

Diamond Cove Homeowners Association

C/O Vista Association Management, 225 South Westmonte Drive, Suite 2050,

Altamonte Springs, Fl. 32714

Phone 407-682-3443 Fax: 407-682-0181 Email kbollo@vista-cam.com

June 17, 2004

To Owners of
Diamond Cove Homeowners Association, Inc.

Dear Owner:

The resident Board of Directors assumed the operation of the Diamond Cove Homeowners Association from the Developer in 1997. Since that time, the Board has become aware that certain deficiencies existed with the Declaration Of Covenants, Conditions And Restrictions For Diamond Cove which document governs our community and is recorded in O.R. Book 4720, Page 2913 of the public records of Orange County, Florida (hereinafter referred to as the "Declaration"). This document reflected the manner in which the Developer intended this community to operate. Since 1997, Diamond Cove has matured and flourished into a highly desirable neighborhood. Accordingly, our documents do not properly define the way we live and the manner with which we enhance our property values. Also, State and Federal laws pertaining to Homeowners Associations have changed. Therefore, in an effort to protect, preserve and enhance our community, the Board of Directors, with the assistance of the Association's counsel (Clayton & McCulloh), amended and restated the Declaration to resolve such deficiencies.

REVISED DOCUMENTS

The purpose of this letter to all residents of Diamond Cove HOA is to:

1. inform you that the Declaration has been amended;
2. advises you to find a copy of the Amended and Restated Declaration on the Diamond Cove HOA web site diamondcovehoa.com or you may send a written request for a copy to be sent to you by writing to the Vista Community Association Management 225 South Westmonte Drive, Suite 2050, Altamonte Springs, FL 32714
3. help you avoid violating the Amended and Restated Declaration, Architectural Review Board Guidelines and the other Governing Documents; and
4. explain why owners and residents must comply with each and every provision in the Amended and Restated Declaration, Architectural Review Board Guidelines and the other Governing Documents.

For your convenience, we have enclosed herewith a copy of the recorded Amended and Restated Declaration which protects and binds each of us. While we hope you take the time to read and become familiar with the entire Declaration, the primary provisions which were changed are listed below:

1. Article X of the Amended and Restated Declaration entitled "Restrictive Covenants".
2. The Diamond Cove HOA Architectural Review Board Guidelines which are incorporated into these Amended and Restated Declaration.

COMPLIANCE

While the Board of Directors has amended the Declaration and is hereby providing the owners with a notice of the Amended and Restated Declaration and the Architectural Review Board Guidelines, the Board of Directors remains concerned that future violations of the Amended and Restated Declaration will occur. Similarly, we are concerned that the other Association Governing Documents, which include the Articles of Incorporation, Bylaws and Architectural Review Board Guidelines for the Association, may likewise be violated. Therefore, the Board of Directors has consulted with its counsel (Clayton & McCulloh) to obtain its recommendation regarding how violations should be handled and regarding the course of conduct which should be implemented by the Board of Directors.

REESTABLISHMENT AND REHABILITATION OF THE ASSOCIATION'S GOVERNING DOCUMENTS

Association counsel has advised the Board of Directors that it ostensibly owes a fiduciary duty to the Membership which includes endeavoring to follow the Florida Statutes and to implement the requirements of the Governing Documents. Additionally, part of the purpose behind having Covenants and Restrictions (i.e., the Amended And Restated Declaration, etc.) ostensibly is to help preserve and protect your property values. However, to maintain and hopefully promote your property values, the Association needs to compel each owner's compliance with the Amended And Restated Declaration and the other Governing Documents. We also understand that for whatever reason, one or more prior Boards may not have uniformly, timely and consistently enforced the Governing Documents. Moreover, the prior Declaration was not as comprehensive and/or as clear as to what was required of our owners and residents. Therefore, the Board of Directors and the Association's counsel wish to notify you that you cannot rely upon what the prior Declaration permitted as a basis to violate the Amended and Restated Declaration, ARB Guidelines or other Governing Documents in the future. Likewise, you cannot rely upon any prior infraction or violation of the Association's Governing Documents as a basis to justify a future violation. Similarly, you cannot rely upon any past inaction, errors or omissions of the Board or ARB as a justification to violate the Governing Documents in the future.

Please understand to protect all Owners and residents, the Board of Directors fully intends in the future to enforce and compel compliance with all of the Governing Documents

including the Amended and Restated Declaration and the Architectural Review Board Guidelines. Therefore, we wish for each and every Owner to understand the procedure which Clayton & McCulloh recommended and that has been adopted by the Board of Directors with respect to future Covenant violations.

ENFORCEMENT

Once a violation is confirmed, the Association intends to send an initial notice/letter to the violating Owner and/or occupant pointing out the violation and requesting compliance within 15 days of the date of the letter. The initial letter will also delineate that the violator will only be provided with one additional notice/letter before the matter is turned over to Clayton & McCulloh to compel compliance. If the initial 15 days elapse, the Association will send out the second notice/letter to the violating Owner and/or occupant apprising him that unless the violation is corrected within 15 days of the date of the second notice/letter, the matter will be turned over to Clayton & McCulloh to compel compliance. Each Owner and resident needs to understand that in the event a violation is turned over to Clayton & McCulloh, the law firm will seek not only to compel compliance with the Governing Documents and the Florida Statutes, but may also seek to recover the attorneys' fees and costs associated with compelling compliance. Needless to say, the amount of attorneys' fees which ultimately may be borne by the violating Owner and/or tenant can be expensive.

Please work with your Board of Directors for the benefit of the entire Community by complying with the Association's Governing Documents. Additionally, if you receive one of the above referenced letters, please do not become belligerent or irate, but rather, appreciate that such letters are being generated for your and the other Owners' and residents' benefit so that the Association may protect and preserve the attractiveness, desirability and home values of this Community. We realize that all of the Members probably object to one or perhaps more of the requirements of the Association's Governing Documents. Nevertheless, it is hoped that each and every Member can appreciate the need for compliance by everyone and that each of you must give up certain rights to protect your Community. Additionally, please understand that not only do the Governing Documents mandate compliance, but the Florida Statutes mandate compliance as well. More specifically, please understand that the Declaration constitutes a covenant running with the land which is superior in authority to even the deed by which each and every owner took title to his lot or unit, and that by purchasing within your Community, each Owner had record title notice of the existence of and the binding nature of the Declaration. Therefore, each owner tacitly agreed to abide by each and every provision and covenant set forth in the Amended and Restated Declaration and all the Governing Documents. Moreover, Section 720.305 of the Florida Statutes basically provides that a violation of the Governing Documents is a violation of Florida Statutes and subjects the violator to payment of the Association's reasonable attorneys' fees. Needless to say, the Association wishes to work with each of the Owners for the benefit of the Community and hopes that each of the Members will cooperate in this endeavor.

While the Association intends to compel compliance with each and every provision of the Governing Documents, some of the items which at least initially raise the most concerns (i.e., may most likely be violated) are listed below. Please understand that these particular areas of concern are being pointed out so that you can avoid undertaking the following actions and

thereby avoid violating the Governing Documents:

1. Altering and improving any property without an Architectural Review Board approval.
2. Failing to read and follow the covenants, especially yard conditions, parking, painting, antennas, play structures, litter and rubbish, easements, signs, solar units, yard sales and vehicle and recreation equipment storage.
3. Failing to note the establishment of new covenants affecting renting homes, home business, repetitive group events at the home and yard sales.
4. Relying upon any prior infraction or violation of the Association's Governing Documents as a basis to justify a future violation.

Please understand that this letter is not an indication that you are in violation of any of the Governing Documents.

Please work with the Association for the benefit of your Community by complying with all the Association's Governing Documents including the Amended and Restated Declaration.

Sincerely,

Diamond Cove Homeowners Association, Inc., Board of Directors