

and

TRACT D, RECREATION AREA, DIAMOND COVE UNIT 2, according to the plat thereof as recorded in Plat Book 34, page 14, Public Records of Orange County, Florida,

hereinafter jointly referred to as "Shared Common Property". The Shared Common Property is "Common Property" of DIAMOND COVE and EMERALD FOREST, to the extent of their respective ownership interests therein, as that term is described in the DC Declaration and EF Declaration, respectively; and

WHEREAS, DIAMOND COVE and EMERALD FOREST wish to provide for the proper care, maintenance and operation of the Shared Common Property for the mutual benefit of the residential communities known as Diamond Cove and Emerald Forest, respectively. The parties hereto further wish to provide for the payment of the expenses related to the care, maintenance and operation of the Shared Common Property.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants and promises of the parties hereto, DIAMOND COVE and EMERALD FOREST agree as follows:

1. Maintenance of Shared Common Property. DIAMOND COVE shall operate, maintain and care for the Shared Common Property. This obligation on the part of DIAMOND COVE shall commence upon the execution of this agreement and shall continue in full force and effect for as long as the DC Declaration shall bind any part of the Diamond Cove subdivision, or until this agreement is modified in writing by the parties hereto. The obligation to maintain, operate and care for the Shared Common Property shall include, but not be limited to, the payment of taxes and insurance for the Shared Common Property, and the furnishing of all labor, equipment, materials, management and supervision with respect to all maintenance, repairs and improvements required for the Shared Common Property (hereinafter "Shared Common Property expenses"). The Shared Common Property expenses shall also include reserves as described more particularly below.

2. Standard of Performance. Throughout all times that this agreement shall remain in effect, DIAMOND COVE shall maintain each area of the Shared Common Property for its intended purpose, and shall maintain said property in the same condition and with the same degree of care as said property exists and is maintained on the date of execution of this agreement. Consistent with this paragraph, DIAMOND COVE shall be obligated to maintain all improvements and landscaping in their current locations and to their current quality standards. At least once each year, a joint board meeting shall be held between the board of directors of DIAMOND COVE and EMERALD FOREST to review and discuss DIAMOND COVE'S standard of performance under this paragraph and to make recommendations to DIAMOND COVE with respect thereto.

3. Shared Common Property Budget. Prior to the beginning of the fiscal year, DIAMOND COVE shall prepare a proposed annual budget of Shared Common Property expenses which shall estimate all of the Shared Common Property expenses to be incurred

by DIAMOND COVE for the fiscal year. The proposed budget shall show the amounts budgeted by accounts and expense classifications, including an account for reserves as described more particularly below. The proposed budget shall specifically include expenses for all administrative and professional expenses that will be incurred each year for the operation of the Shared Common Property. To the extent possible, the budget shall meet the standards imposed on condominiums by Chapter 718, Florida Statutes. DIAMOND COVE shall mail or deliver to the board of EMERALD FOREST a meeting notice and a copy of the proposed budget not less than fourteen (14) days prior to the meeting at which the budget will be considered by the parties to this agreement. EMERALD FOREST may propose a substitute budget of Shared Common Property expenses or may propose modifications to the budget proposed by DIAMOND COVE. Adoption of a budget of Shared Common Property expenses shall require a vote of not less than a majority of the members of each of the Board of Directors of DIAMOND COVE and EMERALD FOREST. (The budget approved in accordance with this paragraph shall hereinafter be referred to as the "SCP Budget"). DIAMOND COVE and EMERALD FOREST shall each fund a pro rata share of the SCP Budget, according to the percentages and procedures described below. If the parties fail to agree on a budget then a licensed Community Association Manager agreed to by both parties shall be retained by DIAMOND COVE and EMERALD FOREST, who shall prepare a budget which will be binding on both parties.

4. Pro Rata Allocation of Expenses. The Diamond Cove subdivision consists of a total of 235 platted Lots and the Emerald Forest subdivision consists of a total of 259 platted Lots, for a total of 494 platted Lots. The ratio of 235/494 shall establish the percentage of the SCP Budget for which DIAMOND COVE shall be responsible. The ratio of 259/494 shall establish the percentage of the SCP Budget for which EMERALD FOREST shall be responsible. (The sum of the respective percentages shall equal 100%). The percentage of the SCP Budget for which each party is responsible shall then be included in their respective annual budgets, be assessed to their respective members as part of the Annual Assessments and be collected from their respective members in accordance with their respective Declarations.

5. Payment of Pro Rata Share of Expenses. Notwithstanding the foregoing, EMERALD FOREST shall pay its percentage share of the SCP Budget to DIAMOND COVE on a monthly basis, with the payments due on the first day of each month, beginning October 1, 1997. If any such payment is not paid within fifteen (15) days after the due date, then that payment shall bear interest from the due date at the rate of eighteen (18%) percent per annum. In addition, DIAMOND COVE may bring an action at law against EMERALD FOREST and there shall be added to the amount due, all costs and expenses incurred by DIAMOND COVE incident to the collection of any such payment, including but not limited to, reasonable attorneys' fees (whether suit is filed or not), and attorneys' fees and costs incurred on the appeal of any lower court decision.

6. Records of Expenses. DIAMOND COVE shall maintain accurate records of the expenses which it incurs to perform its obligations under this agreement, of the funds which it receives to defray said expenses, and of the account or accounts maintained for deposit of said funds. Upon reasonable advance notice to DIAMOND COVE, EMERALD

FOREST shall have the right to inspect all such records and, at its expense, to conduct such audits as it deems necessary.

7. Reserves. DIAMOND COVE and EMERALD FOREST shall agree upon reserve funds to be paid by each party throughout the term of this agreement. The reserve funds shall be deposited into a separate, interest-bearing reserve account fully insured by the FDIC (hereinafter "reserve account"). The reserve account shall be established by DIAMOND COVE and maintained by it for the purposes set forth in this agreement. The reserve funds shall be established in an amount calculated by the parties to defray the reasonably-anticipated future needs for maintenance, repair and refurbishing of the Shared Common Property and to the extent possible, the reserves shall meet the standards imposed on condominiums by Chapter 718, Florida Statutes. Such future needs shall include, but are not limited to, major repairs to and resurfacing of the swimming pool, major repairs to and re-roofing of the clubhouse, major repairs to and resurfacing of the tennis courts, major repairs to and repaving of the parking lot, major repairs to and resurfacing of the basketball court, major repairs to the playground equipment, and major replacements of the landscaping within the Shared Common Property. The reserve fund amount agreed upon by the parties hereto shall be paid in the same pro rata shares as other Shared Common Property expenses by the parties, along with their payment of the expenses for the Shared Common Property. The parties shall make a good faith effort to estimate as accurately as possible and agree to the reserve fund needs contemplated by this agreement. At least once every five (5) years, representatives of the parties hereto shall meet to review the status of the reserve funds and to make adjustments to the reserve payments as necessary.

8. Improvements to Shared Common Property. No improvements to the Shared Common Property that will reasonably cost more than \$5,000.00 in any given fiscal year shall be undertaken without the prior written approval of not less than two-thirds (2/3) of the members of each of the Board of Directors of DIAMOND COVE and EMERALD FOREST.

9. Disbursement of Reserve Funds. All reserve funds paid by DIAMOND COVE and EMERALD FOREST pursuant to this agreement shall be deposited immediately upon receipt by DIAMOND COVE into the reserve account. The reserve funds, together with all interest accumulated on said funds, shall remain in the reserve account until those funds are required for a major repair, improvement or similar project as described above. Before any reserve funds are disbursed from the account by DIAMOND COVE, DIAMOND COVE shall obtain approval in writing from EMERALD FOREST as to the purpose for which the funds will be used and the amount of the disbursement. EMERALD FOREST shall not unreasonably withhold its consent to the use of the funds for a legitimate purpose contemplated by this agreement. If the total amount of the funds in the reserve account (including all earned interest) shall not be sufficient to satisfy the full cost of the project at the time that the project is required and agreed upon by EMERALD FOREST, then the difference between the total reserve account funds and the total cost of the project shall be paid by DIAMOND COVE and EMERALD FOREST in their pro rata shares. Each party to this agreement will pay its pro rata share of the project's shortfall expense within thirty (30) days from the date that the parties agree upon the necessity for the project, or as otherwise agreed to by the parties. In the event that this

agreement terminates for any reason whatsoever, and if a surplus exists in the reserve account at the time of said termination, the surplus shall be divided between DIAMOND COVE and EMERALD FOREST in accordance with their pro rata shares.

10. Regulations. DIAMOND COVE and EMERALD FOREST shall promulgate such rules and regulations concerning the use of the Shared Common Property as they, in their discretion, deem necessary from time to time. Any such rules and regulations shall be approved by not less than a majority of the members of the each of the Board of Directors of DIAMOND COVE and EMERALD FOREST. In the event of a deadlock, the matter shall be submitted to the respective memberships of DIAMOND COVE and EMERALD FOREST for approval. Any such rules and regulations submitted to the members for approval shall be effective only if approved by not less than a majority of the members of DIAMOND COVE and not less than a majority of the members of EMERALD FOREST who are present, in person or by proxy, at the respective duly called meetings of each association at which the subject rules and regulations will be considered.

11. Binding Effect. This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

12. Amendment. The provisions, restrictions and covenants of this agreement shall not be modified or amended except in a written instrument approved by a majority of the members of each of the Board of Directors of DIAMOND COVE and EMERALD FOREST.

13. Governing Law; Attorney's Fees. This agreement shall be construed under and enforced in accordance with Florida law. Any dispute arising under this agreement shall be resolved in the court of competent jurisdiction in Orange County, Florida. In the event of any litigation arising out of or related to this agreement, the prevailing party shall be entitled to recover court costs and reasonable attorney's fees for all proceedings, including appellate proceedings.

14. Action by Parties. Any action by DIAMOND COVE or EMERALD FOREST required or permitted to be taken under this agreement shall be made by and through their respective Boards of Directors, unless otherwise specifically provided by their respective Declarations or by this agreement.

15. Severability. If any provision of this agreement or the application of such provision to any person or circumstances shall be held invalid, the remainder of the agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in their names by their respective duly authorized officers as of the date first above written.

Signed, sealed and delivered
in the presence of:

DIAMOND COVE
HOMEOWNERS' ASSOCIATION, INC.,
a Florida not for profit corporation

Joanne Reid
(Signature)
Printed Name: JOANNE REID

By: William T Carmichael
Printed Name: WILLIAM T CARMICHAEL
Title: President

Diane Williams
(Signature)
Printed Name: Diane Williams

Address: 3504 LAKE LYNDIA DR STE 170
ORLANDO, FL 32817

(CORPORATE SEAL)

ATTEST:

Joanne Reid
(Signature)
Printed Name: JOANNE REID

By: Jeanine J Herndon
Printed Name: JEANNINE J HERNDON
Title: Secretary

Diane Williams
(Signature)
Printed Name: Diane Williams

Address: 3504 LAKE LYNDIA DR. STE 170
ORLANDO, FL 32817

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing AGREEMENT REGARDING SHARED COMMON PROPERTY was acknowledged before me this 17th day of SEPT., 1997, by WILLIAM T CARMICHAEL and JEANNINE J HERNDON, as President and Secretary, respectively of DIAMOND COVE HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation, on behalf of the corporation. They [] are personally known to me or [] have produced _____ as identification.

(Notarial Seal)

Debra Ann Myers
NOTARY PUBLIC - STATE OF FLORIDA

Print Name: _____
Commission No.: _____
My Commission Expires: _____



DEBRA ANN MYERS
MY COMMISSION # CC36053 EXPIRES
April 20, 1998

Signed, sealed and delivered
in the presence of:

EMERALD FOREST ORANGE COUNTY
HOMEOWNERS' ASSOCIATION, INC.,
a Florida not for profit corporation

Joanne Reid
(Signature)
Printed Name: JOANNE REID

By: William T. Carmichael
Printed Name: WILLIAM T. CARMICHAEL
Title: President

Diane Williams
(Signature)
Printed Name: Diane Williams

Address: 3504 LAKE LYNDIA DR STE 170
ORLANDO, FL 32817

Recorded - Martha O. Haynie

(CORPORATE SEAL)

ATTEST:

Diane Williams
(Signature)
Printed Name: Diane Williams

By: Jeanine J Herndon
Printed Name: JEANNINE J HERNDON
Title: Secretary

Joanne Reid
(Signature)
Printed Name: JOANNE REID

Address: 3504 LAKE LYNDIA DR STE 170
ORLANDO, FL 32817

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing AGREEMENT REGARDING SHARED COMMON PROPERTY was acknowledged before me this 11th day of SEPT, 1997, by WILLIAM T. CARMICHAEL and JEANNINE J HERNDON, as President and Secretary, respectively of EMERALD FOREST ORANGE COUNTY HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation, on behalf of the corporation. They [] are personally known to me or [] have produced _____ as identification.

(Notarial Seal)

Debra Ann Myers
NOTARY PUBLIC - STATE OF FLORIDA

Print Name: _____
Commission No.: _____
My Commission Expires: _____
DEBRA ANN MYERS
MY COMMISSION # CC366053 EXPIRES
April 20, 1998
BONDED THRU TROY FAIN INSURANCE, INC.