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GAIL WADSWORTH, FLAGLER County
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VILLAGE AT PALM COAST
(PHASE I)

DECLARATION OF
RESTRICTIVE COVENANTS AND EASEMENTS

WHEREAS, LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Kansas corporation (hereinafter known as Company), is the sole owner of certain lands in Flagler County, Florida, as more particularly described on attached Exhibit "A" (hereinafter known as the Parcel). The Company or its subsidiary, desires to develop as a special residential community with specific dwelling unit types; and

WHEREAS, the Company, acquired the Parcel subject to filed Restrictive Covenants and Easements, as recorded in Official Records Book 661, Page 946 of the Public Records of Flagler County, Florida and are attached hereto as Exhibit B; and

WHEREAS, the Company is the Successor Declarant according to that certain Partial Assignment and Partial Assumption of Declarants Rights as recorded in Official Records Book 661, Page 967 of the Public Records of Flagler County, Florida; and

WHEREAS, according to §G, 4 of the Declaration of Restrictive Covenants, Successor Declarant has the right to amend, modify or rescind the terms of the Declaration with regard to the Parcel; and

WHEREAS, the Company desires to provide for the preservation and maintenance of the values and amenities established on the Parcel through the creation of a new Declaration of Restrictive Covenants and Easements with respect to the Parcel; and

WHEREAS, to this end, Company desires to subject the real property described above, to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said real property and each owner of portions thereof; and

WHEREAS, it is desirable for the efficient preservation of the values and amenities in the development, to create an entity to which should be delegated and assigned the powers of maintaining and administering the improvements constructed on the Parcel and administering and enforcing the covenants, restrictions and easements and collecting and disbursing the assessments and charges hereinafter created; and,

WHEREAS, Village at Palm Coast Homeowner's Association, Inc. is being organized under the Not-for-Profit Corporation Laws of the State of Florida for the purpose of exercising the

aforesaid functions, as more fully set forth herein and in the Articles of Incorporation and By-Laws attached hereto as Exhibits C and D;

NOW, THEREFORE, the Company as sole owner of Parcel, for itself, its successors and assigns, does hereby declare that all that portions of the Parcel are released from the original Declaration of Restrictive Covenants, as recorded in Official Record Book 661, Page 967 of the Public Records of Flagler County, Florida and that the original covenants, restrictions, easements, charges and liens are hereby terminated as to Parcel. The Successor Declarant further declares, for itself, its successors and assigns, that the Parcel described above, or any portion thereof, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, reservations and liens hereinafter set forth.

ARTICLE I
Definitions

The following words and phrases when used in this Declaration of Restrictive Covenants and Easements (unless the context shall prohibit) shall have the following; meanings:

"Approved Builder" shall refer to any one of a maximum of four (4) contractors approved by the Company to construct dwelling units in the Village at Palm Coast.

"Amenities" shall refer to all common elements of the Village at Palm Coast subdivision constructed by or at the direction of the Company and intended for the use and enjoyment of the Owners and to be owned and maintained as set forth in this Declaration. Amenities shall include, but shall not be limited to, all streets and roadways, sidewalks, recreational facilities, community facilities and waterfront features.

"Architectural Review Committee" or "Committee" shall mean a committee appointed by the Company pursuant to Article XI, Section 3, herein.

"Association" shall mean the Village at Palm Coast Homeowner's Association, Inc., a Florida corporation not for profit, as incorporated by Articles of Incorporation, a copy being attached hereto and made a part hereof as Exhibit C, together with By-Laws attached hereto as Exhibit D. The Association is not a condominium association.

"Board", or "Board of Directors" shall mean the Board of Directors of the Association.

"Declaration" or "Declaration of Covenants and Restrictions" shall mean this Declaration of Restrictive Covenants and Easements for the Village.

"Developer" or "Company" means LongView Village Development Company, its designee, successors and assigns.

"Dwelling Unit" means a residential unit of the Village constructed on a Lot to be used as a single

family residence.

"Institutional Mortgagee" shall mean a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the U.S. government, or real estate or mortgage investment trust, or a lender generally recognized in the community as an institutional type lender.

"Lot" means those lots created by the Plat.

"Member" shall mean and refer to all those Persons who are entitled to membership in the "Association".

"Model Home" refers to a single family residence which has obtained a certificate of occupancy and is intended to be used as a display for potential buyers.

"Owner" means the Person who is the record owner (other than the Company) and who has acquired fee-simple title to any Lot.

"Parcel" means the real property described on attached Exhibit "A".

"Person" shall mean any individual, corporation, governmental agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

"Plat" refers to the amended subdivision map recorded at Map Book 33 Pages 1-4 of the Public Records of Flagler County, Florida and which includes the Lots described in this Declaration and any subsequent amendments.

"Rear Yard Area" means the yard area of an improved Lot from a line formed by the rear of a dwelling unit and a line extension thereof to the rear side Lot lines to the rear property line or lines.

"Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges

"Village at Palm Coast" means the Lots and Dwelling Units located within Parcel and subject to the terms of this Declaration.

"Village Square" means that part of the Village wherein the Clubhouse, Spa, Pool and the Business Center shall be located. Aside from the Business Center the facilities comprising the square will be the property of the Association. As Association property such facilities shall be held available and accessible to Association Members for their common usage and enjoyment.

ARTICLE II
Property Subject to this Declaration

Section 1. The Properties.

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is all that certain plot, piece, or section of land situate, lying in the City of Palm Coast, County of Flagler and State of Florida, as more particularly described on attached Exhibit "A" (the "Parcel"). The Parcel shall be designated as Village at Palm Coast, Phase I, and shall be managed by the Village at Palm Coast Homeowner's Association, Inc., a non-profit Florida corporation organized pursuant to Articles of Incorporation and By-Laws attached hereto as Exhibits C and D, respectively.

ARTICLE III
Membership and Voting Rights in the Association

Section 1. Membership.

Every Owner shall be a member of the Association. Membership shall be appurtenant to and inseparable from ownership of a Lot. Transfer of Lot ownership either voluntarily or by operation of law shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee.

Where any one Lot is owned by more than one Person, the composite title holder shall be and constitute one Member of the Association. Any Person, owning more than one Lot shall be as many memberships as the number of Lots owned.

Section 2. Voting Rights.

Members of the Association shall have the voting rights provided for in the Articles of Incorporation and Bylaws attached as Exhibit C and D.

ARTICLE IV
Grant and Reservation of Easements

Section 1. Easement for Maintenance by Association.

The Company hereby grants to the Association, its employees, subcontractors, agent and designees, a non-exclusive, perpetual easement over, through, across and under each Lot to permit the maintenance and repair or replacement, as necessary, of those portions of the Lot required to be maintained, replaced and repaired by the Association, as provided in this Declaration.

Section 2. Easement for Sprinkler System.

The Company hereby reserves to itself and grants to the Association, its employees, subcontractors, agents and designees, a non-exclusive, perpetual easement over, through, across and under each Lot for the installation, maintenance, operation, repair and replacement of sprinkler system lines and sprinkler heads, which lines and heads are hereby deemed to be the property of the Association; provided, however, no lines shall be located under a Dwelling Unit on a Lot. Should a sprinkler line(s) or sprinkler head(s) be required to be maintained, repaired or replaced as a result of the negligence by an Owner, his family, servants, guests or invitees, the applicable Owner shall be responsible for the costs thereof, and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other assessments provided for herein.

Section 3. Reservation of Easements by Company.

A. Sales. Company reserves the right to continue to use the Parcel, and any sales offices, model homes, signs and parking spaces approved by the City of Palm Coast on the Parcel for so long as Company deems such maintenance to be in the best interests of the Company.

B. Location of Amenities, Operation and Usage Easement and Special Events. The Village Square will be adjacent to the Parcel will be owned and operated by a wholly owned management subsidiary of the Company. The Village Square will be part of the facilities of the Village at Palm Coast and available for use to the residents of the Village on the terms set, from time to time, by the Company. All persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Company or any other Person with regard to the continuing ownership, method of operation, or layout of the Village Square. Each Owner further understands and agrees that ownership of a Lot does not confer any ownership interest in or right to use of the Village Square. Each Owner understands and agrees that his or her Dwelling Unit and Lot are adjacent to or near the Village Square and that the Village Square will be used, from time to time for special events and holiday celebrations. An express easement, license, and right to conduct such activity is hereby reserved to the Company, it's affiliates, and their assigns. Each Owner acknowledges that the location of his or her Dwelling Unit within the Parcel may result in nuisances or hazards to persons and property on the Lot as a result of normal Village Square operations or as a result of special events. Each Owner covenants for itself, its heirs successors, successors in title, and assigns that it shall assume all risks associated with such location including, but not limited to, the risk of property damage or personal injury incidental to such Village Square activities and shall indemnify and hold harmless the Association, the Company and it's affiliates from any liability, claims, or expenses, including attorney"s fees, arising from such property damage or personal injury.

C. Amendment. This section may not be amended without the prior written consent of the Company.

ARTICLE V
Maintenance

Section 1. Association.

A. The Association, through action of its Board of Directors, shall provide maintenance to the exterior for the Dwelling Unit on each Lot as follows: paint or stain the exterior walls of each Dwelling Unit and repair, replace and care for roof surfaces of each Dwelling Unit and the exterior facing of any chimney. The Association shall not maintain any gutters, downspouts, trellises, doors, fences, hardware, glass or screens on the exterior surface of any Dwelling Unit, nor maintain any heating or air conditioning equipment outside a Dwelling Unit.

B. In addition to the exterior maintenance of Dwelling Units referred to above, the Association shall be obligated to maintain in good repair and replace as necessary, landscaping, trees, shrubs, grass, sprinkler systems and other exterior landscape improvements situated on each Lot and outside each Dwelling Unit, as originally installed by Company.

C. The Association shall not maintain plantings within any patio, atrium, lanai, enclosure or deck area of a Dwelling Unit, which will specifically be the responsibility of the Owner. The Association shall be responsible for watering the grassed area and landscaping on the Lot, excluding grass or landscaping not maintained by the Association. The time and frequency of watering shall be determined by the Association. The cost of maintenance and repair of the sprinkling system and the cost of water used by the system shall be an expense funded by the Association assessment against all Owners.

D. The Association shall not maintain any other portion of the Lot or improvements thereon.

E. The Association shall maintain all roads and streets within the Village at Palm Coast subdivision, which shall remain privately held by the Association subject to an easement for ingress and egress in favor of the Owners, their guests and invitees and for the City of Palm Coast for emergency purposes.

Section 2. Lot Owner.

The Lot Owner is responsible to maintain and repair everything on the Lot, including but not limited to, the Dwelling Unit and any other improvements, except for items which the Association is required to maintain, as specifically provided in Section 1 above. The Owner shall maintain, repair and replace, if necessary, the water and sanitary sewer lateral pipes servicing Owner's Dwelling Unit, which laterals extend from the applicable water and sewer main to the Dwelling Unit. The Owner shall maintain, repair and replace the air-conditioning and heating system and appurtenances thereto including all portions of any chimney and fireplace not maintained by the Association, located on the Lot, whether the same be located inside a Dwelling Unit or on the exterior of a Dwelling Unit. The Owner shall maintain, repair and replace all gutters, downspouts, trellises, doors, fences, glass, hardware, chimney (except for exterior facing) and screening on the exterior of the Dwelling Unit and shall maintain, repair and replace any equipment or additional improvements constructed or

placed outside of a Dwelling Unit or any deck or porch originally constructed by the Company including, but not limited to any hot tub, pool, jacuzzi, barbecue, decorative landscaping, deck or patio and any structure such as a fence or screen porch enclosing such improvements. This requirement for maintenance by an Owner shall not be construed as an approval for the construction of such improvements on any Lot (except as such improvements were originally constructed by the Company) or a representation by the Company, the Association or the Architectural Control Committee that any such improvement will be permitted for any Lot in the Parcel.

Section 3. Assessments.

All work performed by the Association and all expenses hereunder shall be paid for by the Association through assessments imposed by the Board of Directors in accordance with Article VI. Such assessments shall be against all Lots equitably.

Section 4. Disrepair of Dwelling Units and Lots.

In the event the Owner of any Lot in the Parcel shall fail to perform the required maintenance of his Lot in a manner reasonably satisfactory to the Board of Directors of the Association or any committee established by such Board, except for such areas as the Association is required to maintain, upon direction of the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said Lot to maintain and restore the improvements erected on such Lot. The cost of any maintenance supplied by the Association pursuant to this Section shall be added to and become part of the assessment to which such Lot is subject.

Section 5. Access at Reasonable Hours.

For the purpose of performing the maintenance required by this Article, the Association, through its duly authorized agents and employees, shall have the right without notice to enter upon any Owner's Lot at reasonable hours on any day except Sunday and holidays.

Section 6. Negligence of Owner.

Should any portion of a Dwelling Unit or Lot which the Association is required to maintain pursuant to this Article require maintenance, repair or replacement as a result of the negligence of the Owner, his family, lessee, guests, servants or invitees, the applicable Owner shall be responsible for the cost thereof and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other assessments.

Section 7. Management.

The Association through the action of its Board of Directors, shall have the right to employ a manager or management firm which employment may either be on the basis of an employee of the Association or as an independent contractor.

Section 8. Maintenance Resulting from Location of Amenities.

Located within and adjacent to the Parcel and the Dwelling Units are various Amenities. Accordingly, from time to time Dwelling Units or other improvements on the Lots may be damaged as a result of the ordinary usage of such Amenities. Any such damage shall be treated as a normal maintenance item under this Article and shall promptly be repaired by either the Association or the Owner of the Dwelling Unit as their maintenance responsibilities are set out in this Article. The Company shall have no obligation to participate in the cost of any such maintenance or repair beyond the Company's normal participation in payment of assessments to the Association, for the maintenance set forth in this Article.

Section 9. Association Maintenance of Surface Water or Stormwater Management System

A. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved in writing by the St. Johns River Water Management District.

B. Assessments shall also be used for the maintenance and repair of the surface water or stormwater management systems including but not limited to work within retention areas, drainage structures and drainage easements.

C. The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

D. Any amendment to the Covenants and Restrictions which alter any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior written approval of the St. Johns River Water Management District.

E. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Covenants and Restrictions which relate to the maintenance, operation and repair of the surface water or stormwater management system.

ARTICLE VI
Covenant for Maintenance Assessment

Section 1. Creation of the Lien and Personal Obligation of the Assessments.

Each Owner shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance of the Lots as provided in this Declaration, including such reasonable reserves as the Association may deem necessary, special assessments as provided in this Article, and assessments for maintenance as provided herein. Such assessments shall be fixed, established and collected from time to time as set forth in this Article. Assessments levied by the Association, together which such interest and costs of collection as hereinafter provided, shall, upon the recordation of a Claim of Lien, be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest and costs of collection, shall also be the personal obligation of the Owner of such Lot at the time when the assessment became due. All annual and special assessments shall be against all Lots subject to its jurisdiction, equitably. No Owner may waive or otherwise escape liability for the assessments by non-use, abandonment or any maintenance performed by an Owner that is otherwise the responsibility of the Association.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the Owners in The Village at Palm Coast and, in particular, for the improvement and maintenance of the Lots and Rights of Way situated upon the Parcel, including without limitation, the repair, replacement, maintenance, additions, and the cost of labor, equipment, materials, utilities, insurance, services, management and supervision.

Section 3. Budget and Commencement of Payment.

A. The Association's Board of Directors shall, from time to time, but at least annually, fix and determine a budget representing the sum or sums necessary and adequate for the continued operation of the Association. The Board shall determine the total amount required, including the operational items such as insurance, repairs, replacements, reserves, maintenance and other operating expenses, as well as charges to cover any deficits from prior years and reserves approved by the Board. The total annual assessments and any supplemental assessments shall be shared by all Lots based upon the formula and terms and provisions set forth herein and in the Articles of Incorporation and Bylaws.

B. Each Lot shall commence paying its share of the Association assessments commencing with the day title of the Lot is conveyed by deed from the Company to the first grantee thereof; provided, however, a conveyance by the Company to a successor who assumes all the duties

on responsibilities of Company or to a related or affiliated entity shall not be deemed a conveyance to the first grantee.

Section 4. Guarantee of Assessments.

The Company guarantees that for a period of one year commencing with the date of the conveyance by the Company of the first Lot within the Parcel, excluding those conveyances by the Company to an entity who assumes all of Declarant's duties and responsibilities or to an entity related to or affiliated with the Company, the assessments of the Association shall be in the amount as specified in the initial estimated operating budget of the Association. During the period of said guarantee, the Company shall pay the amount of expenses of the Association incurred during that period and not produced by the assessments at the guaranteed level receivable from other Owners, as provided herein, and during said period, the Company shall not be required to pay any specific sum for its share of the expenses of the Association as to any Lots owned by it. Provided, however, the Company shall pay the deficit during said period. The Company's guarantee is not intended to include, and does not include and shall never be deemed to include, expenses or fees called for or occasioned by an action or decision of the Board of Directors when Owners, other than the Company, elect a majority of the Board of Directors, where such expenses or fees are inconsistent with expenses or fees preceding that time. In such event, the Company, at its option, may pay the sums required, to be paid by it; or, the Company, at its option, may cancel said guarantee. In such case, it shall pay the assessments of the Association as to the Lots owned by it.

The Company hereby reserves the right, to be exercised in its sole discretion, to extend from time to time the termination date of the above guarantee for such period of time as the Company determines. Should Company elect to extend the time period of the guarantee, Company shall notify the Board of Directors of the Association of its election prior to the termination date of the original guarantee term or an extended guarantee term, and such notice shall set forth the new termination date of Company guarantee. The Company reserves the right, in its sole discretion, to require the Board of Directors of the Association to increase the amount of the assessments due from Owners other than the Company for each extension by an amount not to exceed fifteen (15%) percent of the guaranteed amount of assessment for the preceding period. Provided, however, in no event may the Company require the Board of Directors to increase the assessment due from Owners other than the Company by more than fifteen (15%) percent for each year of extension of the guarantee. The Board of Directors of the Association agree to comply with the requirements of the Company, as provided herein, and increase the assessments payable from Owners other than the Company during any extension of the guarantee. Should the Board of Directors of the Association fail to increase such assessments, as may be required by the Company hereunder, the Company shall have the unconditional right to cancel its guarantee, as contained herein; or, Company shall have the right to specifically enforce its rights as provided herein.

Section 5. Due Dates; Duties of the Board of Directors.

All assessments shall be payable monthly in advance or on such other basis as is ordered by

the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot and shall prepare a roster of the Lots and assessments applicable, which shall be kept in the office of the Association and shall be open to inspection by any Member. Upon the written-request of a Member or his mortgagee, the Board shall promptly furnish such Member or his mortgagee with a written statement of the unpaid charges due from such Member.

Section 6. Effect of Non-Payment of Assessment; Personal Obligation of the Member; Liens; Remedies of the Association.

If an assessment is not paid on the date when due, then at the option of the Board, such assessment, together with the balance of the annual assessment established by the Board, shall become delinquent and shall, together with such interest thereon, late charges and the cost of collection thereof, including reasonable attorneys' fees and court costs, thereupon become a continuing lien on the Member's Lot which shall bind such property in the hands of the Member, his heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except: (a) tax or assessment liens of any governmental authority on the Lot, including, but not limited to, taxes or assessments of any state, county and school district taxing agency; and (b) all sums unpaid on any bona fide first mortgage of record encumbering the Lot. The personal obligation of the Member who was the Owner of the Lot when the assessment fell due, to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum permissible interest rate provided under the laws of the State of Florida. A late charge of up to $25.00 may be assessed by the Board and the Association, through its Board, may bring an action at law against the Member or former Member personally obligated to pay the same or it may bring an action to foreclose the lien against the Lot. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the cost of the action and the aforesaid late charge.

Section 7. Selling, Leasing and Gifts of Lots, Etc.

A. No Member shall convey, mortgage, pledge, hypothecate, sell or lease his Lot unless and until all unpaid assessments assessed against such Lot shall have been paid as directed by the Board of Directors; such unpaid assessments, however, may be paid out of the proceeds from the sale of the Lot or by the purchaser of such Lot. Any sale or lease of the Lot in violation of this section shall be voidable at the election of the Board of Directors.

B. Upon the written request of a Member or his mortgagee, the Board or its designee shall furnish a written statement of the unpaid charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement but

unlisted thereon. A reasonable charge may be made by the Board for issuance of such statements.

C. The provisions of this section shall not apply to the acquisition of a Lot by a mortgagee who shall acquire title to such by foreclosure or by deed in lieu of foreclosure. In such event the unpaid assessments against the Lot which were assessed and became due prior to the acquisition of title by such mortgagee shall be deemed waived by the Association and shall be charged to all other members of the Association as an Association expense. Such provisions shall, however, apply to any assessments which are assessed and become due after the acquisition of title by the mortgagee and to any purchaser from such mortgagee.

D. Whenever the term Lot is referred to in this section, it shall include the Member's interest in the Association and the Member's interest in any property acquired by the Association. Any Member may convey or transfer his Lot by gift duringhis lifetime or devise the same by will or pass the same by intestacy.

E. The provisions of this section shall not apply to Company. This section may not be amended without the prior written consent of Company.

Section 8. Subordination of Lien.

The lien for assessments provided for in this Article shall be superior to all other liens, except tax liens, mortgage liens in favor of Institutional Mortgagees or persons or entities deemed to be Institutional Mortgagees by the provisions of this Declaration, and mortgage liens in favor of mortgagees under mortgages now existing or hereafter granted by the Company, as mortgagor.

Section 9. Special Assessments.

Funds necessary for emergencies or non-reoccurring expenses may be levied by such Association as special assessments, upon approval of a majority of the Board of Directors of such Association and also, for such funds exceeding the sum of Ten Thousand Dollars ($10,000), upon approval by a majority favorable vote of the Members of such Association voting at a meeting or by proxy as may be provided in the By-Laws of such Association.

Section 10. Certificate of Assessment.

The Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

ARTICLE VII

Section 1. Association Insurance.

To the extent obtainable, the Board of Directors shall be required to obtain the following insurance:

A. Workmen's compensation insurance, if required by law; and,

B. Directors' and Officers' liability insurance; and

C. Other property and liability insurance it may deem proper to protect the Association, its Members and property.

Section 2. Dwelling Units, Lots.

A. Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain adequate insurance of his Dwelling Unit which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire, storm or other hazards or casualty. Such insurance shall name the Association as an additional insured and shall be sufficient to cover the full replacement value, or to cover necessary repair or reconstruction work. Such insurance shall be written in the manner acceptable to the Board of Directors of the Association and shall contain a clause which provides ten (10) days prior written notice to the Board of Directors of the Association before the policy can be cancelled. Each Owner shall be required to supply the Board of Directors with evidence of insurance coverage on his home which complies with the provisions of this Section. Each Owner shall also be responsible for the purchasing of liability insurance for accidents occurring on his or her Lot.

B. Association Approval. The insurance referred to in subsection 1 of this Section shall be written in a manner acceptable to the Association. The Association shall carry out the functions set forth hereafter.

C. Insurance Trustee. Each policy shall contain a loss payment provisions which provides that the proceeds of any loss shall be payable to the Association who shall hold such funds in trust to insure that repairs are made as hereinafter set forth. Each policy shall also contain a clause that it is non-cancelable without ten (10) days prior written notice to the Association. Each Owner shall be required to supply the Association with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section.

D. Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of the Directors of the Association, then the Board of Directors of the Association may obtain such insurance coverage. The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support

of separately owned Dwelling Units. Insurance obtained by the Board of Directors of the Association shall be written in the name of the Association, as Trustee, for the benefit of the applicable Owner.

E. Payment of Premiums. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be a part of the Association's Assessments or common expenses, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VI of this Declaration.

F. Repair or Replacement of Damaged or Destroyed Property. Each, Owner shall, with the concurrence of the Owner's Mortgagee, if any, and the Board of Directors of the Association, be required to reconstruct or repair any Dwelling Unit or portion thereof destroyed by fire, storm or other casualty. Insurance proceeds issued for such repair shall be in the name of the Association, as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signatures) of an agent(s) duly authorized try Board of Directors of the Association. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner within thirty (30) days after the Association receives the insurance proceeds, the Board of Directors of the Association is hereby irrevocably authorized by such Owner to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit. Repairs shall be done in a good and workmanlike manner in conformance with the original plans and specifications used for construction of other Dwelling Units by the Company. The Board of Directors of the Association :nay advertise for sealed bids from any licensed contractors and may then negotiate w:t'n said contractors. The contract or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding, unless such requirement is waived by the Board of Directors of the Association. In the event the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, the Board of Directors of the Association shall levy a special assessment against the Owner in whatever amount is required to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

G. Administrative Fee. Should the Association obtain the insurance coverage on a Dwelling Unit pursuant to this Article, then the Association may charge and the applicable Owner shall be responsible for, as a special assessment against the Lot, an administration fee of $100.00. Said fee is in addition to the charge for the premium, for which owner is also responsible.

H. Association and Directors Liability. The Association, its Directors or Officers, shall not be liable to any Person should it fail for any reason whatsoever to obtain insurance coverage on a Dwelling Unit.

ARTICLE VIII
The Association

Section 1. Powers.

The Association shall have all statutory and common law powers of a Florida non-profit corporation, all powers provided in its Articles of Incorporation and By-Laws, and all powers granted in this Declaration.

ARTICLE IX
Building and Use Covenants

Section 1. Land Use.

The use of a Lot and Dwelling Unit by a Member or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the Articles and By-Laws and the Rules and Regulations of the Board of Directors. No Lot shall be used except for residential purposes by a single family and their guests and invitees.

Section 2. Building Type.

A. "Building Type". No building shall be erected, altered, placed or permitted to remain on any Lot other than one single family Dwelling Unit not to exceed 30 feet in height and of the type and style originally constructed by the Company. All Dwelling Units shall be constructed by an Approved Builder according to the Company's specifications. Construction shall not commence until the Owner has received written approval to proceed from the Architectural Review Committee. Construction of a Dwelling Unit must commence within twelve (12) months of acquisition of a Lot by the Owner. No Lot shall remain vacant for more than twelve (12) months unless owned by the Company of an Approved Builder. All Dwelling Unit exteriors shall be completed within six (6) months from commencement of construction or issuance of a building permit, whichever comes first.

B. "Stemwall Construction". All Dwelling Units constructed on Lots 45 through 63 shall be constructed on "stemwalls". Generally, stemwall construction requires all fill material to be confined to the area directly below the Dwelling Unit or structure for which the fill is needed. This is accomplished by confining fill materials with vertical walls ("stemwalls"). This requirement will be enforced by the Architectural Review Committee in their review and the Architectural Review Committee may pass rules and regulations to more particularly describe the method and type of stemwall construction which will be permitted.

Section 3. Architectural Control.

A. Except as to the Dwelling Units and other improvements originally constructed by the Company, no Dwelling Unit, wall, fence, decking, paving, awnings, or other structure or

improvement of any nature shall be erected, placed, modified, altered or permitted to remain on any Lot until the construction plans and specifications and a plan showing the kind, shape, materials, colors and location of the structure, exterior elevations, and landscaping, as may be required by both the Architectural Review Committee and the Association, have been approved in writing by the Architectural Review Committee and the Association. Each Dwelling Unit, wall, fence, or other structure or improvement of any nature, together with the landscaping, shall be erected, placed or altered upon a Lot only in accordance with the plans and specifications and plot plan used by the Company for the original construction of such Dwelling Unit or other structure. Refusal of approval of plans, specifications and plot plan, or any of them, may be based on any ground, including purely aesthetic grounds, which, in the sole discretion of said Architectural Review Committee, seems sufficient. Any change in the exterior appearance of any Dwelling Unit, wall, fence, or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Architectural Review Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph.

B. The Architectural Review Committee shall review the proposed submission as to the type and quality of materials, harmony of the exterior design, location of the structure with existing Dwelling Units, the Amenities, or other structures, location of the structure with respect to topography, trees, vegetation and the finished grade elevation and floor slab, exterior color(s) of any structure and any other relevant considerations. Upon completion of the proposed improvements, an "as-built" survey showing the finished floor and grade elevation and location of improvements shall be filed with the Association and with the Architectural Review Committee.

C. The Architectural Review Committee shall be composed of not less than three (3) nor more than seven (7) persons. The members of the Committee shall be appointed by the Company, its designees, successors or assigns. The membership, rules of procedure and duties of the Committee shall be prescribed by and, from time to time, changed or modified by the Company. If and when the Company deems the circumstances appropriate, the Company, in its sole discretion, may assign to the Association or any other body, all or part of the rights, duties, and functions o the Architectural Review Committee as set forth in this Declaration. From and after the date of any such assignment, the Company shall be relieved of any further duties or obligations concerning the Committee, and the Association or other body shall assume the duties and perform the functions as set forth herein.

D. If the Architectural Review Committee shall disapprove, in whole or in part, any submission required herein, the Committee shall notify the person, firm or entity making the submission of the reasons for such disapproval. If the Architectural Review Committee fails or refuses to approve or disapprove a submission containing all the requirements as set forth herein within forty-five (45) days after submission is received by the Committee. it shall then be presumed that the submission has been approved by the Architectural Review Committee.

Section 4. Change in Dwelling Units.

A. Association nor any Owner shall make or permit any structural modification or alteration of any Dwelling Unit except with the prior written consent of the Architectural Review Committee (herein identified), or its successor; the Association, acting by and through its Board of Directors; and all institutional mortgagees holding a mortgage on the Dwelling Unit. Consent may be withheld if, in the sole discretion of the party requested to give the same, it appears that such structural modification or alteration would affect or in any manner endanger other Dwelling Units.

B. No Dwelling Unit shall be demolished or removed without the prior written consent of all Owners of any attached Dwelling Unit to which such Dwelling Unit was connected at the time of its construction and of all institutional mortgagees holding a mortgage on any attached Dwelling Unit, and also the prior written consent of Company or its successor.

Section 5. Regulations.

Regulations promulgated by the Board of Directors, or any committee established by the Board of Directors, or any committee established by the Board concerning the use of the Properties shall be observed by the Members and their family, invitees, guests and tenants; provided, however, that copy regulations are furnished to each Member prior to the time the said regulations become effective.

Section 6. Damage to Dwelling Units.

In the event a Dwelling Unit is damaged, through Act of God or other casualty, the Owner shall promptly cause the Dwelling Unit to be repaired and rebuilt substantially in accordance with the original architectural plans and specifications. The Association shell have the right to enforce such repair or rebuilding of the Dwelling Unit to comply with this responsibility in accordance with Article VIII hereinabove. To accomplish the requirements of this Section, each Owner shall insure each Dwelling Unit at the highest insurable value, including, but not limited to, full replacement value of the premises, as set forth in Article V.

Section 7. Temporary and Accessory Structures.

No accessory Dwelling Unit or structure of a temporary character, or trailer, tent, mobile home, boat or recreational vehicle shall be permitted on any Lot at any time or used on any Lot, at anytime, either temporarily or permanently, except as permitted by both the Association and the Architectural Review Committee. No gas container of any type shall be placed on or about the outside of any Dwelling Unit in the Parcel, unless the gas container is installed underground. In the alternative, the gas container may be placed above ground if enclosed on all sides by a decorative wail or other screening approved by the Architectural Review Committee.

Section 8. Signs.

No sign, advertisement or poster of any kind shall be erected or displayed to the public view on Parcel without the prior written approval of the Architectural Review Committee and

the Association as to size, color, content, material, height and location. This paragraph shall not apply to Company.

Section 9. Pets, Livestock and Poultry.

No animals, livestock, or poultry of any kind or size shall be raised, bred or kept on any Lot, except that dogs, cats, or other normal household pets may be kept as authorized by the Board of Directors of the Association. However, the number of said pets shall not exceed two (2) for any Lot, provided that they are not kept, bred or maintained for any commercial purpose and provided that they do not become a nuisance or annoyance to any neighbor. No dogs or other pets shall be permitted to be at large or off of a leash on any Lot within the Parcel, except the Lot owned by the Owner of such pet. No dog runs, ties or outdoor kennels shall be permitted.

Section 10. Nuisances.

No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood.

Section 11. Antenna.

With the prior written approval of the Association television, electronic or other type antenna or satellite dish may be erected on the Parcel or attached to the exterior of any Dwelling Unit thereon. No radio, electronic or other type of antenna rising higher than Thirty-six inches (36") above the peak of a residence's roof may be erected upon any Lot or Dwelling unit.

Section 12. Exterior Appearances and Landscaping.

The paint, coating, stain, and other exterior finishing colors on all Dwelling Units may be maintained as originally installed, without prior approval of the Architectural Review Committee. Prior approval by the Architectural Review Committee shall be necessary before any such exterior finish or color is changed. Furthermore, prior approval shall be required if the Association or any Owner wishes to paint, varnish, stain or make any application to exterior trellises or wood treatment other than as originally finished by. the Company. The landscaping, including, without limitation, the trees, shrubs, lawns, flower beds, walkways, and ground elevations, shall be maintained as originally installed by the Company, unless the prior approval for any substantial change is obtained from the Association and the Architectural Review Committee. Neither aluminum foil, paper, nor anything which the Architectural Review Committee deems objectionable, may be placed on windows or glass doors. No owner may place any furniture, equipment or objects of any kind or construct any structures, slabs or porches beyond the limits of any Dwelling Unit (including any deck, patio or porch) as originally constructed by Company or place any objects such as bicycles, toys, barbecues, etc., on any rear patio unless concealed from the view of the road frontage and other Dwelling Units, except, however, customary outdoor furniture.

All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist.

Section 13. Existing Trees.

Neither the Association nor an Owner or other person, without the prior written consent of the Architectural Review Committee, shall remove any live tree with a trunk of four (4) inches or more in diameter (as measured one (1) foot from ground level) from any portion of the Parcel. If said trees are removed without said prior consent, the Owner or the Association, as appropriate, may be required by the Committee to replace same with trees of comparable size.

Section 14. Grades and Elevations.

In order to preserve and maintain proper drainage, no changes in grades or elevations of any portion of a Lot (including the swale areas) shall be made without the prior written approval of the Association and the Architectural Review Committee. Final, floor elevations and all other applicable grades must be shown on the site plan and approved by both the Committee and the Association prior to construction.

Section 15. Wells.

In order to minimize the removal of ground and surface water in any appreciable quantities and avoid unnecessary saltwater intrusion or diminution or material alteration of the aquifer, the construction and/or use of individual wells for any purpose on the Parcel is prohibited.

Section 16. Fertilizers.

In order to reduce the dissolution of nitrogen into the ground and surface waters in amounts injurious to the environment, only fertilizers which are capable of releasing nutrients at a controlled rate, such as organic fertilizer, are permissible.

Section 17. Commercial Vehicles, Trucks, Trailers, Campers and Boats.

No trucks or commercial vehicles, campers, mobile homes, motor-homes, boats, house trailers, boat trailers, or trailers of any other description shall be permitted to be parked or to be stored overnight at any place except in a completely closed garage on any Lot or Right-of-Way. This prohibition shall not apply during the periods of approved construction on a Lot, neither shall this prohibition apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services. Non-commercial vans which do not display any type of advertising, sign, logo or similar device and which are used for personal purposes shall not be prohibited.

Section 18. Sales and Rentals.

No Dwelling Unit may be sold, rented, or sublet without express written notice

to the Board. This provision is for the purpose of making certain that subsequent owners and renters understand the rights and obligations of Members or occupants of Lots. In addition to the notice requirement, the Board may require the use of a registration form to be completed by prospective purchasers--chasers or renters. No Dwelling Unit may be rented, leased or sublet. for a period of less than thirty (30) days. All enforcement procedures applicable to the Declaration of Restrictive Covenants and Easements shall be equally applicable to enforcement of this section.

Section 19. Walls/Fences.

No fence, wall, gate, hedge, or other structure shall be erected or maintained on any Lot, except as originally installed by the Company unless approved in writing by both the Association and the Architectural Review Committee as provided herein. In no event shall any fence be permitted in the rear yard area of any Lot.

Section 20. Garbage and Trash Disposal.

No garbage, refuse, trash or rubbish shall be deposited on any Lot except in closed sanitary containers which must be kept completely obscured from view except that such containers may be placed at the edge of the front yard by the right-of-way no sooner than 5:00 p.m. on the day prior to scheduled trash collection, so long as any empty containers are removed from view by 5:00 p.m. on the day of collection.

Section 21. Outdoor Drying and Laundry.

No clothing, laundry or wash shall be aired or dried on any portion of any Lot in an area viewable to any other Lot, Dwelling Unit, the adjoining Golf Course or roadway. No garments, rugs, etc., shall be hung from windows or doorways of Dwelling Unit, and no clothes lines or similar type structure shall be permitted on any Lot.

Section 22. Jacuzzis, Swimming Pools and Screen Enclosures.

In-ground pools, jacuzzis, hot tubs and substantially similar structures may be permitted in the porch, patio or deck area as originally constructed by the Company so long as such installation is approved in writing by the Association and Architectural Committee. No other patio, deck, screen enclosure or porch shall be permitted which extends beyond the Dwelling Unit as originally constructed by the Company, without the prior written approval of the Association and Architectural Committee. No above ground swimming pools shall be permitted on any Lot.

Section 23. Lawful Conduct.

No immoral, improper, offensive or unlawful use shall be made of any Lot or Dwelling Unit. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be strictly observed.

Section 24. Risks.

No Owner shall permit or suffer anything to be done or kept in his Dwelling Unit or upon his Lot which will increase the rate of insurance as to other Owners or to the Association.

Section 25. Garages and Parking.

All units shall be constructed or reconstructed with an enclosed garage with the dimensions equivalent to the dimensions for the garage originally constructed on the Lot by the Company. No vehicle permitted to be parked on the Parcel shall be parked overnight, except on a paved portion of a Lot or within an enclosed garage. The Association shall have the right to adopt written rules and regulations concerning parking pursuant to Section 5 of this Article.

Section 26. Basketball Boards.

Basketball backboards whether attached to the Dwelling Unit or free-standing, shall be erected only after approval by the Committee and the Association.

Section 27. Flagpoles.

All flagpole structures and their locations must be approved by the Committee and the Association prior to construction and/or installation of same.

Section 28. Decorative Items.

The use of any decorative items, including but not limited to statues, gates, rocks, planters, bird baths, fountains, plant hangers,, and other ornamental accessories whether free standing or attached to any portion of the exterior of a Dwelling Unit must be submitted to the Association and the Architectural Review Committee for review and written approval prior to use, installation or construction.

Section 29. Mailboxes.

All mailboxes to be installed on each Lot shall be of the standardized type designated by the Association and the Architectural Review Committee as to style, location, material, color, height and type of post mounting.

Section 30. Lighting.

All exterior lighting, including, but not limited to, walkway, driveway, accent courtyard or common area, must be approved by the Association and the Architectural Review Committee prior to construction or installation.

Section 31. Businesses.

No trade, business, professional office or any other type of commercial activity shall be conducted on any portion of the Parcel or in any Dwelling Unit, except as provided by applicable zoning regulation of the City of Palm Coast; however, notwithstanding this restriction, the Company and its assigns shall not be prohibited from operating sales models and/or a sales office on any portion of Parcel.

Section 32. Violations.

In the event of a violation of these covenants and restrictions, or of any rule properly promulgated by the Board of Directors of the Association, the Association may, as an additional remedy, provide written notice of: the violation to the Owner of record, and if said violation shall continue for a period of seven (7) days from the receipt of the written notice, the Owner may be assessed an amount up to $5.00 per day, per violation. This assessment shall be considered in the same manner as hereinbefore provided for regular assessments and those sections providing for the recording of the assessment lien, enforcement anal collection shall also apply.

Section 33. Company Rights.

Notwithstanding any other provision in this Declaration, the Company is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. This section is intended to provide the Company with the broadest authority and power to transact and implement its business, and such activities shall be free and clear of any restrictions contained in this Declaration which would impede such activities. The Company shall have the right to transact any business necessary to consummate sales of said Lots. The Company may utilize single family residences as display homes and may, upon approval from the City of Palm Coast, maintain a separate sales office.

ARTICLE X
Additional Powers Reserved to Developer

Section 1. Company Related Documents.

So long as Company *shall own* any Lots or any portion of the real property described in this Declaration, no amendment shall be made to the Declaration, to any Supplemental Declaration, to the Articles of Incorporation of the Association, to the Association By-Laws, Rules, Regulations, Resolutions or any other similar Association document, nor shall any such Company related amendments or documents be executed, adopted or promulgated by the Association or the

Board of Directors unless such amendment or document shall be specifically approved in writing by Company in advance of such execution, adoption, promulgation and recording.

Section 2. Definitions.

For the purpose of giving examples of the type of Amendments contemplated by Section 1 of this Article, but not as a limitation or exclusive list of all such possible amendments, an amendment or document which does any of the following shall be considered to be a Company related amendment:

A. Discriminates or tends to discriminate against Company as an Owner or otherwise;

B. Directly or indirectly by its provisions or in practical application relates to Company in a manner different from the manner in which it relates to other Owners;

C. Modifies the definitions *provided for* by Article I of this Declaration in a manner which alters Company's rights or status;

D. Modifies or repeals any provision of Article II of this Declaration;

E. Alters the character and rights of membership as provided for by Article III of this Declaration or affects or modifies in any member whatsoever the rights of Company as a member of the Association;

F. Alters any previously recorded or written agreement with any public or quasi-public agencies, utility company, political subdivision, public. authorities o:° other similar agencies or bodies, respecting zoning suspension, streets, roads, drives, easements or facilities;

G. Denies the right of Company to record a Supplemental Declaration with respect to portions of the Properties or adding properties subject to this Declaration or otherwise making provisions in accordance with the powers granted to Company in this Declaration;

H. Modifies the basis or manner of Association assessments as applicable to Company or any Lots owned by Company as provided for by Articles VI and VII;

I. Modifies the provisions of Article XI (architectural control) as applicable to Company or any Lots owned by Company;

J. Alters the provisions of any Supplemental Declaration; or

K. Denies the right to the Company, its contractors and subcontractor's, to maintain temporary construction trailers, sheds or other Dwelling Units upon the Parcel; or

L. Alters or repeals any of Company's rights or any provision applicable to Company's rights as set forth in any provision of this Declaration or of any Supplemental

Declaration or other Document applicable to Company.

The decision to approve or failure to approve any Company related document or Amendment by Company in accordance with Section 1 of this Article shall be in the sole and absolute discretion of Company and the Company shall not be liable to the Association, its Members or any party as a result of granting or refusing to grant such approval.

Section 3. Company Lands.

So long as Company continues to construct any facilities on the Parcel, no action may be taken by the Board or the Association applicable to the Company or any of the Lots or other land owned by Company unless such action shall be approved in writing by Company unless the need therefor shall be waived by the Company in writing.

Section 4. Annexation.

The Company may, in its sole discretion and judgment, subject additional phases of real property to the terms of this Declaration as future phases of the Village at Palm Coast by recording an annexation amendment in public records of Flagler County, Florida. Notice of said annexation amendment stating the number of Lots and a description of common property added, the number of votes allocated to the Company, and the total number of votes in the Association after said annexation, shall be delivered to all owners.

Section 4. Dwelling Unit Design and Use of Village Name.

The Company expressly reserves the right to construct other dwelling units of identical or similar design to the Dwelling Units it will construct on the Parcel, regardless of the location of the other dwelling units in relation to the Parcel. The Company further reserves the right to make use of the name "Village" or similar or derivative names in any manner the Company sees fit, including, but not limited to, the use of such name(s) in connection with other real estate development projects it may undertake, regardless of the location of any such Project or use of the name(s) in relation to the Village project located on the Parcel.

ARTICLE XI

General Provisions

Section 1. Beneficiaries of Easements, Rights and Privileges.

The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of and restricted solely to, the Association, the Company and its subsidiaries and assigns, and the owners of Lots on the Parcel; and any Owner may also grant the benefit of such easement, license, right or privilege to his tenants and guests and their

immediate families for the duration of their tenancies, or visits, subject, to the Rules and Regulations of the Board of Directors, but the same is not intended nor shall it be construed as creating any rights in or for the, benefit of the general public.

Section 2. Duration.

The covenants and restrictions of this Declaration shall run with and bind the Parcel and shall inure to the benefit of and be enforceable bay the Company, the Association, or the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds of the Lots and all institutional mortgagees of Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 3. Notice.

Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 4. Enforcement.

Enforcement of these covenants and restrictions shall be by the Company, the Association or any Owner by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Company, the Association, any Owner or other party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. These covenants may also be enforced by the Architectural Review Committee. The prevailing party in any proceeding at law or in equity provided for in this Section shall be entitled to recover in said suit the cost of the action, including reasonable attorneys' fees to be fixed by the Court, including attorneys' fees in connection with appeal of any such action.

Section 5. Disposition of Assets Upon Dissolution of Association.

Upon dissolution of the Association, its assets shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event such dedication is refused acceptance, which refusal in the case of Flagler County shall be by formal resolution of

the Board of County Commissioners, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association property shall be effective to divest or diminish any right or title to any Member vested in him under the licenses,, covenants and easements of this Declaration, or under any subsequently recorded covenants and ,deeds applicable to the Parcel, unless made in accordance with the provisions of this Declaration or said covenants and deeds.

Section 6. Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect any other provisions which shall remain in full force and effect.

Section 7. Amendment.

Excepting supplemental Declarations and in addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens of this agreement may be amended-, changed, added to, derogated, or deleted at any time and from time to time, upon the execution and recordation of an instrument executed by: (1) Company, for so long as it holds title to any Lot affected by this Declaration and said amendment by the Company shall not require the consent of any mortgagee, Owners of Lots nor of the Association, either now or in the future; or, alternatively, (2a) the Company and Owners holding not less than two-thirds vote of the membership in the Association or by an instrument signed by the President and Secretary of the Association attesting that such instrument was approved by Members entitled to vote two-thirds of the votes of the Association at a meeting of the Members called for such purpose; and (2b) by all institutional mortgagees of Lots affected by this Declaration. Any amendment must be properly recorded in the Public Records of Flagler County, Florida, to be effective.

Section 8. Administration.

The administration of the Association shall be in accordance with the provisions of this Declaration and the Articles of Incorporation and By-Laws which are made a part of this Declaration and attached hereto as Exhibits "C" and "D" respectively.

Section 9. Gender.

Wherever in this Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of one gender shall be deemed to include the other gender.

Section 10. Conflict.

In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In case of any conflict between the Articles and this Declaration, this Declaration shall control.

Section 11. Community Benefit Program and Assessment.

In addition to the Assessments provided for herein, Company, on behalf of itself, its subsidiaries and assigns, does hereby reserve the right to create a Community Benefit Program and to assess a monthly fee of approximately Ten ($10.00) Dollars (subject to adjustment in relation to costs) for each lot or dwelling unit constructed within the Village at Palm Coast, including the Lots in the Parcel. The Program shall be within the Company's sole discretion. The funds collected may be used on behalf of all residents of the Village at Palm Coast community and may be used to cover the costs (1) for the maintenance, expansion, or creation of facilities (such as recreational parks` or tennis courts), improvements (such as utility, drainage, rights-of-way, lakes, greenways), Amenities, or programs or services of a community nature, (2) to further the environmental and aesthetic principles of the Village at Palm Coast, (3) to defray the costs for capital expenditures made by the Company for any facility, improvement or amenity and (4) of maintaining utility lines where no Dwelling Units have been constructed or connections made to said lines.

This fee shall constitute a lien against the assessed lots and if unpaid, shall be subject to the same interest and remedies of those provided in Article VII herein.

Section 12. Effective Date.

This Declaration shall become effective upon its recordation in the Official Records of Flagler County, Florida.

IN WITNESS WHEREOF, LONGVIEW VILLAGE DEVELOPMENT COMPANY, INC., has hereunto caused this document to be signed by its proper officers this 19th day of November, 2001.

Signed in the presence of

Alison Olivieri
Alison Olivieri
(Name Printed or Typed)

Jacqueline DeSalvo
Jacqueline DeSalvo
(Name Printed or Typed)

LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Kansas corporation

By: W. F. McCroy, Jr. Pres
William F. McCroy, Jr.
President

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 19th day of November, 2001, by William F. McCroy, Jr., as President of the Longview Village Development Company, a Kansas corporation, on behalf of the corporation. He is personally known to me or has produced FLDRLIC M240 921 36 404 0 as identification.

Eleanor F Fraley
My Commission CC826272
Expires June 13, 2003
(Seal)

NOTARY PUBLIC:

Sign: Eleanor Fraley
Print: Eleanor F. Fraley
State of Florida At Large

My Commission Expires:
Title/Rank:
Commission Number:

RULES AND REGULATIONS
VILLAGE AT PALM COAST, HOME OWNERS ASSOCIATION

1. All sales and rentals require prior approval by Village at Palm Coast Home Owners Association. Contact Village Manager for requirements. Leases must be for a minimum period of six months. Subletting is not permitted.

2. No "For Sale" or "For Rent" signs are permitted. A list of units for sale or lease will be posted in the sales office at the entrance of Village at Palm Coast.

3. Owners may not make any additions, change, alteration or decoration to the exterior appearance of any portion of a building, except in accordance with the provisions of the Declaration of Covenants and Restrictions.

4. No exposed radio antennas, masts or towers shall be permitted on the exterior of any unit.

5. There shall be no solicitations by any persons or organizations for any cause, charity, or any purposes whatsoever. If you become aware of such activities, please inform the Village Manager.

6. No owner or resident shall direct, supervise or in any manner attempt to assert any control over any of the employees of the Association or its' Agents, nor shall they attempt to send any of the employees upon private business of such owner or resident.

7. Except pursuant to a contract with the Association for repairs, no owners or residents or their families, guests, servants or agents shall enter or attempt to enter upon the roof of any building or structure.

8. No more than two small household pets weighing not more than Eighty (80) pounds each shall be kept in any unit. Only the normal domesticated pets such as dogs and cats are permitted to be kept in any unit. No pet shall be permitted in the recreation facilities area. All pets shall be kept on leashes with a maximum length of eight (8) feet while on the common property. The Association reserves the right to require an owner to dispose of a pet which becomes an annoyance to other owners, because of noise or otherwise.

9. Motor vehicles and bicycles are not permitted to be parked or used on grassed or planted areas.

10. Automobile parking spaces shall be used solely and exclusively for that purpose. Only private passenger automobiles in good operating condition may be parked within the Village at Palm Coast. Boats, trailers, campers and recreational vehicles may not be parked or stored on the withing the Village at Palm Coast. Trucks and commercial vehicles may not be parked or stored except during deliveries or performance of repairs or other services.

11. No outdoor clotheslines shall be installed or used.

12. No lawn ornaments of any nature may be located within the Village at Palm Coast without prior written consent of the Architectural Review Committee.

13. These rules and regulations may be changed from time to time by a majority vote of the Board of Directors of the Association. Owners will be notified of amendments or changes in the rules and regulations as expeditiously as possible. Violation of these rules may result in fines, limitations upon your use of recreational facilities, or in legal action for damages or injunction.

FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR VILLAGE AT PALM COAST

(All references to recording information herein are to the Public Records of Flagler County, Florida unless otherwise indicated)

This First Amendment to the Declaration of Covenants and Restrictions made on the date hereinafter set forth by Longview Village Development Company , a Kansas corporation ("Declarant")

W I T N E S S E T H:

WHEREAS, the Company desires to amend the Declaration of Covenants and Restrictions as recorded in Official Records Book 781, Pages 1905 through 1966 (the "Declaration"); and

WHEREAS, Article XI, Section 7 of the Declaration provides that the Company may amend the Declaration so long as it holds title to any Lot affected by the Declaration; and

WHEREAS, the Company still holds title to Lots affected by the terms of the Declaration; and

WHEREAS, the Company wishes to amend the Declaration to provide for a right of first refusal in favor of the Company allowing it to re-purchase any Lot within the Village at Palm Coast subdivision on which a dwelling unit is not built within twelve (12) months from the date such Lot is conveyed by the Company to an Owner who is not an Approved Builder;

WHEREAS, the Company desires to put all transferees, mortgagees and lienors on notice of such amendments.

NOW THEREFORE, the following amendment to the Declaration is hereby adopted, and each transferee, mortgagee or lienor of any property within the VILLAGE AT PALM COAST SUBDIVISION (including any future phases thereof submitted to the Declaration) and their respective heirs, successors and assigns, shall be bound by and subject to such amendment, to wit:

Article IX, Section 2 (A) is hereby amended to read as follows:

> A. "Building Type". No building shall be erected, altered, placed or permitted to remain on any Lot other than one single family Dwelling Unit not to exceed 30 feet in height and of the type and style originally constructed by the Company. All Dwelling Units shall be constructed by an Approved Builder according to the Company's specifications. Construction shall not commence until the Owner has received written approval to proceed from the Architectural Review Committee. Construction of a Dwelling Unit must commence within twelve (12) months of acquisition of a Lot by the Owner. The Company shall have the absolute right to repurchase any Lot which remains vacant for more than twelve (12) months unless such Lot is owned by an Approved Builder. The Company's repurchase of

any such Lot shall be at the price at which it was initially conveyed to the Owner and the Owner shall bear all costs of closing. All Dwelling Unit exteriors shall be completed within six (6) months from commencement of construction or issuance of a building permit, whichever comes first.

IN WITNESS WHEREOF, the Company has hereunto set its hand and seal this 18th day of February, 2002.

Witnesses:

Mark A. Watts
(Name Printed or Typed)

Deborah D. LaCroix
(Name Printed or Typed)

LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Kansas corporation

By W. F. McCroy Jr. Pres.
William F. McCroy, Jr.
President

(Corporate seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 18th day of February, 2001, by William F. McCroy, Jr., as President of Longview Village Development Company, a Kansas corporation, on behalf of the company. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC:

Sign: Mark A. Watts
Print: _____

Mark A. Watts
MY COMMISSION # CC899758 EXPIRES
January 4, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

State of Florida At Large
(Seal)
My Commission Expires:
Title/Rank: _____
Commission Number: _____

Inst No:200202 3 Date:07/03/20
GAIL WADSWORTH, FLAGLER Co. Time:11:[illegible]:18
Book: 832 Page: 840 Total Pgs: 2

OFF REC 0832 PAGE 0840

SECOND AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR VILLAGE AT PALM COAST

(All references to recording information herein are to the Public Records of Flagler County, Florida unless otherwise indicated)

This Second Amendment to the Declaration of Covenants and Restrictions made on the date hereinafter set forth by Longview Village Development Company , a Kansas corporation ("Declarant")

W I T N E S S E T H:

WHEREAS, the Company desires to amend the Declaration of Covenants and Restrictions as recorded in Official Records Book 781, Pages 1905 through 1966 (the "Declaration"); and

WHEREAS, Article XI, Section 7 of the Declaration provides that the Company may amend the Declaration so long as it holds title to any Lot affected by the Declaration; and

WHEREAS, the Company still holds title to Lots affected by the terms of the Declaration; and

WHEREAS, the Company wishes to amend the Declaration to provide minimum rear yard setback requirements for pools and screened structures on Lots 44 to 63, adjacent to Custer Waterway;

WHEREAS, the Company desires to put all transferees, mortgagees and lienors on notice of such amendment.

NOW THEREFORE, the following amendment to the Declaration is hereby adopted, and each transferee, mortgagee or lienor of any property within the VILLAGE AT PALM COAST SUBDIVISION (including any future phases thereof submitted to the Declaration) and their respective heirs, successors and assigns, shall be bound by and subject to such amendment, to wit:

Article IX, Section 32 is hereby amended to read as follows:

> Waterfront Setbacks. All Dwelling Units constructed on Lots 44 through 63 (adjacent to the Custer Waterway) shall maintain a minimum rear yard setback of ten (10) feet between the waterward edge of the seawall and any screened enclosure or pool.

RT: Cobb Cole + Bell
P.O. Box 2491
Daytona Beach, FL 32115-2491

IN WITNESS WHEREOF, the Company has hereunto set its hand and seal this 27th day of June, 2002.

Witnesses:

Loralie Sloan
LORALIE SLOAN
(Name Printed or Typed)

Deborah D. LaCroix
Deborah D. LaCroix
(Name Printed or Typed)

LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Kansas corporation

By: W. F. McCroy Jr. Pres.
William F. McCroy, Jr.
President

(Corporate seal)

STATE OF FLORIDA
COUNTY OF ~~FLAGLER~~ Volusia

The foregoing instrument was acknowledged before me this 27th day of ~~May~~ June, 2002, by William F. McCroy, Jr., as President of Longview Village ~~Development~~ Company, a Kansas corporation, on behalf of the company. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC:

Sign: Deborah D. LaCroix
Print: _____
State of Florida At Large
(Seal)
My Commission Expires:
Title/Rank: _____
Commission Number: _____

Deborah D. LaCroix
MY COMMISSION # DD099477 EXPIRES
April 8, 2006
BONDED THRU TROY FAIN INSURANCE, INC.

Inst No: 2004064733 11/16/2004
03:24PM Book: 1168 Page: 1561 Total Pgs: 2

GAIL WADSWORTH, FLAGLER Co.

THIRD AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS

(All references to recording information herein are to the Public Records of Flagler County, Florida unless otherwise indicated)

This Third Amendment to the Declaration of Restrictive Covenants and Easements ("Amendment") is made on the date hereinafter set forth by Longview Village Development Company, a Kansas corporation ("Declarant")

WITNESSETH:

WHEREAS, the Declarant previously executed and recorded that certain Declaration of Restrictive Covenants and Easements on November 20, 2001 in Official Records Book 781, Pages 1905 through 1966, Public Records of Flagler County, Florida (the "Declaration"); and

WHEREAS, the Declaration was subsequently amended by that certain First Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on February 20, 2002, in Official Records Book 803, Page 1333, Public Records of Flagler County, Florida, and subsequently amended by that certain Second Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on July 3, 2002, in Official Records Book 832, Page 840, Public Records of Flagler County, Florida; and

WHEREAS, Article XI, Section 7 of the Declaration provides that the Declarant may amend the Declaration so long as it holds title to any Lot affected by the Declaration; and

WHEREAS, the Declarant still holds title to Lots affected by the terms of the Declaration; and

WHEREAS, the Declarant wishes to amend certain provisions of the Declaration as more particularly described herein;

WHEREAS, the Declarant desires to put all transferees, mortgagees and lienors on notice of such Amendment.

NOW THEREFORE, the following amendment to the Declaration is hereby adopted, and each transferee, mortgagee or lienor of any property within the VILLAGE AT PALM COAST SUBDIVISION (including any future phases thereof submitted to the Declaration) and their respective heirs, successors and assigns, shall be bound by and subject to such amendment, to wit:

Article IX, Section 2A is hereby further amended to read as follows:

Section 2. Building Type.

A. "Building Type". No building shall be erected, altered, placed or permitted to remain on any Lot other than one single family Dwelling Unit not to exceed

30 feet in height and of the type and style originally constructed by the Declarant. All Dwelling Units shall be constructed by an Approved Builder according to the Declarant's specifications. Construction shall not commence until the Owner has received written approval to proceed from the Architectural Review Committee. Construction of a Dwelling Unit must commence within twenty four (24) months of acquisition of a Lot by the Owner. The Declarant shall have an absolute right to repurchase any Lot which remains vacant for more than twenty four (24) months, unless such Lot is owned by an Approved Builder. The Declarant's repurchase of such Lot shall be at the then reasonably established fair market value, and the Owner shall bear all closing costs. All Dwelling Unit exteriors shall be completed within six (6) months from commencement of construction or issuance of a building permit, whichever comes first.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal this ____ day of March, 2004.

Witnesses:

(Name Printed or Typed)

JUSTIN CHALMER FRALEY

(Name Printed or Typed)

LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Kansas corporation

W. F. McCroy Jr. Pres.

William F. McCroy, Jr.
President

(Corporate seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 4th day of March, 2004, by William F. McCroy, Jr., as President of Longview Village Development Company, a Kansas corporation, on behalf of the company. He is personally known to me or has produced FLORIDA Drivers Lic. as identification.

NOTARY PUBLIC:

Donna L. North

DONNA L. NORTH

State of Florida At Large
(Seal)
My Commission Expires:

DONNA L NORTH
Notary Public - State of Florida
My Commission Expires Feb 18, 2008
Commission # DD292224
Bonded By National Notary Assn.

Inst No: 2005016847; 04/01/05 10:31AM; Book: 1223 Page: 932; Total Pgs: 15
GAIL WADSWORTH, FLAGLER Co.

TIDELANDS (8)

Prepared by:

M. Maxine Hicks, Esq.
EPSTEIN BECKER & GREEN, P.C.
Resurgens Plaza, Suite 2700
945 East Paces Ferry Road
Atlanta, Georgia 30326

After recording return to:

M. Maxine Hicks, Esq.
EPSTEIN BECKER & GREEN, P.C.
Resurgens Plaza, Suite 2700
945 East Paces Ferry Road
Atlanta, Georgia 30326

Parcel I.D. #: 05-11-31-5918-00000-00A0
05-11-31-5918-00000-00B0
05-11-31-5918-00000-00C0
05-11-31-5918-00000-00D0
05-11-31-5918-00000-00E0
05-11-31-5918-00000-00F0
05-11-31-5918-00000-00G0
05-11-31-5918-00000-00H0

Grantor's Tax Identification No. 48-1210530

For Recording Purposes Only

Cross-reference:
(i) Instrument No. 01034445
Declaration of Restrictive Covenants and Easements for Village at Palm Coast, as recorded in Book 781, Page 1905, Official Records of Flagler County, Florida, as amended from time to time

(ii) Instrument No. _____
Declaration of Easements and Restrictions and Covenant to Share Costs for Joint Use Areas, as recorded simultaneously herewith in aforesaid records, as amended from time to time

STATE OF FLORIDA

COUNTY OF FLAGLER

FOURTH AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS

(All references to recording information herein are to the Official Records of Flagler County, Florida, unless otherwise indicated. All capitalized terms not otherwise defined herein shall be defined as set forth in the Declaration).

TIDELANDS (8)

This Fourth Amendment to the Declaration of Restrictive Covenants and Easements (this "Amendment") is made on the date hereinafter set forth by Longview Village Development Company, a Florida corporation (the "Company"), whose address is 1 Florida Park Drive North, Suite 204, Palm Coast, Florida 32137. VILLAGE AT PALM COAST HOMEOWNERS ASSOCIATION, INC., a Florida nonprofit corporation, whose address is 1 Florida Park Drive North, Suite 204, Palm Coast, Florida 32137, hereby acknowledges and agrees to the terms and conditions of this Amendment.

Recitals

WHEREAS, Company entered into that certain Declaration of Restrictive Covenants and Easements on November 20, 2001, in Official Records Book 781, Page 1905, Public Records of Flagler County, Florida (the "Longview Declaration");

WHEREAS, the Longview Declaration was subsequently amended by that certain First Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on February 20, 2002, in Official Records Book 803, Page 1333, Public Records of Flagler County, Florida, and by that certain Second Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on July 3, 2002, in Official Records Book 832, Page 840, Public Records of Flagler County, Florida, and by that certain Third Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on November 16, 2004, in Official Records Book 1168, Page 1561, Public Records of Flagler County, Florida (as amended, the "Declaration");

WHEREAS, Company is the developer of the Parcel and is the current owner of the Phase 2 Property and the Phase I Parcels (defined below);

WHEREAS, the Declaration contemplates the existence of entries, roads and other improvements on the Parcel and certain roads, amenities and other improvements on the Phase 2 Property for the joint use of the Phase I Owners (defined below) and the Phase 2 Owners (defined below);

WHEREAS, Company intends to transfer the Phase 2 Property and portions of the Phase I Parcels to the Phase 2 Developer (defined below);

WHEREAS, the Phase 2 Developer may develop approximately twenty (20) single-family lots (which will be subjected to the Declaration in the future) and one or more condominium developments on the Phase 2 Property);

WHEREAS, the Phase 2 Property is intended to be developed in accordance with Zoning Ordinance No. 2002-23, as modified and amended, issued by the City Council of the City of Palm Coast, Florida, which provides that, among other things, certain common use areas and facilities, such as a clubhouse, recreational facilities and other amenities will be for the joint use and benefit of the Phase I Owners and the Phase 2 Owners;,

WHEREAS, Company desires to ensure that certain Joint Use Areas (defined below) now or hereafter located on the Parcel and/or developed by the Phase 2 Developer on the Parcel

and/or the Phase 2 Property shall be for the joint use and benefit of the Phase I Owners and the Phase 2 Owners;

WHEREAS, in order to effectuate the planned joint use and benefit of certain Joint Use Areas now or hereafter located on the Parcel and/or developed by the Phase 2 Developer on the Parcel and/or the Phase 2 Property, Company desires to record a Cost Sharing Declaration (defined below) which shall run with the title to the Parcel and the Phase 2 Property and shall establish, among other things, easements benefiting the Parcel and Phase 2 Property (and shall establish the corresponding burden to pay for such easements);

WHEREAS, Article XI, Section 7 of the Declaration provides that Company may amend the Declaration so long as it holds title to any Lot affected by the Declaration;

WHEREAS, Company still holds title to Lots affected by the terms of the Declaration;

WHEREAS, Company wishes to amend certain provisions of the Declaration as more particularly described herein; and

WHEREAS, Company desires to put all Phase I Owners, transferees, mortgagees and lienors on notice of such Amendment.

NOW, THEREFORE, the following amendment to the Declaration is hereby adopted, and each Phase I Owner, transferee, mortgagee or lienor of any property within the VILLAGE AT PALM COAST SUBDIVISION (including any future phases thereof submitted to the Declaration) and their respective heirs, successors and assigns, shall be bound by and subject to such amendment, to wit:

1. The Declaration contains a typographical error in the reference to the original Declaration of Restrictive Covenants. As such, the reference to Official Record Book 661, Page 967 found in the first sentence of the paragraph beginning with the phrase "NOW, THEREFORE" on page 2 of the Declaration is hereby amended to be Official Record Book 661, Page 946.

2. The term "Owner" as used in the Declaration shall be renamed as "Phase I Owner". To the extent the term "Owner" is used in the Declaration, the term "Phase I Owner" shall be substituted in lieu thereof. Thus, the definition of "Phase I Owner" shall be the Person who is the record owner (other than the Company) and who has acquired fee simple title to any Lot.

3. The following definitions shall be added to Article I:

> "Cost Sharing Declaration" shall mean that certain Declaration of Easements and Restrictions and Covenant to Share Costs for Joint Use Areas to be recorded in Flagler County, Florida, as amended and supplemented from time to time, which shall run with the land and may establish (i) certain easement rights to use Joint Use Areas, (ii) certain provisions regarding the operation, use and maintenance of the Joint Use Areas, (iii) the allocation of expenses associated with the use of the Joint Use Areas and/or (iv) certain services that will be made

available for the joint use of or otherwise will benefit both the Phase I Owners and the Phase 2 Owners.

"Joint Use Areas" shall mean any real property, personal property and/or improvements designated by Company or the Phase 2 Developer pursuant to the terms of the Cost Sharing Declaration. Such Joint Use Areas may (but shall not be required to) include, but shall not be limited to, roads, sidewalks, entry gates and entrance areas, swimming pools, tennis courts, clubhouse(s), fitness center(s), lagoons and ponds, open areas, pedestrian areas, parks, docks, waterfront promenade(s) and walking trails, together with parking, lighting and other facilities and equipment related to such areas. Improvements located on Joint Use Areas shall be deemed to be part of the Joint Use Areas for purposes of the Cost Sharing Declaration, unless otherwise specified in the document designating the real property, personal property and/or improvements as a Joint Use Area.

"Phase I Parcels" shall mean Common Area A, Parcel B, Parcel C, Common Area D, Common Area E, Parcel F, Common Area G and Parcel H as shown on Village at Palm Coast, Phase I plat, as recorded in Map Book 33, Page 1, Official Records of Flagler County, Florida.

"Phase 2 Association" shall mean any condominium or property owners association(s) which may be formed to govern some or all of the Phase 2 Property.

"Phase 2 Developer" shall mean Company's successor-in-title to the Phase 2 Property.

"Phase 2 Owner" shall mean the Person who is the record owner of fee simple title of any real property (including, but not limited to, the record owner of any condominium unit) located on the Phase 2 Property; provided, however, that in the event a Phase 2 Owner's real property is subjected to the Declaration through a Phase 2 Single Family Lots Supplemental Declaration, then those particular Phase 2 Owners shall no longer be Phase 2 Owners but shall be Phase I Owners.

"Phase 2 Property" is the property currently owned by Company which is adjacent to the Parcel and more particularly described on Exhibit "A" attached to this Amendment and incorporated by reference (the Phase 2 Property shall not be subject to the Declaration by virtue of this reference or otherwise).

"Phase 2 Single Family Lots" shall mean any single family residential lots to be located on the Phase 2 Property.

"Phase 2 Single Family Lots Supplemental Declaration" shall mean an instrument filed in the Public Records of Flagler County, Florida which subjects all or a portion of the Phase 2 Single Family Lots to the Declaration and imposes and/or removes, expressly or by reference, restrictions and/or obligations on the

land described in such instrument pursuant to Article XII, Section 4 of the Declaration, as amended.

"Property Owner" shall mean an individual Phase I Owner or Phase 2 Owner.

"Property Owners" shall mean collectively Phase I Owners and Phase 2 Owners.

4. The definition of "Village Square" shall be deleted from the Declaration. To the extent the term "Village Square" is used in the Declaration, the term "Joint Use Area" shall be substituted in lieu thereof.

5. Article IV, Section 3. B. of the Declaration is hereby deleted and replaced with the following:

Joint Use Areas. The Joint Use Areas shall exist on the Parcel, any Phase I Parcels withdrawn from the Parcel, and/or the Phase 2 Property as designated by Company and/or the Phase 2 Developer pursuant to the Cost Sharing Declaration. Joint Use Areas shall be for the joint benefit and use of Phase I Owners and the Phase 2 Owners according to the terms and conditions of the Cost Sharing Declaration. All persons, including without limitation all Phase I Owners, are hereby advised that no representations or warranties have been made or are made by Company or any other Person with regard to (i) which specific areas will be designated as Joint Use Areas, (ii) whether or not improvements will be constructed on the Joint Use Areas, and/or (iii) the continued ownership and operation of the Joint Use Areas. Each Phase I Owner further understands and agrees that the ownership of a Lot does not confer any ownership interest in or right to use any portion of the Phase 2 Property or any portions of the Phase I Parcels withdrawn from the Parcel, by virtue of the Declaration or otherwise. Instead, the right of each Phase I Owner to use the Joint Use Areas located on the Phase 2 Property (and the corresponding obligation to pay a share of the maintenance and other costs associated with the Joint Use Areas) shall be established and governed by the terms of the Cost Sharing Declaration. Each Phase I Owner understands and agrees that his or her Dwelling Unit and Lot are adjacent or near certain Joint Use Areas which will be used, from time to time, for special events and celebrations. An express easement, license and right to conduct such activity is hereby reserved to Company until the Phase 2 Developer is designated, the Phase 2 Developer, the Association, and any condominium or property owners association(s) which may be formed to govern some or all of the Phase 2 Property and their respective successors and assigns. Each Phase I Owner covenants for itself, its heirs, successors, successors-in-title and assigns that it shall assume all risks associated with such location of their Lot including, but not limited to, the risk of property damage or personal injury incidental to such special events or celebrations and shall indemnify and hold harmless the Association, Company, the Phase 2 Developer and the Phase 2 Association from any liability, claims, or expenses, including, without limitation,

reasonable attorneys' fees and costs arising from such property damage or personal injury. Each Phase I Owner for itself, its heirs, successors, successors-in-title and assigns releases and discharges the Association, Company, the Phase 2 Developer and the Phase 2 Association from any and all claims, demands, actions, or causes of action of whatever kind or nature arising from the use of the Joint Use Areas by any person, group or entity. The Cost Sharing Declaration may contain a similar mutual release regarding the use of the Joint Use Areas as may be determined by Company and/or the Phase 2 Developer.

6. The following shall be added to Article VI, Section 1:

Annual and special assessments (including, without limitation, annual and special assessments arising pursuant to the Cost Sharing Declaration) allocated to each Lot may be different provided that the Association determines the amount of the assessment pursuant to equitable means. For example, differentiating the amount of the assessment allocated to each Lot based on whether the Lot is unimproved or contains a completed Dwelling Unit shall be an equitable method for allocating assessments.

7. The following shall be added to Article X:

Section 6. Withdrawal. The Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) may, in its sole discretion and judgment, withdraw some or all of the real property owned by the Company (including, without limitation, the Phase I Parcels or portions thereof) from this Declaration by recording an amendment to this Declaration in the public records of Flagler County, Florida. Upon recording, the withdrawal amendment shall serve as notice of the withdrawal.

8. The following shall be added to Article XI, Section 7:

Notwithstanding the foregoing: (i) for so long as, and at any time that the Phase 2 Developer or its affiliate owns any real property in the Phase 2 Property, the Declaration and the Cost Sharing Declaration shall not be amended without the consent of the Phase 2 Developer, and (ii) for so long as, and at any time, Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) holds title to any Lot located within the Parcel or any Phase 2 Single Family Lot that is subject to the Declaration, Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) may amend the Declaration without the consent of any mortgagee, Phase I Owners or the Association.

9. The following Article XII shall be added to the Declaration:

ARTICLE XII

Additional Development

TIDELANDS (8)

Section 1. Conflicting Terms and Conditions.

Notwithstanding anything to the contrary in this Declaration, the terms and conditions of this Article XII shall control in the event of any conflict or inconsistency with any other term or condition set forth in the Declaration.

Section 2. Cost Sharing Declaration.

Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) may record the Cost Sharing Declaration, and/or cause the Association to accept properties and/or improvements subject to the Cost Sharing Declaration, without the consent of the Phase I Owners or the Association, provided that the Phase I Owners and the Phase 2 Owners are treated equitably. Company or the Phase 2 Developer may amend the Cost Sharing Declaration, without the consent of the Phase I Owners or the Association, provided that the amendment treats the Phase I Owners and the Phase 2 Owners equitably. To facilitate the administration of the Cost Sharing Declaration and to evidence the Association's actual knowledge of the terms, conditions and obligations contained in the Cost Sharing Declaration, the Association shall execute and deliver any documentation requested by Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) including, but not limited to, the Cost Sharing Declaration; provided, however, that the failure of the Association to do so shall not affect the enforceability of the Cost Sharing Declaration against the Phase I Owners and the Association. The Association's pro rata share of costs and expenses established pursuant to the Cost Sharing Declaration shall be allocated to the Phase I Owners through mandatory general assessments (as set forth in Article VI of the Declaration). The Cost Sharing Declaration may, in addition to and not in limitation of other provisions, provide for the following:

(a) obligate the Phase 2 Owners, through their condominium or property owners association(s), to perform and/or to share in certain costs associated with the ownership, operation, maintenance, repair, replacement and insurance of some or all of the Joint Use Areas, whether located on the Parcel or the Phase 2 Property;

(b) obligate the Phase I Owners, through the Association, to perform and/or to share in certain costs associated with the ownership, operation maintenance, repair, replacement and insurance of some or all of the Joint Use Areas, whether located on the Parcel or the Phase 2 Property;

(c) permit the use of Joint Use Areas located on the Parcel by the Phase 2 Owners, their guests, invitees and tenants;

(d) permit the use of Joint Use Areas located on the Phase 2 Property by the Phase I Owners, their guests, invitees and tenants;

(e) establish terms and conditions regarding the operation, use, maintenance, repair, replacement and insurance of the Joint Use Areas; and/or

(f) establish a joint committee with representatives from the Association and any association which governs some or all of the Phase 2 Property.

Upon recording, the Cost Sharing Declaration shall run with title to the Parcel and the Phase 2 Property, and the terms and conditions of the Cost Sharing Declaration shall be deemed an amendment of the Declaration and be binding on the Association, the Phase I Owners and the Phase 2 Owners, provided that nothing herein shall be deemed to subject any Phase 2 Property to the Declaration by virtue of this section.

Section 3. Transfer of Common Areas.

Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) may transfer to the Association and the Association shall accept certain real property, including, but not limited to, roads and common areas, subject to the Cost Sharing Declaration which may include, without limitation, the reservation of certain rights which benefit the Phase 2 Property and/or the Phase 2 Developer (including, without limitation, the right of access and use of such roads and common areas for the benefit of the Phase 2 Owners and their guests, invitees and tenants) without the consent of the Phase I Owners or the Association.

Section 4. Phase 2 Single Family Lots.

(a) In accordance with Article X, Section 4 (Annexation) of the Declaration, Company may subject approximately twenty (20) Phase 2 Single Family Lots to the Declaration pursuant to a Phase 2 Single Family Lots Supplemental Declaration. With regard to the Phase 2 Single Family Lots, Company hereby assigns its right to subject additional property to the Declaration to the Phase 2 Developer. Thus, the Phase 2 Developer may subject the Phase 2 Single Family Lots to the Declaration without the consent of the Phase I Owners or Company by recording a Phase 2 Single Family Lots Supplemental Declaration executed by the Phase 2 Developer.

(b) With regard to the Phase 2 Single Family Lots, Company hereby assigns to the Phase 2 Developer all of Company's rights provided for in the Declaration to the extent those rights affect the Phase 2 Single Family Lots. Thus, the Phase 2 Single Family Lots Supplemental Declaration which subjects the Phase 2 Single Family Lots to the Declaration may specifically reserve rights to the Phase 2 Developer rather than Company and may transfer obligations of Company to the Phase 2 Developer. For example, the Phase 2 Single Family Lots Supplemental Declaration may reserve architectural review of the Phase 2 Single

Family Lots with the Phase 2 Developer and/or may exempt the Phase 2 Single Family Lots from certain maintenance obligations of the Association (such as maintenance of the exterior of a Dwelling Unit). In the event the Phase 2 Single Family Lots are excluded from certain services provided by the Association, then the Phase 2 Owners shall not pay assessments related to such services.

Section 5. Name Change of the Development.

Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) shall change the name of the Village at Palm Coast community to the Tidelands, subject to any restrictions or limitations imposed by any laws, rules or regulations of any applicable governmental entity. In connection therewith, Company (or its successors and assigns, including, without limitation, the Phase 2 Developer) shall have the right to change any signage located within the Parcel to reflect the name change.

Section 6. Amendment of Article XII.

In addition to the requirements of Article XI with respect to amendment of the Declaration, this Article XII may not be amended without the prior written consent of the Phase 2 Developer.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

TIDELANDS (8)

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal as of the 31st day of ~~April~~ March, 2005.

Witnesses:

LONGVIEW VILLAGE DEVELOPMENT COMPANY, a Florida corporation

E. F. Fraley
(Name Printed or Typed)

By: W. F. McCroy, Jr. Pres.
William F. McCroy, Jr.
President

Michael P. Holmes
(Name Printed or Typed)

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 31st day of March, 2005, by William F. McCroy, Jr., as President of Longview Village Development Company, a Florida corporation, on behalf of the company. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC:

Sign: _____
Print: _____

My Commission Expires:

(Notary Seal)

Joshua J. Pope
MY COMMISSION # DD391763 EXPIRES
February 4, 2009
BONDED THRU TROY FAIN INSURANCE, INC.

TIDELANDS (8)

Acknowledged, agreed and consented to by the Association as of the ~~4th~~ 31st day of ~~April~~ March 2005.

Witnesses:

E. Fraley
E. Fraley
(Name Printed or Typed)

Michael P. Holmes
Michael P. Holmes
(Name Printed or Typed)

VILLAGE AT PALM COAST HOMEOWNER'S ASSOCIATION, INC., a Florida corporation

By: W. F. McCroy Jr. Pres
William F. McCroy, Jr.
President

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 31st day of March, 2005, by William F. McCroy, Jr., as President of Village at Palm Coast Homeowner's Association, Inc., a Florida corporation, on behalf of the company. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC:

Sign: _____
Print: _____

Joshua J. Pope
MY COMMISSION # DD391763 EXPIRES
February 4, 2009
BONDED THRU TROY FAIN INSURANCE, INC.

State of Florida At Large
(Seal)
My Commission Expires:

Title/Rank: _____
Commission Number: _____

TIDELANDS (8)

Exhibit "A"

Phase 2 Property

[THE FOLLOWING DESCRIPTION IS FOR IDENTIFICATION PURPOSES ONLY; THE PROPERTY DESCRIBED BELOW IS NOT SUBJECT TO THE TERMS AND CONDITIONS OF THE DECLARATION]

A PARCEL OF LAND LYING WITHIN GOVERNMENT SECTIONS 32 AND 42, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 1, BLOCK 2, ACCORDING TO THE SUBDIVISION PLAT OF COUNTRY CLUB COVE SECTION-14 PALM COAST, AS RECORDED IN MAP BOOK 6, PAGES 54 THROUGH 58 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE ALONG THE BOUNDARY OF SAID PLAT SECTION-14 THE FOLLOWING TWO (2) COURSES; (1) N07°08'10"E A DISTANCE OF 131.81 FEET; (2) N70°53'57"E A DISTANCE OF 653.98 FEET TO THE WESTERLY LINE OF VILLAGE AT PALM COAST PHASE ONE, AS RECORDED IN MAP BOOK 33, PAGES 1 THROUGH 4 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE DEPARTING SAID PLAT BOUNDARY OF COUNTRY CLUB COVE SECTION-14 PALM COAST, ALONG SAID WESTERLY LINE OF VILLAGE AT PALM COAST PHASE ONE THE FOLLOWING THIRTEEN (13) COURSES; (1) S39°10'07"E 93.19 FEET; (2) ALONG A CURVE TO THE LEFT, RADIUS 349.00 FEET, ARC LENGTH 273.37 FEET, CENTRAL ANGLE 44°52'49", CHORD 266.44 FEET, CHORD BEARING S61°36'31"E; (3) ALONG A NON-TANGENT CURVE TO THE LEFT, RADIUS 749.00 FEET, ARC LENGTH 295.42 FEET, CENTRAL ANGLE 22°35'55", CHORD 293.51 FEET, CHORD BEARING N84°39'07"E; (4) S75°51'06"E 64.53 FEET; (5) S26°08'59"E 600.55 FEET; (6) ALONG A CURVE TO THE RIGHT, RADIUS 302.19 FEET, ARC LENGTH 134.20 FEET, CENTRAL ANGLE 25°26'42", CHORD 133.10 FEET, CHORD BEARING S13°25'38"E; (7) S00°42'18"E 109.35 FEET; (8) ALONG A NON-TANGENT CURVE TO THE RIGHT (NORTHERLY RIGHT-OF-WAY LINE OF RIVERVIEW BEND, A 28-FOOT PRIVATE ROADWAY PER SAID PLAT OF VILLAGE AT PALM COAST PHASE ONE) RADIUS 676.00 FEET, ARC LENGTH 508.71 FEET, CENTRAL ANGLE 43°06'59", CHORD 496.79 FEET, CHORD BEARING N57°42'50"W; (9) S53°50'40"W 28.00 FEET; (10) ALONG A NON-TANGENT CURVE TO THE LEFT, RADIUS 704.00 FEET, ARC LENGTH 57.90 FEET, CENTRAL ANGLE 04°42'44", CHORD 57.88 FEET, CHORD BEARING S38°30'42"E; (11) ALONG A CURVE TO THE RIGHT, RADIUS 33.00 FEET, ARC LENGTH 48.46 FEET, CENTRAL ANGLE 84°08'22", CHORD 44.22 FEET, CHORD BEARING S01°12'07"W; (12) ALONG A CURVE TO THE RIGHT (NORTHERLY RIGHT-OF-WAY LINE OF LONGVIEW PARKWAY, AN 80-FOOT PRIVATE RIGHT-OF-WAY PER SAID PLAT OF VILLAGE AT PALM COAST PHASE ONE) RADIUS 725.28 FEET, ARC LENGTH 326.24 FEET, CENTRAL ANGLE 25°46'19", CHORD 323.49 FEET, CHORD BEARING S56°09'27"W; (13) S69°02'37"W 94.21 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF PALM HARBOR PARKWAY (A 104-FOOT RIGHT-OF-WAY); THENCE DEPARTING SAID VILLAGE AT PALM HARBOR PHASE ONE PLAT BOUNDARY, ALONG SAID

EASTERLY RIGHT-OF-WAY LINE AND ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1104.00 FEET, AN ARC LENGTH OF 1103.76 FEET, A CENTRAL ANGLE OF 57°17'00", A CHORD OF 1058.36 FEET AND A CHORD BEARING OF N50°22'36"W TO THE AFOREMENTIONED POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 18.94 ACRES, MORE OR LESS.

TOGETHER WITH:
A PARCEL OF LAND LYING WITHIN GOVERNMENT SECTIONS 32 AND 42, TOWNSHIP 10 SOUTH, RANGE 31 EAST, AND WITHIN GOVERNMENT SECTIONS 5, 38 AND 39, TOWNSHIP 11 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, TOGETHER WITH LOTS 84 AND 85, VILLAGE AT PALM COAST PHASE ONE, AS RECORDED IN MAP BOOK 33, PAGES 1 THROUGH 4 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE OF PALM HARBOR PARKWAY (A 104-FOOT WIDE RIGHT-OF-WAY) WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF LONGVIEW PARKWAY (AN 80-FOOT WIDE PRIVATE ROADWAY PER THE PLAT OF VILLAGE AT PALM COAST PHASE ONE, AS RECORDED IN MAP BOOK 33, PAGES 1 THROUGH 4 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA); THENCE N69°02'37"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF LONGVIEW PARKWAY, FOR A DISTANCE OF 94.10 FEET TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 805.28 FEET, AN ARC LENGTH OF 361.79 FEET, A CENTRAL ANGLE OF 25°44'29", A CHORD OF 358.75 FEET AND A CHORD BEARING OF N56°10'23"E TO A POINT OF REVERSE CURVATURE; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 33.00 FEET, AN ARC LENGTH OF 48.65 FEET, A CENTRAL ANGLE OF 84°27'39", A CHORD OF 44.36 FEET AND A CHORD BEARING OF N85°31'58"E TO A POINT OF REVERSE CURVATURE AND THE SOUTHERLY RIGHT-OF-WAY LINE OF RIVERVIEW BEND (A 28-FOOT WIDE PRIVATE ROADWAY PER SAID PLAT OF VILLAGE AT PALM COAST PHASE ONE); THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 704.00 FEET, AN ARC LENGTH OF 424.94 FEET, A CENTRAL ANGLE OF 34°35'04", A CHORD OF 418.52 FEET AND A CHORD BEARING OF S69°31'45"E TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 33.00 FEET, AN ARC LENGTH OF 53.85 FEET, A CENTRAL ANGLE OF 93°29'25", A CHORD OF 48.07 FEET AND A CHORD BEARING OF S40°04'34"E TO A POINT OF COMPOUND CURVATURE AND THE WESTERLY RIGHT-OF-WAY LINE OF LONGVIEW WAY NORTH (A 28-FOOT WIDE PRIVATE ROADWAY PER SAID PLAT OF VILLAGE AT PALM COAST PHASE ONE); THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 386.00 FEET, AN ARC LENGTH OF 59.37 FEET, A CENTRAL ANGLE OF 08°48'48", A CHORD OF 59.32 FEET AND A CHORD BEARING OF S11°04'33"W TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE AND SAID RIGHT-OF-WAY LINE S74°03'26"E FOR A DISTANCE OF 28.00 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF LONGVIEW WAY NORTH (A 28-FOOT WIDE PRIVATE ROADWAY

TIDELANDS (8)

PER SAID PLAT OF VILLAGE AT PALM COAST PHASE ONE) AND A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 414.00 FEET, AN ARC LENGTH OF 66.55 FEET, A CENTRAL ANGLE OF 09°12'38", A CHORD OF 66.48 FEET AND A CHORD BEARING OF N10°54'30"E TO A POINT OF COMPOUND CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 33.00 FEET, AN ARC LENGTH OF 59.08 FEET, A CENTRAL ANGLE OF 102°35'05", A CHORD OF 51.50 FEET AND A CHORD BEARING OF N57°35'43"E TO A POINT OF COMPOUND CURVATURE; AND THE SOUTHERLY RIGHT-OF-WAY LINE OF RIVERVIEW BEND (A 28-FOOT WIDE PRIVATE ROADWAY PER SAID PLAT OF VILLAGE AT PALM COAST PHASE ONE); THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 163.20 FEET, AN ARC LENGTH OF 128.07 FEET, A CENTRAL ANGLE OF 44°57'46", A CHORD OF 124.81 FEET AND A CHORD BEARING OF S48°37'51"E TO A POINT OF TANGENCY; THENCE DEPARTING SAID CURVE S26°08'59"E FOR A DISTANCE OF 27.01 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE N62°43'05"E FOR A DISTANCE OF 288.42 FEET TO A POINT WITHIN THE INTRACOASTAL WATERWAY (A 500-FOOT WIDE RIGHT-OF-WAY); THENCE S25°07'47"E FOR A DISTANCE OF 223.11 FEET; THENCE S21°05'33"E FOR A DISTANCE OF 1637.18 FEET; THENCE S69°10'12"W A DISTANCE OF 154.28 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE INTRACOASTAL WATERWAY, THENCE CONTINUE S69°10'12"W ALONG THE NORTHERLY BOUNDARY OF THE LANDS OF MARINA COVE A DISTANCE OF 677.05 FEET MORE OR LESS, THENCE N20°49'48"W A DISTANCE OF 123.00 FEET, THENCE S69°10'12"W A DISTANCE OF 123.00 FEET, THENCE S20°49'48"E A DISTANCE OF 19.71 FEET, THENCE S69°10'12"W A DISTANCE OF 179.56 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF PALM HARBOR PARKWAY (104' R/W), THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING COURSES N49°27'23"W A DISTANCE OF 74.05 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 748.00 FEET, AN ARC LENGTH OF 372.07 FEET, A CENTRAL ANGLE OF 28°30'00", A CHORD OF 368.25 FEET AND A CHORD BEARING OF N35°12'23"W TO A POINT OF TANGENCY; THENCE N20°57'23"W A DISTANCE OF 1693.00 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINING 58.52 ACRES, MORE OR LESS.

LESS AND EXCEPT (PER O.R. 804, PAGE 43):
A PARCEL OF LAND LYING IN GOVERNMENT SECTION 32, TOWNSHIP 1O SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

AS A POINT OF REFERENCE, COMMENCE AT THE SOUTHEAST CORNER OF LOT 1, BLOCK 2, COUNTRY CLUB COVE SECTION 14, PALM COAST, AS RECORDED IN MAP BOOK 6, PAGES 54 THROUGH 58 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, SAID POINT OF REFERENCE BEING ON THE NORTHERLY RIGHT-OF-WAY OF PALM HARBOR PARKWAY (A 104 FOOT RIGHT-OF-WAY), AS RECORDED IN THE PLAT OF PALM COAST SECTION 4, MAP BOOK 6, PAGES 9

THROUGH 13 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY OF PALM HARBOR PARKWAY, BEING A CURVE TO THE RIGHT, HAVING AN ARC DISTANCE OF 600.59 FEET, A RADIUS OF 1104.00 FEET, A CENTRAL ANGLE OF 31'10'09", A CHORD BEARING OF S 63°26'01"E AND A CHORD DISTANCE OF 593.21 FEET; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY OF PALM HARBOR PARKWAY AND RUN NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE OF A FLORIDA POWER AND LIGHT EASEMENT, RECORDED IN OFFICIAL RECORDS BOOK 752, PACE 75, FOR THE FOLLOWING 4 COURSES: (1) THENCE N 43°46'45" E 490.41 FEET; (2) THENCE N 82'58'58"E 330.58 FEET; (3) THENCE N 07°01'02"W 12.00 FEET; (4) THENCE N 82°58'58"E 24.79 FEET TO THE POINT OF BEGINNING. THENCE CONTINUE N 82°58'58" E ALONG THE SOUTHEASTERLY LINE OF SAID FLORIDA POWER AND LIGHT EASEMENT FOR A DISTANCE OF 42.00 FEET; THENCE DEPARTING SAID SOUTHEASTERLY EASEMENT LINE AND RUN S 07°01'02" E 42.00 FEET; THENCE S 82°58'58" W 42.00 FEET THENCE N 07°01'02" W 42.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 1764 SQUARE FEET OR 0.04 ACRES MORE OR LESS.

Prepared by:

M. Maxine Hicks, Esq.
EPSTEIN BECKER & GREEN, P.C.
Resurgens Plaza, Suite 2700
945 East Paces Ferry Road
Atlanta, Georgia 30326

After recording return to:

Todd Nelson, Esq.
Legal Department
Centex Destination Properties
1064 Greenwood Boulevard
Suite 200
Lake Mary, Florida 32746

Parcel I.D. #: 05-11-31-5918-00000-00A0
05-11-31-5918-00000-00B0
05-11-31-5918-00000-00C0
05-11-31-5918-00000-00D0
05-11-31-5918-00000-00E0
05-11-31-5918-00000-00F0
05-11-31-5918-00000-00G0
05-11-31-5918-00000-00H0

Grantor's Tax Identification No. 48-1210530

Inst No: 2005063276 10/13/2005
02:12PM Book: 1336 Page: 705 Total Pgs: 5

GAIL WADSWORTH, FLAGLER Co.

For Recording Purposes Only

Cross-reference:
(i) Instrument No. 01034445
Declaration of Restrictive Covenants and Easements for Village at Palm Coast, as recorded in Book 781, Page 1905, Official Records of Flagler County, Florida, as amended from time to time

STATE OF FLORIDA

COUNTY OF FLAGLER

FIFTH AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS

(All references to recording information herein are to the Official Records of Flagler County, Florida, unless otherwise indicated. All capitalized terms not otherwise defined herein shall be defined as set forth in the Declaration).

This Fifth Amendment to the Declaration of Restrictive Covenants and Easements (this "Amendment") is made on the date hereinafter set forth by Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties ("Centex"), as assignee of Longview Village Development Company's rights as "Company" under the Declaration (defined below). Centex's address is 1064 Greenwood Boulevard, Suite 200, Lake Mary, Florida 32746. VILLAGE AT PALM COAST HOMEOWNERS ASSOCIATION, INC., a Florida nonprofit corporation ("Association"), whose address is c/o May Management Services, Inc., 5455 Highway A1A South, St. Augustine, Florida 32080, hereby acknowledges and agrees to the terms and conditions of this Amendment.

Recitals

WHEREAS, Longview Village Development Company ("Longview") entered into that certain Declaration of Restrictive Covenants and Easements on November 20, 2001, in Official Records Book 781, Page 1905, Public Records of Flagler County, Florida (the "Original Declaration");

WHEREAS, the Original Declaration was subsequently amended by that certain First Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on February 20, 2002, in Official Records Book 803, Page 1333, Public Records of Flagler County, Florida, and by that certain Second Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on July 3, 2002, in Official Records Book 832, Page 840, Public Records of Flagler County, Florida, that certain Third Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on November 16, 2004, in Official Records Book 1168, Page 1561, Public Records of Flagler County, Florida, and that certain Fourth Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on April 1, 2005, in Official Records Book 1223, Page 932, Public Records of Flagler County, Florida (as amended, the "Declaration");

WHEREAS, Longview assigned its rights as "Company" under the Declaration to Centex pursuant to that certain Assignment, dated April 5, 2005, recorded in Official Records Book 1223, Page 932, Public Records of Flagler County, Florida;

WHEREAS, pursuant to Article XI, Section 7 of the Declaration, Centex, as Company, may amend the Declaration so long as Centex owns title to any Lot affected by the Declaration;

WHEREAS, Section 8 of the Fourth Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on April 1, 2005, in Official Records Book 1223, Page 932, Public Records of Flagler County, Florida, further provides that Centex, as Company, may amend the Declaration so long as Centex owns title to any Phase 2 Single Family Lot (as defined therein) subject to the Declaration;

WHEREAS, the Phase 2 Single Family Lots have been subjected to the Declaration pursuant to that certain Supplemental Declaration to Declaration of Restrictions and Easements, recorded on October 13, 2005, in Official Records Book 1334, Page 673, Public Records of Flagler County, Florida;

WHEREAS, Centex is the owner of the Phase 2 Single Family Lots;

WHEREAS, Centex desires to amend certain provisions of the Declaration as more particularly described herein; and

WHEREAS, the Village at Palm Coast Homeowners Association, Inc. desires to consent to such amendments.

NOW, THEREFORE, the following amendment to the Declaration is hereby adopted, and each Phase I Owner, transferee, mortgagee or lienor of any property subject to the Declaration (including any future phases thereof submitted to the Declaration) and their respective heirs, successors and assigns, shall be bound by and subject to such amendment, to wit:

1. Article V, Section 1. A. of the Declaration is hereby deleted.

2. The phrase "In addition to the exterior maintenance of Dwelling Units referred to above" set forth in Article V, Section 1.B. of the Declaration is hereby deleted.

3. The phrase "(except for exterior facing)" set forth in Article V, Section 2 of the Declaration is hereby deleted.

4. The phrase "and (2b) by all institutional mortgages of Lots affected by this Declaration" set forth in Article XI, Section 7 is hereby deleted.

5. Except as specifically amended hereby, the Declaration and all terms thereof shall remain in full force and effect.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amendment to Declaration of Restrictive Covenants and Easements as of the day and year first above written.

Witnesses:

Nhieado Knowles
(Name Printed or Typed)

Kristie Smith
(Name Printed or Typed)

CENTEX:

CENTEX HOMES, a Nevada general partnership, d/b/a Centex Destination Properties

By: Centex Real Estate Corporation, a Nevada corporation, its managing general partner

By: _____
John P. Lenihan,
Division President–East Division

[CORPORATE SEAL]

STATE OF FLORIDA

COUNTY OF _____

This instrument was acknowledged before me on the 6th day of October, 2005, by John P. Lenihan as Division President-East Division of Centex Real Estate Corporation, a Nevada corporation, the managing general partner of Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties on behalf of said partnership.

NOTARY PUBLIC:

LINDA NEWMAN
Comm# DD0431996
Expires 9/18/2009
Bonded thru (800)432-4254
Florida Notary Assn., Inc

Sign: _____

Print: _____

My Commission Expires: _____

[Notary Seal]

Acknowledged, agreed and consented to by the Association as of the 3rd day of October, 2005.

Witnesses:

George Appleby V.P.
(Name Printed or Typed)

Carla Bowers
Carla Bowers CMM
(Name Printed or Typed)

VILLAGE AT PALM COAST HOMEOWNER'S ASSOCIATION, INC., a Florida corporation

By: _____
William D. Clinton
President

By: _____
Rose Cregan
Secretary

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 3rd day of October, 2005, by William F. Clinton, as President, and Rose Cregan, as Secretary, of Village at Palm Coast Homeowners Association, Inc., a Florida corporation, on behalf of the corporation. They are personally known to me ~~or have produced _____ as identification~~.

NOTARY PUBLIC:

Sign: _____
Print: _____

LISA K. CUNNINGHAM
Notary Public - State of Florida
My Commission Expires Apr 30, 2008
Commission # DD296261
Bonded By National Notary Assn.

State of Florida At Large
(Seal)
My Commission Expires:

Title/Rank: _____
Commission Number: _____

Inst No: 2005063273 10/13/2005
02:07PM Book: 1336 Page: 673 Total Pgs: 8

GAIL WADSWORTH, FLAGLER Co.

Document prepared by:

M. Maxine Hicks
Epstein Becker and Green, P.C.
945 East Paces Ferry Road
Suite 2700, Resurgens Plaza
Atlanta, Georgia 30326

Upon recording please return to:

Todd Nelson, Esq.
Legal Department
Centex Destination Properties
1064 Greenwood Boulevard
Suite 200
Lake Mary, Florida 32746

SPACE ABOVE THIS LINE FOR PROCESSING DATA

SPACE ABOVE THIS LINE FOR PROCESSING DATA

Cross-reference:
Instrument No. 01034445
Declaration of Restrictive Covenants and Easements for Village at Palm Coast, recorded in Book 781, Page 1905, Official Records of Flagler County, Florida

SUPPLEMENTAL DECLARATION TO RESTRICTIVE COVENANTS AND EASEMENTS FOR VILLAGE AT PALM COAST

(Tidelands - Phase 2 Single Family Lots Supplemental Declaration)

THIS SUPPLEMENTAL DECLARATION is made this 13th day of October, 2005, by Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties ("Centex").

W I T N E S S E T H:

WHEREAS, Longview Village Development Company ("Longview"), a Florida corporation, recorded that certain Declaration of Restrictive Covenants and Easements on November 20, 2001, in Official Records Book 781, Page 1905, Public Records of Flagler County, Florida as amended by that certain First Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on February 20, 2002, in Official Records Book 803, Page 1333, of the aforesaid records, and by that certain Second Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on July 3, 2002, in Official Records Book 832, Page 840, of the aforesaid records, and by that certain Third Amendment to Declaration of Covenants and Restrictions for Village at Palm Coast, recorded on November 16, 2004, in Official Records Book 1168, Page 1561, of the aforesaid records, and by that certain Fourth Amendment to Declaration of

Covenants and Restrictions for Village at Palm Coast (the "Fourth Amendment"), recorded on April, 2005, in Official Records Book 1223, Page 932, of the aforesaid records (as amended and supplemented, the "Declaration");

WHEREAS, pursuant to Article X, Section 4 of the Declaration, Company (as defined in the Declaration) may subject additional phases of real property to the terms of the Declaration as future phases of the Village at Palm Coast;

WHEREAS, Longview assigned its rights as Company under the Declaration to Centex pursuant to that certain Assignment, recorded on April 5, 2005, in Official Records 1225, Page 630, of the aforesaid records;

WHEREAS, pursuant to the Fourth Amendment Longview assigned its right under the Declaration to subject the Phase 2 Single Family Lots (as defined in the Fourth Amendment) to the Phase 2 Developer (as defined in the Fourth Amendment) without the consent of the Phase 1 Owners (as defined in the Fourth Amendment);

WHEREAS, Centex is the Phase 2 Developer;

WHEREAS, Centex, is the owner of the real property described on Exhibit "A", which property consists of the Phase 2 Single Family Lots; and

WHEREAS, Centex desires to subject the real property described on Exhibit "A" to the terms of the Declaration pursuant to the terms of this Supplemental Declaration.

NOW, THEREFORE, pursuant to Centex's rights under the Declaration, Centex hereby subjects the real property described on Exhibit "A" hereof to the provisions of the Declaration in accordance with this Supplemental Declaration, which shall apply to such property in addition to the provisions of the Declaration. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplemental Declaration and the Declaration, both of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

The provisions of this Supplemental Declaration shall be binding upon the Village at Palm Coast Homeowner's Association, Inc. in accordance with the terms of the Declaration and of this Supplemental Declaration. In the event of conflict between the Declaration and this Supplemental Declaration the provisions of this Supplemental Declaration shall govern.

Definitions

Except as set forth herein, the definitions set forth in Article I of the Declaration are incorporated herein by reference and supplemented by adding the following definitions to Article I of the Declaration:

"Club": Tidelands Club as defined by the Club Documents.

"Club Documents": Club Declaration for Tidelands Club, recorded in the Official Records of Flagler County, Florida in Book 1336, Page 658 Tidelands Resort Membership Agreement, the Membership Plan for Tidelands Club, the rules and regulations promulgated by the Club Owner and all of the instruments and documents referred to therein, as each may be supplemented and amended from time to time.

"Club Facilities": Certain real property and any improvements and facilities thereon which are located adjacent to or in the vicinity of Tidelands and improvements and facilities located therein which may be owned by the Club Owner or its successors or assigns and are operated by the Club Owner pursuant to the Club Documents.

"Club Owner": Any entity, which may be Centex, an affiliate of Centex, and/or such other third party determined by Centex, which owns or operates all or any portion of the Club or the Club Facilities. The Club Owner, initially, shall be CHG Hospitality Group, LLC, a Delaware limited liability company.

ARTICLE 2

Club Membership

Every Lot within the Phase 2 Single Family Lots shall be subject to the Club Declaration for Tidelands Club and the provisions of this Supplemental Declaration, including without limitation this Article 2. It is the intent of Centex to create, by this Supplemental Declaration, a covenant that touches and concerns the Phase 2 Single Family Lots, that runs with title to the land and that shall be binding on all future owners of a Lot within the Phase 2 Single Family Lots. As used in this Supplemental Declaration, the term "Lot" shall mean a lot subject to this Supplemental Declaration.

Every Owner of a Lot, other than Centex, shall maintain, at a minimum, a Resort Membership (as defined by the Club Documents) in the Club. Should the Club amend the Club Documents to rename the Resort Membership, then the renamed category of membership in the Club Documents shall be deemed to be the Resort Membership for purposes of this Declaration without the need to amend this Declaration to identify the renamed category. Pursuant to the terms hereof and in accordance with the Club Documents, the Club shall issue one (1) Resort Membership for each Lot. If a Lot is owned by more than one (1) Person, the Club may issue additional memberships as provided in the Club Documents; provided however, only one (1) Resort Membership will be transferred upon the sale or conveyance of a Lot and any additional memberships issued for the applicable Lot will be deemed terminated upon conveyance of the Lot. Upon the closing of a Lot and in accordance with the Club Documents, the Resort Membership shall entitle the Owner of a Lot and all family members, domestic partners, tenants, renters and guests (collectively, the "Permittees") of such Owner to membership privileges in the Club in accordance with the Club Documents. All Owners of a Lot and their Permittees shall be subject to the usage requirements established by the Club in the Club's sole discretion. Every Owner of a Lot shall be subject to the Club Documents. The Resort Membership does not include any privileges to use the marina, if any, at Tidelands. Owners shall have no right of reimbursement or refund for initiation fees or deposits related to the Resort Membership, and the Resort Membership is non-transferable except in connection with the sale of the Lot relating to such Resort Membership.

ARTICLE 3

Architectural Control

Except for work done by or on behalf of Centex or an affiliate of Centex, no improvement of any kind or other work (including, without limitation, staking, clearing, excavation, grading and other site work, exterior alterations or additions, or planting or removal of landscaping) shall take place on a Lot, except in compliance with this Article. Any Owner may remodel, paint, or redecorate the interior of any structure on such Owner's Lot without approval hereunder. However, modifications to the interior of screened porches, patios, and any other portions of a Lot or structure visible from outside a structure are subject to approval under this Article.

3.1 Architectural Review. Notwithstanding anything in the Declaration to the contrary, Centex reserves the right to establish an Architectural Review Board ("ARB") to control the architectural design of the Lots in the Phase 2 Single Family Lots. The ARB shall consist of one or more persons and shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for architectural and other improvements on a Lot in the Phase 2 Single Family Lots. The ARB shall consist of one or more persons appointed by Centex and such persons shall serve at the sole and absolute discretion of Centex.

3.2 Fees; Assistance. The ARB may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may include, without limitation, the reasonable costs incurred in having any application reviewed by architects, landscape architects, engineers, or other professionals the ARB employs or with whom it contracts.

3.3 Guidelines and Procedures. No construction activities shall begin on a Lot until a request is submitted to and approved in writing by the ARB. The request must be in writing and be accompanied by plans and specifications and other information the ARB may require. Plans and specifications shall show, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction or other activity as the ARB deems relevant.

In reviewing each submission, the ARB may consider any factors it deems relevant, including, without limitation, harmony of the proposed design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The ARB shall have the discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to review so long as they are made in good faith and in accordance with the required procedures.

The ARB shall make a determination on each application within sixty (60) days after receipt of a completed application and all other information the ARB requires. The ARB may: (i) approve the application, with or without conditions; (ii) approve a portion of the application, with or without conditions, and disapprove other portions; or (iii) disapprove the application. The ARB shall notify the applicant in writing of a final determination on any application. In the case of disapproval, the ARB may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections. If the ARB fails to respond within sixty (60) days from receipt of a completed application, approval shall be deemed given.

As part of any approval, the ARB may require that construction, landscaping, and other approved activities in accordance with approved plans commence and be completed within a specified time period. If such actions do not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities within the scope of this Article. Notwithstanding anything herein to the contrary, construction of a single-family dwelling must commence on a Lot within sixty (60) months of the date the initial purchaser acquires the Lot from Centex. Construction will not be deemed to have commenced until: (i) all plans for such construction have been approved by the ARB and/or other applicable reviewing body; (ii) a building permit has been issued for the Lot by the appropriate jurisdiction; and (iii) construction of a residential dwelling on the Lot has physically commenced beyond site preparation. All elements of the approved activities and/or plans for a Lot shall be completed within eighteen (18) months of commencement unless a shorter or longer period is otherwise specified in the notice of approval, or unless the ARB, in its sole and absolute discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action by

Centex, including but not limited to any right Centex may have under a purchase agreement for the purchase and sale of a Lot to repurchase the Lot.

Any approvals granted under this Article are conditioned upon completion of all elements of the approved work, unless written approval to modify any application has been obtained.

3.4 Architect, Builder and General Contractor Approval. In order to ensure that appropriate standards of construction are maintained throughout the Phase 2 Single Family Lots, all architects, builders and general contractors must be approved by the ARB prior to engaging in any construction activities within the Phase 2 Single Family Lots. The ARB may implement an approval process utilizing established criteria and requiring the submission of a written application for approval. Approval of any plans may be withheld until such time as the Owner's builder or contractor has been approved by the ARB. Both the criteria and the application form are subject to change in the sole discretion of the ARB. Approval of builders and contractors shall not be construed as a recommendation of a specific builder or contractor by the ARB or Centex or any affiliate of Centex, nor a guarantee or endorsement of the work of such builder or contractor. The criteria and requirements established by the ARB for approval of builders and contractors are solely for Centex's and affiliates of Centex's protection and benefit and are not intended to provide the Owner with any form of guarantee with respect to any approved builder or contractor. As a condition of approval, each builder may be required to execute Centex's standard builder agreement and make full payment of any required fees. Owner's selection of a builder or contractor shall be conclusive evidence that the Owner is independently satisfied with any and all concerns Owner may have about the qualifications of such builder or contractor. Furthermore, Owner waives any and all claims and rights that Owner has or may have now or in the future, against the ARB, Centex, any affiliate of Centex, and/or any predecessor Centex.

3.5 No Waiver of Future Approvals. Approval of applications or plans shall not constitute a waiver of the ARB's right to withhold approval of similar applications, plans, or other matters subsequently or additionally submitted for approval.

3.6 Release of Liability.

Review and approval of any application pursuant to this Article may be based on purely aesthetic considerations. The ARB is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

Each Owner releases Centex, affiliates of Centex, any predecessor Centex, and the ARB, for the approval of, disapproval of, or failure to approve or disapprove any plans; soil conditions, drainage, or other general site work related to approved work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any Owner or their contractor or their subcontractors, employees, or agents; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction or activities on or modifications to any Lot.

Each application to the ARB shall be deemed to contain a representation and warranty by the Owner that use of the plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the ARB, nor the distribution and review of the plans by the ARB, shall be construed as publication in violation of the designer's copyright, if any. Each Owner submitting plans to the ARB, shall hold the ARB, Centex, affiliates of Centex, any predecessor Centex, and the ARB, harmless and

shall indemnify said parties against any and all damages, liabilities, and expenses incurred in connection with the review process of this Supplemental Declaration.

3.7 Enforcement. Any construction, alteration, improvement, or other work done in violation of this Article is subject to enforcement action by Centex, including, without limitation, the right to restrain the violation, to recover damages, to levy fines and enforce liens. Centex may also exercise any rights of enforcement provided hereunder or under the Declaration for violations of the Declaration, the Special Warranty Deed for the lot, including without limitation enforcement of Centex's right to repurchase, and/or such remedies available to Centex at law or in equity. Any act of any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed to be an act done by or on behalf of such Owner.

ARTICLE 4

Severability

If any provision of this Amendment is held invalid, the validity of the remainder of this Amendment shall not be affected.

ARTICLE 5

Amendment to Supplemental Declaration

5.1 By Centex. This Supplemental Declaration may be unilaterally amended by Centex for a period of ten (10) years beginning on the date of recording of this Supplemental Declaration.

5.2 By Owners. In lieu of the amendment provisions (2a) and (2b) set forth in Article XI, Section 7 of the Declaration, this Supplemental Declaration may be amended by obtaining all of the following: (i) the written consent or affirmative vote, or any combination thereof, of at least sixty-seven percent (67%) of Owners subject to the Declaration, (ii) the written consent or affirmative vote, or any combination thereof, of at least sixty-seven percent (67%) of Owners of the Phase 2 Single Family Lots, and (iii) during the ten (10) years after the recording of this Supplemental Declaration, the written consent of Centex. Notwithstanding the foregoing, any amendment to this Supplemental Declaration which affects Article 2 of this Supplemental Declaration shall also require the written consent of the Club Owner.

ARTICLE 6

Declaration

Except as specifically amended hereby, the Declaration and all terms thereof shall remain in full force and effect.

[Signatures Begin on the Following Page]

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Declaration the day and year first above written.

Witnesses:

(Name Printed or Typed)

(Name Printed or Typed)

CENTEX:

CENTEX HOMES, a Nevada general partnership, d/b/a Centex Destination Properties

By: Centex Real Estate Corporation, a Nevada corporation, its managing general partner

By: _____
John P. Lenihan,
Division President – East Division

[CORPORATE SEAL]

STATE OF FLORIDA

COUNTY OF Seminole

This instrument was acknowledged before me on the 6th day of October, 2005, by John P. Lenihan as Division President-East Division of Centex Real Estate Corporation, a Nevada corporation, the managing general partner of Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties on behalf of said partnership.

NOTARY PUBLIC:

Sign: Shawna M. Korsmoe

Print: Shawna M. Korsmoe

My Commission Expires: April 20, 2008

[Notary Seal]

SHAWNA M. KORSMOE
Notary Public - State of Florida
My Commission Expires Apr 20, 2008
Commission # DD311433
Bonded By National Notary Assn.

EXHIBIT "A"

Phase 2 Single Family Lots

ALL THAT TRACT OR PARCEL OF LAND lying and being in Government Sections 32 and 42, Township 10 South, Range 31 East and Sections 5, 37, 38, 39 and 42, Township 11 South, Range 31 East, City of Palm Coast, Flagler County, Florida, as more particularly identified as Lots 1 through 20 of Village at Palm Coast Phase II (Tidelands) on that certain Plat for Village at Palm Coast Phase II (Tidelands), prepared by DRMP, recorded at Map Book 35, Pages 37 through 40, Flagler County, Florida, which plat is incorporated herein by reference.