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For Recording Use 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. 2005016847
Fourth Amendment to Declaration of Restrictive
Covenants and Easements, as recorded in Book 1223,
Page 932, aforesaid records

(iii) Instrument No. 2005016848
Declaration of Easement and Restrictions and Covenant to
Share Costs for Joint Use Areas, as recorded in Book
1223, Page 900, aforesaid records

STATE OF FLORIDA

COUNTY OF FLAGLER

**AMENDED AND RESTATED
DECLARATION OF EASEMENTS AND RESTRICTIONS
AND
COVENANT TO SHARE COSTS
FOR
JOINT USE AREAS**

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TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>
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"B"	Phase 2 Property
"C"	Joint Use Areas

**AMENDED AND RESTATED
DECLARATION OF EASEMENTS AND RESTRICTIONS
AND
COVENANT TO SHARE COSTS
FOR
JOINT USE AREAS**

THIS AMENDED AND RESTATED DECLARATION OF EASEMENTS AND RESTRICTIONS AND COVENANT TO SHARE COSTS FOR JOINT USE AREAS (this "Cost Sharing Declaration") is made as of the ____ day of _____, 2005 by CENTEX HOMES, a Nevada general partnership, d/b/a CENTEX DESTINATION PROPERTIES, whose address is 1064 Greenwood Blvd, Suite 200, Lake Mary, Florida 32746 (the "Company").

RECITALS

WHEREAS, capitalized terms used in these recitals and this Cost Sharing Declaration are defined below in Article 1 of this Cost Sharing Declaration;

WHEREAS, Longview Village Development Company ("Longview"), as declarant, established and declared that the Properties are subject to that certain Declaration of Easements and Restrictions and Covenant to Share Costs for Joint Use Areas, dated March 31, 2005, recorded at Book 1223, Page 900, Official Records of Flagler County, Florida (the "Original Cost Sharing Declaration");

WHEREAS, the Phase I Association acknowledged and agreed to be subject to the terms and conditions of the Original Cost Sharing Declaration;

WHEREAS, Longview transferred the Phase 2 Property and portions of the Phase I Property to Company on April 4, 2005;

WHEREAS, Longview assigned its rights as declarant under the Phase I Declaration to Company pursuant to the Assignment, dated as of April 4, 2005, recorded at Book 1225, Page 630, Official Records of Flagler County, Florida;

WHEREAS, portions of the Phase 2 Property may be developed as a Private Amenity;

WHEREAS, each Private Amenity Owner will be a successor-in-title to a portion of the Phase 2 Property and therefore receives the benefits and burdens of the easements set forth in the Original Cost Sharing Declaration;

WHEREAS, Company may unilaterally amend the Original Cost Sharing Declaration provided that all Property Owners are treated equitably;

WHEREAS, the amendments made pursuant to this Cost Sharing Declaration treat all the Property Owners equitably;

WHEREAS, Company is the current developer of the Development, which is a residential planned community located in the City of Palm Coast, Flagler County, Florida currently known as Tidelands and formerly known as the Village at Palm Coast;

WHEREAS, the Development consists of two phases: Phase I is located on the Phase I Property, and Phase 2 is located on the Phase 2 Property;

WHEREAS, the Phase I Property has been developed and consists of residential homes, residential lots, roads, an entry feature, a gate system and common areas;

WHEREAS, the Phase I Property is subject to the Phase I Declaration;

WHEREAS, pursuant to the Phase I Declaration, the Articles of Incorporation of Village at Palm Coast Homeowners Association, Inc. and the Bylaws of Village at Palm Coast Homeowners Association, Inc., the Phase I Association is responsible for the governance of the Phase I Property;

WHEREAS, the Phase 2 Property has not been developed, but Company (or its successors and assigns) intends to develop single family residences, condominium units, townhomes, Private Amenities and Recreational Amenities on the Phase 2 Property;

WHEREAS, all or a portion of the Phase 2 Property will be governed by the Phase 2 Association once it is formed pursuant to a Phase 2 Declaration;

WHEREAS, Company is the owner of the Phase 2 Property;

WHEREAS, Company has always planned to have the Phase I Property and the Phase 2 Property function as a cohesive community;

WHEREAS, the Zoning Ordinance provides that, among other things, certain Joint Use Areas will be for the common use, enjoyment and benefit of the Phase I Owners and the Phase 2 Owners;

WHEREAS, the Zoning Ordinance provides that the Phase I Association is responsible for maintaining the roads located within the Development;

WHEREAS, the Phase I Association desires to perform its obligation to maintain the roads through this Cost Sharing Declaration;

WHEREAS, as provided for in the Phase I Declaration, Company, as assignee of Longview's rights as declarant, intends to provide certain amenities for the joint use and benefit of the Phase I Owners and the Phase 2 Owners;

WHEREAS, in order to assure that each Property Owner is treated equitably, the expenses associated with the Joint Use Areas shall be allocated equitably among the Property Owners;

WHEREAS, Article XII, Section 2 of the Phase I Declaration provides that Company may record amendments to the Phase I Declaration, without the consent of the Phase I Owners or the Phase I Association, the Original Cost Sharing Declaration was recorded as such and this Cost Sharing Declaration is being recorded as such; and

WHEREAS, Company is recording this Cost Sharing Declaration for the purpose of amending the Original Cost Sharing Declaration and establishing and confirming (i) certain easement rights to use Joint Use Areas, (ii) certain provisions regarding the operation, use and maintenance of Joint Use Areas, (iii) the allocation of expenses associated with Joint Use Areas, (iv) certain services that will be made available for the joint use and benefit of the Phase I Owners and the Phase 2 Owners and (v) certain rights of the Private Amenities Owner, the Private Amenity Users and the Marina Owner.

NOW THEREFORE, Company does hereby amend and restate the Original Cost Sharing Declaration and declares that all of the property described on Exhibit "A" and Exhibit "B" shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions which shall run with the title to the real property subjected to this Cost Sharing Declaration. This Cost Sharing Declaration shall be deemed to be an amendment to the Phase I Declaration. This Cost Sharing Declaration shall be binding upon all parties having any right, title or interest in any portion of the Development, their heirs, successors, successors-in-title and assigns and shall inure to the benefit of each owner of any portion of the Development; provided, however, that nothing herein shall be construed to subject the Properties to the Phase I Declaration by virtue of this Cost Sharing Declaration

ARTICLE 1 DEFINITIONS

The terms in this Cost Sharing Declaration and in the exhibits to this Cost Sharing Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 Additional Property. Any real property subjected to the Phase I Declaration or the Phase 2 Declaration after the recording of this Cost Sharing Declaration.

1.2 Budget. An estimated budget established pursuant to Section 4.3 of this Cost Sharing Declaration.

1.3 Community-Wide Standard. Either (a) the standard of conduct, maintenance, or other activity generally prevailing from time to time throughout the Development, or (b) the minimum standards established pursuant to this Cost Sharing Declaration, the Phase I Declaration, Phase 2 Declaration, applicable architectural and design guidelines, and/or board resolutions of the Phase 2 Association, whichever imposes the highest standard. The Community-Wide Standard may contain objective elements and subjective elements.

1.4 Company. Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties, and its successor-in-title to the Phase 2 Property and Parcels B, C and F of the Phase I Property.

1.5 Cost Sharing Declaration. This Cost Sharing Declaration as hereafter amended or supplemented.

1.6 Development. That certain residential planned development community located on the Properties in the City of Palm Coast, Flagler County, Florida, formerly known as Village at Palm Coast.

1.7 Guest. Any family member, guest or invitee (including, without limitation, any tenant) of any Property Owner.

1.8 Joint Committee. The five (5) person committee established pursuant to Article III, of this Cost Sharing Declaration.

1.9 Joint Use Areas. That certain real property, personal property and improvements either: (i) designated as Joint Use Area on Exhibit "C" attached hereto and incorporated herein by reference; or (ii) now or hereafter designated as a "Joint Use Area" on any plat of all or a portion of the Properties which is recorded in the public records of Flagler County, Florida, or described as such in any deed from Company which is recorded in the public records of Flagler County, Florida. The Joint Use Areas shall include, among other things, the Recreational Amenities. Improvements located on Joint Use Areas shall be deemed to be part of the Joint Use Area for the purposes of this Cost Sharing Declaration, unless otherwise specified in the document designating the real property, personal property and/or improvements as a Joint Use Area.

1.10 Maintenance Program. The maintenance program for the Joint Use Areas established pursuant to Section 4.2 of this Cost Sharing Declaration.

1.11 Marina. All of the real and personal property, leased and/or operated by the Marina Owner or its successors or assigns, plus all the facilities constructed thereon, which will be operated by the Marina Owner or successors or assigns including without limitation the docks, boat slips and any other improvements forming a portion of the docks, if any, which Company, affiliate of Company, Marina Owner or other third party may construct adjacent to the Intracoastal Waterway and in close proximity to the Properties, but is not obligated to construct or to subject to this Cost Sharing Declaration. A Marina may be located within a Private Amenity, a Joint Use Area or neither, as determined by Company.

1.12 Marina Owner. The entity (which may be Company, an affiliate of Company, the Private Amenity Owner and/or a third party) which shall own and operate the Marina, if Company elects to create the Marina.

1.13 Monthly Budget. The total amount shown on the current Budget divided by twelve (12).

1.14 Phase I Association. Village at Palm Coast Homeowners Association, Inc., a Florida nonprofit corporation.

1.15 Phase I Declaration. That certain Declaration of Restrictive Covenants and Easements recorded at Book 781, Page 1905, *et seq.*, Flagler County, Florida records, as amended and supplemented.

1.16 Phase I Owner or Phase I Owners. The record owner of fee simple title to any real property (including, but not limited to, the owner of any residential lot) located on the Phase I Property; provided, however, that in the event a Phase 2 Owner's property is subjected to the Phase I Declaration, then that Phase 2 Owner shall be construed as a Phase I Owner.

1.17 Phase I Property. All of those tracts or parcels of land lying and being in the City of Palm Coast, Flagler County, Florida, as more particularly described on Exhibit "A" of this Cost Sharing Declaration; provided, however, that (i) in the event Additional Property is subjected to the Phase I Declaration, then such Additional Property shall be Phase I Property, and (ii) in the event Withdrawn Property is withdrawn from the Phase I Declaration, then such Withdrawn Property shall no longer be Phase I Property. The Phase I Property is referred to as the "Parcel" in the Phase I Declaration.

1.18 Phase 2 Association(s). The condominium association(s) responsible for the governance of the Phase 2 Property which condominium association(s) shall be formed prior to the completion and closing of the sale of the first condominium units within the Phase 2 Property. Membership in said Phase 2 Association shall be mandatory for all Phase 2 Owners. The Phase 2 Association shall have the right to delegate its duties under this Cost Sharing Declaration to a management company that is performing similar duties in connection with the Phase 2 Property and the operation of the Phase 2 Association.

1.19 Phase 2 Declaration(s). The declaration(s) of condominium to be recorded in the public records of Flagler County, Florida upon completion of the first condominium units in the Phase 2 Property.

1.20 Phase 2 Owner or Phase 2 Owners. The record owner of fee simple title of any real property (including, but not limited to the owner of any Unit) located on the Phase 2 Property; provided, however, that in the event a Phase 2 Owners' property is subjected to the Phase I Declaration, then that Phase 2 Owner shall be construed as a Phase I Owner.

1.21 Phase 2 Property. All of those tracts or parcels of land lying and being in the City of Palm Coast, Flagler County, Florida, as more particularly described on Exhibit "B" of this Cost Sharing Declaration; provided, however, that (i) in the event Additional Property is subjected to the Phase 2 Declaration, then such Additional Property shall be Phase 2 Property, and (ii) in the event Withdrawn Property is withdrawn from the Phase 2 Declaration, then such Withdrawn Property shall no longer be Phase 2 Property.

1.22 Private Amenity or Private Amenities. Those certain private amenities and facilities now or hereafter located on Properties which are not owned by either the Phase I Association or the Phase 2 Association and exist for the recreational and social enjoyment of the members, guests and invitees of the Private Amenity Owner, which amenities and facilities may include, among other things, clubhouse(s), tennis court(s), swimming pool(s), fitness center(s) and Marina. Private Amenities may be public or private and may be operated on a club membership, daily fee, use fee, reservation, leasehold, or non-residential association membership basis or otherwise, as determined by Company in its sole and absolute discretion. By listing the aforesaid amenities and facilities, Company is not representing that that such amenities and facilities are required to exist or that Private Amenities are limited to such listed amenities and facilities. As a matter of

clarification, Private Amenities shall not be Recreational Amenities and shall not be located on Joint Use Areas.

1.23 Private Amenity Owner. Any entity (which may be the Company, an affiliate of Company or a third party) which shall own and operate all or any portion of any Private Amenity, if Company elects to create or designate any Private Amenities.

1.24 Private Amenity User or Private Amenity Users. Any person or entity which is a member, employee, guest or invitee of any private club or association which operates any Private Amenity.

1.25 Properties. The Phase I Property and the Phase 2 Property, as amended and supplemented, are sometimes collectively referred to herein as the "Properties".

1.26 Property Owner. An individual Phase I Owner or Phase 2 Owner is sometimes collectively referred to herein as a "Property Owner".

1.27 Property Owners. Phase I Owners and Phase 2 Owners are sometimes collectively referred to herein as "Property Owners".

1.28 Recreational Amenities. Those certain amenities and facilities now or hereafter located on Joint Use Areas which exist for the recreational enjoyment of the Property Owners and their Guests, which amenities and facilities may include, among other things, waterfront promenade(s), lagoons, trails and docks. By listing the aforesaid amenities and facilities, Company is not representing that that such amenities and facilities are required to exist or that Recreation Amenities are limited to such listed amenities and facilities. As a matter of clarification, Private Amenities shall not be Recreational Amenities.

1.29 Rental Operator. Any entity that may be designated by Company or the Phase 2 Association from time to time to manage a rental program made available for Property Owners.

1.30 Rules and Regulations. Rules and regulations regarding the use of the Joint Use Areas established pursuant to Section 4.4 of this Cost Sharing Declaration.

1.31 Unit. Any single-family residence (or lot designated for the construction of a single-family residence), condominium unit or townhome within the Properties.

1.32 Withdrawn Property. Any real property withdrawn from the Phase I Declaration or the Phase 2 Declaration after the recording of this Cost Sharing Declaration.

1.33 Zoning Ordinance. That certain Zoning Ordinance No. 2002-23, as modified and amended, issued by the City Council of the City of Palm Coast, Florida.

ARTICLE 2 EASEMENTS

2.1 Background. The Zoning Ordinance requires and Company desires to ensure that the Properties function as a cohesive community. In order to provide Company with the ability to develop the Properties as one community and to provide all Property Owners with the use,

enjoyment and benefit of the Joint Use Areas, Company desires to establish the easements set forth in this Article 2.

2.2 Reciprocal Easements. Company hereby declares, grants, and establishes for its benefit and the benefit of the Property Owners and their Guests, the following reciprocal easements:

(a) Access Easement. A non-exclusive, perpetual easement for:

(i) Vehicular access over any roadway now or hereafter located on the Properties;
and

(ii) Pedestrian access over any trail and sidewalk now or hereafter located on the Properties.

(b) Recreational Amenities Use Easement. A non-exclusive, perpetual easement for the use and enjoyment of the Recreational Amenities.

(c) Reservations and Restrictions on Easements. The easements granted pursuant to this Section 2.2 are subject to:

(i) The terms and conditions of this Cost Sharing Declaration;

(ii) Any restrictions or limitations contained in any deed, bill of sale or assignment document conveying the Joint Use Areas to the Phase I Association or the Phase 2 Association;

(iii) Any Rules and Regulations;

(iv) The right of the Phase 2 Association to rent, lease or reserve any portion of the Joint Use Areas to the Company or any Property Owners (including the right to provide access over and across the Joint Use Areas) for the exclusive and/or non-exclusive use of the Company or such Property Owners and their respective Guests upon such conditions as may be established by the Phase 2 Association, including, without limitation, the right of Company or the Phase 2 Association to enter into a long term lease with any Rental Operator or Marina Owner;

(v) The right of the Phase I Association or the Phase 2 Association, acting through its respective board of directors, following evaluation of the transfer by the Joint Committee in accordance with Article 4, to dedicate or transfer any portion of the Joint Use Areas to any governmental entity; and

(vi) The right of Company to conduct activities and exercise any other rights as may be provided for in the Phase I Declaration or the Phase 2 Declaration.

(d) A Property Owner who leases or lets his or her Unit shall be deemed to have assigned, during the term of such occupancy, all of the rights granted pursuant to this Cost Sharing Declaration to the occupant of such Unit; provided however, the Phase I Owner or Phase 2 Owner shall remain responsible for compliance with this Cost Sharing Declaration,

including without limitation, payment of all assessments and other charges due under or pursuant to this Cost Sharing Declaration, the Phase I Declaration and/or the Phase 2 Declaration.

2.3 Easements in favor of Company, Private Amenity Owner, Marina Owner and the Phase 2 Association. Company hereby declares, grants, and establishes for its benefit and for the benefit of the Private Amenity Owner, Marina Owner and the Phase 2 Association, the following easements:

(a) **Utility Easement.** A non-exclusive, perpetual easement for the installation, use, connection with, tying into, maintenance, repair and replacement of utility lines, including by way of illustration and not limitation, electric, telephone, gas, cable television, water and sewer, over, upon, across, under and through the Properties to the extent necessary for the further development, use, enjoyment, operation and/or maintenance of the Joint Use Areas, Marina, Private Amenity and/or other portions of the Properties.

(b) **Maintenance Easement.** A non-exclusive, perpetual easement for ingress and egress through the Properties for the purpose of maintaining, repairing and/or replacing any improvements located within the Joint Use Areas, Marina, Private Amenity and/or other portions of the Properties.

(c) **Construction Easement.** A non-exclusive, perpetual easement in, to, over, under, along, through and across common areas and roads located on the Phase I Property for the purpose of installing and/or constructing improvements which create a common appearance for the Properties, including, but not limited to, the construction of a new entry feature and the installation of new street lighting. The cost of initial installation and construction shall be borne by Company. The Phase I Association shall be responsible for maintaining, repairing and replacing any improvements installed or constructed pursuant to this easement, unless the same are designated as Joint Use Areas, in which case they will be maintained, repaired and replaced according to the terms of this Cost Sharing Declaration. Nothing provided for in this paragraph shall be deemed to obligate Company, Private Amenity Owner, Marina Owner or the Phase 2 Association to install or construct any particular improvements on the Phase I Property.

(d) **Additional Easements.** A non-exclusive, perpetual easement into, over, under, along, through, and across (i) roads and common areas within the Properties, and (ii) other areas of the Properties reasonably deemed to be necessary for the purpose of (A) access to, from and between the Joint Use Areas, Marina, Private Amenity and/or other portions of the Properties, and (B) construction, development, marketing and sales of the Properties. Company also hereby declares, grants, and establishes for its benefit and the benefit of the Private Amenity Owner, Marina Owner and Phase 2 Association any easement over the Properties as may be required by any applicable governmental entity.

2.4 Easements of Company, Rental Operator and the Marina Owner. Company hereby reserves for its benefit and declares, grants, and establishes for the benefit of the Marina Owner and its guests and invitees, such easements as are necessary and/or appropriate over all walkways and roadways within the Properties for the operation and use of and access to the Marina. Company hereby reserves for its benefit and declares, grants, and establishes for the benefit of the Rental Operator and its guests and invitees, such easements as are necessary and/or

appropriate over, through, across and within the Properties for the operation and use of the Rental Operator and its guests and invitees.

2.5 Easements of Company, Private Amenity Owner and Private Amenity User. Company hereby reserves for its benefit and declares, grants, and establishes for the benefit of any Private Amenity Owner and any Private Amenity User, such easements as are necessary and/or appropriate (i) over all walkways and roadways within the Properties for the operation and use of and access to the Private Amenities, including, without limitation, the right of access through the access gates located on the Properties and (ii) over all parking areas within the Properties for the purpose of parking vehicles while using the Private Amenities. Company further reserves the right, in Company's sole and absolute discretion, to grant easements over Joint Use Areas (including, but not limited to, trails and paths) for the use and benefit of any Private Amenity Owner and any Private Amenity User.

2.6 Exercise of Easement Rights. All persons and entities entitled to exercise these easements shall use reasonable care in exercising such rights and with a minimum of interference to the affected real or personal property. Any damage to any real or personal property resulting from the exercise of such rights shall be repaired by the Phase 2 Association, and the costs incurred by the Phase 2 Association shall be promptly be paid by the person or entities causing such damage. Property Owners shall be responsible for all damage caused by their Guests.

2.7 Easements Running with the Land. All easements granted herein are expressly made subject to the conditions and restrictions contained herein, which shall constitute covenants running with the title to, and both benefiting and burdening, the Phase I Property and the Phase 2 Property.

ARTICLE 3 JOINT COMMITTEE

3.1 Establishment of Joint Committee. In order to ensure that: (i) the Joint Use Areas are operated and maintained for the benefit of all Property Owners, and (ii) Phase I Owners and the Phase 2 Owners are treated equitably with respect to the use, enjoyment and benefit of and from the Joint Use Areas, a five (5) member Joint Committee shall be established upon recording this Cost Sharing Declaration. The board of directors of the Phase I Association shall appoint two (2) members of the Joint Committee and the board of directors of the Phase 2 Association shall appoint three (3) members of the Joint Committee. Any member of the Phase I Association or the Phase 2 Association may be appointed to serve on the Joint Committee (including, without limitation, board members of either the Phase I Association or the Phase 2 Association). Until the Phase 2 Association is incorporated and its board of directors is appointed, Company shall appoint the three (3) members of the Joint Committee representing the Phase 2 Association. Each of the members of the Joint Committee shall serve at the discretion of the board of directors of the Association which appointed them. The Joint Committee does not replace the board of directors of the Phase I Association and/or the Phase 2 Association. The Joint Committee will evaluate the Budget and Maintenance Program as hereinafter provided, while the Phase 2 Association will implement the actions required to be taken pursuant to this Cost Sharing Declaration. All decisions made by the Joint Committee and Phase 2 Association shall be made such that the Phase I Owners and the Phase 2 Owners are treated equitably.

3.2 Joint Committee Evaluation of Budget and Maintenance Program. Except as otherwise provided for in Sections 4.2 and 4.3 of this Cost Sharing Declaration, at least sixty (60) days prior to the beginning of each calendar year, or such longer period as is required to ensure compliance with the budget or other provisions of the Phase I Declaration, the Phase 2 Declaration and the Articles of Incorporation and By-Laws of the Phase I Association and the Phase 2 Association, the Phase 2 Association shall submit the Budget and Maintenance Program (described in detail below) to the Joint Committee for evaluation. The Joint Committee may disapprove the Maintenance Program, the Budget (or particular elements thereof), or any other matter brought before it by providing written notice of such disapproval to the Phase 2 Association within such thirty (30) days after receiving the Maintenance Program, the Budget or any other matter brought before it. Such notice shall contain sufficient detail to permit a reasonable person to determine the item being disapproved and the rationale for such disapproval. If the Joint Committee does not so notify the Phase 2 Association, then the Maintenance Program, the Budget or any other matter brought before the Joint Committee shall be deemed approved by the Joint Committee. If the Phase 2 Association agrees with the evaluation of the Joint Committee, it may incorporate the proposed modifications and the Budget and/or Maintenance Program will be deemed adopted subject to such modifications. If the Budget or Maintenance Program is disapproved, the Joint Committee and Phase 2 Association shall work in good faith to resolve their differences.

3.3 Resignation, Removal, Death or Disability of Joint Committee Members. Within thirty (30) days after the resignation, removal, death or disability of any Joint Committee member, the association appointing such Joint Committee member shall appoint a new Joint Committee member. The board of directors of either the Phase I Association or the Phase 2 Association, in its sole discretion, may remove and replace at any time any member of the Joint Committee representing such association.

3.4 Meetings. The initial meeting shall be held within six (6) months after the establishment of the Joint Committee. At the initial meeting, the Joint Committee shall select a chairperson from among its members and adopt rules of order subject to the procedures set forth herein. The Joint Committee shall meet at least one (1) time annually. The chairperson or any two (2) members of the Joint Committee may call a meeting of the Joint Committee. All such meetings shall be held in Flagler County, Florida upon written notice to all members of the Joint Committee. Written notice of all meetings shall be provided to all Joint Committee members not less than four (4) calendar days prior to such meeting. Notice shall not be required for any Joint Committee member who has signed a waiver of notice. Any action by the Joint Committee shall require a quorum. A quorum of the Joint Committee shall consist of three (3) Joint Committee members: two (2) of whom must be appointed by the Phase 2 Association. Once a quorum is established at a Joint Committee meeting, a majority of members present may act at such meeting. In the event of a tie vote on any measure, the vote of the Phase 2 appointees to the Joint Committee shall control. Members of the Joint Committee may participate in any meeting by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can converse with the other.

ARTICLE 4 OBLIGATIONS

4.1 Overview of Phase 2 Association Obligations. The Phase 2 Association shall be responsible for preparing the Budget, preparing and implementing the Maintenance Program, establishing Rules and Regulations, entering into contracts with third parties in order to perform its obligations hereunder, and handling the day to day affairs which affect the Joint Use Areas. Until the Phase 2 Association is incorporated and its board of directors appointed, Company shall perform the functions of the Phase 2 Association hereunder. The Phase 2 Association may engage and seek advice from professional persons including, without limitation, attorneys, accountants, property managers, engineers, surveyors and landscape architects in connection with the formulation of the Budget, the formulation of the Maintenance Program and the performance of its obligations set forth herein. Any costs incurred by the Phase 2 Association pursuant to this Cost Sharing Declaration shall be included within the Budget.

4.2 Operation and Maintenance of Joint Use Areas. On an annual basis, the Phase 2 Association shall establish the Maintenance Program for the Joint Use Areas which may include, but shall not be limited to, the standards and schedules for the following activities.

- (a) Operating, maintaining, repairing and replacing the entry feature and gate system to the Development;
- (b) Operating, maintaining, repairing and replacing all roads, sidewalks, trails, landscaping and common areas;
- (c) Operating, maintaining, repairing and replacing all Recreational Amenities;
- (d) Operating, maintaining, repairing and replacing the ponds, lagoon, drainage ditches and other water bodies and related equipment and facilities;
- (e) Removing litter, trash, refuse and waste;
- (f) Lawn mowing, weeding and landscaping (including, without limitation, tree and shrub pruning);
- (g) Operating, maintaining, repairing and replacing exterior lighting, signage, fixtures and mechanical facilities on the Joint Use Areas;
- (h) Addressing any operating, maintenance, repair or replacement responsibilities imposed by any governmental body or agency; and
- (i) Any additional issues relating to the operation, maintenance, repair or replacement to the Joint Use Areas.

Once adopted, the Phase 2 Association shall implement the Maintenance Program. Notwithstanding anything to the contrary contained in this Cost Sharing Declaration, the initial Maintenance Program shall be established by Company in its sole discretion, without evaluation by the Joint Committee. If for any reason a new Maintenance Program (or portion thereof) is not adopted for any year pursuant to Section 3.2 above, then until such time as a new Maintenance

Program (or a certain portion thereof) is established, the Maintenance Program in effect for the immediately preceding year shall continue for the current year.

Each of the Phase I Association and the Phase 2 Association will be responsible for providing their own services and maintaining common areas not designated as Joint Use Areas (for example, the Phase I Association will continue to maintain the exteriors of improvements on the Phase I Property pursuant to the Phase I Declaration). Company and the Phase I Association acknowledge that the Zoning Ordinance requires that the roads within the Development be maintained by the Phase I Association. In order to fulfill this obligation, the Phase I Association hereby empowers the Phase 2 Association to perform this obligation on behalf of the Phase I Association in accordance with this Cost Sharing Declaration; provided, however, that in the event the Phase 2 Association does not perform this obligation as required pursuant to the Zoning Ordinance, as evidenced by a notification of violation by the governmental authority charged with enforcing the Zoning Ordinance, then the Phase I Association shall have the right to perform this obligation in order to comply with the Zoning Ordinance and will have the right to be reimbursed by the Phase 2 Association for its pro rata share of maintaining the roads located on the Phase 2 Property.

4.3 Budget. The Budget shall reflect (i) an estimate of the costs of operating, maintaining, repairing, replacing and insuring the Joint Use Areas and Recreational Amenities (which costs may include, without limitation, administrative costs, employee salaries, overhead, rent, property taxes, equipment costs, and all other direct and indirect costs incurred as a result of performing the obligations hereunder), (ii) the current amount of funds in reserve for repair or replacement to the Joint Use Areas, (iii) an estimate of the remaining useful life of any major improvements, facilities and equipment located on or a part of the Joint Use Areas, and (iv) the methods of funding to defray future repair, replacement, or additions to, the major improvements, facilities and equipment located within the Joint Use Areas. The Budget shall be adjusted to reflect any excess or deficiency in the Budget assessed for the immediately preceding year as compared to actual expenses for that period.

If for any reason a new Budget (or portion thereof) is not adopted for any year pursuant to Section 3.2 above, then until such time as a new Budget (or a certain portion thereof) is established, the Budget in effect for the immediately preceding year shall continue for the current year with increases for costs beyond the control of the Phase 2 Association (including, without limitation, costs of insurance and increases provided for in third-party agreements). Notwithstanding anything to the contrary contained herein, the initial Budget shall be established by Company in its sole discretion, without evaluation by the Joint Committee.

Each of the Phase I Association and the Phase 2 Association will be responsible for establishing budgets for their own operations and imposing assessments on their members with respect thereto. Such budgets and assessments shall reflect the applicable pro-rata share of the Budget.

4.4 Rules and Regulations. The Phase 2 Association may, from time to time, adopt reasonable Rules and Regulations regarding the use of the Joint Use Areas. Rules and Regulations shall be adopted in such a way as to ensure that the Property Owners are treated equitably. To the extent the terms and conditions of the Phase I Declaration and the Phase 2

Declaration affect the Joint Use Areas (including, without limitation, use restrictions and rules and regulations adopted by the Phase I Association or the Phase 2 Association), such terms and conditions shall be Rules and Regulations under this Declaration; provided, however, in the event the Rules and Regulations adopted under this Cost Sharing Declaration conflicts with the terms and conditions of the Phase I Declaration, the Rules and Regulations adopted hereunder shall control.

4.5 Enforcement. The Phase 2 Association or any committee established by the Phase 2 Association may impose sanctions on the Property Owners for violation of the Rules and Regulations after compliance with the notice and hearing procedures set forth in the By-Laws of the violator's governing association. Such sanctions may include:

(a) imposing monetary fines which shall constitute a lien upon the real property of the violator;

(b) filing notices of violations in the public records of Flagler County, Florida providing record notice of any violation; and

(c) suspending the violator, and his or her Guest, from using the Recreational Amenities.

(d) Any sanctions imposed by the Phase 2 Association pursuant to this Section 4.5 shall be in addition to, and not in lieu of, any addition sanctions which may be imposed by the Phase I Association or the Phase 2 Association pursuant to the Phase I Declaration, the Phase 2 Declaration and their respective articles of incorporation and by-laws.

4.6 Management. The Phase 2 Association may employ a professional management agent or agents at such compensation as the Phase 2 Association may establish, to perform such duties and services as the Phase 2 Association shall authorize to perform the obligations hereunder. The Phase 2 Association may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. Company or an affiliate of the Company may be employed as a managing agent or manager.

4.7 Insurance. The Phase 2 Association shall keep in force property and public liability insurance on the Joint Use Areas in such amounts and with such coverages as deemed reasonable in the discretion of the Phase 2 Association. Such insurance shall be in the name of the Phase 2 Association and the Phase I Association shall be an additional insured. The cost of such insurance shall be included in the Budget. The members of the Joint Committee serve on behalf of Property Owners, and as such, the members of the Joint Committee shall be insured under the director and officer liability insurance maintained by the Phase I Association or Phase 2 Association which appointed them.

4.8 Release. In the event that all or any part of Company's, the Phase I Association's or the Phase 2 Association's responsibilities under this Article are assumed by any local, state or federal governmental entity, Company, the Phase I Association and/or the Phase 2 Association, as applicable, shall be relieved of such responsibility to the extent so assumed; provided, however, that in connection with such assumption, assignment or dedication, such party may reserve or assume the right or obligation to perform all or any portion of its maintenance

responsibilities if the Joint Committee determines that such maintenance is necessary or desirable.

4.9 Level of Operation and Maintenance. The Phase I Association and the Phase 2 Association shall operate and maintain their respective properties and the Joint Use Areas at a level which is consistent with the Community-Wide Standard. Failure of any party to operate or maintain its property in accordance with this paragraph may result in Company exercising its self help rights provided for in Article 10 below.

ARTICLE 5 SPECIAL EVENTS

5.1 Special Events by Property Owners. The Phase 2 Association shall maintain a schedule of special events to be held within the Joint Use Areas and may conduct or permit special events within the Joint Use Areas for the benefit of the Property Owners and their Guests. In connection therewith, the Phase I Association and the Phase 2 Association shall share the costs of any special events as provided for in Article 6 below. Each Property Owner covenants for itself, its heirs, successors, successors-in-title, Guests and assigns that it shall assume all risks associated with the risk of property damage or personal injury incidental to such special events and shall indemnify and hold harmless the Phase I Association, the Phase 2 Association, Company, and affiliates, officers, directors, employees, trustees, agents, successors and assigns of each from any liability, claims, or expenses, including, without limitation, reasonable attorneys' fees and costs arising from such property damage or personal injury.

5.2 Special Events by the Company, Private Amenity Owner, Rental Operator, or Marina Owner. The Phase 2 Association shall permit special events within the Joint Use Areas by the Company, the Private Amenity Owner, the Rental Operator, and/or the Marina Owner and their Guests. Each of the Company, Private Amenity Owner, Rental Operator and Marina Owner shall assume all risks associated with the risk of property damage or personal injury incidental to such special events and shall indemnify and hold harmless the Phase I Association, the Phase 2 Association, Company, Private Amenity Owner and affiliates, officers, directors, employees, trustees, agents, successors and assigns of each from any liability, claims, or expenses, including, without limitation, reasonable attorneys' fees and costs arising from such property damage or personal injury.

ARTICLE 6 OBLIGATION TO SHARE COSTS

6.1 Obligation to Share Costs. Each Property Owner of a Unit, whether located in Phase I Property or Phase 2 Property, shall be treated equitably with regard to the allocation of costs associated with this Cost Sharing Declaration. Since the Phase 2 Association is responsible for performing the obligations under this Cost Sharing Declaration, the Phase I Association shall be responsible for reimbursing the Phase 2 Association for the Phase I Association's pro rata share of the costs incurred. The Phase I Association shall pay to the Phase 2 Association its pro rata share of the Budget. The allocation of costs between the two associations shall be based on the number of Units located on, or, in the case of the Phase 2 Property, planned to be located on, the Phase I Property and the Phase 2 Property, respectively, divided by the total number of Units located on, or in the case of the Phase 2 Property, planned to be located on, the Properties, rounded to the nearest whole percentage. Unless otherwise provided by the Phase 2 Association,

the Phase I Association shall pay 1/12th of its pro rata share of the Budget to the Phase 2 Association by the first day of each calendar month. Each association shall be responsible for collecting assessments from its members in order to fulfill its payment obligations. Accordingly, each association may determine how it will allocate its pro rata share of such costs among its members. The allocation of cost among members of an association based on a particular size of dwelling or a particular type of dwelling shall be deemed to be equitable. For example, an association may allocate its pro rata share of the cost equally to its members or it may allocate its pro rata share of the cost to its members based on formulas which take into account the square footage of a dwelling or whether a dwelling exists on a lot.

At the end of each calendar year, the Phase 2 Association shall reconcile the actual costs incurred in performing the obligations of this Cost Sharing Declaration with the Budget. In the event the Budget exceeded the actual costs incurred during the fiscal calendar year, then the excess funds shall be applied to the next year's Budget. Similarly, in the event the actual costs incurred during the fiscal calendar year were greater than the Budget, then the next year's Budget shall reflect the deficit.

In addition to the Budget, the Phase 2 Association may levy a special assessment from time to time to cover unbudgeted expenses or expenses in excess of those in the Budget. These special assessments shall be allocated between the Phase I Association and the Phase 2 Association according to the proration provided above. Any special assessment shall be subject to evaluation by the Joint Committee and shall become effective unless disapproved by either the Joint Committee, the board of directors of the Phase I Association or the board of directors of the Phase 2 Association. Notwithstanding anything to the contrary in the Phase I Association Declaration and the By-Laws of the Phase I Association, each special assessment shall be payable in such manner and at such times as determined by the Phase 2 Association, and may be payable in installments extending beyond the fiscal year in which the special assessment is assessed (in the sole discretion of the Phase 2 Association).

6.2 Delinquency. In the event that the Phase I Association is delinquent in any payment due pursuant to this Cost Sharing Declaration for a period of more than thirty (30) days, then the Phase 2 Association may (i) charge a reasonable late charge in an amount determined by the Phase 2 Association plus interest (at a rate not to exceed twelve percent (12%) per annum from the thirtieth (30) day until the date of payment) on the principal amount plus all costs of enforcement and collection, including, but not limited to, reasonable attorneys' fees actually incurred and any other amounts provided or permitted by law, and/or (ii) suspend the use of any Recreational Amenities by one or more members of the Phase I Association and/or their Guests. All amounts due under this Cost Sharing Declaration shall constitute a lien in favor of the Phase 2 Association, which shall attach to the Phase I Property, provided that such lien shall be subordinate to all third party mortgages/deeds to secure debt which encumber such Phase I Property. In the event that the assessment remains unpaid after ninety (90) days, the Phase 2 Association may institute suit to collect such amounts. All payments shall be applied first to costs and attorneys' fees, then to late charges, then to interest and then to the principal amount of the delinquent assessment.

6.3 Collection from Members. The Phase I Association and the Phase 2 Association each shall be individually responsible for collecting the necessary fees from its members to pay its pro rata share of the costs provided for in this Cost Sharing Declaration. Accordingly, the Phase I Association and the Phase 2 Association may each enforce its own rights and remedies against its members which fail to make payments required pursuant to this Cost Sharing Declaration (including, without limitation, the suspension of use of the Recreational Amenities by the delinquent member).

6.4 Recordkeeping. The Phase 2 Association shall maintain or cause to be maintained full and accurate books of account with respect to its responsibilities hereunder. The books, records and related financial statements shall be made available for inspection and copying upon request by the Phase I Association or Joint Committee during normal business hours at the Phase 2 Association office or other location designated by the Phase 2 Association. Reasonable copying charges shall be paid by the requesting party. If the Joint Committee or Phase I Association desires to have the records audited, it may do so not more than one (1) time per year, and the Phase 2 Association shall cooperate by making available to the party performing the audit the records, including all supporting materials (e.g., check copies, invoices, etc.) for the year in question. If the audit is requested by the Joint Committee, the cost of the audit shall be paid one-half (1/2) by the Phase I Association and one-half (1/2) by the Phase 2 Association. If the audit is requested by the Phase I Association, the cost of the audit shall be paid by the Phase I Association, subject to the following provisions. If the amount of actual expenses for the year is disputed after audit, a second audit may, at the discretion of the Phase 2 Association, be performed by a mutually acceptable auditor and the decision of the second auditor shall be binding. If the amount as determined by the second auditor varies from the amount asserted by the Phase 2 Association by more than five percent (5%) of the amount asserted, then the Phase 2 Association shall pay the entire cost of the second auditor and of the first auditor. If such amount varies by five percent (5%) or less, then the Phase I Association shall pay such cost of the second auditor. Variances shall be taken into account in the following year's Budget as provided in Section 6.2 hereof.

ARTICLE 7 COMMENCEMENT AND TERM

7.1 Commencement. This Cost Sharing Declaration is effective as of the date that the Original Cost Sharing Declaration was recorded in the public records of Flagler County, Florida.

7.2 Duration. This Cost Sharing Declaration shall have perpetual duration unless both the Phase I Association and the Phase 2 Association are dissolved, in which case this Cost Sharing Declaration shall terminate. If Florida law hereafter limits the period during which covenants may run with the land, then, unless terminated as provided herein or, if such termination method is not consistent with Florida law, in such other manner as required by Florida law, this Cost Sharing Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each. Notwithstanding the above, if any of the covenants, conditions, restrictions or other provisions of this Cost Sharing Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

ARTICLE 8 ANNEXATION AND WITHDRAWAL

8.1 Automatic Annexation by Virtue of Annexation to the Phase I Declaration or the Phase 2 Declaration. This Cost Sharing Declaration shall automatically be amended and supplemented, without any further action by the Phase I Association, the Phase 2 Association, or their members, or Company or their successors and assigns, upon the annexation of any additional property (the "Additional Property") to the Phase I Declaration or the Phase 2 Declaration. Such annexation shall not require the filing of any additional document in the Flagler County, Florida public records. Instead, the Additional Property subjected to the Phase I Declaration or the Phase 2 Declaration shall automatically be subjected to the terms and conditions of this Cost Sharing Declaration and Exhibits "A" and/or "B" to this Cost Sharing Declaration shall automatically be amended to reflect the annexation of such real property.

8.2 Automatic Withdrawal by Virtue of Withdrawal from the Phase I Declaration or the Phase 2 Declaration. This Cost Sharing Declaration shall automatically be amended, without any further action by the Phase I Association, the Phase 2 Association, or their members, or Company or their successors and assigns, upon the withdrawal of any property (the "Withdrawn Property") from the Phase I Declaration or the Phase 2 Declaration. Such withdrawal shall not require the filing of any additional document in the Flagler County, Florida public records. Instead, the Withdrawn Property shall automatically be released from the terms and conditions of this Cost Sharing Declaration after the date of the withdrawal and Exhibits "A" and/or "B" to this Cost Sharing Declaration shall automatically be amended to reflect the withdrawal of such real property.

ARTICLE 9 ASSIGNMENT

9.1 Assignment by Company. Company may assign all of its rights and responsibilities under this Cost Sharing Declaration to any entity, including without limitation, any successor developer of the Phase 2 Property, the Phase I Association or the Phase 2 Association. Such assignment will become effective when recorded in the Flagler County, Florida public records and will relieve Company from all of its responsibilities hereunder.

ARTICLE 10 SELF HELP

10.1 Self Help in Favor of Company. During the period of time in which the Company owns any real property within the Properties, Company may establish specific minimum standards for the maintenance, operation and use of any Joint Use Area by providing such minimum standards in writing to the Joint Committee. If the Company does not establish such minimum standards in writing to the Joint Committee, then such minimum standards may be established in a deed recorded in Flagler County, Florida public records or the Phase 2 Declaration. Such standards shall become the Community-Wide Standard for such Joint Use Area. These standards may contain general provisions applicable to all of the Joint Use Areas, as well as specific provisions which vary from one portion of the Joint Use Areas to another depending upon the nature of any improvements located thereon, intended use, location, and unique characteristics. If Company determines, in its sole judgment, that either the Phase I Association or the Phase 2 Association has failed to operate, use or maintain any portion of the Joint Use Areas in a manner consistent with the Community-Wide Standard, Company may so notify the relevant association, in

writing, and such association shall promptly perform the required maintenance or repairs and/or adjust the operation and/or use, as appropriate. In the event the requested action is not performed as requested, then Company may perform such maintenance or repair, in Company's sole discretion, and the costs associated with such maintenance or repair shall be paid by the association which failed to perform such maintenance or repair as requested and/or take action to specifically enforce the minimum standards specified by Company. Failure of the Phase I Association or the Phase 2 Association to maintain the Joint Use Area in a manner consistent with the Community-Wide Standard shall relieve Company and any successor to Company of any liability to the Phase I Association, the Phase 2 Association or to Property Owners for any condition of the Joint Use Areas. Company shall have the right to make a record of its inspections by any means available, including, but not limited to, photographing, filming, and/or videotaping the Joint Use Areas, and shall have the right to perform tests or examinations to determine the condition of the Joint Use Areas. Notwithstanding the foregoing, Company shall have no obligation to perform inspections of the Joint Use Area owned by either the Phase I Association or the Phase 2 Association, and either association shall not be relieved of its obligation to maintain the Joint Use Area because of the election of Company or any successor to Company to inspect or not to inspect or report to either association the condition of the Joint Use Areas. Company hereby reserves the right, from the date of recording of this Cost Sharing Declaration until ten (10) years thereafter, to exercise all rights and easements reserved in this Cost Sharing Declaration, including, but not limited to, the right to grant easements over the Joint Use Areas pursuant to Article 2 of this Cost Sharing Declaration and to enter the Joint Use Areas, without prior notice, and to inspect the condition thereof and the improvements and facilities thereon, if any.

ARTICLE 11 MISCELLANEOUS

11.1 Pre-Phase 2 Association. Prior to the incorporation of the Phase 2 Association and the appointment of its board of directors, Company shall have all of the rights afforded to the Phase 2 Association and will be responsible for performing all of the responsibilities of the Phase 2 Association provided for in this Cost Sharing Declaration.

11.2 No Representation as to Joint Use Areas or Recreational Amenities. Company hereby declares that nothing contained in this Cost Sharing Declaration shall be relied upon as a representation that any particular Recreational Amenity will be provided for the benefit of the Property Owners. Similarly, nothing contained in this Cost Sharing Declaration shall be relied upon as a representation as to the location of the Joint Use Areas. Each Property Owner acknowledges that the provisions of this Cost Sharing Declaration provide that the location of the Joint Use Areas and the existence of certain Recreational Amenities may change in the future.

11.3 Notices. Any notice required or permitted to be delivered under this Cost Sharing Declaration shall be in writing, signed by the party giving such notice or its attorney and shall be deemed to be delivered, whether or not actually received, three (3) days after such notice is deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the party to whom such notice is sent, or when personally delivered, as the case may be, at such address as shall be provided to the parties to this Cost Sharing Declaration.

11.4 Grants. Company hereby declares that this Cost Sharing Declaration, and all of the provisions contained herein and all of the rights, easements and obligations hereunder, shall be and constitute covenants running with the fee simple estate of all of the property contained within the Phase I Property and the Phase 2 Property.

11.5 Binding Agreement. The provisions of this Cost Sharing Declaration shall apply to and inure to the benefit of and bind the Property Owners, the Phase I Association and the Phase 2 Association and their respective successors, assigns and/or successors-in-title, including, without limitation, any mortgagee acquiring an interest in any portion of the Phase I Property or the Phase 2 Property by reason of foreclosure, deed or assignment in lieu of foreclosure or purchase at foreclosure sale; but any such mortgagee shall not incur or be required to assume any obligation under this Cost Sharing Declaration unless and until such mortgagee has so acquired an ownership interest in any portion of the Phase I Property or the Phase 2 Property, and then only such as may arise by operation of law by reason or privity of estate as limited by the provisions of this Cost Sharing Declaration.

11.6 Waiver. No failure of any party subject to this Cost Sharing Declaration to exercise any power granted to such party or to insist upon strict compliance with this Cost Sharing Declaration and no custom or practice at variance with the terms of this Cost Sharing Declaration shall constitute a waiver of the right of such party to demand exact compliance with the terms of this Cost Sharing Declaration. The terms of this Section 11.6 shall not apply or affect the procedure established in Section 3.2 related to review by the Joint Committee.

11.7 Severability. If any provision of this Cost Sharing Declaration or the application thereof to any entity or circumstances shall be invalid or unenforceable to any extent, the remainder of this Cost Sharing Declaration and the application of such provisions to any other entity or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

11.8 Amendment.

(a) By Company. For so long as Company owns any portion of the Properties, Company may unilaterally amend this Cost Sharing Declaration at any time in its sole discretion, provided that such amendment treats the Property Owners equitably.

(b) By the Phase I Association and Phase 2 Association. Notwithstanding subsection (a) above, this Cost Sharing Declaration may be amended by the joint written consent of (i) the Phase I Association (acting through its board of directors), (ii) the Phase 2 Association (acting through its board of directors), (iii) the Joint Committee (majority approval required), (iv) Company, if Company owns any portion of the Properties, (v) Private Amenity Owner, if and only if, such amendment affects the rights of the Private Amenity Owner or Private Amenity Users, (vi) Marina Owner, if and only if, such amendment affects the rights of the Marina Owner and (vii) Rental Operator, if and only if, such amendment affects the rights of the Rental Operator. The written consent to any amendment to this Cost Sharing Declaration shall not be unreasonably withheld, conditioned or delayed.

Amendments to this Cost Sharing Declaration shall become effective when recorded in the public records of Flagler County, Florida, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Cost Sharing Declaration.

11.9 Terminology. All personal pronouns used in this Cost Sharing Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural; and the plural shall include the singular. Titles of articles and sections of this Cost Sharing Declaration are for convenience only, and neither limit nor amplify the provisions of this Cost Sharing Declaration, and all references in this Cost Sharing Declaration to articles or sections hereof shall refer to the corresponding article or section of this Cost Sharing Declaration unless specific reference is made to the sections or subdivisions of another document or instrument.

11.10 Indemnification. The Phase I Association, the Phase 2 Association, each Private Amenity Owner, each Private Amenity User, the Marina Owner, the Rental Operator and each Property Owner for itself, its heirs, successors, successors-in-title, Guests and assigns hereby agrees, at its sole cost and expense, to indemnify, defend and hold harmless Company, the Phase I Association, the Phase 2 Association, the Private Amenity Owner, the Marina Owner, the Rental Operator, their respective affiliates, and/or the officers, directors, employees, trustees, agents, successors and assigns of each against and from any and all damages, losses, liabilities, claims, litigation, judgments, suits, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys fees and disbursements actually incurred in investigating, defending against, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Company, the Phase I Association, the Phase 2 Association, the Private Amenity Owner, the Marina Owner, the Rental Operator, their respective affiliates, and/or the officers, directors, employees, trustees, agents, successors and assigns of each and arising directly or indirectly from or out of the rights and easements reserved and granted herein.

11.11 Release. The Phase I Association, the Phase 2 Association, each Private Amenity Owner, each Private Amenity User, the Marina Owner, the Rental Operator and each Property Owner for itself, its heirs, successors, successors-in-title, and assigns hereby releases and discharges Company, the Phase I Association, the Phase 2 Association, Private Amenity Owner, the Marina Owner, the Rental Operator their respective affiliates, and/or the officers, directors, employees, trustees, agents, successors and assigns of each from any and all claims, demands, actions, or causes of action of whatever kind or nature arising directly or indirectly from or out of the rights and easements reserved and granted herein.

11.12 Governing Law. This Cost Sharing Declaration and the obligations hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Florida.

11.13 Amendment to Phase I Declaration. The terms and conditions of this Cost Sharing Declaration shall be deemed to be an amendment to the Phase I Declaration pursuant to Article XII of the Phase I Declaration.

11.14 Relationship of Parties. No express or implied term, provision or condition of this Cost Sharing Declaration shall be deemed to constitute Company, the Phase I Association and Phase 2 Association as partners or joint venturers.

11.15 Time of Essence. Time is of the essence of this Cost Sharing Declaration.

11.16 Counterparts. This Cost Sharing Declaration may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.


[Remainder of this page left blank intentionally.]


FCC RD

SIGNATURE PAGE
for
AMENDED AND RESTATED
DECLARATION OF EASEMENTS AND RESTRICTIONS
AND
COVENANT TO SHARE COSTS FOR JOINT USE AREAS

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Cost Sharing Declaration as of the date first above written.

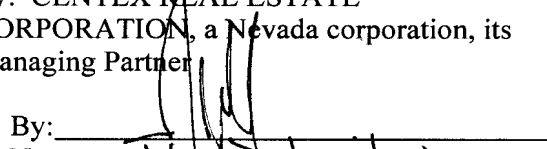
Witnesses:


Ann E. Drobos
(Name Printed or Typed)


EWA H. CARSELLO
(Name Printed or Typed)

CENTEX HOMES, a Nevada general partnership, d/b/a CENTEX DESTINATION PROPERTIES

By: CENTEX REAL ESTATE CORPORATION, a Nevada corporation, its Managing Partner

By: 
Name: John P. Leriham
Its: Division President

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 31st day of August, 2005, by John P. Leriham, as Division President of Centex Real Estate Corporation, a Nevada corporation, on behalf of the corporation, as the Managing Partner of Centex Homes, a Nevada general partnership, d/b/a Centex Destination Properties. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC:

Sign: Shawna M. Korsmoe
Print: Shawna M. Korsmoe

My Commission Expires: April 20, 2008

(Notary Seal)

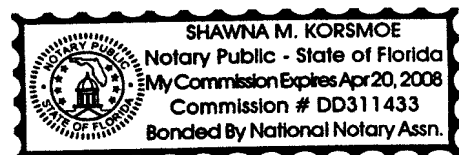


EXHIBIT "A"

Phase I Property

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 and 39, Township 11 South, Range 31 East, City of Palm Coast, Flagler County, Florida, as more particularly shown on that certain Plat for Village at Palm Coast, Phase 1, prepared by Dan Wilcox, Florida Professional Surveyor and Mapper, of Stephenson Surveying, Inc., dated October 31, 2001, recorded at Map Book 33, pages 1 through 4, Flagler County, Florida, which plat is incorporated herein by reference.

FCC RD

EXHIBIT "B"**Phase 2 Property**

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 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 10 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, PAGE 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.

FCC RD

EXHIBIT "C"

Joint Use Areas

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 and 39, Township 11 South, Range 31 East, City of Palm Coast, Flagler County, Florida, as more particularly identified as (i) Common Area "A", (ii) Common Area "D", (iii) Common Area "E", (iv) Common Area "G" and (v) Parcel H, shown on that certain Plat for Village at Palm Coast, Phase 1, prepared by Dan Wilcox, Florida Professional Surveyor and Mapper, of Stephenson Surveying, Inc., dated October 31, 2001, recorded at Map Book 33, pages 1 through 4, Flagler County, Florida, which plat is incorporated herein by reference.

FCC RD