Any defense of the County shall be with the participation of the County Attorney as co-counsel for the County's interests.

13. **Applicable Law; Jurisdiction and Venue.** This Agreement and the rights and obligations of the parties hereto shall be governed by, construed under and enforced in accordance with the laws of the State of Florida. Venue for any litigation pertaining to the subject matter of this Agreement shall be exclusively in Flagler County, Florida. If any provision of this Agreement, or the application of this Agreement to any person or circumstances, shall to any extent be held invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. **Notices**. Any notices or reports required by this Agreement shall be sent to the following:

For the County:

County Administrator
Flagler County
1769 E. Moody Boulevard
Building 2, Suite 303
Bunnell, Florida 32110

With copy to:

Al Hadeed, Esq.,
County Attorney
Flagler County
1769 E. Moody Boulevard
Building 2, Suite 303
Bunnell, Florida 32110

For Admiral:

Craig Johnson, Esq.
President
Admiral Corporation
1133 Westchester Ave.
White Plains, NY 10604

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For ITTCDC:	Craig Johnson, Esq. President ITT Community Development Corporation 1133 Westchester Ave. White Plains, NY 10604
For ITT Corporation:	Craig Johnson, Esq. Deputy General Counsel ITT Corporation 1133 Westchester Ave. White Plains, NY 10604
With copy to:	Ellen Avery-Smith, Esq. Rogers Towers, P.A. 100 Whetstone Place Suite 100 St. Augustine, Florida 32086
For the Department:	Ray Eubanks Plan Review Administrator Florida Department of Economic Opportunity 107 East Madison Street Caldwell Building Tallahassee, Florida 32399-4120

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15. **Joint Preparation.** Preparation of this Agreement has been a joint effort of the parties and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

16. **Release; Costs and Attorneys Fees**. Each party hereto releases the others from any and all claims or demands arising out of the subject matter of this Agreement. Each party shall bear its own costs and attorneys fees incurred in connection with this matter, except as provided for in Section 12(f) hereof.

17. **Captions or Paragraph Headings.** Captions and paragraph headings contained in this Agreement are for convenience and reference only, and in no way define, describe, extend or limit the scope of intent of this Agreement or the intent of any provision of this Agreement.

18. **Counterparts.** This Agreement may be executed in counterparts, each constituting a duplicate original, but such counterparts shall constitute one and the same Agreement.

19. **Amendment.** This Agreement may be amended by mutual consent of the parties so long as the amendment meets the requirements of Florida Statutes and applicable Ordinances.

20. **Further Assurances.** Each party to this Agreement agrees to do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts and assurances in a manner and to the degree allowed by law, as shall be reasonably requested by the other parties in order to carry out the intent of and give effect to this Agreement, including the amendments to this Agreement. Without in any manner limiting the specific rights and obligations set forth in this Agreement or illegally limiting or infringing upon the governmental authority of the County, the parties declare their intention to cooperate with each other in effecting the purposes of this Agreement and to coordinate the performance of their respective obligations under the terms of this Agreement.

Passed and Duly Adopted by the Board of County Commissioners of Flagler County, Florida, this 19TH day of DECEMBER, 2011.

Attest: GAIL WADSWORTH, Clerk

Lisa Bell, DC
Deputy Clerk

Board of County Commissioners Flagler County, Florida

By: Barbara Revels
Chairman

Approved as to form

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IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have executed this Agreement on the day(s) and year set forth in the preamble hereto.

Signed, sealed and delivered
in the presence of:

Print: Philip Goldstein

Print: YVETTE HARMON

ADMIRAL CORPORATION, a Florida corporation

By: _____
Craig Johnson, President

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STATE OF NEW YORK)

COUNTY OF New York)

The foregoing instrument was acknowledged before me this 16th day of December, 2011, by Craig Johnson, as President of **ADMIRAL CORPORATION,** a Florida corporation, on behalf of the company.

RONALD E. BARNEY
Notary Public, State of New York
No. 01BA6181450
Qualified Westchester County
Certificate Filed New York County
Commission Expires 1-28-2012

Ronald E Barney
Notary Public, State of New York
Print Name: Ronald E Barney
My Commission Expires: 1-28-2012
My Commission Number: 01BA6181450

[SIGNATURES CONTINUED ON FOLLOWING PAGES]

Signed, sealed and delivered
in the presence of:

Print: PHILIP GOLDSTEIN

Print: YVETTE HARMON

ITT CORPORATION, INC., an Indiana corporation

By:

Name: Craig Johnson

Title: Assistant Secretary

STATE OF New York)

COUNTY OF New York)

The foregoing instrument was acknowledged before me this 16th day of December, 2011, by Craig Harmon, as Assistant Secretary of **ITT CORPORATION, INC.**, an Indiana corporation, on behalf of the company.

Ronald E Barney
Notary Public, State of: New York
Print Name: Ronald E. Barney
My Commission Expires: 1-28-2012
My Commission Number: 01BA6181450

RONALD E. BARNEY
Notary Public, State of New York
No. 01BA6181450
Qualified Westchester County
Certificate Filed New York County
Commission Expires 1-28-2012

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[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Signed, sealed and delivered
in the presence of:

Print: PHILIP GOLDSTEIN

Print: YVETTE HARMON

ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation

By: _____
Craig Johnson, President

STATE OF New York)

COUNTY OF New York)

The foregoing instrument was acknowledged before me this 16th day of December, 2011, by Craig Johnson, as President of **ITT COMMUNITY DEVELOPMENT CORPORATION,** a Delaware corporation, on behalf of the company.

Ronald E Barney
Notary Public, State of: New York
Print Name: Ronald E Barney
My Commission Expires: 1-28-2012
My Commission Number: 01BA6181450

RONALD E. BARNEY
Notary Public, State of New York
No. 01BA6181450
Qualified Westchester County
Certificate Filed New York County
Commission Expires 1-28-2012

RONALD E. BARNEY
Notary Public, State of New York
No. 01BA6181450
Qualified Westchester County
Certificate Filed New York County
Commission Expires 1-28-2012

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[SIGNATURES CONTINUED ON FOLLOWING PAGE]

The Department agrees that: pursuant to Flagler County Resolution 2011-69 adopted December 19, 2011, notice of this Essentially Built Out Agreement was given to affected owners and developers in the Hammock Dunes DRI; a public hearing was held on December 19, 2011; the Hammock Dunes DRI is essentially built out pursuant to Section 380.06(15)(g)4., Florida Statutes; all mitigation for existing development has been satisfied and mitigation for remaining development will be satisfied in accordance with the terms of the Essentially Built Out Agreement; and Admiral Corporation and its successors in interest are hereby released of all obligations under the Development Order. The foregoing recitations are within the Department's purview under Part I of Chapter 380, Florida Statutes.

The Hammock Dunes DRI is approved for 3,800 residential units of which 3,051 units are developed and 749 units remain to be developed. In addition, the DRI is approved for 64,000 square feet of commercial development, all of which remains to be developed.

The Department did not participate in the joint preparation of the Essentially Built Out Agreement and takes no position in agreement or disagreement with the remainder of the Agreement, which sections were outside of the Department's statutory purview.

Signed, sealed and delivered
in the presence of:

Mike McDaniel

Print: Mike McDaniel

Connie Norman

Print: Connie Norman

FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY, an agency of the State of Florida

By: J. Thomas Beck

Print Name: J. Thomas Beck

Title: Director of Community Development

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STATE OF FLORIDA)

COUNTY OF Leon)

The foregoing instrument was acknowledged before me this 13th day of January, 2011, by J Thomas Beck, as Director of the FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY, an agency of the State of Florida, on behalf of the agency.

MIRIAM SNIPES
MY COMMISSION # DD 989668
EXPIRES: September 7, 2014
Bonded Thru Notary Public Underwriters

Notary Public, State of Florida
Print Name:
My Commission Expires:
My Commission Number:

EXHIBIT "A"

Property

LEGAL DESCRIPTION: HAMMOCK DUNES SITE (KEITH & SCHNARS SURVEY) (CONTINUOUS)

DATE: SEPTEMBER 22, 1982

A PARCEL OF LAND LYING WITHIN GOVERNMENT SECTIONS 20, 21, 28, 29, 33 AND 40, TOWNSHIP 10 SOUTH, RANGE 31 EAST AND GOVERNMENT SECTIONS 3, 4, 9, 10, 15, 22, 23, 37 AND 38, TOWNSHIP 11 SOUTH, RANGE 31 EAST OF THE INTRACOASTAL WATERWAY (500' R/W), FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT OF BEGINNING BEING THE INTERSECTION OF THE WESTERLY BOUNDARY LINE OF GOVERNMENT SECTION 10, TOWNSHIP 11 SOUTH, RANGE 31 EAST, WITH THE NORTHERLY RIGHT-OF-WAY OF A-1-A (100' R/W); THENCE SOUTH 89° 35' 06" WEST 354.27 FEET ALONG SAID RIGHT-OF-WAY TO A POINT OF CURVATURE; THENCE NORTHWESTERLY 2266.81 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1860.08 FEET AND A CENTRAL ANGLE OF 69° 49' 27" TO A POINT OF TANGENCY; THENCE NORTH 20° 35' 27" WEST 2955.90 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY SOUTH 69° 24' 33" WEST 100.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF A-1-A; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY SOUTH 69° 17' 51" WEST 928.90 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF THE INTRACOASTAL WATERWAY (500' R/W); THENCE NORTH 20° 50' 24" WEST ALONG SAID RIGHT-OF-WAY 2677.38 FEET; THENCE NORTH 20° 35' 42" WEST 1641.38 FEET TO A POINT ON THE SOUTHERLY BOUNDARY LINE OF TOWNSHIP 10 SOUTH; THENCE NORTH 26° 09' 18" WEST 688.04 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY OF THE INTRACOASTAL WATERWAY NORTH 55° 44' 32" EAST 1295.75 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF A-1-A, BEING A POINT ON A CURVE; THENCE SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY 109.43 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1860.08 FEET, A CENTRAL ANGLE OF 03° 22' 14", A CHORD OF 109.41 FEET AND A CHORD BEARING SOUTH 18° 26' 19" EAST TO A POINT OF TANGENCY; THENCE SOUTH 16° 45' 12" EAST 1574.75 FEET; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY NORTH 73° 14' 48" EAST 100.00 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF A-1-A; THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY NORTH 89° 19' 02" EAST 148.56 FEET; THENCE NORTH 16° 34' 25" WEST 210.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF JUNGLE HUT ROAD (50' R/W); THENCE NORTH 89° 19' 02" EAST ALONG SAID RIGHT-OF-WAY 855.66 FEET; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY NORTH 19° 50' 00" WEST ALONG THE WESTERLY BOUNDARY LINE OF SECTION 40, TOWNSHIP 10 SOUTH, RANGE 31 EAST 3356.28 FEET; THENCE SOUTH 71° 11' 00" WEST 1290.19 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF SAID A-1-A, BEING A POINT ON A CURVE; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY 244.67 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1860.08 FEET, A CENTRAL ANGLE OF 07° 32' 11", A CHORD OF 244.49 FEET AND A CHORD BEARING NORTH 22° 35' 06" WEST TO A POINT OF TANGENCY; THENCE NORTH 18° 49' 00" WEST 1645.60 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY OF A-1-A NORTH 71° 11' 00" EAST 180.00 FEET; THENCE NORTH 18° 49' 00" WEST 225.00 FEET;

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THENCE SOUTH 71° 11' 00" WEST 180.00 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY OF A-1-A; THENCE NORTH 18° 49' 00" WEST ALONG SAID RIGHT-OF-WAY 350.65 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY NORTH 71° 11' 00" EAST 1262.52 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF SAID SECTION 40; THENCE NORTH 19° 50' 00" WEST ALONG SAID EASTERLY BOUNDARY LINE 200.03 FEET; THENCE DEPARTING SAID EASTERLY BOUNDARY LINE SOUTH 71° 11' 00" WEST 1258.97 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY OF A-1-A; THENCE NORTH 18° 49' 00" WEST ALONG SAID RIGHT-OF-WAY 200.00 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY NORTH 71° 11' 00" EAST 1255.42 FEET TO A POINT ON THE SAID EASTERLY BOUNDARY LINE OF SECTION 40; THENCE NORTH 19° 50' 00" WEST ALONG SAID EASTERLY BOUNDARY LINE 900.14 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY OF 16TH ROAD; THENCE DEPARTING SAID BOUNDARY LINE OF SECTION 40, SOUTH 71° 10' 52" WEST ALONG SAID NORTHERLY RIGHT-OF-WAY 1239.45 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF SAID A-1-A; THENCE DEPARTING SAID RIGHT-OF-WAY OF 16TH ROAD NORTH 18° 49' 00" WEST ALONG SAID RIGHT-OF-WAY OF A-1-A, 5178.50 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF MALACOMPRA ROAD; THENCE NORTH 71° 10' 09" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY 1138.42 FEET; THENCE NORTH 88° 23' 31" EAST 9.62 FEET TO A POINT ON THE SAID EASTERLY BOUNDARY LINE OF SECTION 40; THENCE DEPARTING SAID RIGHT-OF-WAY OF MALACOMPRA ROAD NORTH 19° 50' 00" WEST ALONG SAID BOUNDARY LINE OF SECTION 40, ALSO BEING THE WESTERLY BOUNDARY LINE OF JOHNSON BEACH SUBDIVISION AS RECORDED IN MAP BOOK 5, PAGE 8 OF THE PUBLIC RECORDS OF SAID FLAGLER COUNTY, 1442.70 FEET; THENCE DEPARTING SAID EASTERLY BOUNDARY LINE OF SECTION 40, NORTH 88° 23' 31" EAST ALONG THE NORTHERLY BOUNDARY LINE OF SAID JOHNSON BEACH SUBDIVISION 2548.87 FEET TO THE NORTHEAST CORNER OF JOHNSON BEACH SUBDIVISION BEING A POINT ON THE WESTERLY BOUNDARY LINE OF SAID SECTION 21; THENCE NORTH 00° 36' 49" WEST ALONG SAID WESTERLY BOUNDARY LINE 1045.49 FEET TO A POINT ON THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE DEPARTING SAID BOUNDARY LINE OF SECTION 21 SOUTH 21° 15' 53" EAST ALONG THE SAID MEAN HIGH WATER LINE 34.75 FEET; THENCE CONTINUE ALONG SAID MEAN HIGH WATER LINE SOUTH 21° 40' 54" EAST 503.93 FEET; THENCE SOUTH 21° 42' 19" EAST 497.12 FEET; THENCE SOUTH 20° 52' 14" EAST 500.98 FEET; THENCE SOUTH 23° 34' 38" EAST 505.92 FEET; THENCE SOUTH 21° 08' 22" EAST 425.12 FEET; THENCE SOUTH 20° 10' 54" EAST 130.81 FEET; THENCE SOUTH 19° 09' 30" EAST 440.47 FEET; THENCE SOUTH 19° 43' 32" EAST 498.51 FEET; THENCE SOUTH 19° 28' 39" EAST 506.20 FEET; THENCE SOUTH 19° 58' 00" EAST 510.90 FEET; THENCE SOUTH 19° 51' 56" EAST 498.83 FEET; THENCE SOUTH 19° 59' 52" EAST 505.34 FEET; THENCE SOUTH 18° 07' 53" EAST 498.03 FEET; THENCE SOUTH 13° 03' 02" EAST 504.39 FEET; THENCE SOUTH 19° 09' 34" EAST 300.28 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY OF SAID 16TH ROAD; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY SOUTH 19° 09' 35" EAST 50.01 FEET TO A POINT ON THE SOUTHERLY RIGHT-

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OF-WAY OF SAID 16TH ROAD; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY ALONG SAID MEAN HIGH WATER LINE SOUTH 19° 09' 34" EAST 153.39 FEET; THENCE SOUTH 19° 29' 22" EAST 511.45 FEET; THENCE SOUTH 20° 54' 05" EAST 497.62 FEET; THENCE SOUTH 19° 45' 00" EAST 507.57 FEET; THENCE SOUTH 20° 49' 52" EAST 497.95 FEET; THENCE SOUTH 20° 18' 41" EAST 507.65 FEET; THENCE SOUTH 19° 30' 43" EAST 510.25 FEET; THENCE SOUTH 18° 30' 55" EAST 494.37 FEET; THENCE SOUTH 19° 52' 39" EAST 502.28 FEET; THENCE SOUTH 22° 20' 56" EAST 497.23 FEET; THENCE SOUTH 20° 41' 30" EAST 508.67 FEET; THENCE SOUTH 20° 26' 31" EAST 500.09 FEET; THENCE SOUTH 19° 53' 06" EAST 499.88 FEET; THENCE SOUTH 21° 45' 36" EAST 503.26 FEET; THENCE SOUTH 24° 02' 33" EAST 516.08 FEET; THENCE SOUTH 18° 20' 30" EAST 495.06 FEET; THENCE SOUTH 20° 59' 25" EAST 274.96 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY OF JUNGLE HUT ROAD; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY SOUTH 20° 59' 25" EAST 53.31 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF JUNGLE HUT ROAD; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY ALONG SAID MEAN HIGH WATER LINE, SOUTH 20° 59' 25" EAST 181.06 FEET; THENCE SOUTH 20° 20' 30" EAST 505.02 FEET; THENCE SOUTH 20° 08' 17" EAST 500.64 FEET; THENCE SOUTH 19° 52' 12" EAST 501.56 FEET; THENCE SOUTH 19° 13' 54" EAST 497.29 FEET; THENCE SOUTH 21° 19' 23" EAST 502.64 FEET; THENCE SOUTH 19° 57' 05" EAST 507.06 FEET; THENCE SOUTH 17° 56' 45" EAST 507.34 FEET; THENCE SOUTH 18° 49' 25" EAST 504.65 FEET; THENCE SOUTH 21° 02' 20" EAST 497.73 FEET; THENCE SOUTH 21° 04' 43" EAST 482.98 FEET; THENCE SOUTH 21° 04' 34" EAST 11.02 FEET; THENCE SOUTH 19° 11' 42" EAST 496.68 FEET; THENCE SOUTH 22° 23' 45" EAST 506.75 FEET; THENCE SOUTH 20° 55' 06" EAST 500.63 FEET; THENCE SOUTH 20° 42' 16" EAST 499.00 FEET; THENCE SOUTH 22° 07' 09" EAST 499.32 FEET; THENCE SOUTH 21° 45' 31" EAST 500.88 FEET; THENCE SOUTH 21° 59' 38" EAST 227.33 FEET; THENCE SOUTH 21° 59' 39" EAST 284.23 FEET; THENCE SOUTH 22° 30' 14" EAST 498.51 FEET; THENCE SOUTH 22° 43' 23" EAST 499.93 FEET; THENCE SOUTH 21° 20' 52" EAST 499.51 FEET; THENCE SOUTH 22° 12' 03" EAST 499.95 FEET; THENCE SOUTH 21° 18' 01" EAST 498.09 FEET; THENCE SOUTH 23° 31' 50" EAST 493.34 FEET; THENCE SOUTH 23° 12' 12" EAST 498.28 FEET; THENCE SOUTH 22° 31' 35" EAST 507.15 FEET; THENCE SOUTH 22° 12' 00" EAST 498.62 FEET; THENCE SOUTH 22° 18' 50" EAST 527.38 FEET; THENCE DEPARTING SAID MEAN HIGH WATER LINE SOUTH 89° 27' 13" WEST 262.35 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF A-1-A; THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY SOUTH 89° 27' 13" WEST 108.42 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF A-1-A; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY SOUTH 89° 27' 13" WEST 65.58 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF THE OLD FLORIDA EAST COAST CANAL (200' R.W); THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY SOUTH 89° 27' 13" WEST 211.08 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SAID OLD FLORIDA EAST COAST

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CANAL; THENCE SOUTH 19° 11' 11" EAST ALONG SAID WESTERLY RIGHT-OF-WAY 2786.38 FEET; THENCE SOUTH 17° 01' 23" EAST 3542.51 FEET TO A POINT OF INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY OF THE INTRACOASTAL WATERWAY (500' R/W); THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY OF THE OLD FLORIDA EAST COAST CANAL NORTH 46° 36' 23" WEST ALONG SAID EASTERLY RIGHT-OF-WAY OF THE INTRACOASTAL WATERWAY 1326.21 FEET; THENCE NORTH 22° 42' 28" WEST 8360.55 FEET; THENCE NORTH 22° 41' 50" WEST 563.33 FEET; THENCE NORTH 44° 45' 20" WEST 1003.14 FEET; THENCE NORTH 66° 49' 09" WEST 1914.50 FEET TO A POINT OF INTERSECTION WITH THE SOUTHERLY RIGHT-OF-WAY OF SAID OLD FLORIDA EAST COAST CANAL; THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY OF THE INTRACOASTAL WATERWAY SOUTH 89° 41' 27" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY OF THE OLD FLORIDA EAST COAST CANAL 1203.59 FEET; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY NORTH 00° 18' 33" WEST 200.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY OF THE OLD FLORIDA EAST COAST CANAL; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY NORTH 00° 37' 47" WEST 247.39 FEET TO A POINT OF THE SOUTHERLY RIGHT-OF-WAY OF SAID A-1-A; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY NORTH 00° 24' 54" WEST 100.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY OF A-1-A; THENCE SOUTH 89° 35' 06" WEST ALONG SAID NORTHERLY RIGHT-OF-WAY 309.45 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

ALSO INCLUDING A PARCEL OF LAND LYING WESTERLY OF THE WESTERLY RIGHT-OF-WAY (500' R/W) OF THE INTRACOASTAL WATERWAY IN GOVERNMENT SECTIONS 38 AND 46, TOWNSHIP 11 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT OF REFERENCE BEING THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY OF CLUB HOUSE DRIVE (60' R/W) WITH THE WESTERLY RIGHT-OF-WAY OF YOUNG PARKWAY (104' R/W) AS ACCORDING TO PALM COAST SECTION 3, AS RECORDED IN MAP BOOK 6, PAGE 8 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE SOUTH 20° 57' 23" EAST 72.45 FEET ALONG SAID RIGHT-OF-WAY OF YOUNG PARKWAY; THENCE NORTH 69° 02' 37" EAST 104.00 FEET; THENCE SOUTH 20° 57' 23" EAST 62.50 FEET; THENCE NORTH 69° 02' 37" EAST 833.97 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SAID INTRACOASTAL WATERWAY; THENCE SOUTH 20° 49' 48" EAST 857.71 FEET ALONG SAID WESTERLY RIGHT-OF-WAY TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUE SOUTH 20° 49' 48" EAST 203.11 FEET TO A POINT ON A CURVE; THENCE DEPARTING SAID RIGHT-OF-WAY SOUTHWESTERLY 1141.28 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1045.92 FEET AND A CENTRAL ANGLE OF 62° 31' 12" TO A POINT, TANGENT TO SAID CURVE IS NORTH 04° 19' 03" WEST; THENCE SOUTH 85° 40' 57" WEST 25.00 FEET; THENCE SOUTH 04° 19' 03" EAST 550.00 FEET; THENCE SOUTH 85° 40' 57" WEST 150.00 FEET; THENCE NORTH 07° 04' 10" WEST 490.75 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 1458.01 FEET ALONG A CONCENTRIC CURVE TO THE RIGHT HAVING A RADIUS OF 1245.92 FEET AND A CENTRAL ANGLE OF 67° 02' 57" TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

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LESS AND EXCEPT THE RIGHT-OF-WAY OF A-1-A, JUNGLE HUT ROAD, 16TH ROAD, MALACOMPRA ROAD; ALL PLATTED STREETS LYING WITHIN THE JOHNSON BEACH SUBDIVISION, LOTS 1 - 9, 15 - 22, BLOCK 1; LOTS 1 - 3, 18 & 19, BLOCK 2; LOT 19, BLOCK 3, LOTS 1 - 4, 18 - 22, BLOCK 4; LOTS 1 - 11, 18 - 29, BLOCK 5; LOTS 13 & 14, 16 - 24, BLOCK 7; LOTS 2 & 5 - 11, BLOCK 8 OF SAID JOHNSON BEACH SUBDIVISION; OLD FLORIDA EAST COAST CANAL AND THE INTRACOASTAL WATERWAY.

NET ACRES CONTAINING 2244.91 ACRES, MORE OR LESS.

NOTE 1) ALL BEARINGS ARE MEASURED FROM GRID NORTH PER THE FLORIDA STATE PLANE COORDINATE SYSTEM, EAST ZONE, TRANSVERSE MERCATOR PROJECTION.

2) THE MEAN HIGH WATERLINE WAS LOCATED IN ACCORDANCE WITH CHAPTER 177, PART II, FLORIDA STATUTES AND CHAPTER 16.3, FLORIDA ADMINISTRATIVE CODE.

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EXHIBIT "B"

RELEASE AND TERMINATION OF COVENANTS AND OBLIGATIONS

THIS RELEASE AND TERMINATION OF COVENANTS AND OBLIGATIONS ("Release") is made and entered into this _____ day of _____, 2011, by and among **FLAGLER COUNTY**, a political subdivision of the State of Florida ("County"), **ADMIRAL CORPORATION**, a Florida corporation ("Admiral"), **ITT CORPORATION, INC.**, an Indiana corporation (formally known as ITT Industries, Inc.) ("ITT"), and **ITT COMMUNITY DEVELOPMENT CORPORATION**, a Delaware corporation ("ITTCDC"). The County, Admiral, ITT and ITTCDC are collectively referred to as the "Parties".

RECITALS

WHEREAS, on March 30, 1984, the County, pursuant to Section 380.06, Florida Statutes, adopted Resolution No. 84-7 approving a Development Order for the Development of Regional Impact known as Hammock Dunes; and

WHEREAS, Admiral is the applicant for, or master developer of, the Hammock Dunes Development of Regional Impact; and

WHEREAS, Condition 14.1 of Flagler County Resolution No. 84-7, as amended by Resolution Nos. 95-50, 98-10, 2001-135, 2002-107, 2003-21 and 2010-22 (which are collectively referred to herein as the "Development Order") identified properties to be conveyed to Flagler County for park and conservation purposes and stipulated certain conditions and criteria on the County's development of said lands for the benefit of the public; and

WHEREAS, pursuant to Condition 14.1 of the Development Order, Admiral or ITTCDC did convey such lands to the County and the County has and continues to develop and enhance such lands for recreation and conservation purposes; and

WHEREAS, the deeds to such lands are recorded at Official Records Book 627, Pages 1675 through 1688, Official Records Book 627, Pages 1689 through 1691, Official Records Book 381, Pages 736 through 739, all of the Public Records of Flagler County, Florida (collectively known as "Park Deeds"); and

WHEREAS, the Parties have complied with all requirements of Condition 14.1 of the Development Order and the covenants contained in the Park Deeds, with certain limited exceptions set forth below;

WHEREAS, the Parties agree that each party hereto has satisfied all of its respective obligations and covenants found in Condition 14.1 of the Development Order and Park Deeds, with certain limited exceptions set forth below.

NOW, THEREFORE, in consideration of the Essentially Built-Out Agreement among the Parties, the Parties hereto agree as follows:

(1) The above recitals are true and correct and are incorporated herein by this reference.

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(2) By the execution hereof, the Parties hereby release and terminate any and all obligations, covenants, duties and liabilities of the other party related to Condition 14.1 of the Development Order and the related Park Deeds except that the following conditions will remain in effect as related to the Park Lands: i) that certain easement for necessary construction and maintenance of a connector road, as described more fully in that certain General Warranty Deed between ITTCDC and the County dated September 17, 1998 and recorded at Official Records Book 627, Page 1689, Public Records of Flagler County, Florida; and ii) that certain Billboard Lease between ITTCDC and Admiral dated August 27, 1998 and memorialized in that certain Memorandum of Billboard Lease recorded at Official Records Book 627, Page 1478, Public Records of Flagler County, Florida, which Billboard Lease for Billboard Numbers BN643 and BN638 shall not be renewed or extended.

(3) This Release may be recorded by any party hereto in the Public Records of Flagler County, Florida.

IN WITNESS WHEREOF, the Parties hereto, through their duly authorized representatives, have executed this Release on the day and year set forth in the preamble hereto.

Passed and Duly Adopted by the Board of County Commissioners of Flagler County, Florida, this _____ day of _____, 2011.

Attest: _____, Clerk

Board of County Commissioners Flagler County, Florida

_____
Deputy Clerk

By:_____
Chairman

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IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have executed this Agreement on the day(s) and year set forth in the preamble hereto.

Signed, sealed and delivered
in the presence of:

ADMIRAL CORPORATION, a Florida corporation

By:_____
Craig Johnson, President

_____

Print:_____

_____

Print:_____

STATE OF NEW YORK)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Craig Johnson, as President of **ADMIRAL CORPORATION,** a Florida corporation, on behalf of the company.

_____
Notary Public, State of New York
Print Name:_____
My Commission Expires: _____
My Commission Number:_____

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[SIGNATURES CONTINUED ON FOLLOWING PAGES]

Signed, sealed and delivered
in the presence of:

ITT CORPORATION, INC., an Indiana corporation

By:_____

Name:_____

Title:_____

_____

Print:_____

_____

Print:_____

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____, as _____ of **ITT CORPORATION, INC.,** an Indiana corporation, on behalf of the company.

_____

Notary Public, State of:_____

Print Name:_____

My Commission Expires:_____

My Commission Number:_____

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[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Signed, sealed and delivered
in the presence of:

ITT COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation

By:_____
Craig Johnson, President

_____

Print:_____

_____

Print:_____

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Craig Johnson, as President of **ITT COMMUNITY DEVELOPMENT CORPORATION,** a Delaware corporation, on behalf of the company.

_____
Notary Public, State of:_____
Print Name:_____
My Commission Expires:_____
My Commission Number:_____

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