



This instrument prepared by
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 ORANGE COUNTY, FL
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SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DECLARATION
 FOR
 SANDHILL PRESERVE**

TABLE OF CONTENTS

	Page
1. Recitals.....	1
2. Definitions.....	1
3. Conflicts.....	5
4. Plan of Development.....	5
5. Amendment.....	5
5.1. General Restrictions on Amendments.....	5
5.2. No Vested Rights.....	5
5.3. Amendments Prior to and Including the Turnover Date.....	6
5.4. Amendments After the Turnover Date.....	6
6. Annexation and Withdrawal.....	6
6.1. Annexation by Developer.....	6
6.2. Annexation by Association.....	6
6.3. Transfer of Property to County or Other Governmental Entity After the Turnover Date.....	6
6.4. Withdrawal.....	6
7. Dissolution.....	7
7.1. Generally.....	7
7.2. Applicability of Declaration after Dissolution.....	7
8. Binding Effect and Membership.....	7
8.1. Term.....	7
8.2. Transfer.....	7
8.3. Memberships.....	7
8.4. Ownership by Entity.....	7
8.5. Voting Interests.....	8
8.6. Document Recordation by Owners Prohibited.....	8

103969

Sandhill Preserve
 Declaration
 i
 3/8/05

9.	Paramount Right of Developer.....	8
10.	Operation of Common Areas.....	8
10.1.	Prior to Conveyance.....	8
10.2.	Construction of Common Areas Facilities.....	8
10.3.	Use of Common Areas by Developer.....	8
10.4.	Conveyance.....	9
10.4.1.	Generally.....	9
10.4.2.	Form of Deed.....	9
10.5.	Operation After Conveyance.....	9
10.6.	Paved Common Areas.....	9
10.7.	Delegation and Managers.....	10
10.8.	Use.....	10
10.8.1.	General Public Use.....	10
10.8.2.	Right to Allow Use.....	10
10.8.3.	Obstruction of Common Areas.....	10
10.8.4.	Assumption of Risk.....	10
10.8.5.	Owner's Obligation to Indemnify.....	11
10.9.	Rules and Regulations.....	11
10.9.1.	Generally.....	11
10.9.2.	Developer Not Subject to Rules and Regulations.....	11
10.10.	Default by Another Owner.....	11
10.11.	Special Taxing Districts.....	11
10.12.	Water Transmission and Distribution Facilities Easement and Repair.....	11
10.13.	Association's Obligation to Indemnify.....	12
10.14.	Site Plans and Plats.....	12
11.	Maintenance by Association.....	12
11.1.	Common Areas.....	12
11.2.	Duty to Maintain Surface Water Management System.....	12
11.3.	Amendments Affecting Surface Water Management System.....	12
11.4.	Conservation Areas.....	13
11.5.	Use Restrictions for Conservation Areas.....	13
11.6.	Perimeter Walls.....	13
11.7.	Adjoining Areas.....	13
11.8.	Negligence.....	14
11.9.	Right of Entry.....	14
11.10.	Maintenance of Property Owned by Others.....	14
11.11.	Weeds and Refuse.....	14
11.12.	Driveway and Sidewalk Easement.....	14
12.	Use Restrictions.....	14
12.1.	Alterations and Additions.....	14
12.2.	Animals.....	14
12.3.	Artificial Vegetation.....	15
12.4.	Cars and Trucks.....	15
12.4.1.	Parking.....	15
12.4.2.	Repairs and Maintenance of Vehicles.....	15
12.4.3.	Prohibited Vehicles.....	15
12.5.	Casualty Destruction to Improvements.....	15
12.6.	Commercial Activity.....	15
12.7.	Completion and Sale of Units.....	16
12.8.	Control of Contractors.....	16
12.9.	Cooking.....	16
12.10.	Decorations.....	16
12.11.	Disputes as to Use.....	16

103969

Sandhill Preserve
Declaration
ii
1/8/05

12.12.	Drainage System.....	16
12.13.	Driveway Repair.....	16
12.14.	Easement for Unintentional and Non-Negligent Encroachments.....	17
12.15.	Extended Vacation and Absences.....	17
12.16.	Fences and Walls.....	17
12.17.	Fuel Storage.....	17
12.18.	Garages.....	17
12.19.	Garbage Cans.....	17
12.20.	General Use Restrictions.....	17
12.21.	Grass.....	17
12.22.	Hurricane Shutters.....	17
12.23.	Irrigation.....	18
12.24.	Lake and Canal Slopes.....	18
12.25.	Laundry.....	18
12.26.	Lawful Use.....	18
12.27.	Landscaping and Irrigation of Lots; Removal of Sod and Shrubbery; Additional Planting.....	18
12.28.	Leases.....	19
12.29.	Maintenance by Owners.....	19
	12.29.1. Standard of Maintenance.....	19
	12.29.2. Mailboxes.....	19
	12.29.3. Weeds and Refuse.....	19
12.30.	Minor's Use of Facilities.....	19
12.31.	Nuisances.....	19
12.32.	Personal Property.....	19
12.33.	Pools.....	20
12.34.	Roofs, Driveways and Pressure Treatment.....	20
12.35.	Satellite Dishes and Antennae.....	20
12.36.	Screened Enclosures.....	20
12.37.	Sculptures, Fountains, Equipment, Signs and Flags.....	20
12.38.	Sports Equipment.....	20
12.39.	Storage.....	20
12.40.	Subdivision and Regulation of Land.....	21
12.41.	Substances.....	21
12.42.	Swimming, Boating and Docks.....	21
12.43.	Use of Homes.....	21
12.44.	Visibility on Corners.....	21
12.45.	Wetlands and Mitigation Areas.....	21
12.46.	Window or Wall Air Conditioning Units.....	21
12.47.	Window Treatments.....	21
13.	Insurance.....	21
13.1.	Association.....	21
	13.1.1. Flood Insurance.....	21
	13.1.2. Liability Insurance.....	21
	13.1.3. Directors and Officers Liability Insurance.....	22
	13.1.4. Other Insurance.....	22
	13.1.5. Developer.....	22
13.2.	Homes.....	22
	13.2.1. Requirement to Maintain Insurance.....	22
	13.2.2. Requirement to Reconstruct or Demolish.....	22
	13.2.3. Standard of Work.....	22
	13.2.4. Additional Rights of Association.....	22
	13.2.5. Association Has No Liability.....	23
13.3.	Association as Agent.....	23
13.4.	Casualty to Common Areas.....	23
13.5.	Nature of Reconstruction.....	23

13.6.	Additional Insured	23
13.7.	Cost of Payment of Premiums	23
14.	Property Rights	23
14.1.	Owners' Easement of Enjoyment	23
14.2.	Ingress and Egress	24
14.3.	Development Easement	24
14.4.	Public Easements	24
14.5.	Delegation of Use	24
14.6.	Easement for Encroachments.....	24
14.7.	Permits, Licenses and Easements	24
14.8.	Support Easement and Maintenance Easement.....	25
14.9.	Drainage.....	25
14.10.	Easement in favor of Association	25
14.11.	Duration	25
15.	Assessments	25
15.1.	Types of Assessments.....	25
15.2.	Purpose of Assessments.....	25
15.3.	Designation	26
15.4.	Allocation of Operating Costs	26
15.5.	General Assessments Allocation.....	26
15.6.	Commencement of First Assessment.....	26
15.7.	Shortfalls and Surpluses.....	26
15.8.	Budget.....	27
15.9.	Establishment of Assessments	27
15.10.	Disclosure of Assessments.....	27
15.11.	Initial Capital Contribution.....	27
15.12.	Assessment Estoppel Certificates	28
15.13.	Payment of Home Real Estate Taxes.....	28
15.14.	Creation of the Lien and Personal Obligation.....	28
15.15.	Subordination of the Lien to Mortgages	28
15.16.	Acceleration	28
15.17.	Non-Payment of Assessments.....	28
15.18.	Exemption.....	29
15.19.	Collection by Developer	29
15.20.	Rights to Pay Assessments and Receive Reimbursement.....	29
15.21.	Mortgagee Right	29
16.	Reserve Accounts Required by Gated Community Ordinance	29
16.1.	Financial Reports and Other Requirements	29
16.2.	Maintaining Separate Reserve Accounts	29
16.3.	Commencement and Obligations of Reserve Accounts.....	30
16.4.	Required Funding of Reserve Accounts	30
16.4.1.	Maintenance Account.....	30
16.4.2.	Streets Account.....	30
16.4.3.	Drainage Account.....	30
16.4.4.	Other Infrastructure Account.....	31
16.5.	Use of Reserve Accounts.....	31
16.5.1.	Maintenance Account.....	31
16.5.2.	Street Account	31
16.5.3.	Drainage Account.....	31
16.5.4.	Other Infrastructure Account.....	32
17.	Information to Lenders and Owners.....	32
17.1.	Availability	32

103969

Sandhill Preserve
Declaration
iv
3/8/05

17.2.	Copying	32
17.3.	Notice.....	32
18.	Architectural Control	32
18.1.	Architectural Control Committee	32
18.2.	Membership.....	32
18.3.	General Plan.....	32
18.4.	Neighborhood Plan	33
18.5.	Community Standards.....	33
18.6.	Quorum.....	33
18.7.	Power and Duties of the ACC.....	33
18.8.	Procedure.....	33
18.9.	Alterations.....	34
18.10.	Variances	34
18.11.	Permits	34
18.12.	Construction by Owners	34
18.13.	Inspection.....	35
18.14.	Violation	35
18.15.	Court Costs	35
18.16.	Certificate	35
18.17.	Certificate of Compliance	35
18.18.	Exemption.....	35
18.19.	Exculpation.....	35
19.	Master Association.....	36
19.1.	Surface Water Management System.....	36
19.2.	Master Association and District Easements.....	36
19.3.	Priority of Master Association Lien.....	36
20.	Owners Liability.....	36
20.1.	Violations.....	36
20.2.	Non-Monetary Defaults	37
20.3.	Expenses	37
20.4.	No Waiver.....	37
20.5.	Rights Cumulative	37
20.6.	Enforcement By or Against Other Persons.....	37
20.7.	Fines.....	37
21.	Additional Rights of Developer.....	38
21.1.	Sales Office and Administrative Offices	38
21.2.	Modification	38
21.3.	Promotional Events.....	38
21.4.	Use by Prospective Purchasers	38
21.5.	Management	38
21.6.	Easements	38
21.7.	Right to Enforce.....	39
21.8.	Additional Development.....	39
21.9.	Representations.....	39
21.10.	Non-Liability	39
21.11.	Resolution of Disputes	40
21.12.	Venue	40
21.13.	Reliance	40
21.14.	Access Control System.....	41
22.	Additional Rights of Owners and Association.....	41

23.	Additional Rights of County	41
23.1.	Indemnification.....	41
23.2.	In the Event of Default by Association.....	41
23.3.	In the Event of Annexation of Sandhill Preserve to a Municipality	41
24.	Private Streets	41
24.1.	Property Taxes	41
24.2.	Enforcement of Traffic Laws.....	42
25.	Required Disclosures in Connection with Gated Community Ordinance	42
26.	Telecommunications Services.....	43
26.1.	Right to Contract for Telecommunications Services	43
26.2.	Easements	44
26.3.	Restoration.....	44
26.4.	Operating Costs	44
27.	Enforcement of Gated Community Ordinance.....	44
28.	Refund of Taxes and Other Charges	45
29.	Assignment of Powers	45
30.	General Provisions	45
30.1.	Authority of Board.....	45
30.2.	Severability	45
30.3.	Affirmative Obligation of Association	45
30.4.	Execution of Documents.....	45
30.5.	Notices.....	46
30.6.	Florida Statutes	46
30.7.	Construction Activities	46
30.8.	Neighborhood Title Documents.....	46
31.	Turnover.....	46
31.1.	Prior to the Turnover Date	47
31.2.	Engineer's Inspection	47
31.2.1.	The Engineer's Report.....	47
31.2.2.	Copy of Engineer's Report.....	47
31.2.3.	Needed Repairs.....	47
31.2.4.	If Repairs Are Not Completed Prior to the Turnover Date.....	47
31.2.5.	After Turnover.....	47
31.2.6.	Tri-Annual Inspection Report.....	47
32.	Airport Noise	48

DECLARATION
FOR
SANDHILL PRESERVE

THIS DECLARATION FOR SANDHILL PRESERVE (this "Declaration") is made by Landstar Development Corporation, a Florida corporation ("Landstar") and joined in by Sandhill Preserve at Arbor Meadows Homeowners' Association, Inc., a Florida not-for-profit corporation ("Association").

R E C I T A L S

A. Landstar is or will be the owner of the real property in Orange County, Florida ("County") more particularly described in Exhibit 1 attached hereto and made a part hereof ("Sandhill Preserve").

B. Landstar desires to subject Sandhill Preserve to the covenants, conditions and restrictions contained in this Declaration.

C. This Declaration is a covenant running with all of the land comprising Sandhill Preserve, and each present and future owner of interests therein and their heirs, successors and assigns are hereby subject to this Declaration;

NOW THEREFORE, Landstar hereby declares that every portion of Sandhill Preserve is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, charges and liens hereinafter set forth.

1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.

2. Definitions. In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"ACC" shall mean the Architectural Control Committee for Sandhill Preserve established pursuant to Section 18.1 hereof.

"Access Control System" shall mean any system intended to control access and/or enhance the welfare of exclusively Sandhill Preserve .

"Articles" shall mean the Articles of Incorporation of Association filed with the Florida Secretary of State in the form attached hereto as Exhibit 2 and made a part hereof, as amended from time to time.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 15 hereof.

"Association" shall mean Sandhill Preserve at Arbor Meadows Homeowners' Association, Inc., its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, the By-Laws, the Rules and Regulations, and the Community Standards, as amended from time to time.

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

"By-Laws" shall mean the By-Laws of Association in the form attached hereto as Exhibit 3 and made a part hereof, as amended from time to time.

"Builder" shall mean any person or entity that purchases a Parcel or Lot from Developer for the purpose of constructing one or more Homes.

"Cable Services" shall mean "basic service tier" as described in Section 623(b)(7)(A) of the Cable Television Consumer Protection Act of 1992, video programming services offered on a per-channel or per-program basis, video programming services offered in addition to basic service tier, any method of delivering video programming to Homes including, without limitation, interactive video programming, and any channel recognized in the industry as premium including, without limitation, HBO, Showtime, Disney, Cinemax and the Movie Channel. By way of example, and not of limitation, the term Cable Services may include cable television, satellite master antenna television, multipoint distribution systems, video dialtone, open video system or any combination thereof.

"Common Areas" shall mean all real property interests and personalty within Sandhill Preserve designated as Common Areas from time to time by Plat or recorded amendment to this Declaration and provided for, owned, leased by, or dedicated to the common use and enjoyment of the Owners within Sandhill Preserve. The Common Areas may include, without limitation, open space areas, recreational facilities, tot lots, landscape easement areas, entrance features, improvements, easement areas owned by others, additions, irrigation pumps, wetlands, lakes, canals, irrigation areas, irrigation lines, sidewalks, streets, parking areas, lights, electronic gates, walls, fences, commonly used utility facilities, signage, other lighting, and landscaping within property owned by Association. The Common Areas do not include any portion of a Home. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DEFINITION OF "COMMON AREAS" AS SET FORTH IN THIS DECLARATION IS FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND, OBLIGATE OR LIMIT DEVELOPER TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION, THE CONSTRUCTION OR SUPPLYING OF ANY SUCH ITEM BEING IN DEVELOPER'S SOLE DISCRETION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON AREAS TO BE OWNED, LEASED BY OR DEDICATED TO ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM. Notwithstanding the foregoing, Tract A will be will be a private road and shall be conveyed to Association by deed in the form provided in Section 10.4 below; Tracts B and C will be drainage and retention areas and shall be conveyed to Association by deed in the form provided in Section 10.4 below; Tract D will be Conservation Area and shall be conveyed to Association by deed in the form provided in Section 10.4 below; Tract E will be an drainage tract and shall be conveyed to Association by deed in the form provided in Section 10.4 below; Tract H will be a recreation area and shall be conveyed to Association by deed in the form provided in Section 10.4 below. Without limiting the foregoing, the Common Areas do not include any real or personal property owned, or to be owned, by the Master Association.

"Community Completion Date" shall mean the date upon which all Homes in Sandhill Preserve, as ultimately planned and as fully developed, have been conveyed by Developer and/or Builders to Owners.

"Community Standards" shall mean such standards of conduct, maintenance or other activity, if any, established by the ACC pursuant to Section 18.5 hereof.

"Contractors" shall have the meaning set forth in Section 18.12 hereof.

"County" shall mean Orange County, Florida.

"Data Transmission Services" shall mean (i) internet access services and (ii) enhanced services as defined in Section 64.702 of Title 47 of the Code of Federal Regulations, as amended from time to time, and without regard to whether the transmission facilities are used in interstate commerce.

"Declaration" shall mean this Declaration together with all amendments and modifications thereof.

"Developer" shall mean Landstar and any of its designees (including its affiliated or related entities which conduct land development, homebuilding and sales activities), successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

103969

Sandhill Preserve
Declaration
2
3/8/05

"District" shall mean South Florida Water Management District.

"Gated Community Ordinance" shall mean County Code Chapter 34, Article VIII, Gated Communities approved by Orange County Board of County Commissioners effective December 16, 2002.

"Home" shall mean each residential home and appurtenances thereto constructed within Sandhill Preserve. The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary Certificate of Occupancy for such residence; provided, however, the subsequent loss of such Certificate of Occupancy (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Assessments with respect to such Home. The term "Home" includes any interest in land, improvements, or other property appurtenant to the Home. Each Home shall contain a minimum of 1200 square feet of interior living area.

"Individual Assessments" shall have the meaning set forth in Section 15.2 hereof.

"Initial Capital Contribution" shall have the meaning set forth in Section 15.11 herein.

"Installment Assessments" shall have the meaning set forth in Section 15.2 hereof.

"Landstar" shall mean Landstar Development Corporation, a Florida corporation, its successors and assigns.

"Lender" shall mean (i) the institutional and licensed holder of a first mortgage encumbering a Lot or Home or (ii) Developer and its affiliates, to the extent Developer or its affiliates finances the purchase of a Home or Lot initially or by assignment of an existing mortgage.

"Lessee" shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within Sandhill Preserve.

"Lot" shall mean any platted residential lot shown on a Plat.

"Master Association" shall mean Arbor Meadows at Meadow Woods Master Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

"Master Community" shall mean the community in County known as Arbor Meadows at Meadow Woods, which is legally described as Exhibit 1 to the Master Declaration, as such may be supplemented from time to time.

"Master Developer" shall have the meaning of Developer set forth in the Master Declaration.

"Master Declaration" shall mean the Declaration for Arbor Meadows at Meadow Woods recorded in Official Records Book 7805, at Page 2091 of the Public Records of Orange County, Florida, as the same may be amended from time to time, together with all amendments and modifications thereof.

"Neighborhood Association" shall have the meaning set forth in the Master Declaration. Association is a Neighborhood Association.

"Neighborhood Plan" shall mean collectively any full or partial concept plan for the development of Sandhill Preserve, as it exists as of the date of recording this Declaration, regardless of whether such plan is currently on file with one or more governmental agencies. The Neighborhood Plan is subject to change as set forth herein. The Neighborhood Plan is not a representation by Developer as to the development of Sandhill Preserve or its amenities, as Developer reserves the right to amend all or part of the Neighborhood Plan from time to time.

"Neighborhood Title Documents" shall have the meaning set forth in Section 30.8 hereof.

"Operating Costs" shall mean all costs and expenses of Association and the Common Areas. Operating Costs may include, without limitation, all of the costs of ownership; operation; administration; all amounts payable by Association; all amounts payable in connection with any private street lighting agreement between Association and Progress Energy; amounts payable to a Telecommunications Provider for Telecommunications Services furnished to all Owners, utilities; taxes; insurance; bonds; salaries; management fees; professional fees; service costs; supplies; maintenance; repairs; replacements; refurbishments; common area landscape maintenance and any and all of the costs relating to the discharge of the obligations hereunder, or as determined to be part of the Operating Costs by Association. By way of example, and not of limitation, Operating Costs shall include all of Association's legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration.

"Operational Reserves" shall have the meaning set forth in Section 15.2 hereof.

"Owner" shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home. The term "Owner" shall not include Developer or Builder, until the Turnover Date, or a Lender.

"Parcel" shall mean any portion of Sandhill Preserve upon which one or more Homes may be constructed.

"Party Wall" shall mean any fence or wall built as part of the original construction of two or more Homes which is placed on the dividing line or platted lot line between such Homes.

"Permit" shall mean the permit issued by the South Florida Water Management District, a copy of which is attached to this Declaration as Exhibit 4.

"Plat" shall mean any plat of any portion of Sandhill Preserve filed in the Public Records, as the same may be amended by Developer, from time to time.

"Public Records" shall mean the Public Records of Orange, County, Florida.

"Rules and Regulations" shall mean collectively the Rules and Regulations governing Sandhill Preserve as adopted by the Board from time to time.

"Sandhill Preserve" shall mean all of the real property described on Exhibit 1 and shall include the Common Areas, each Home, each Parcel, Lot, tract, unit or other subdivision of real property, subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration. Developer may, when amending or modifying the description of real property which is subject to the operation of this Declaration, also amend or modify the definition of Sandhill Preserve. Throughout this Declaration, the Articles, and Bylaws, Sandhill Preserve may sometimes be referred to as Sandhill Preserve at Arbor Meadows.

"Special Assessments" shall mean those Assessments more particularly described as Special Assessments in Section 15.2 hereof.

"Surface Water Management System" shall mean the collection of devices, improvements, or natural systems whereby surface waters are controlled, impounded or obstructed. This term includes exfiltration trenches, mitigation areas, lakes, retention areas, water management areas, ditches, culverts, structures, dams, impoundments, reservoirs, drainage maintenance easements and those works defined in Section 373.403(1)-(5) of the Florida Statutes. The Surface Water Management System includes those works authorized by the District pursuant to the Permit.

"Telecommunications Provider" shall mean any party contracting with Association to provide Owners with one or more Telecommunications Services. Developer may be a Telecommunications Provider. With respect to any particular Telecommunications Services, there may be one or more Telecommunications Providers. By way of example, with respect to Data Transmission Services, one Telecommunications Provider may provide Association such service while another may own, maintain and service the Telecommunications Systems which allow delivery of such Data Transmission Services.

103969

Sandhill Preserve
Declaration
4
1/8/05

"Telecommunications Services" shall mean delivered entertainment services; all services that are typically and in the future identified as telecommunication services; Telephony Services; Cable Services; and Data Transmission Services. Without limiting the foregoing, such Telecommunications Services include the development, promotion, marketing, advertisement, provision, distribution, maintenance, transmission, and servicing of any of the foregoing services. The term Telecommunications Services is to be construed as broadly as possible.

"Telecommunications Systems" shall mean all facilities, items and methods required and/or used in order to provide Telecommunications Services to Sandhill Preserve. Without limiting the foregoing, Telecommunications Systems may include wires (fiber optic or other material), conduits, passive and active electronic equipment, pipes, pedestals, wireless cell sites, computers, modems, satellite antennae sites, transmission facilities, amplifiers, junction boxes, trunk distribution, feeder cables, lock boxes, taps, drop cables, related apparatus, converters, connections, head-end antennae, earth stations, appurtenant devices, network facilities necessary and appropriate to support provision of local exchange services and/or any other item appropriate or necessary to support provision of Telecommunications Services. Ownership and/or control of all or a portion of any part of the Telecommunications Services may be bifurcated among network distribution architecture, system head-end equipment, and appurtenant devices (e.g., individual adjustable digital units).

"Telephony Services" shall mean local exchange services provided by a certified local exchange carrier or alternative local exchange company, intraLATA and interLATA voice telephony and data transmission.

"Toll Calls" shall have meaning given to such term by the Florida Public Service Commission and/or the Federal Communications Commission.

"Turnover Date" shall mean the date on which transition of control of Association from Developer to Owners occurs.

3. **Conflicts.** IN THE EVENT OF ANY CONFLICT AMONG THIS DECLARATION, THE MASTER DECLARATION, THE ARTICLES, THE BY-LAWS OR ANY OF THE OTHER ASSOCIATION DOCUMENTS, THE MASTER DECLARATION SHALL CONTROL. IN THE EVENT OF ANY CONFLICT AMONG THIS DECLARATION, THE ARTICLES, THE BY-LAWS OR ANY OF THE OTHER ASSOCIATION DOCUMENTS, THIS DECLARATION SHALL CONTROL.

4. **Plan of Development.** The planning process for Sandhill Preserve is an ever-evolving one and must remain flexible in order to be responsive to and accommodate the needs of Developer's buyers. Subject to the Neighborhood Title Documents, Developer may wish and has the right to develop Sandhill Preserve and adjacent property owned by Developer into residences, which may be comprised of homes, villas, coach homes, townhomes, zero lot line homes, patio homes and other forms of residential dwellings. The existence at any point in time of walls, landscape screens, or berms is not a guaranty or promise that such items will remain or form part of Sandhill Preserve as finally developed.

5. **Amendment.**

5.1. **General Restrictions on Amendments.** Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, which consent may be withheld for any reason whatsoever. No amendment shall alter the provisions of this Declaration benefiting Lenders without the prior approval of the Lender(s) enjoying the benefit of such provisions. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to this Declaration, then the prior written consent of such entity or agency must also be obtained. All amendments must comply with Section 11.3 hereof which benefit the District. No amendment shall be effective until it is recorded in the Public Records. Notwithstanding anything in this Declaration to the contrary, the provisions of Section 23 and this sentence may not be amended, modified, repealed or altered without the prior written consent of County after a public hearing.

5.2. **No Vested Rights.** Each Owner by acceptance of a deed to a Home irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute (with the exception of any rights created under

103969

Sandhill Preserve
Declaration
5
3/8/05

the Gated Community Ordinance) with respect to this Declaration or any of the other Association Documents. It is expressly intended that Developer and Association have the unfettered right to amend this Declaration and the other Association Documents except as expressly set forth herein.

5.3. Amendments Prior to and Including the Turnover Date. Prior to and including the Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Such amendments may include, without limitation, the creation of easements for Telecommunications Systems, utility, drainage, ingress and egress over any portion of Sandhill Preserve ; additions or deletions from the properties comprising the Common Areas; changes in the Rules and Regulations, and modifications of restrictions on the Homes, and maintenance standards for landscaping. Developer's right to amend under this provision is to be construed as broadly as possible. By way of example, and not as a limitation, Developer may create easements over Homes conveyed to Owners provided that such easements do not prohibit the use of such Homes as residential homes. In the event that Association shall desire to amend this Declaration prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

5.4. Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, this Declaration may be amended with the approval of (i) sixty six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

6. Annexation and Withdrawal.

6.1. Annexation by Developer. Prior to and including the Turnover Date, additional lands may be made part of Sandhill Preserve by Developer, at Developer's sole discretion. Such additional lands to be annexed may or may not be adjacent to Sandhill Preserve . Except for applicable governmental approvals (if any), no consent to such annexation shall be required from any other party (including, but not limited to, Association, Owners or any Lenders of any portion of Sandhill Preserve , including a Home). Such annexed lands shall be brought within the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The amendment shall subject the annexed lands to the covenants, conditions, and restrictions contained in this Declaration as fully as though the annexed lands were described herein as a portion of Sandhill Preserve . Such amendment may contain additions to, modifications of, or omissions from the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Developer and as may be necessary to reflect the different character, if any, of the annexed lands. Prior to and including the Turnover Date, only Developer may add additional lands to Sandhill Preserve .

6.2. Annexation by Association. After the Turnover Date, and subject to applicable governmental approvals (if any), additional lands may be annexed with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

6.3. Transfer of Property to County or Other Governmental Entity After the Turnover Date. After the Turnover Date, any transfer of Sandhill Preserve infrastructure (including, without limitation, property on which the Sandhill Preserve infrastructure is located) to County or other governmental entity is prohibited without the concurrence of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum. Notwithstanding the foregoing, no portion of Sandhill Preserve infrastructure can be transferred to County or other governmental entity without the consent of the County or such other governmental entity.

6.4. Withdrawal. Prior to and including the Turnover Date, any portion of Sandhill Preserve (or any additions thereto) may be withdrawn by Developer from the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The right of Developer to withdraw portions of Sandhill Preserve shall not apply to any Home which has been conveyed to an Owner unless that right is specifically reserved in the instrument of conveyance or the prior written consent of the Owner is obtained. The

103969

Sandhill Preserve
Declaration
6
3/8/05

withdrawal of any portion of Sandhill Preserve shall not require the consent or joinder of any other party (including, but not limited to, Association, Owners, or any Lenders of any portion of Sandhill Preserve). Association shall have no right to withdraw land from Sandhill Preserve .

7. Dissolution.

7.1. Generally. In the event of the dissolution of Association without reinstatement within thirty (30) days, other than incident to a merger or consolidation, any Owner may petition the Circuit Court of the appropriate Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Common Areas in the place and stead of Association, and to make of such provisions as may be necessary for the continued management of the affairs of the dissolved Association. In the event Association is dissolved, and any portion of the Surface Water Management System is part of the Common Areas, the Surface Water Management System shall be conveyed to an appropriate agency of local government, and if not accepted, then the Surface Water Management System shall be dedicated to a similar non-profit corporation.

7.2. Applicability of Declaration after Dissolution. In the event of dissolution of Association, Sandhill Preserve and each Home therein shall continue to be subject to the provisions of this Declaration, including, without limitation, the provisions respecting Assessments specified in this Declaration. Each Owner shall continue to be personally obligated to the successors or assigns of Association for Assessments to the extent that Assessments are required to enable the successors or assigns of Association to properly maintain, operate and preserve the Common Areas. The provisions of this Section shall only apply with regard to the maintenance, operation, and preservation of those portions of Sandhill Preserve which had been Common Areas and continue to be so used for the common use and enjoyment of the Owners.

8. Binding Effect and Membership.

8.1. Term. This Declaration and all covenants, conditions and restrictions contained in this Declaration are equitable servitudes, perpetual and run with the land. Each Owner, by acceptance of a deed to a Home or Lot, and any person claiming by, through or under such Owner agrees to be subject to the provisions of this Declaration and irrevocably waives any right to deny, and any claim, that this Declaration and all covenants, conditions and restrictions contained in this Declaration are not enforceable under the Marketable Record Title Act, Chapter 712 of the Florida Statutes. It is expressly intended that the Marketable Record Title Act will not operate to extinguish any encumbrance placed on Sandhill Preserve by this Declaration. It is further expressly intended that no re-filing or notice of preservation is necessary to continue the applicability of this Declaration and the applicability of all covenants, conditions, and restrictions contained in this Declaration. This provision is not subject to amendment.

8.2. Transfer. The transfer of the fee title to a Home, whether voluntary or by operation of law, terminating the Owner's title to that Home shall terminate the Owner's rights to the use of and enjoyment of the Common Areas as it pertains to that Home and shall terminate such Owner's membership in Association. An Owner's rights and privileges under this Declaration are not assignable separately from a Home. The Owner of each Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner and the Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer.

8.3. Memberships. Upon acceptance of title to a Home, and as more fully provided in the Articles and By-Laws, each Owner shall be a member of Association and Master Association. Membership rights are governed by the provisions of the Association Documents, the Master Declaration, Articles and By-Laws and the deed to a Home. Memberships shall be an appurtenance to, and may not be separated from, the ownership of a Home. Developer rights with respect to Association are set forth in this Declaration, the Articles and the By-Laws.

8.4. Ownership by Entity. In the event that an Owner is other than a natural person, that Owner shall, prior to occupancy of the Home, designate one or more persons who are to be the occupants of the Home and

103969

Sandhill Preserve
Declaration
7
3/8/05

register such persons with Association. All provisions of this Declaration and the other Association Documents shall apply to both such Owner and the designated occupants.

8.5. Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

8.6. Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer, or conflict with the provisions of this Declaration or the other Association Documents.

9. Paramount Right of Developer. Notwithstanding anything to the contrary herein, prior to the Community Completion Date Developer shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of Sandhill Preserve for various public purposes or for the provision of Telecommunications Systems, or to make any portions of Sandhill Preserve part of the Common Areas, or to create and implement a special taxing district which may include all or any portion of Sandhill Preserve. In addition, the Common Areas of Sandhill Preserve may include decorative improvements, berms and waterbodies. Notwithstanding anything to the contrary herein, the waterbodies may be dry during certain weather conditions or during certain times of the year. Developer may remove, modify, eliminate or replace these items from time to time in its sole discretion. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT FACILITIES, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS. DEVELOPER SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION, AND DESIGN OF ANY AND ALL COMMON AREAS AT ANY TIME WITHOUT NOTICE AT ITS DISCRETION.

10. Operation of Common Areas.

10.1. Prior to Conveyance. Prior to the conveyance, identification and/or dedication of the Common Areas to Association as set forth in Section 10.4 herein, any portion of the Common Areas owned by Developer shall be operated, maintained, and administered at the sole cost of Association for all purposes and uses reasonably intended, as Developer in its sole discretion deems appropriate. During such period, Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Parcel or any portion of Sandhill Preserve or Home or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by Association. The current conceptual representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common Areas. No party should rely upon any statement contained herein as a representation or warranty as to the extent of the Common Areas to be owned, leased by, or dedicated to Association. Developer, so long as it controls Association, further specifically retains the right to add to, delete from, or modify any of the Common Areas referred to herein at its discretion and without notice.

10.2. Construction of Common Areas Facilities. Developer has constructed or will construct, at its sole cost and expense, certain facilities and improvements as part of the Common Areas, together with equipment and personalty contained therein, and such other improvements and personalty as Developer determines in its sole discretion. Developer shall be the sole judge of the composition of such facilities and improvements. Prior to the Community Completion Date Developer reserves the absolute right to construct additional Common Areas facilities and improvements within Sandhill Preserve, from time to time, in its sole discretion, and to remove, add to, modify and change the boundaries, facilities and improvements now or then part of the Common Areas. Developer is not obligated to, nor has it represented that it will, modify or add to the facilities, improvements, or Common Areas as they are contemplated as of the date hereof. Developer is the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personalty (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them.

10.3. Use of Common Areas by Developer. Until the Community Completion Date Developer shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed appropriate by Developer.

103969

Sandhill Preserve
Declaration
8
3/8/05

10.4. Conveyance.

10.4.1. Generally. Within sixty (60) days after the Plat is recorded, or earlier as determined by Developer in its sole discretion, all or portions of the Common Areas may be dedicated by Plats, created in the form of easements, or conveyed by written instrument recorded in the Public Records, or by Quitclaim Deed from Developer to Association. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON AREAS BEING CONVEYED.

10.4.2. Form of Deed. Each deed of the Common Areas shall be subject to the following provisions:

10.4.2.1. matters reflected in the plat(s) of Sandhill Preserve ;

10.4.2.2. perpetual non-exclusive easements in favor of Developer, its successors, and assigns in, to, upon and over all of the Common Areas for the purposes of vehicular and pedestrian ingress and egress, installation of utilities, landscaping and/or drainage, without charge, including, without limitation, the right to use such roadways for construction vehicles and equipment. The easements reserved in the deed shall run in favor of Developer, and its employees, representatives, agents, licensees, guests, invitees, successors and/or assigns;

10.4.2.3. all restrictions, easements, covenants and other matters of record;

10.4.2.4. a reservation of right in favor of Developer (so long as Developer owns any portion of Sandhill Preserve) to require that Association reconvey all or a portion of the Common Areas conveyed by quitclaim deed in favor of Developer in the event that such property is required to be owned by Developer for any purpose, including, without limitation, the reconfiguration of any adjacent property by replatting or otherwise.

10.5. Operation After Conveyance. After the conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, operated and administered by Association for the use and benefit of the owners of all property interests in Sandhill Preserve including, but not limited to, Association, Developer, Owners and any Lenders. Subject to Association's right to grant easements and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party without (i) if prior to the Turnover Date, the approval of (a) a majority of the Board; and (b) the consent of Developer, or (ii) from and after the Turnover Date, approval of (a) sixty-six and two-thirds percent (66⅔%) of the Board; and (b) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of the Association at which there is a quorum.

10.6. Paved Common Areas. The Common Areas may contain certain paved areas. Without limiting any other provision of this Declaration, Association is responsible for the maintenance and/or resurfacing of all paved surfaces including, but not limited to, roads, pathways, bicycle paths, and sidewalks forming a part of the Common Areas, if any. Although pavement appears to be a durable material, it requires maintenance. Without limiting the requirements of Section 31.2 of this Declaration as required by the Gated Community Ordinance, Association shall have the right to arrange for an annual inspection of all paved surfaces forming a part of the Common Areas by a licensed paving contractor and/or engineer. The cost of such inspection shall be a part of the Operating Costs of Association. Association shall determine annually the parameters of the inspection to be performed, if any. By way of example, and not of limitation, the inspector may be required to inspect the roads and sidewalks forming part of the Common Areas annually for deterioration and to advise Association of the overall pavement conditions including any upcoming maintenance needs. Any patching, grading, or other maintenance

103969

Sandhill Preserve
Declaration
9
3/3/05

work should be performed by a Company licensed to perform the work. From and after the Community Completion Date, Association should monitor the roads and sidewalks forming the Common Areas monthly to ensure that vegetation does not grow into the asphalt and that there are no eroded or damaged areas that need immediate maintenance.

10.7. Delegation and Managers. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located thereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Association specifically shall have the right to pay for management services on any basis approved by the Board (including bonuses or special fee arrangements for meeting financial or other goals). Developer, its affiliates and/or subsidiaries shall have the right to manage Association. Owners and Association acknowledge that it is fair and reasonable to have Developer, its affiliates and/or subsidiaries manage Association. Further, in the event that a Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of the document creating such easement.

10.8. Use.

10.8.1. General Public Use. The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, members of Association) entitled to use those portions of the Common Areas. Prior to the Community Completion Date, Developer, and thereafter, Association, has the right, at any and all times, and from time to time, to further additionally provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

10.8.2. Right to Allow Use. Developer and/or Association may enter into easement agreements or other use or possession agreements whereby the Owners, Telecommunications Providers and/or Association and/or others may obtain the use, possession of, or other rights regarding certain property, on an exclusive or non-exclusive basis, for certain specified purposes. Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, and replacement of such property, the expenses of which shall be Operating Costs. Any such agreement by Association prior to the Community Completion Date shall require the consent of Developer. Thereafter, any such agreement shall require the approval of the majority of the Board of Directors.

10.8.3. Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by Owners for any purpose other than as permitted by Association.

10.8.4. Assumption of Risk. Without limiting any other provision herein, each person within any portion of Sandhill Preserve accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupancy of any portion of Sandhill Preserve (e.g., the Common Areas) including, without limitation, (a) noise from maintenance equipment, (b) use of pesticides, herbicides and fertilizers, view restrictions caused by maturation of trees and shrubbery, (d) reduction in privacy caused by the removal or pruning of shrubbery or trees within Sandhill Preserve and (e) design of any portion of Sandhill Preserve. Each person entering onto any portion of Sandhill Preserve also expressly indemnifies and agrees to hold harmless Developer, Association, and all other Neighborhood Associations and all employees, directors, representatives, officers, agents, and partners of the foregoing, from any and all damages, whether direct or consequential, arising from or related to the person's use of the Common Areas and/or Facilities, including attorneys' fees, paraprofessional fees and costs at trial and upon appeal. Without limiting the foregoing, all persons using the Common Areas and/or Facilities, including without limitation, all waterbodies, lakes, pools or areas adjacent to a lake, do so at their own risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, DOGS, RACCOONS, SNAKES, DUCKS, DEER, SWINE, TURKEYS AND FOXES. DEVELOPER, ASSOCIATION, MASTER ASSOCIATION AND ALL OTHER NEIGHBORHOOD ASSOCIATIONS SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR

NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

10.8.5. Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Developer, Master Association and Association, their officers, partners, agents, employees, affiliates, directors and attorneys (collectively, "Indemnified Parties") against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas including, without limitation, use of the lakes and other waterbodies within Sandhill Preserve by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, Master Association, Association, or of any of the Indemnified Parties. Should any Owner bring suit against Developer, Master Association, Association, or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorneys' fees and paraprofessional fees at trial and upon appeal.

10.9. Rules and Regulations.

10.9.1. Generally. Prior to and including the Turnover Date, Developer, and thereafter Association, shall have the right to adopt Rules and Regulations governing the use of the Common Areas and Sandhill Preserve. The Common Areas shall be used in accordance with this Declaration and Rules and Regulations promulgated hereunder.

10.9.2. Developer Not Subject to Rules and Regulations. The Rules and Regulations shall not apply to Developer or to any property owned by Developer and shall not be applied in a manner which would adversely affect the interests of Developer. Without limiting the foregoing and in accordance with all applicable governmental regulations, Developer, Builder and/or their assigns, shall have the right to: (i) develop and construct Homes, Common Areas, and related improvements within Sandhill Preserve, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale of (a) Homes and (b) residences and properties located outside of Sandhill Preserve), general offices and construction operations within Sandhill Preserve; (iii) place, erect or construct portable, temporary or accessory buildings or structure within Sandhill Preserve for sales, construction storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Sandhill Preserve; (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or portions of Sandhill Preserve owned by Developer, signs and other materials used in developing, constructing, selling or promoting the sale of any portion of Sandhill Preserve including, without limitation, Homes; (vi) excavate fill from any lakes or waterways within and/or contiguous to Sandhill Preserve by dredge or dragline, store fill within Sandhill Preserve and remove and/or sell excess fill; and grow or store plants and trees within, or contiguous to, Sandhill Preserve and use and/or sell excess plants and trees; and (vii) undertake all activities which, in the sole opinion of Developer, are necessary for the development and sale of any lands and improvements comprising Sandhill Preserve.

10.10. Default by Another Owner. No default by any Owner in the performance of the covenants and promises contained in this Declaration or by any person using the Common Areas or any other act of omission by any of them shall be construed or considered (a) a breach by Developer or Association or a non-defaulting Owner or other person or entity of any of their promises or covenants in this Declaration; or (b) an actual, implied or constructive dispossession of another Owner from the Common Areas; or (c) an excuse, justification, waiver or indulgence of the covenants and promises contained in this Declaration.

10.11. Special Taxing Districts. INTENTIONALLY DELETED.

10.12. Water Transmission and Distribution Facilities Easement and Repair. Developer hereby grants and conveys to County, its successors and assigns, the non-exclusive right, privilege and easement to construct, reconstruct, lay, install, operate, maintain, relocate, repair, replace, improve and inspect water transmission and distribution facilities and sewer collection facilities and all appurtenances thereto, and all appurtenant equipment, with the full right of ingress thereto and egress therefrom, within Sandhill Preserve (excluding such facilities located inside a Home) in accordance with plans approved by Developer or Association. Certain water transmission

103969

Sandhill Preserve
Declaration
11
3/2/05

and distribution facilities and sewer collection facilities may be covered with decorative brick pavers that do not conform to County regulations ("Non-Conforming Pavers") in the course of construction of Homes and Common Areas, as and to the extent permitted under the terms of this Declaration. In the event County or any of its subdivisions, agencies and/or divisions shall damage any Non-Conforming Pavers as a result of construction, repair or maintenance operations of the water and/or sewer facilities or the County's use of its easement rights granted in this Section 10.12, then Association shall replace or repair such damage at the expense of the Owner of the affected Home and such cost shall be billed to such Owner as an Individual Assessment, unless, and only to the extent that, such cost is not paid by County or such other subdivisions, agencies and/or divisions. Association shall indemnify and hold harmless County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorney's fees and costs of defense, which County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance by Association of Association's obligations under this Section 10.12. Nothing in this Section 10.12 is intended to derogate from Developer's indemnity obligations set forth in Section 23.1 below.

10.13. Association's Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Developer, and its officers, directors, shareholders, and any related persons or corporations and their employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Association or Owners, and from and against all costs, expenses, court costs, attorneys' fees and paraprofessional fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

10.14. Site Plans and Plats. Sandhill Preserve may be subject to one or more plats (each individually, a "Plat"). The Plat may identify some of the Common Areas within Sandhill Preserve. The description of the Common Areas on a Plat is subject to change and the notes on a Plat are not a guarantee of what facilities will be constructed on such Common Areas. Site plans used by Developer in its marketing efforts illustrate the types of facilities which may be constructed on the Common Areas, but such site plans are not a guarantee of what facilities will actually be constructed. Each Owner should not rely on a Plat or any site plans used for illustration purposes as the Declaration governs the rights and obligations of Developer and Owners with respect to the Common Areas.

11. Maintenance by Association.

11.1. Common Areas. Except as otherwise specifically provided in this Declaration to the contrary, Association shall at all times maintain, repair, replace and insure the Common Areas, including all improvements placed thereon.

11.2. Duty to Maintain Surface Water Management System. The Surface Water Management System within Sandhill Preserve will be owned, maintained and operated by Association as permitted by the District and owned by Association as Common Areas, the costs of the operation and maintenance of the Surface Water Management System shall be part of the Operating Costs of Association. Notwithstanding the foregoing, the District has the right to take enforcement action, including a civil action for injunction and penalties against Association to compel it to correct any outstanding problems with the Surface Water Management System facilities or in mitigation areas under the responsibility or control of Association. Association shall accept any and all transfer of permits from Developer. Association shall cooperate with Developer with any applications, certifications, documents or consents required to effectuate any such transfer of permits to Association.

11.3. Amendments Affecting Surface Water Management System. Any proposed amendment to the Association Documents which will affect the Surface Water Management System including any environmental conservation area and the water management portions of the Common Areas, must have the prior written approval of the District and County. Association's registered agent shall maintain copies of all Surface Water Management

System permits and correspondence respecting such permits, and any future District permit actions shall be maintained by Association's registered agent for Association's benefit.

11.4. Conservation Areas. Lots may contain or be adjacent to wetlands, wetland mitigation or preservation areas, upland conservation areas and drainage easements, which may be dedicated by Plat and/or protected by a conservation easement ("Conservation Area"). Owners of Homes abutting Conservation Areas shall not remove native vegetation (including cattails) that become established within the Conservation Areas abutting their Home. Removal includes dredging, the application of herbicide, cutting, and the introduction of grass carp. Owners shall address any questions regarding authorized activities within the Conservation Areas to the District.

11.5. Use Restrictions for Conservation Areas. The Conservation Areas may in no way be altered from their natural or permitted state. These use restrictions may be defined on the Permit and the plats associated with Sandhill Preserve. Activities prohibited within the Conservation Areas include, but are not limited to, the following:

11.5.1. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

11.5.2. Dumping or placing of soil or other substances or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

11.5.3. Removal or destruction of trees, shrubs or other vegetation; with exception of nuisance and exotic plant species as may be required by Developer.

11.5.4. Excavation, dredging, or removal of loam, peat, gravel, soil, rock or other material substance in such manner as to affect the surface;

11.5.5. Surface use except for purposes that permit the land or water area to remain predominately in its natural condition;

11.5.6. Activities detrimental to drainage, flood control, water conservation, erosion control, or fish and wildlife habitat preservation or conservation;

11.5.7. Acts or uses detrimental to such aforementioned retention and maintenance of land or water areas; and

11.5.8. Acts or uses detrimental to the preservation of any features or aspects of the property having historical, archeological or cultural significance.

11.5.9. No Owner within Sandhill Preserve may construct or maintain any building, residence, or structure, or undertake or perform any activity in the Conservation Areas described in the Permit and recorded plat(s) of Sandhill Preserve, unless prior approval is received from the District.

11.5.10. Each Owner within Sandhill Preserve at the time of construction of a building, residence, or structure shall comply with the construction plans for the Surface Water Management System approved and on file with the District.

11.6. Perimeter Walls. Association shall be responsible for maintaining any perimeter walls of Sandhill Preserve even if such walls lie within one or more Lots, or within any parcels that are not owned by the Association, provided such walls are within or abut Sandhill Preserve.

11.7. Adjoining Areas. Association shall also maintain those drainage areas, swales, lakes maintenance easements, driveways, and landscape areas that are within the Common Areas.

103969

Sandhill Preserve
Declaration
13
3/1/05

11.8. Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas necessitated by the negligent or willful acts of an Owner or persons utilizing the Common Areas, through or under an Owner shall be borne solely by such Owner, and the Home owned by that Owner shall be subject to an Individual Assessment for that expense. By way of example, and not of limitation, an Owner shall be responsible for the removal and replacement of all landscaping and structures placed within easements or Common Areas without the prior written approval of Association.

11.9. Right of Entry. Developer and Association are granted a perpetual and irrevocable easement over, under and across Sandhill Preserve for the purposes herein expressed, including, without limitation, for inspections to ascertain compliance with the provisions of this Declaration, and for the performance of any maintenance, alteration or repair which it is entitled to perform. Without limiting the foregoing, Developer specifically reserves easements for all purposes necessary to comply with any governmental requirement or to satisfy any condition that is a prerequisite for a governmental approval. By way of example, and not of limitation, Developer may construct, maintain, repair, alter, replace and/or remove improvements; install landscaping; install utilities; and/or remove structures on any portion of Sandhill Preserve if Developer is required to do so in order to obtain the release of any bond posted with any governmental agency.

11.10. Maintenance of Property Owned by Others. Association shall, if designated by Master Association or Developer by amendment to this Declaration, or by other notice or direction, maintain vegetation, landscaping, sprinkler system, community identification/features and/or other areas or elements designated by Developer upon areas which are within or outside of Sandhill Preserve and which are owned by, or dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity, so as to enhance the appearance of Sandhill Preserve. These areas may include (by way of example and not limitation) swale areas or median areas within the right-of-way of public streets, roads, drainage areas, community identification or features, community signage or other identification and/or areas within canal rights-of-ways or other abutting waterways.

11.11. Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

11.12. Driveway and Sidewalk Easement. Each Owner shall be responsible to repair any damage to a driveway which comprises part of a Home and the sidewalk and driveway abutting the front Lot of the Home, including, but not limited to, any damage caused by Association or by the holder of any easement over which such driveway or sidewalk is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway or sidewalk in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway or sidewalk in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

12. Use Restrictions. In addition to use restrictions in the Master Declaration, each Owner must comply with the following:

12.1. Alterations and Additions. No alteration, addition or modification to a Lot or Home, or change in the appearance thereof, shall be made without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration.

12.2. Animals. No animals of any kind shall be raised, bred or kept within Sandhill Preserve for commercial purposes. Otherwise, Owners may keep domestic pets as permitted by County ordinances and otherwise in accordance with the Rules and Regulations established by the Board from time to time. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets or animals do not constitute a nuisance. A determination by the Board that an animal or pet kept or harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside

103969

Sandhill Preserve
Declaration
14
3/8/03

a Home unless such pet is kept on a leash or within an enclosed portion of the yard of a Home, as approved by the ACC. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. All pets shall defecate only in the "pet walking" areas within Sandhill Preserve designated for such purpose, if any, or on that Owner's Home. The person walking the pet or the Owner shall immediately clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this Section.

12.3. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Lot, unless approved by the ACC.

12.4. Cars and Trucks.

12.4.1. Parking. Owners' automobiles shall be parked in the garage or driveway, if provided, and shall not block the sidewalk. No vehicles of any nature shall be parked on any portion of Sandhill Preserve or a Lot except on the surfaced parking area thereof. All lawn maintenance vehicles shall park on the driveway of the Home and not in the roadway or swale. There shall be no overnight parking on the street within Sandhill Preserve. No vehicles used in business for the purpose of transporting goods, equipment and the like, or any trucks or vans which are larger than three-quarter (3/4) ton shall be parked in Sandhill Preserve except during the period of a delivery. Recreational vehicles, personal street vans, personal trucks of three-quarter (3/4) ton capacity or smaller, and personal vehicles that can be appropriately parked within standard size parking garages may be parked in Sandhill Preserve.

12.4.2. Repairs and Maintenance of Vehicles. No vehicle which cannot operate on its own power shall remain on Sandhill Preserve for more than twelve hours, except in the garage of a Home. No repair or maintenance, except emergency repair, of vehicles shall be made within Sandhill Preserve, except in the garage of a Home. No vehicles shall be stored on blocks. No tarpaulin covers on vehicles shall be permitted anywhere within the public view.

12.4.3. Prohibited Vehicles. No commercial vehicle, limousines, recreational vehicle, boat, trailer including, but not limited to, boat trailers, house trailers, and trailers of every other type, kind or description, or camper, may be kept within Sandhill Preserve except in the garage of a Home. The term commercial vehicle shall not be deemed to include law enforcement vehicles or recreational or utility vehicles (i.e., Broncos™, Blazers™, Explorers™, Navigators™, etc.) or clean "non-working" vehicles such as pick-up trucks, vans, or cars if they are used by the Owner on a daily basis for normal transportation. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation, or repair by Developer of Homes, Common Areas, or any other Sandhill Preserve facility. No vehicles displaying commercial advertising shall be parked within the public view. No vehicles bearing a "for sale" sign shall be parked within the public view anywhere on Sandhill Preserve. For any Owner who drives an automobile issued by the County or other governmental entity (i.e., police cars), such automobile shall not be deemed to be a commercial vehicle and may be parked in the garage or driveway of the Home. No vehicle shall be used as a domicile or residence either temporarily or permanently.

12.5. Casualty Destruction to Improvements. In the event that a Home or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Home or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Home or improvement and restore or repair the Home as set forth in Section 13.2.2 herein and as approved by the ACC. As to any such reconstruction of a destroyed Home or improvements, the same shall only be replaced as approved by the ACC.

12.6. Commercial Activity. Except for normal construction activity, sale, and re-sale of a Home, sale or re-sale of other property owned by Developer, administrative offices of Developer, no commercial or business activity shall be conducted in any Home within Sandhill Preserve. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner's

103969

Sandhill Preserve
Declaration
15
3/8/05

personal use; provided, however, business invitees, customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within Sandhill Preserve. No solicitors of a commercial nature shall be allowed within Sandhill Preserve, without the prior written consent of Association. No day care center or facility may be operated out of a Home.

12.7. Completion and Sale of Units. No person or entity shall interfere with the completion and sale of Homes within Sandhill Preserve. WITHOUT LIMITING THE FOREGOING, EACH OWNER, BY ACCEPTANCE OF A DEED TO A HOME, AGREES THAT ACTIONS OF OWNERS MAY IMPACT THE VALUE OF HOMES; THEREFORE, EACH OWNER IS BENEFITTED BY THE FOLLOWING RESTRICTION: PICKETING AND POSTING OF NEGATIVE SIGNS IS STRICTLY PROHIBITED IN ORDER TO PRESERVE THE VALUE OF THE HOMES IN THE COMMUNITY AND RESIDENTIAL ATMOSPHERE THEREOF.

12.8. Control of Contractors. Except for direct services which may be offered to Owners (and then only according to the Rules and Regulations relating thereto as adopted from time to time), no person other than an Association officer or representative of the management company retained by Association shall direct, supervise, or in any manner attempt to assert any control over any contractor of Association.

12.9. Cooking. No cooking shall be permitted nor shall any goods or beverages be consumed on the Common Areas except in areas designated for those purposes by Association.

12.10. Decorations. No decorative objects including, but not limited to, birdbaths, landscape edging, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Sandhill Preserve without the prior written approval of the ACC. Notwithstanding the foregoing, holiday lighting and decorations shall be permitted to be placed upon the exterior portions of the Home and upon the Lot in the manner permitted hereunder commencing on Thanksgiving and shall be removed not later than January 15th of the following year. The ACC may establish standards for holiday lights. The ACC may require the removal of any lighting that creates a nuisance (e.g., unacceptable spillover to adjacent Home).

12.11. Disputes as to Use. If there is any dispute as to whether the use of any portion of Sandhill Preserve complies with this Declaration, such dispute shall, prior to the Community Completion Date, be decided by Developer, and thereafter by Association. A determination rendered by such party with respect to such dispute shall be final and binding on all persons concerned.

12.12. Drainage System. Drainage systems and drainage facilities may be part of the Common Areas and/or Homes. Once drainage systems or drainage facilities are installed by Developer, the maintenance of such systems and/or facilities thereafter within the boundary of a Home shall be the responsibility of the Owner of the Home which includes such system and/or facilities. In the event that such system or facilities (whether comprised of swales, pipes, pumps, waterbody slopes, or other improvements) is adversely affected by landscaping, fences, structures (including, without limitation, pavers) or additions, the cost to correct, repair, or maintain such drainage system and/or facilities shall be the responsibility of the Owner of each Home containing all or a part of such drainage system and/or facilities. By way of example, and not of limitation, if the Owner of one Home plants a tree (pursuant to the ACC approval) and the roots of such tree subsequently affect pipes or other drainage facilities within another Home, the Owner that plants the tree shall be solely responsible for the removal of the roots which adversely affects the adjacent Home. Likewise, if the roots of a tree located within the Common Areas adversely affect an adjacent Home, Association shall be responsible for the removal of the roots and the costs thereof shall be Operating Costs. Notwithstanding the foregoing, Association, the District and Developer shall have no responsibility or liability for drainage problems of any type whatsoever.

12.13. Driveway Repair. Each Owner shall be responsible to timely repair, maintain and/or replace the driveway comprising part of a Home, including, but not limited to, any damage caused by Developer, Association or by the holder of any easement over which such driveway is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify, defend and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway in

103969

Sandhill Preserve
Declaration
16
3/8/05

that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

12.14. Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a Home shall encroach upon another Home by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists. It is contemplated that each Home shall contain an improvement with exterior walls, footings, and other protrusions which may pass over or underneath an adjacent Home. A perpetual nonexclusive easement is herein granted to allow the footers for such walls and other protrusions and to permit any natural water run off from roof overhangs, eaves and other protrusions onto an adjacent Home.

12.15. Extended Vacation and Absences. In the event a Home will be unoccupied for an extended period, the Home must be prepared prior to departure by: (i) notifying Association in writing; (ii) removing all removable furniture, plants and other objects from outside the Home; and (iii) designating a responsible firm or individual to care for the Home, should the Home suffer damage or require attention, and providing a key to that firm or individual. The name of the designee shall be furnished to Association. Neither Association nor Developer shall have responsibility of any nature relating to any unoccupied Home.

12.16. Fences and Walls. No walls or fences shall be erected or installed without prior written consent of the ACC. No fence may be higher than any perimeter wall. No chain link fencing of any kind shall be allowed. All enclosures of balconies or patios, including, without limitation, addition of vinyl windows and decks shall require the prior written approved of the ACC.

12.17. Fuel Storage. No storage tanks, including but not limited to, those for water, oil, propane gas, or other liquid fuels or chemicals, including those used for swimming pools or the like, shall be permitted on any Lot unless the same shall be underground or placed inside of walls, fences, or landscaping screens consisting of three (3) gallon size container vegetative material planted on 18" centers, provided ACC approval shall be required for any and all such installations. In no event shall any storage tank be visible from any adjacent or neighboring property, including from any Common Area or any property owned by Master Association.

12.18. Garages. Each Home may have its own garage. No garage shall be converted into a general living area unless specifically approved by the ACC. Garage doors shall remain closed at all times except when vehicular or pedestrian access is required.

12.19. Garbage Cans. Trash collection and disposal procedures established by Association shall be observed. No outside burning of trash or garbage is permitted. No garbage cans, supplies or other similar articles shall be maintained on any Home so as to be visible from outside the Home or Parcel. Each Owner shall be responsible for properly depositing his or her garbage and trash in garbage cans and trash containers sufficient for pick-up by the appropriate collection agencies in accordance with the requirements of any such agency. All such trash receptacles shall be maintained in a sanitary condition and shall be shielded from the view of adjacent properties and streets. Garbage cans and trash containers shall not be placed outside the Home for pick-up earlier than 6:00 p.m. on the day preceding the pick-up, and must be returned to the Home so that they are not visible from outside the Home on the day of pick-up.

12.20. General Use Restrictions. Each Home, the Common Areas and any portion of Sandhill Preserve shall not be used in any manner contrary to the Association Documents.

12.21. Grass. Any replanting or resodding of grass by an Owner within his or her Lot must be done with St. Augustine sod or other ground cover first approved by the ACC.

12.22. Hurricane Shutters. Any hurricane shutters or other protective devices visible from outside a Home shall be of a type as approved in writing by the ACC. Panel, accordion and roll-up style hurricane shutters may not be left closed during hurricane season (nor at any other time). Any such approved hurricane shutters may be installed or closed up to forty-eight (48) hours prior to the expected arrival of a hurricane and must be removed or

103969

Sandhill Preserve
Declaration
17
3/8/05

opened within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise. Except as the Board may otherwise decide, shutters may not be closed at any time other than a storm event. Any approval by the ACC shall not be deemed an endorsement of the effectiveness of hurricane shutters.

12.23. Irrigation. Due to water quality, irrigation systems may cause staining on Homes, other structures or paved areas. It is each Owner's responsibility to treat and remove any such staining. Any irrigation system that is not specifically the maintenance obligation of Association or an Owner shall be the maintenance obligation of Association and shall be deemed part of the Common Areas.

12.24. Lake and Canal Slopes. The rear yard of some Homes may border lakes and canals forming part of the Common Areas. Association may maintain portions of the Common Areas contiguous to the rear lot line of such Home which comprise part of the lake slopes and banks and/or canal slopes and banks to prevent or restore erosion of slopes and banks due to drainage or roof culvert outfalls. The Owner of each Home bordering on the lake and canals shall ensure that lake and canal banks and slopes remain free of any structural or landscape encroachments so as to permit vehicular access for maintenance when needed. Each Owner hereby grants the Association an easement of ingress and egress across his or her Home to all adjacent lake and canal areas for the purpose of insuring compliance with the requirements of this Section. BY ACCEPTANCE OF A DEED TO A HOME OR LOT, EACH OWNER ACKNOWLEDGES THAT THE WATER LEVELS OF ALL LAKES AND WATERBODIES MAY VARY. THERE IS NO GUARANTEE BY DEVELOPER OR ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME.

12.25. Laundry. Subject to the provisions of Section 163.04 of the Florida Statutes, to the extent applicable, no clotheslines, rugs, mops, or laundry of any kind, or any other similar type article, shall be hung or exposed so as to be visible outside the Home or Lot.

12.26. Lawful Use. No immoral, improper, offensive, unlawful or obnoxious use shall be made in any portion of Sandhill Preserve. All laws, zoning ordinances and regulations of all governmental entities having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental entities for maintenance, modification or repair of a portion of Sandhill Preserve shall be the same as the responsibility for maintenance and repair of the property concerned.

12.27. Landscaping and Irrigation of Lots; Removal of Sod and Shrubbery; Additional Planting.

12.27.1. Every Owner shall be required to irrigate the grass and landscaping located on the Lots in a routine and ordinary manner, and shall ensure that sufficient irrigation occurs during all periods when the Owner is absent from the Lot. Every Owner shall be responsible to maintain in good condition any irrigation system within such Owner's Lot.

12.27.2. All grass and landscaping located within any rear yard of a Lot shall be maintained by the Owner. No gardens, Jacuzzis, fountains, playground equipment, pools, screened rooms, or other permitted improvements shall be constructed within the rear yard of a Lot without the prior written approval of the ACC. Each Owner understands that Lots within this Community may not be large enough to accommodate any of the foregoing items in any event.

12.27.3. No decorative objects including, but not limited to, birdbaths, landscape edging, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Sandhill Preserve without the prior written approval of the ACC. Without the prior consent of the ACC, no sod, topsoil, tree or shrubbery shall be removed from Sandhill Preserve, and there shall be no change in the plant landscaping or elevation of such areas and no change in the condition of the soil or the level of the land of such areas which results in any change in the flow and drainage of surface water which the ACC, in its sole discretion, considers detrimental or potentially detrimental to person or property. Notwithstanding the foregoing, Owners who install improvements to the Home (including, without limitation, concrete or brick pavers) which result in any change in the flow and/or drainage of surface water shall be responsible for all costs of drainage problems resulting from such improvement. Further, in the event that such Owner fails to pay for such required repairs, each Owner agrees to reimburse Association for all expenses incurred in fixing such drainage problems including, without limitation, removing excess water and/or repairing the Surface Water Management System.

103969

Sandhill Preserve
Declaration
18
3/8/05

12.27.4. No landscape lighting shall be installed by an Owner without the prior written approval of the ACC.

12.27.5. No alterations to the landscaping beds within an Owner's Lot shall be made without the prior written approval of the ACC.

12.27.6. Without the prior consent of the ACC, no Owner shall remove soil from any portion of Sandhill Preserve or change the level of the land within Sandhill Preserve, or plant landscaping which results in any permanent change in the flow and drainage of surface water within Sandhill Preserve. Owners may not place additional plants, shrubs, or trees within any portion of Sandhill Preserve without the prior approval of the ACC.

12.28. Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association if so requested by Association. No time-share or other similar arrangement is permitted. The Owner must make available to the lessee or occupants copies of the Association Documents. Short term rentals and Transient Rentals (as those terms may be defined by County) are specifically allowed within Sandhill Preserve. Notwithstanding the foregoing, this Section shall not apply to a situation where an Owner or resident of a Home receives in-home care by a professional caregiver residing within the Home.

12.29. Maintenance by Owners.

12.29.1. Standard of Maintenance. All lawns, landscaping and sprinkler systems and any property, structures, improvements, fences, and appurtenances not maintained by Association shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of Sandhill Preserve by the Owner of each Home. Each Owner is specifically responsible for maintaining all grass, landscaping and improvements within any portion of a Lot. In addition, if an Owner has installed a fence or wall around a Lot, or any portion thereof, then such Owner must maintain any portion of the Common Areas that is no longer readily accessible to Association. Each Owner shall be responsible for root pruning trees within any portion of his or her Lot. In addition, if the Developer or the Association has constructed a fence that is located partially upon a Lot, the Owner of such Lot shall maintain the portion of the fence on his or her Lot in good condition and repair.

12.29.2. Mailboxes. Each Owner shall be responsible for the maintenance, repair and replacement of his or her mailbox. In the event a mailbox post requires maintenance, repair or replacement, each Owner whose mailbox is affixed to such mailbox post shall share equally in the cost of the same.

12.29.3. Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

12.30. Minor's Use of Facilities. Adults shall be responsible for all actions of their minor children at all times in and about Sandhill Preserve. Neither Developer nor Association shall be responsible for any use of the facilities by anyone, including minors.

12.31. Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Sandhill Preserve is permitted. No firearms shall be discharged within Sandhill Preserve. Nothing shall be done or kept within the Common Areas, or any other portion of Sandhill Preserve, including a Home or Lot which will increase the rate of insurance to be paid by Association.

12.32. Personal Property. All personal property of Owners or other occupants of Homes shall be stored within the Homes. No personal property may be stored on, nor any use made of, the Common Areas, any Lot or Home, or any other portion of Sandhill Preserve, which is unsightly or which interferes with the comfort and convenience of others.

12.33. Pools. No above-ground pools shall be permitted. All in-ground pools, hot tubs, spas and appurtenances installed shall require the prior written approval of the ACC as set forth in this Declaration. The design must incorporate, at a minimum, the following: (i) the composition of the material must be thoroughly tested and accepted by the industry for such construction; (ii) any swimming pool constructed on any Lot shall have an elevation at the top of the pool of not over two (2) feet above the natural grade unless approved by the ACC; (iii) pool cages and screens must be of a design, color and material approved by the ACC and shall be no higher than twelve (12) feet unless otherwise approved by the ACC; and (iv) pool screening shall in no event be higher than the roof line of the Home. Pool screening shall not extend beyond the sides of the Home without express approval by the ACC. All pools shall be adequately maintained and chlorinated (or cleaned with similar treatment). Unless installed by Developer, no diving boards, slides, or platforms shall be permitted without ACC approval.

12.34. Roofs, Driveways and Pressure Treatment. Roofs and/or exterior surfaces and/or pavement, including, but not limited to, walks and drives, shall be pressure treated within thirty (30) days of notice by the ACC. No surface applications to driveways shall be permitted without the prior written approval of the ACC as to material, color and pattern. Such applications shall not extend beyond the front Lot line or include the sidewalk. Notwithstanding Association's responsibility to paint, each Owner shall be responsible to pressure clean between paintings.

12.35. Satellite Dishes and Antennae. No exterior visible antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Lot without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration. The ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, or from the Common Areas. Each Owner agrees that the location of such items must be first approved by the ACC in order to address the safety and welfare of the residents of Sandhill Preserve. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others. All antennas not covered by the Federal Communications Commission ("FCC") rules are prohibited. Installation, maintenance, and use of all antennas shall comply with restrictions adopted by the Board and shall be governed by the then current rules of the FCC.

12.36. Screened Enclosures. No screened enclosures, for pools or otherwise, shall be permitted without the prior written approval of the ACC.

12.37. Sculptures, Fountains, Equipment, Signs and Flags. No sign (including, without limitation, brokerage or for sale/lease signs, or any window signs), flag, banner, sculpture, fountain, outdoor play equipment, solar equipment, artificial vegetation, sports equipment, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any portion of Sandhill Preserve that is visible from the outside without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration; provided, however, signs required by governmental agencies and approved by the ACC may be displayed (e.g., permit boards). Developer is exempt from this Section. No in-ground flag poles (except as Developer may use) shall be permitted within Sandhill Preserve, unless written approval of the ACC is obtained. Notwithstanding the foregoing, flags which are no larger than 24" x 36", attached to a Home and displayed for the purpose of a holiday and United States of America flags shall be permitted without ACC approval.

12.38. Sports Equipment. No recreational, playground or sports equipment shall be installed or placed within or about any portion of Sandhill Preserve without prior written consent of the ACC. No basketball backboards or play structures will be permitted without written approval by the ACC. No basketball hoops shall be attached to a Home and any portable basketball hoops must be stored inside the Home. Any approved equipment that may be stored outside the Home shall be located at the rear of the Home or on the inside portion of corner Homes within the setback lines. No tree houses, platforms, skateboard ramps or tennis courts may be constructed on any Parcel. No tennis courts are permitted within Lots.

12.39. Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the ACC, which approval shall conform to the requirements of this Declaration. Any boat stored on a Lot must be screened by landscaping, fencing or walls approved by the ACC so that such boat is not visible from the street. Water softeners, trash containers, barbecue grills, and other similar devices shall be properly screened from the street in a manner approved by the ACC.

103969

Sandhill Preserve
Declaration
20
3/8/05

12.40. Subdivision and Regulation of Land. No portion of any Home or Lot shall be divided or subdivided or its boundaries changed without the prior written approval of Association. No Owner shall inaugurate or implement any variation from, modification to, or amendment of governmental regulations, land use plans, land development regulations, zoning, or any other development orders or development permits applicable to Sandhill Preserve, without the prior written approval of Developer, which may be granted or denied in its sole discretion.

12.41. Substances. No flammable, combustible or explosive fuel, fluid, chemical, hazardous waste, or substance shall be kept on any portion of Sandhill Preserve or within any Home or Lot, except those which are required for normal household use. All propane tanks and bottled gas for household and/or pool purposes (excluding barbecue grill tanks) must be installed underground or in a manner to be screened from view by landscaping or other materials approved by the ACC.

12.42. Swimming, Boating and Docks. Swimming is prohibited within any of the lakes or waterbodies within or adjacent to Sandhill Preserve. Boating and personal watercrafts (e.g., water skis) are prohibited. No docks may be erected within any lake or waterbody.

12.43. Use of Homes. Each Home is restricted to residential use as a residence by the Owner or permitted occupant thereof, its immediate family, guests, tenants and invitees.

12.44. Visibility on Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the ACC and governmental agencies. No vehicles, objects, fences, walls, hedges, shrubs or other planting shall be placed or permitted on a corner Lot where such obstruction would create a traffic problem.

12.45. Wetlands and Mitigation Areas. It is anticipated that the Common Areas may include one or more preserves, wetlands, and/or mitigation areas. No Owner or other person shall take any action or enter onto such areas so as to adversely affect the same. Such areas are to be maintained by Association in their natural state.

12.46. Window or Wall Air Conditioning Units. No window or wall air conditioning unit may be installed in any window or wall of a Home.

12.47. Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a Home or when permanent window treatments are being cleaned or repaired. No security bars shall be placed on the windows of any Home without prior written approval of the ACC. No awnings, canopies or shutters shall be affixed to the exterior of a Home without the prior written approval of the ACC. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the ACC. Window treatments facing the street shall be of a neutral color, such as white, off-white or wood tones.

13. Insurance.

13.1. Association. Association shall maintain the following insurance coverage:

13.1.1. Flood Insurance. If the Common Areas are located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), coverage in appropriate amounts, available under NFIP for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area.

13.1.2. Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate by the Board. Such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date) and Association.

13.1.3. Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

13.1.4. Other Insurance. Such other insurance coverage as appropriate from time to time. All coverage obtained by Association shall cover all activities of Association and all properties maintained by Association, whether or not Association owns title thereto. Without limiting the foregoing and in addition to any other insurance required under this Section 13, Association shall carry an insurance policy insuring itself from liability for damages related to or arising in connection with the streets, sidewalks, drainage system (including detention/retention areas). The minimum amount of insurance required shall be established by resolution of the Board of County Commissioners.

13.1.5. Developer. Prior to and including the Turnover Date, Developer shall have the right, at Association's expense, to provide insurance coverage under its master insurance policy in lieu of any of the foregoing; provided such coverage meets the foregoing minimum requirements.

13.2. Homes.

13.2.1. Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance of his or her Home. Such insurance shall be sufficient for necessary repair or reconstruction work, and/or shall cover the costs to demolish a damaged Home as applicable, remove the debris, and to resod and landscape land comprising the Home. Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

13.2.2. Requirement to Reconstruct or Demolish. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("Required Repair"), or Owner shall tear the Home down, remove all the debris, and resod and landscape the property comprising the Home as required by the ACC ("Required Demolition") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole and absolute discretion subject to extension if required by law. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

13.2.3. Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section 13.2.3 shall be in accordance with the Community Standards and any other standards established by Association with respect to any casualty that affects all or a portion of Sandhill Preserve .

13.2.4. Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair or Required Demolition as herein provided, then Association, in its sole and absolute discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair or Required Demolition. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. Association shall have the absolute right to perform the Required Demolition to a Home pursuant to this Section if any contractor certifies in writing to Association that such Home cannot be rebuilt or repaired. The Board may levy an Individual Assessment against

the Owner in whatever amount sufficient to adequately pay for Required Repair or Required Demolition performed by Association.

13.2.5. Association Has No Liability. Notwithstanding anything to the contrary in this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail for any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association in this Section.

13.3. Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

13.4. Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

13.5. Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

13.6. Additional Insured. Developer and its Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

13.7. Cost of Payment of Premiums. The costs of all insurance maintained by Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs.

14. Property Rights.

14.1. Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in Sandhill Preserve shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is entitled to use for their intended purpose, subject to the following provisions:

14.1.1. Easements, restrictions, reservations, conditions, limitations and declarations of record, now or hereafter existing, and the provisions of this Declaration, as amended.

14.1.2. The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Section 720.305 of the Florida Statutes, as amended from time to time.

14.1.3. The right to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas by an Owner, its immediate family, etc. for any period during which any Assessment against that Owner remains unpaid.

14.1.4. The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Community Completion Date without prior written consent of Developer.

14.1.5. The perpetual right of Developer to access and enter the Common Areas at any time, even after the Community Completion Date, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

103969

Sandhill Preserve
Declaration
23
3/8/05

14.1.6. The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

14.1.7. The rights of Developer and/or Association regarding Sandhill Preserve as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

14.1.8. Rules and Regulations adopted governing use and enjoyment of the Common Areas.

14.1.9. An Owner relinquishes use of the Common Areas at any time that a Home is leased to a Tenant.

14.2. Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and across sidewalks paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes.

14.3. Development Easement. In addition to the rights reserved elsewhere herein, Developer reserves an easement for itself or its nominees over, upon, across, and under Sandhill Preserve as may be required in connection with the development of Sandhill Preserve, and other lands designated by Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes, any portion of Sandhill Preserve, and other lands designated by Developer. Without limiting the foregoing, Developer specifically reserves the right to use all paved roads and rights of way within Sandhill Preserve for vehicular and pedestrian ingress and egress to and from construction sites and for the construction and maintenance of Telecommunications Systems. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Without limiting the foregoing, at no time shall Developer be obligated to pay any amount to Association on account of Developer's use of the Common Areas for construction purposes. Developer intends to use the Common Areas for sales of Homes. Further, Developer may market other residences and commercial properties located outside of Sandhill Preserve from Developer's sales facilities located within Sandhill Preserve. Developer has the right to use all portions of the Common Areas in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of Homes. The easements created by this Section, and the rights reserved herein in favor of Developer, shall be construed as broadly as possible and supplement the rights of Developer. At no time shall Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Without limiting any other provision of this Declaration, Developer may non-exclusively assign its rights hereunder.

14.4. Public Easements. Fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas. In addition, Telecommunications Providers shall also have the right to use all paved roadways for ingress and egress to and from Telecommunications Systems within Sandhill Preserve.

14.5. Delegation of Use. Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or lessees of that Owner's Home subject to the provisions of this Declaration and the Rules and Regulations, as may be promulgated, from time to time. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.

14.6. Easement for Encroachments. In the event that any improvement upon Common Areas, as originally constructed, shall encroach upon any other property or improvements thereon, or for any reason, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

14.7. Permits, Licenses and Easements. Prior to the Community Completion Date, Developer, and thereafter Association, shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through Sandhill Preserve (including Homes) for utilities, roads and other purposes reasonably necessary or useful as it determines,

in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

14.8. Support Easement and Maintenance Easement. An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across Sandhill Preserve (including Homes) for the reasonable and necessary maintenance of Common Areas, utilities, cables, wires and other similar facilities.

14.9. Drainage. A non-exclusive easement shall exist in favor of Developer, Association, and their designees, and any applicable water management district, state agency, County agency and/or federal agency having jurisdiction over, across and upon Sandhill Preserve for drainage, irrigation and water management purposes. A non-exclusive easement for ingress, egress and access shall exist for such parties to enter upon and over any portion of Sandhill Preserve (including Homes) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, irrigation systems and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Sandhill Preserve and/or installation or maintenance of utilities or which may obstruct or retard these flow of water through Sandhill Preserve and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

14.10. Easement in favor of Association. Association is hereby granted an easement over all of Sandhill Preserve, including all Homes and Lots, for the purpose of (a) constructing, maintaining, replacing and operating all Common Areas, including, but not limited to, lakes, perimeter walls and fences, and (b) performing any obligation of an Owner for which Association intends to impose an Individual Assessment.

14.11. Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

15. Assessments.

15.1. Types of Assessments. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to Association at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association (collectively, the "Assessments"). All Owners shall pay Assessments.

15.2. Purpose of Assessments. The Assessments levied by Association shall be used for, among other things, the purpose of promoting the recreation, health, safety and welfare of the residents of Sandhill Preserve, and in particular for the improvement and maintenance of the Common Areas and any easement in favor of Association, including but not limited to the following categories of Assessments as and when levied and deemed payable by the Board:

15.2.1. Any monthly, quarterly or annual assessment (as determined by the Board) or charge for the purpose of operating Association and accomplishing any and all of its purposes, as determined in accordance herewith, including, without limitation, payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "Installment Assessments");

15.2.2. Any special assessments for capital improvements, major repairs, emergencies, the repair or replacement of the Common Areas, or nonrecurring expenses (hereinafter "Special Assessments");

15.2.3. Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements comprising a portion of the Common Areas

103969

Sandhill Preserve
Declaration
25
1/8/05

(hereinafter "Operational Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Operational Reserves are approved. Until the Community Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason; and

15.2.4. Assessments for which one or more Owners (but less than all Owners) within Sandhill Preserve is subject ("Individual Assessments") such as costs of special services provided to a Home or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, in the event an Owner fails to maintain the exterior of his Home or Lot in a manner satisfactory to Association, Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus the reasonable administrative expenses of Association, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment. Except as hereinafter specified to the contrary, Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

15.3. Designation. The designation of Assessment type shall be made by Association. Prior to the Community Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

15.4. Allocation of Operating Costs.

15.4.1. For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

15.4.2. Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Homes in Sandhill Preserve conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole and absolute discretion, may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer. Nothing in this Section shall derogate from Developer's obligation to collect assessments to fund the Reserve Accounts, as required by Section 16.3 below.

15.4.3. In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the actual Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments, as applicable, for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1st of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment except to the extent specifically provided herein).

15.4.4. Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

15.5. General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

15.6. Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Home to an Owner.

15.7. Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, or upon the number of Homes conveyed to Owners on or prior to December 31 of the prior fiscal year, it is possible that Association may

103969

Sandhill Preserve
Declaration
26
1/8/05

collect more or less than the amount budgeted for Operating Costs. Prior to and including the Turnover Date, Developer shall have the option to (i) fund all or any portion of the shortfall in Installment Assessments not raised by virtue of all income received by Association or (ii) to pay Installment Assessments on Homes or Lots owned by Developer; provided, however, Developer remains obligated to pay its portion of the Reserve Accounts (as hereafter defined) required by the Gated Community Ordinance as outlined in Section 16.3 of this Declaration. If Developer has cumulatively overfunded Operating Costs and/or prepaid expenses of Association which have not been reimbursed to Developer prior to and including the Turnover Date, Association shall refund such amounts to Developer on or prior to the Turnover Date or as soon as possible thereafter (e.g. once the amount is finally determined). Developer shall never be required to (i) pay Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes or Lots owned by Developer, or (ii) pay Special Assessments, management fees or reserves other than those required by the Gated Community Ordinance. Any surplus Assessments collected by Association may be (i) allocated towards the next year's Operating Costs, (ii) used to fund Operational Reserves, whether or not budgeted, (iii) retained by Association, and/or (iv) used for any other purpose, in Association's sole and absolute discretion, to the creation of Reserves, whether or not budgeted. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

15.8. Budget. The initial budget prepared by Developer is adopted as the budget for the period of operation until adoption of the first annual Association budget. Thereafter, the annual budget respecting Operating Costs shall be prepared and adopted by the Board. To the extent Association has commenced or will commence operations prior to the date this Declaration is recorded or the first Home is closed, the Operating Costs may vary in one or more respects from that set forth in the initial budget. Developer shall fund entirely all Operating Costs until the month prior to the closing of the first Home. Thereafter, Assessments shall be payable by each Owner as provided in this Declaration. **THE INITIAL BUDGET OF ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.** Unless waived by Master Association pursuant to the Master Declaration, the budget for each fiscal year shall include, but will not be limited to, all assessments levied by Master Association on all Lots and Homes within Sandhill Preserve .

15.9. Establishment of Assessments. Assessments shall be established in accordance with the following procedures:

15.9.1. Installment Assessments shall be established by the adoption of a twelve (12) month operating budget by the Board. The budget shall be in the form required by Section 720.303(6) of the Florida Statutes, as amended from time to time. Written notice of the amount and date of commencement thereof shall be given to each Owner not less than ten (10) days in advance of the due date of the first installment thereof. Notwithstanding the foregoing, the budget may cover a period of less than twelve (12) months if the first budget is adopted mid-year or in order to change the fiscal year of Association.

15.9.2. Special Assessments and Individual Assessments against the Owners may be established by Association, from time to time, and shall be payable at such time or time(s) as determined. Until the Community Completion Date, no Special Assessment shall be imposed without the consent of Developer.

15.10. Disclosure of Assessments. At the time of execution of a sales contract by Developer with the initial purchaser of any Home, Developer shall provide to such Purchaser, a schedule disclosing the then-existing amounts of Assessments. Such schedule must also state that the Gated Community Ordinance Assessments (as defined in Section 25.1) do not include either the routine maintenance of or the capital repair and replacement of certain Common Areas not related to the Sandhill Preserve infrastructure (such as Common Area landscaping, entrance and exit gates, walls, swimming pools, clubhouses, parks, other recreation areas, etc.).

15.11. Initial Capital Contribution. The first purchaser of each Lot, Home or Parcel, at the time of closing of the conveyance from Developer to the purchaser, shall pay to Developer an initial capital contribution in the amount of two (2) months Assessments (the "Initial Capital Contribution"). The funds derived from the Initial Capital Contributions shall be used at the discretion of Developer for any purpose, including but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs.

15.12. Assessment Estoppel Certificates. No Owner shall sell or convey its interest in a Home unless all sums due Association have been paid in full and an estoppel certificate in recordable form shall have been received by such Owner. Association shall prepare and maintain a ledger noting Assessments due from each Owner. The ledger shall be kept in the office of Association, or its designees, and shall be open to inspection by any Owner. Within ten (10) days of a written request therefor, there shall be furnished to an Owner an estoppel certificate in writing setting forth whether the Assessments have been paid and/or the amount which is due as of any date. As to parties other than Owners who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any Assessment therein stated. The Owner requesting the estoppel certificate shall be required to pay Association a reasonable sum (or transfer fee) to cover the costs of examining records and preparing such estoppel certificate. Each Owner waives its rights (if any) to an accounting related to Operating Costs or Assessments.

15.13. Payment of Home Real Estate Taxes. Each Owner shall pay all taxes and obligations relating to its Home which, if not paid, could become a lien against the Home which is superior to the lien for Assessments created by this Declaration.

15.14. Creation of the Lien and Personal Obligation. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels of proceedings including appeals, collections and bankruptcy, shall be a charge and continuing lien in favor of Association encumbering the Home and all personal property located thereon owned by the Owner against whom each such Assessment is made. The lien is effective from and after recording a Claim of Lien in the Public Records stating the legal description of the Home, name of the Owner, and the amounts due as of that date, but shall relate back to the date that this Declaration is recorded. The Claim of Lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the Assessment became due, as well as the Owner's heirs, devisees, personal representatives, successors or assigns.

15.15. Subordination of the Lien to Mortgages. The lien for Assessments shall be subordinate to bona fide first mortgages on any Home, if the mortgage is recorded in the Public Records prior to the Claim of Lien. The lien for Assessments shall not be affected by any sale or transfer of a Home, except in the event of a sale or transfer of a Home pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) of a bona fide first mortgage held by a Lender, in which event, the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a lien for Assessments encumbering the Home or chargeable to the former Owner of the Home which became due prior to such sale or transfer. However, any such unpaid Assessments for which such acquirer of title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of Operating Costs included within Installment Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the Owner from liability for, nor the Home from the lien of, any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection by means other than foreclosure.

15.16. Acceleration. In the event of a default in the payment of any Assessment, Association may accelerate the Assessments then due for up to the next ensuing twelve (12) month period.

15.17. Non-Payment of Assessments. If any Assessment is not paid within fifteen (15) days (or such other period of time established by the Board) after the due date, a late fee of \$25.00 per month (or such greater amount established by the Board), together with interest in an amount equal to the maximum rate allowable by law (or such lesser rate established by the Board), per annum, beginning from the due date until paid in full, may be levied. The late fee shall compensate Association for administrative costs, loss of use of money, and accounting expenses. Association may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Home, or both. Association shall not be required to bring such an action if it believes that the best interests of Association would not be served by doing so. There shall be added to the Assessment all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, at all levels of proceedings, including appeals, collection and

103969

Sandhill Preserve
Declaration
28
3/8/05

bankruptcy. No Owner may waive or otherwise escape liability for Assessments provided for herein by non-use of, or the waiver of the right to use the Common Areas or by abandonment of a Home.

15.18. Exemption. Notwithstanding anything to the contrary herein, but except as set forth in Section 16.3 below, Developer shall not be responsible for any Assessments of any nature or any portion of the Operating Costs. Except as set forth in Section 16.3 below, Developer, at Developer's sole option, may pay Assessments on Homes owned by it, or fund the deficit, if any, as set forth in Section 15.7 herein.

15.19. Collection by Developer. If for any reason Association shall fail or be unable to levy or collect Assessments, then in that event, Developer shall at all times have the right, but not the obligation: (i) to advance such sums as a loan to Association to bear interest and to be repaid as hereinafter set forth; and/or (ii) to levy and collect such Assessments by using the remedies available as set forth above, which remedies; including, but not limited to, recovery of attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be deemed assigned to Developer for such purposes. If Developer advances sums, it shall be entitled to immediate reimbursement, on demand, from Association for such amounts so paid, plus interest thereon at the Wall Street Journal Prime Rate plus two percent (2%), plus any costs of collection including, but not limited to, reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy.

15.20. Rights to Pay Assessments and Receive Reimbursement. Association, Developer, and any Lender of a Home shall have the right, but not the obligation, jointly and severally, and at their sole option, to pay any Assessments or other charges which are in default and which may or have become a lien or charge against any Home. If so paid, the party paying the same shall be subrogated to the enforcement rights of Association with regard to the amounts due.

15.21. Mortgagee Right. Each Lender may request in writing that Association notify such Lender of any default of the Owner of the Home subject to the Lender's Mortgage under the Association Documents which default is not cured within thirty (30) days after Association learns of such default. A failure by Association to furnish notice to any Lender shall not result in liability of Association because such notice is given as a courtesy to a Lender and the furnishing of such notice is not an obligation of Association to Lender.

16. Reserve Accounts Required by Gated Community Ordinance. Association must create, deposit monies into, retain in perpetuity, and replenish from time to time the following reserve accounts: (i) a routine-infrastructure-maintenance account (the "Maintenance Account"); (ii) a capital-repair/streets account (the "Streets Account"); (iii) a capital-repair/drainage pond account (the "Drainage Account"); and (iv) a capital-repair/other infrastructure account (the "Other Infrastructure Account"). The Maintenance Account, Streets Account, Drainage Account and Other Infrastructure Account shall hereafter collectively be referred to as the "Reserve Accounts").

16.1. Financial Reports and Other Requirements. Each year Association shall cause a financial report of the Reserve Accounts to be performed and prepared, and a copy of such report shall be submitted to each Owner within the time frame required under the "Financial Reporting" requirements of Chapter 720 of the Florida Statutes. At a minimum, the report shall confirm the existence of each of the Reserve Accounts and report the amounts of deposits into and expenditures from each Reserve Account during the period year, along with an itemization of the expenditures, if any, from the Reserve Accounts. The financial report shall also disclose whether any of the Reserve Accounts has deposited less than the amount required by this Declaration.

16.2. Maintaining Separate Reserve Accounts. The Reserve Accounts must be asset accounts kept separate and apart from all other funds and accounts of Association, and for accounting purposes Association may not commingle the Reserve Accounts with each other or with other funds and accounts of Association. Notwithstanding the foregoing, the monies in the Reserve Accounts may be commingled with monies in other Association accounts for banking and investment purposes, and may be pooled with other Association monies in a common investment program; provided, however, the financial books and records of Association account for such monies separately and apart from all other Association monies and keep such monies earmarked for the purposes set forth in this Section 16. All earnings from the investment of monies in the Reserve Accounts shall remain in their respective accounts and shall follow their respective principal.

16.3. Commencement and Obligations of Reserve Accounts. The Association shall use the funds deposited in the Reserve Accounts for the specific purposes noted below in Section 16.5 of this Declaration. The obligation to collect and pay Reserve Accounts assessments shall commence as of the date on which County issues its certificate of completion for the streets, drainage system, and other related improvements for Sandhill Preserve. However, if no Plat has been recorded as of that date, the obligation to collect and pay Reserve Accounts assessments shall commence as of the date the Plat is recorded among the public records of County. Association shall impose and collect Reserve Accounts assessments against each Lot within Sandhill Preserve, including Lots owned or controlled by Developer and any Builder, without exception. The Reserve Accounts assessments must be uniform and equitable and must be imposed and collected in amounts sufficient, when added to the investment earnings and other available revenues of Association, if any, to make all required deposits to each of the Reserve Accounts. Notwithstanding the foregoing, if in the opinion of the County engineer, the infrastructure of Sandhill Preserve has substantially deteriorated at the time the Plat is approved, the County may require an additional payment of Reserve Accounts assessments by Developer to address the loss of useful life of such deteriorated infrastructure.

16.4. Required Funding of Reserve Accounts. The required funding of the Reserve Accounts shall be as follows:

16.4.1. Maintenance Account. Association shall deposit each year into the Maintenance Account an amount of money sufficient to perform all scheduled maintenance and unscheduled repair of the streets, drainage system, and other infrastructure during the subsequent year. The amount deposited, when added to investment earnings, must be no less than the amounts recommended by the engineering report required by County.

16.4.2. Streets Account. Association shall deposit each year into the Street Account an amount sufficient for the streets to be resurfaced and/or reconstructed no less frequently than once every 12 years, and the amount must be estimated by Developer and approved by County prior to the issuance of a certificate of completion for the streets. Deposits to the Street Account must begin on the year in which County issues its certificate of completion for the streets and must be completed no later than the year of the 12th anniversary of the issuance of such certificate. The amount deposited each year by Association must be no less than one-twelfth (1/12) of the estimate approved by County. However, after the Turnover Date, the schedule of deposits may be altered such that one or more annual deposits is less than one-twelfth (1/12) of the estimate, but only if a majority of Owners consent, either in person or by proxy, at a duly called meeting of the members of Association to approve the altered schedule. If the Owners consent to a different schedule of deposits, the revised schedule must result in the aggregate amount of deposits during the 12-year period being equal to or in excess of the estimate approved by County. At the end of each 12-year period, Association shall revise and update the estimate of the cost of reconstructing and/or repairing the streets, taking into consideration actual costs incurred and expected increases in reconstruction and repair costs, and shall adjust the amount of its annual deposits to the Street Account accordingly. If for any reason expenditures are made from the Street Account prior the end of the 12-year period, the amount of deposits to the account in the remaining years will be adjusted in a manner to ensure that the Street Account contains an amount sufficient at the end of the 12-year period to pay the cost of all expected reconstruction and/or repair requirements.

16.4.3. Drainage Account. Association shall deposit each year into the Drainage Account an amount sufficient for the Surface Water Management System to be restored and repaired no less frequently than once every 10 years, and the amount must be estimated by Developer and approved by County prior to the issuance of a certificate of completion for the Surface Water Management System. Deposits to the Drainage Account must begin on the year in which County issues its certificate of completion for the Surface Water Management System and must be completed no later than the year of the 10th anniversary of the issuance of such certificate. The amount deposited each year by Association must be no less than one-tenth (1/10) of the estimate approved by County. However, after the Turnover Date, the schedule of deposits may be altered such that one or more annual deposits is less than one-tenth (1/10) of the estimate, but only if a majority of Owners consent, either in person or by proxy, at a duly called meeting of the members of Association to approve the altered schedule. If the Owners consent to a different schedule of deposits, the revised schedule must result in the aggregate amount of deposits during the 10-year period being equal to or in excess of the estimate approved by County. At the end of each 10-year period, Association shall revise and update the estimate of the cost of reconstructing and/or repairing the Surface Water Management System, taking into consideration actual costs incurred and expected increases in reconstruction and repair costs, and shall adjust the amount of its annual deposits to the Drainage Account accordingly. If for any

103969

Sandhill Preserve
Declaration
30
3/8/05

reason expenditures are made from the Drainage Account prior to the end of the 10-year period, the amount of deposits to the account in the remaining years will be adjusted in a manner to ensure that the Drainage Account contains an amount sufficient at the end of the 10-year period to pay the cost of all expected reconstruction and/or repair requirements.

16.4.4. Other Infrastructure Account. Association shall deposit each year into the Other Infrastructure Account an amount sufficient for the infrastructure related to the streets and drainage system, such as stormwater conveyance systems, sidewalks, curbing, and bike paths, to be reconstructed and/or repaired no less frequently than once every fifty (50) years, and the amount must be approved by County prior to issuance of a certificate of completion for those improvements. Deposits to the Other Infrastructure Account must begin in the year in which County issues its certificate of completion for the improvements and must be completed no later than the year of the 50th anniversary of the issuance of such certificate of completion. The amount deposited each year by Association must be no less than one-fiftieth (1/50) of the estimate approved by County. Notwithstanding the foregoing, after the Turnover Date, the schedule of deposits may be altered such that one or more annual deposits is less than one-fiftieth (1/50) of the estimate, but only if a majority of Owners consent, either in person or by proxy, at a duly called meeting of the members of Association to approve the altered schedule. If the Owners consent to a different schedule of deposits, the revised schedule must result in the aggregate amount of deposits during the 50-year period being equal to or in excess of the estimate approved by County. At the end of each 50-year period, Association shall revise and update the estimate of the cost of reconstructing and/or repairing the improvements, taking into consideration actual costs incurred and expected increases in reconstruction and repair costs, and shall adjust the amount of its annual deposits to the Other Infrastructure Account accordingly. If for any reason expenditures are made from the Other Infrastructure Account prior the end of the 50-year period, the amount of deposits to the account in the remaining years will be adjusted in a manner to ensure that the Other Infrastructure Account contains an amount sufficient at the end of the 50-year period to pay the cost of all expected reconstruction and/or repair requirements.

16.5. Use of Reserve Accounts. The Reserve Accounts shall be used for the following purposes:

16.5.1. Maintenance Account. Monies deposited into the Maintenance Account, including any investment earnings, may be used by Association, or by Developer with the written consent of the Board, solely for scheduled maintenance and for unscheduled repair of the streets and Surface Water Management System including, without limitation, the stormwater detention/retention areas, sidewalks, curbing, bike paths (if any), traffic-control signage and other Association infrastructure appurtenant to the private streets and drainage systems. Monies in the Maintenance Account may also be used for scheduled maintenance and unscheduled maintenance and repair of the entrance and exit gates and related facilities; provided, however, the streets and drainage-system maintenance and repair take priority over the maintenance and repair of the gates and related facilities.

16.5.2. Street Account. Monies deposited into the Street Account, including any investment earnings, may be used by Association only for resurfacing and related reconstruction of the streets within Sandhill Preserve, generally every 12 years after issuance by County of the certificate of completion for the streets. The monies deposited in the Street Account may not be expended earlier than the 12th anniversary of the issuance of the certificate of completion for the streets without the consent of a majority of Owners (excluding Developer), either in person or by proxy, at a duly noticed meeting of the members of Association. Notwithstanding the foregoing, under no circumstances may the monies in the Street Account be expended before the Turnover Date.

16.5.3. Drainage Account. Monies deposited into the Drainage Account, including any investment earnings, may be used by Association only for major repair and reconstruction of the stormwater detention/retention areas of the Surface Water Management System, generally every 10 years after issuance by County of the certificate of completion for the stormwater-drainage system. The reconstruction and repair of the detention/retention areas shall include, but not be limited to, dredging and sediment removal. The monies deposited into the Street Account may not be expended earlier than the 10th anniversary of the issuance of the certificate of completion for the Surface Water Management System without the consent of a majority of Owners (excluding Developer), either in person or by proxy, at a duly noticed meeting of the members of Association. Notwithstanding the foregoing, under no circumstances may the monies in the Street Account be expended before the Turnover Date.

16.5.4. Other Infrastructure Account. Monies deposited into the Other Infrastructure Account, including any investment earnings, may be used by Association only for major repair, reconstruction resurfacing and replacement of the other parts of the infrastructure related to the private streets and drainage systems, such as the stormwater conveyance systems, sidewalks, curbing, and bike paths (if any). Monies in the Other Infrastructure Account may also be used for major repair, reconstruction and replacement of the entrance and exit gates and related facilities; provided, however, the streets and drainage-system replacement and repair take priority over the replacement and repair of the gates and related facilities.

17. Information to Lenders and Owners.

17.1. Availability. There shall be available for inspections upon request, during normal business hours or under other reasonable circumstances, to Owners and Lenders current copies of the Association Documents.

17.2. Copying. Any Owner and/or Lender shall be entitled, upon written request, and at its cost, to a copy of the documents referred to above.

17.3. Notice. Upon written request by a Lender (identifying the name and address of the Lender and the name and address of the applicable Owner), the Lender will be entitled to timely written notice of:

17.3.1. Any condemnation loss or casualty loss which affects a material portion of a Home to the extent Association is notified of the same;

17.3.2. Any delinquency in the payment of Assessments owed by an Owner of a Home subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

17.3.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained hereunder;

17.3.4. Any proposed action (if any) which would require the consent of a specific mortgage holder.

18. Architectural Control. The following provisions govern Sandhill Preserve .

18.1. Architectural Control Committee. The ACC shall be a permanent committee of Association and shall administer and perform the architectural and landscape review and control functions relating to Sandhill Preserve . The ACC shall consist of a minimum of three (3) members who shall initially be named by Developer and who shall hold office at the pleasure of Developer. Until the Community Completion Date, Developer shall have the right to change the number of members on the ACC, and to appoint, remove, and replace all members of the ACC. Developer shall determine which members of the ACC shall serve as its chairman and co-chairman. In the event of the failure, refusal, or inability to act of any of the members appointed by Developer, Developer shall have the right to replace any member within thirty (30) days of such occurrence. If Developer fails to replace that member, the remaining members of the ACC shall fill the vacancy by appointment. From and after the Community Completion Date, the Board shall have the same rights as Developer with respect to the ACC.

18.2. Membership. There is no requirement that any member of the ACC be an Owner or a member of Association.

18.3. General Plan. It is the intent of this Declaration to create a general plan and scheme of development of Sandhill Preserve . Accordingly, the ACC shall have the right to approve or disapprove all architectural, landscaping, and improvements within Sandhill Preserve by Owners other than Developer. The ACC shall have the right to evaluate all plans and specifications as to harmony of exterior design, landscaping, location of any proposed improvements, relationship to surrounding structures, topography and conformity with such other reasonable requirements as shall be adopted by ACC. The ACC may impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning, or

other local governmental codes. Prior to the Community Completion Date, any additional standards or modification of existing standards shall require the consent of Developer, which may be granted or denied in its sole discretion.

18.4. Neighborhood Plan. Developer has established an overall Neighborhood Plan. However, notwithstanding the above, or any other document, brochures or plans, Developer reserves the right to modify the Neighborhood Plan or any site plan at any time as it deems desirable in its sole discretion and in accordance with applicable laws and ordinances. WITHOUT LIMITING THE FOREGOING, DEVELOPER MAY PRESENT TO THE PUBLIC OR TO OWNERS RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS RESPECTING SANDHILL PRESERVE. SUCH RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS ARE NOT A GUARANTEE OF HOW SANDHILL PRESERVE WILL APPEAR UPON COMPLETION AND DEVELOPER RESERVES THE RIGHT TO CHANGE ANY AND ALL OF THE FOREGOING AT ANY TIME AS DEVELOPER DEEMS NECESSARY IN ITS SOLE AND ABSOLUTE DISCRETION.

18.5. Community Standards. Each Owner and its contractors and employees shall observe, and comply with, the Community Standards which now or may hereafter be promulgated by the ACC and approved by the Board of Association from time to time. The Community Standards shall be effective from the date of adoption; shall be specifically enforceable by injunction or otherwise; and shall have the effect of covenants as set forth herein verbatim. The Community Standards shall not require any Owner to alter the improvements previously constructed. Until the Community Completion Date, Developer shall have the right to approve the Community Standards, which approval, may be granted in its sole discretion.

18.6. Quorum. A majority of the ACC shall constitute a quorum to transact business at any meeting. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the ACC. In lieu of a meeting, the ACC may act in writing.

18.7. Power and Duties of the ACC. No improvements shall be constructed on any portion of Sandhill Preserve, no exterior of a Home shall be repainted, no landscaping, sign, or improvements erected, removed, planted, or maintained on any portion of Sandhill Preserve, nor shall any material addition to or any change, replacement, or alteration of the improvements as originally constructed by Developer (visible from the exterior of the Home) be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and the location of same shall have been submitted to and approved in writing by the ACC.

18.8. Procedure. In order to obtain the approval of the ACC, each Owner shall observe the following:

18.8.1. Each applicant shall submit an application to the ACC with respect to any proposed improvement or material change in an improvement, together with the required application(s) and other fee(s) as established by the ACC. The applications shall include such information as may be required by the application form adopted by the ACC. The ACC may also require submission of samples of building materials and colors proposed to be used. At the time of such submissions, the applicant shall, if requested, submit to the ACC, such site plans, plans and specifications for the proposed improvement, prepared and stamped by a registered Florida architect or residential designer, and landscaping and irrigation plans, prepared by a registered landscape architect or designer showing all existing trees and major vegetation stands and surface water drainage plan showing existing and proposed design grades, contours relating to the predetermined ground floor finish elevation, pool plans and specifications and the times scheduled for completion, all as reasonably specified by the ACC.

18.8.2. In the event the information submitted to the ACC is, in the ACC's opinion, incomplete or insufficient in any manner, the ACC may request and require the submission of additional or supplemental information. The Owner shall, within fifteen (15) days thereafter, comply with the request.

18.8.3. No later than thirty (30) days after receipt of all information required by the ACC for final review, the ACC shall approve or deny the application in writing. The ACC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the ACC's sole discretion, for aesthetic or any other reasons or to impose qualifications and conditions thereon. In approving or disapproving such plans and specifications, the ACC shall consider the suitability of the proposed improvements, the materials of which the

103969

Sandhill Preserve
Declaration
33
1/8/05

improvements are to be built, the site upon which the improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the ACC fails to respond within said thirty (30) day period, the plans and specifications shall be deemed DISAPPROVED by the ACC.

18.8.4. Construction of all improvements shall be completed within the time period set forth in the application and approved by the ACC.

18.8.5. In the event that the ACC disapproves any plans and specifications, the applicant may request a rehearing by the ACC for additional review of the disapproved plans and specifications. The meeting shall take place no later than thirty (30) days after written request for such meeting is received by the ACC, unless applicant waives this time requirement in writing. The ACC shall make a final written decision no later than thirty (30) days after such meeting. In the event the ACC fails to provide such written decision within said thirty (30) days, the plans and specifications shall be deemed DISAPPROVED.

18.8.6. Upon disapproval (even if the members of the Master ACC and ACC are the same), the applicant may appeal the decision of the ACC to the Board within thirty (30) days of the ACC's written review and disapproval. Review by the Board shall take place no later than thirty (30) days subsequent to the receipt by the Board of the Owner's request therefor. If the Board fails to hold such a meeting within thirty (30) days after receipt of request for such meeting, then the plans and specifications shall be deemed approved. The decision of the ACC, or if appealed, the Board of Association, shall be final and binding upon the applicant, its heirs, legal representatives, successors and assigns.

18.9. Alterations. Any and all alterations, deletions, additions and changes of any type or nature whatsoever to then existing improvements or the plans or specifications previously approved by the ACC shall be subject to the approval of the ACC in the same manner as required for approval of original plans and specifications.

18.10. Variances. Association or ACC shall have the power to grant variances from any requirements set forth in this Declaration or from the Community Standards, on a case by case basis, provided that the variance sought is reasonable and results from a hardship upon the applicant. The granting of a variance shall not nullify or otherwise affect the right to require strict compliance with the requirements set forth herein or in the Community Standards on any other occasion.

18.11. Permits. The Owner is solely responsible to obtain all required building and other permits from all governmental authorities having jurisdiction.

18.12. Construction by Owners. The following provisions govern construction activities by Owners after consent of the ACC has been obtained:

18.12.1. Each Owner shall deliver to the ACC, if requested, copies of all construction and building permits as and when received by the Owner. Each construction site in Sandhill Preserve shall be maintained in a neat and orderly condition throughout construction. Construction activities shall be performed on a diligent, workmanlike and continuous basis. Roadways, easements, swales, Common Areas and other such areas in Sandhill Preserve shall be kept clear of construction vehicles, construction materials and debris at all times. No construction office or trailer shall be kept in Sandhill Preserve and no construction materials shall be stored in Sandhill Preserve subject, however, to such conditions and requirements as may be promulgated by the ACC. All refuse and debris shall be removed or deposited in a dumpster on a daily basis. No materials shall be deposited or permitted to be deposited in any canal or waterway or Common Areas or other Homes in Sandhill Preserve or be placed anywhere outside of the Home upon which the construction is taking place. No hazardous waste or toxic materials shall be stored, handled and used, including, without limitation, gasoline and petroleum products, except in compliance with all applicable federal, state and local statutes, regulations and ordinances, and shall not be deposited in any manner on, in or within the construction or adjacent property or waterways. All construction activities shall comply with the Community Standards. If a contractor or Owner shall fail to comply in any regard with the requirements of this Section, the ACC may require that such Owner or contractor post security with Association in such form and such amount deemed appropriate by the ACC in its sole discretion.

18.12.2. Each Owner is responsible for insuring compliance with all terms and conditions of these provisions and of the Community Standards by all of its employees and all contractors, subcontractors, materialmen and suppliers (collectively, "Contractors"). In the event of any violation of any such terms or conditions by any employee or Contractor, or, in the opinion of the ACC, the continued refusal of any employee or Contractor to comply with such terms and conditions, after five (5) days' notice and right to cure, the ACC shall have, in addition to the other rights hereunder, the right to prohibit the violating employee or Contractor from performing any further services in Sandhill Preserve .

18.12.3. The ACC may, from time to time, adopt standards governing the performance or conduct of Owners, Contractors and their respective employees within Sandhill Preserve . Each Owner and Contractor shall comply with such standards and cause its respective employees to also comply with same. The ACC may also promulgate requirements to be inserted in all contracts relating to construction within Sandhill Preserve and each Owner shall include the same therein.

18.13. Inspection. There is specifically reserved to the Association and ACC and to any agent or member of either of them, the right of entry and inspection upon any portion of Sandhill Preserve at any time within reasonable daytime hours, for the purpose of determination whether there exists any violation of the terms of any approval or the terms of this Declaration or the Community Standards.

18.14. Violation. Without limiting any other provision herein, if any improvement shall be constructed or altered without prior written approval, or in a manner which fails to conform with the approval granted, the Owner shall, upon demand of Association or the ACC, cause such improvement to be removed, or restored until approval is obtained or in order to comply with the plans and specifications originally approved. The Owner shall be liable for the payment of all costs of removal or restoration, including all costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred by Association or ACC. The costs shall be deemed an Individual Assessment and enforceable pursuant to the provisions of this Declaration. The ACC and/or Association is specifically empowered to enforce the architectural and landscaping provisions of this Declaration and the Community Standards, by any legal or equitable remedy.

18.15. Court Costs. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed improvement or to cause the removal of any unapproved improvement, Association and/or ACC shall be entitled to recover court costs, expenses and attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, in connection therewith.

18.16. Certificate. In the event that any Owner fails to comply with the provisions contained herein, the Community Standards, or other rules and regulations promulgated by the ACC, Association and/or ACC may, in addition to all other remedies contained herein, record a Certificate of Non-Compliance against the Home stating that the improvements on the Home fail to meet the requirements of this Declaration and that the Home is subject to further enforcement remedies.

18.17. Certificate of Compliance. If requested by an Owner, prior to the occupancy of any improvement constructed or erected on any Home by other than Developer, or its designees, the Owner thereof shall obtain a Certificate of Compliance from the ACC, certifying that the Owner has complied with the requirements set forth herein. The ACC may, from time to time, delegate to a member or members of the ACC, the responsibility for issuing the Certificate of Compliance. The issuance of a Certificate of Compliance does not abrogate the ACC's rights set forth in Section 13 herein.

18.18. Exemption. Notwithstanding anything to the contrary contained herein, or in the Community Standards, any improvements of any nature made or to be made by Developer or its nominees, including, without limitation, improvements made or to be made to the Common Areas or any Home, shall not be subject to the review of the ACC, Association, or the provisions of the Community Standards.

18.19. Exculpation. Developer, Association, the directors or officers of Association, the ACC, the members of the ACC, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any Owner or any other party whatsoever, due to any mistakes in judgment, negligence, or any action of Developer, Association, ACC or their members, officers, or directors, in connection with the approval or

103969

Sandhill Preserve
Declaration
35
3/8/05

disapproval of plans and specifications. Each Owner agrees, individually and on behalf of its heirs, successors and assigns by acquiring title to a Home, that it shall not bring any action or suit against Developer, Association or their respective directors or officers, the ACC or the members of the ACC, or their respective agents, in order to recover any damages caused by the actions of Developer, Association, or ACC or their respective members, officers, or directors in connection with the provisions of this Section. Association does hereby indemnify, defend and hold Developer and the ACC, and each of their members, officers, and directors harmless from all costs, expenses, and liabilities, including attorneys' fees and paraprofessional fees at all levels, including appeals, of all nature resulting by virtue of the acts of the Owners, Association, ACC or their members, officers and directors. Developer, Association, its directors or officers, the ACC or its members, or any person acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

19. Master Association. Each Owner and Home is subject to the Master Declaration which contains, among other things, assessment obligations, and use restrictions.

19.1. Surface Water Management System. Except as otherwise indicated on any plat of Sandhill Preserve, any lakes within Sandhill Preserve shall be the maintenance responsibility of Association.

19.2. Master Association and District Easements. Without limiting any provision of the Master Declaration, the Master Association and the District, and their agents, employees, contractors, and managers, shall be deemed to have easements of ingress and egress in, over, and across the Common Areas (including, without limitation, the private roads) for all reasonable purposes including, without limitation, such easements required for maintenance of the lake and canal banks and slopes for Sandhill Preserve, if any.

19.3. Priority of Master Association Lien. A Claim of Lien for Assessments payable to the Master Association shall be superior to a Claim of Lien for Assessments due to Association.

20. Owners Liability.

20.1. Violations. Should any Owner do any of the following:

20.1.1. Fail to perform its responsibilities as set forth herein or otherwise breach the provisions of the Declaration including, without limitation, any provision herein benefitting the District; or

20.1.2. Cause any damage to any improvement or Common Areas; or

20.1.3. Impede Developer or Association from exercising its rights or performing its responsibilities hereunder; or

20.1.4. Undertake unauthorized improvements or modifications to a Home or the Common Areas; or

20.1.5. Impede Developer from proceeding with or completing the development of Sandhill Preserve ;

then, Developer and/or Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure the breach, including, but not limited to, the entering upon the Home and causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred shall be assessed against the Owner as an Individual Assessment.

20.2. Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Developer or Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, the party entitled to enforce same may, at its option:

20.2.1. Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

20.2.2. Commence an action to recover damages; and/or

20.2.3. Take any and all action reasonably necessary to correct the violation or breach.

20.3. Expenses. All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be assessed against the Owner, as an Individual Assessment, and shall be immediately due and payable without further notice.

20.4. No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

20.5. Rights Cumulative. All rights, remedies, and privileges granted to the District, Developer, Association and/or the ACC pursuant to any terms, provisions, covenants or conditions of this Declaration, or Community Standards, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

20.6. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or Community Standards may be enforced by Developer and/or, where applicable, Association and/or Owners, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration or Community Standards shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the Community Standards.

20.7. Fines. Association may suspend, for reasonable periods of time, the rights of an Owner or an Owner's tenants, guests and invitees, or both, to use the Common Areas and may levy reasonable fines, not to exceed the maximum amounts permitted by Section 720.305(2) of the Florida Statutes, against an Owner, tenant, guest or invitee, for failure to comply with any provision of this Declaration including, without limitation, those provisions benefiting the District.

20.7.1. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. Fines in the aggregate are not capped to any amount.

20.7.2. A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) persons (the "Violations Committee") appointed by the Board who are not officers, directors or employees of Association, or the spouse, parent, child, brother, sister of an officer, director or employee. If the Violations Committee does not by a majority vote approve a fine or suspension the same may not be imposed. The written notice of violation shall be in writing to the Owner, tenant, guest or invitee and detail the infraction or infractions. Included in the notice shall be the date and time of the hearing of the Violations Committee.

20.7.3. The non-compliance shall be presented to the Violations Committee acting as a tribunal, after which the Violations Committee shall hear reasons why a fine should not be imposed. The hearing shall be conducted in accordance with the procedures adopted by the Violations Committee from time to time. A written decision of the Violations Committee shall be submitted to the Owner, tenant, guest or invitee, as applicable, by not

103969

Sandhill Preserve
Declaration
37
3/8/05

later than twenty-one (21) days after the meeting of the Violations Committee. The Owner, tenant, guest or invitee shall have a right to be represented by counsel and to cross-examine witnesses.

20.7.4. The Violations Committee may impose Individual Assessments against the Owner in the amount of \$100 (or any greater amount permitted by law from time to time) for each violation. Each day of non-compliance shall be treated as a separate violation and there is no cap on the aggregate amount the Violations Committee may fine an Owner, tenant, guest or invitee. Individual Assessment fines shall be paid not later than five (5) days after notice of the imposition of the Individual Assessment. All monies received from fines shall be allocated as directed by the Board of Directors.

21. Additional Rights of Developer.

21.1. Sales Office and Administrative Offices. For so long as Developer and its assigns owns any property in Sandhill Preserve, is affected by this Declaration, or maintains a sales office or administrative office within Sandhill Preserve, Developer shall have the right to take such action reasonably necessary to transact any business necessary to consummate the development of Sandhill Preserve and sales of Homes and/or other properties owned by Developer or others outside of Sandhill Preserve. This right shall include, but not be limited to, the right to maintain models, sales offices and parking associated therewith, have signs on any portion of Sandhill Preserve, including Common Areas, employees in the models and offices, without the payment of rent or any other fee, maintain offices in models, and use of the Common Areas to show Homes. The sales office, models, signs and all items pertaining to development and sales remain the property of Developer. Developer shall have all of the foregoing rights without charge or expense. The rights reserved hereunder shall extend beyond the Community Completion Date.

21.2. Modification. Until the Community Completion Date, the development and marketing of Sandhill Preserve will continue as deemed appropriate in Developer's sole discretion, and nothing in this Declaration or Community Standards, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of Sandhill Preserve to, as an example and not a limitation, amend a Plat and/or the Neighborhood Plan, modify the boundary lines of the Common Areas, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which Developer, or its agents, affiliates, or assignees may deem necessary or appropriate. Association and Owners shall, at the request of Developer, execute and deliver any and all documents and instruments which Developer deems necessary or convenient, in its sole and absolute discretion, to accomplish the same.

21.3. Promotional Events. Developer and its assigns shall have the right, at any time, to hold marketing and promotional events within Sandhill Preserve and/or on the Common Areas, without any charge for use. Developer, its agents, affiliates, or assignees shall have the right to market Sandhill Preserve and Homes in advertisements and other media by making reference to Sandhill Preserve, including, but not limited to, pictures or drawings of Sandhill Preserve, Common Areas, and Homes constructed in Sandhill Preserve. All logos, trademarks, and designs used in connection with Sandhill Preserve are the property of Developer, and Association shall have no right to use the same after the Community Completion Date except with the express written permission of Developer.

21.4. Use by Prospective Purchasers. Developer shall have the right, without charge, to use the Common Areas for the purpose of entertaining prospective purchasers of Homes, or other properties owned by Developer outside of Sandhill Preserve.

21.5. Management. Developer may manage the Common Areas by contract with Association. Developer may contract with a third party ("Manager") for management of Association and the Common Areas.

21.6. Easements. Until the Community Completion Date, Developer reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance, Telecommunication Services, and other purposes over, under, upon and across Sandhill Preserve so long as any said easements do not materially and adversely interfere with the intended use of Homes previously conveyed to Owners. By way of example, and not of limitation, Developer may be required to take certain action, or make additions or modifications to the Common Areas in connection with an environmental program. All

103969

Sandhill Preserve
Declaration
38
1/2/05

easements necessary for such purposes are reserved in favor of Developer, in perpetuity, for such purposes. Without limiting the foregoing, Developer may relocate any easement affecting a Home, or grant new easements over a Home, after conveyance to an Owner, without the joinder or consent of such Owner, so long as the grant of easement or relocation of easement does not materially and adversely affect the Owner's use of the Home as a residence. As an illustration, Developer may grant an easement for irrigation, drainage lines or electrical lines over any portion of Sandhill Preserve so long as such easement is outside the footprint of the foundation of any residential improvement constructed on such portion of Sandhill Preserve. Developer shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. Association and Owners will, without charge, if requested by Developer: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Developer, nor will it grant any such easement, permit or license prior to the Community Completion Date without the prior written consent of Developer which may be granted or denied in its sole discretion.

21.7. Right to Enforce. Developer has the right, but not the obligation, to enforce the provisions of this Declaration and the Community Standards and to recover all costs relating thereto, including attorneys' fees and paraprofessional fees at all levels of proceeding, including appeals, collections and bankruptcy. Such right shall include the right to perform the obligations of Association and to recover all costs incurred in doing so.

21.8. Additional Development. If Developer withdraws portions of Sandhill Preserve from the operation of this Declaration, Developer may, but is not required to, subject to governmental approvals, create other forms of residential property ownership or other improvements of any nature on the property not subjected to or withdrawn from the operation of this Declaration. Developer shall not be liable or responsible to any person or entity on account of its decision to do so or to provide, or fail to provide, the amenities and/or facilities which were originally planned to be included in such areas. If so designated by Developer, owners or tenants of such other forms of housing or improvements upon their creation, may share in the use of all or some of the Common Areas and other facilities and/or roadways which remain subject to this Declaration. The expense of the operation of such facilities shall be allocated to the various users thereof, if at all, as determined by Developer.

21.9. Representations. Developer makes no representations concerning development both within and outside the boundaries of Sandhill Preserve including, but not limited to, the number, design, boundaries, configuration and arrangements, prices of all Homes and buildings in all other proposed forms of ownership and/or other improvements on Sandhill Preserve or in Sandhill Preserve or adjacent or near Sandhill Preserve, including, but not limited to, the size, location, configuration, elevations, design, building materials, height, view, airspace, number of homes, number of buildings, location of easements, parking and landscaped areas, services and amenities offered.

21.10. Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSOCIATION DOCUMENTS, NEITHER ASSOCIATION NOR ANY NEIGHBORHOOD ASSOCIATION SHALL BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF SANDHILL PRESERVE INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

21.10.1. IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF SANDHILL PRESERVE HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF SANDHILL PRESERVE AND THE VALUE THEREOF; AND

21.10.2. ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA AND/OR COUNTY OR PREVENTS TORTIOUS ACTIVITIES; AND

103969

Sandhill Preserve
Declaration
39
3/8/05

21.10.3. THE PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY, AND WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY, OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON. EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO A HOME) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF SANDHILL PRESERVE (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF ASSOCIATION HAS BEEN DISCLAIMED IN THIS SECTION OR OTHERWISE. AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).

21.11. Resolution of Disputes. BY ACCEPTANCE OF A DEED, EACH OWNER AGREES THAT THE ASSOCIATION DOCUMENTS ARE VERY COMPLEX; THEREFORE, ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THE ASSOCIATION DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHOULD BE HEARD IN A COURT PROCEEDING BY A JUDGE AND NOT A JURY IN ORDER TO BEST SERVE JUSTICE. DEVELOPER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME. THE PROVISIONS OF THIS SECTION 21.11 ARE SUBJECT TO THE PROVISIONS OF SECTION 27 BELOW WITH REGARD TO ENFORCEMENT OF PROVISIONS REQUIRED UNDER THE GATED COMMUNITY ORDINANCE.

21.12. Venue. EACH OWNER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A HOME, THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN ORANGE COUNTY, FLORIDA. DEVELOPER HAS AN OFFICE IN ORANGE COUNTY, FLORIDA AND EACH HOME IS LOCATED IN ORANGE COUNTY, FLORIDA. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN ORANGE COUNTY, FLORIDA. IN ADDITION TO THE FOREGOING, EACH OWNER AND DEVELOPER AGREE THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN ORANGE COUNTY, FLORIDA.

21.13. Reliance. BEFORE ACCEPTING A DEED TO A HOME, EACH OWNER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS DECLARATION. BY ACCEPTANCE OF A DEED TO A HOME, EACH OWNER ACKNOWLEDGES THAT HE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. DEVELOPER IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A HOME THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DEVELOPER. ACCORDINGLY, AN ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS DECLARATION IS INVALID IN ANY RESPECT. AS A FURTHER MATERIAL INDUCEMENT FOR DEVELOPER TO SUBJECT SANDHILL PRESERVE TO THIS DECLARATION, EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AND ITS AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH AN OWNER MAY HAVE IN THE FUTURE, OR WHICH

103969

Sandhill Preserve
Declaration
40
3/8/05

ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF OWNER HEREAFTER CAN, SHALL OR MAY HAVE AGAINST DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS, AND ITS AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER RESPECTING THIS DECLARATION, OR THE EXHIBITS HERETO. THIS RELEASE AND WAIVER IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF FLORIDA.

21.14. Access Control System. Developer may install a tele-entry system at the entrance to Sandhill Preserve. Association shall have the right, but not the obligation, to contract for the installation of additional Access Control System facilities for Sandhill Preserve. Prior to the Community Completion Date, all contracts for Access Control Systems shall be subject to the prior written approval of Developer. ASSOCIATION AND DEVELOPER SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE ACCESS CONTROL OR INEFFECTIVENESS OF ACCESS CONTROL MEASURES UNDERTAKEN. Each and every owner and the occupant of each Home acknowledges that Developer, Association, and their employees, agents, managers, directors, and officers, are not insurers of Owners or Homes, or the personal property located within Homes. Developer and Association will not be responsible or liable for losses, injuries, or deaths resulting from any casualty or intrusion into a Home.

22. Additional Rights of Owners and Association. Association, members of Association and/or Owners shall have the right jointly and severally to enforce against Developer any requirement of Developer under this Declaration with the prevailing party being entitled to attorneys' fees and costs. Venue for any such enforcement action shall be in the Ninth Judicial Circuit of Florida.

23. Additional Rights of County. In the event the Developer and/or Association fails or refuses to perform its obligations hereunder (with respect to matters related to the Gated Community Ordinance) and/or to enforce the Declaration (with respect to matters related to the Gated Community Ordinance), the County shall have the right but not the obligation to enforce the terms and provisions of this Declaration by any procedure at law or in equity against the Developer, Association and/or Owners, including the right to levy and enforce Assessments in connection with any such enforcement action. The expense of any litigation arising out of this Section shall be borne by the party against whom enforcement is sought provided such proceeding results in a finding that such person failed to perform its obligations hereunder and/or was in violation of the Declaration.

23.1. Indemnification. Association (and prior to the Turnover Date, Developer and Association) expressly indemnify and hold County and its officers and employees harmless from any cost of maintenance, repair, and reconstruction of, or tort liability or award of damages related to or arising in connection with, the streets, sidewalks, drainage system (including stormwater retention/detention area), and/or any other infrastructure within Sandhill Preserve.

23.2. In the Event of Default by Association. In the event of any default by Association (or prior to the Turnover Date, Developer and Association) in any requirements of this Declaration related to the Gated Community Ordinance, County, at its option and after due notice to Association of its default and a reasonable time to cure, may prohibit closure of the gates within Sandhill Preserve and, upon dedication or conveyance of the rights-of-way to County, assume responsibility for maintenance, using any applicable Reserve Accounts or, if no monies exist or if any insufficient amount exists, using such other revenues or financing methods as County may elect including, without limitation, causing Association to special assess the Owners for such insufficient amounts.

23.3. In the Event of Annexation of Sandhill Preserve to a Municipality. If Sandhill Preserve is annexed to a municipality, the rights and privileges inuring to County's benefit under this Declaration shall be deemed assigned to the municipality and shall inure automatically to such municipality's benefit.

24. Private Streets. The following provisions apply to the private streets within Sandhill Preserve :

24.1. Property Taxes. Owners receive no discount in property or other taxes because of private streets or drainage systems.

24.2. Enforcement of Traffic Laws. The sheriff shall be responsible for the enforcement of traffic laws within Sandhill Preserve, as requested by Association, and all costs of enforcement incurred by the sheriff shall be paid for by Association.

25. Required Disclosures in Connection with Gated Community Ordinance.

25.1. Pursuant to the Gated Community Ordinance, Developer hereby agrees to provide to each initial Owner a copy of this Declaration at or prior to the time the sales contract is executed, together with the current budget for the Association disclosing the then-existing amount of Assessments, and if none are then existing, a good faith estimate of the Association's operating budget, as well a schedule (the "Schedule") disclosing the then existing amount of assessments required under the Gated Community Ordinance to fund the Reserve Accounts (collectively, the "Gated Community Ordinance Assessments") along with a form to be signed by such initial Owner acknowledging receipt of a copy of the Declaration, the budget or good faith estimate and the Schedule. The Schedule must also state that the Gated Community Ordinance Assessments do not include Assessments for either routine maintenance of or the capital repair and replacement of Common Area facilities that are not related to subdivision infrastructure (such as Common Area landscaping, entrance and exit gates, walls, swimming pools, clubhouses, parks, and other recreation areas, if any).

25.2. Pursuant to the Gated Community Ordinance, no contract for the initial sale and purchase of a Home to an Owner shall be effective until a Gated Community Cost Disclosure Statement (the "Disclosure Statement") in the form set forth below in Section 25.3 has been provided to and executed by such initial Owner. The Disclosure Statement shall be contained in a single document which shall be provided to the Owner separately from the contract for purchase and sale and the other documents required to be given to the Owner pursuant to the Gated Community Ordinance. The typeface of the Disclosure Statement shall be conclusively deemed conspicuous if it is in all uppercase letters and typed in at least 12 point typeface.

25.3. The Disclosure Statement shall state the following:

25.3.1. BY LAW, ORANGE COUNTY CANNOT PAY TO MAINTAIN THE ROADS, SIDEWALKS AND DRAINAGE IN SANDHILL PRESERVE BECAUSE THESE THINGS ARE PRIVATE PROPERTY AND THE GENERAL PUBLIC CANNOT ACCESS THE COMMUNITY;

25.3.2. ALTHOUGH THE COST OF PROPERLY MAINTAINING AND REPAIRING ROADS, SIDEWALKS AND DRAINAGE SYSTEMS CAN BE VERY HIGH, ONLY THE OWNERS OF HOMES AND LOTS IN SANDHILL PRESERVE WILL SHARE THESE EXPENSES. TAX DOLLARS WILL NOT BE USED. OWNERS MUST ALSO PAY FOR THE COST OF LIABILITY INSURANCE AND TRAFFIC ENFORCEMENT ON THE ROADS WITHIN SANDHILL PRESERVE.

25.3.3. UNDER FLORIDA LAW, NO REDUCTION IN YOUR TAX BURDEN WILL RESULT FROM LIVING WITHIN SANDHILL PRESERVE.

25.3.4. OWNERS, THROUGH THEIR MANDATORY MEMBERSHIP IN ASSOCIATION, MUST SET ASIDE ADEQUATE RESERVES TO PROPERLY MAINTAIN, REPAIR AND REPLACE THE ROADS, SIDEWALKS AND DRAINAGE SYSTEM, AND MUST HAVE A PROFESSIONAL ENGINEER REGULARLY INSPECT THE ROADS, SIDEWALKS AND DRAINAGE SYSTEM AND REPORT WHAT WORK IS NECESSARY TO MAINTAIN AND/OR REPAIR THE SAME. ASSOCIATION IS OBLIGATED TO DO THE NECESSARY WORK REPORTED AND OWNERS SHALL PAY FOR THE WORK THROUGH THEIR ASSESSMENTS.

25.3.5. THE EXTRA EXPENSES OWNERS WILL INCUR TO MAINTAIN THE ROADS, SIDEWALKS AND DRAINAGE WITHIN SANDHILL PRESERVE ARE IN ADDITION TO OTHER EXPENSES CHARGED BY ASSOCIATION TO PAY FOR PRIVATE RECREATIONAL, ACCESS CONTROL AND OTHER AMENITIES AND SERVICES ASSOCIATION MAY OFFER INCLUDING, WITHOUT LIMITATION THE GATES WITHIN SANDHILL PRESERVE.

25.3.6. AS WITH ANY ASSESSMENT, THE FAILURE OR INABILITY TO PAY MAY LEAD TO A LIEN BEING PLACED ON YOUR HOME. IF A LIEN IS PLACED AND FORECLOSED, YOU COULD LOSE YOUR HOME.

25.3.7. ASSOCIATION IS ALSO REQUIRED TO MAINTAIN LIABILITY INSURANCE ADEQUATE TO PAY CLAIMS FOR INJURIES AND PROPERTY DAMAGE ARISING ON THE PRIVATE ROADWAY, SIDEWALKS, DRAINAGE PONDS, AND OTHER COMMON AREAS WITHIN SANDHILL PRESERVE.

25.3.8. IF COUNTY DETERMINES THAT ASSOCIATION IS NOT MEETING ITS OBLIGATIONS, IT MAY REVOKE THE ASSOCIATION'S/SANDHILL PRESERVE' PRIVILEGE TO CLOSE ITS GATES SO THAT THE ROADS WITHIN SANDHILL PRESERVE BECOME AVAILABLE FOR PUBLIC USE.

25.3.9. IF SANDHILL PRESERVE FAILS TO MAINTAIN ITS ROADS, SIDEWALKS AND DRAINAGE SYSTEM, COUNTY MAY REQUIRE THAT THE GATES BE REMOVED. IN THE EVENT THE GATES ARE REMOVED PURSUANT TO THIS SECTION, AND ASSOCIATION DEDICATES THE ROADS AND OTHER INFRASTRUCTURE TO COUNTY, ALL COSTS AND EXPENSES WHICH COUNTY INCURS FOR SUCH MAINTENANCE ARE RECOVERABLE FROM ASSOCIATION. FUNDS WHICH HAVE BEEN SET ASIDE BY ASSOCIATION MAY BECOME THE PROPERTY OF COUNTY, AND THE ROADS WITHIN SANDHILL PRESERVE SHALL PERMANENTLY BECOME OPEN TO THE PUBLIC. IN NO EVENT WILL COUNTY MAINTAIN ANY RECREATIONAL, ACCESS CONTROL AND/OR OTHER AMENITIES WITHIN SANDHILL PRESERVE.

25.3.10. BEFORE YOU SIGN A CONTRACT BE SURE THAT YOU RECEIVE WRITTEN INFORMATION ABOUT THE COSTS OF LIVING IN THIS COMMUNITY.

25.3.11. BY EXECUTING THIS DISCLOSURE STATEMENT, YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE DISCLOSURES PROVIDED IN THIS DISCLOSURE STATEMENT PRIOR TO THE EXECUTION OF A CONTRACT TO PURCHASE ANY LOT IN SANDHILL PRESERVE.

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26. Telecommunications Services.

26.1. Right to Contract for Telecommunications Services. Subject to the rights of Master Association, Association shall have the right, but not the obligation, to enter into one or more contracts for the provision of one or

103969

Sandhill Preserve
Declaration
43
3/8/05

more Telecommunications Services for all or any portion of Sandhill Preserve . Prior to the Community Completion Date, all contracts between a Telecommunications Provider and Association shall be subject to the prior written approval of Developer. The rights of Association hereunder are subordinate to those of Master Association under the Master Declaration. Developer and/or its nominees, successors, assigns, affiliates, and licensees may contract with Association and act as a Telecommunications Provider for one or more Telecommunications Services, subject only to the requirements of all applicable laws, statutes, and regulations. If Developer is not the Telecommunications Provider for any particular Telecommunications Service, Developer shall have the right to receive, on a perpetual basis, all or a portion of access fees and/or the revenues derived from such Telecommunications Service within Sandhill Preserve as agreed, from time to time, between the Telecommunications Provider and Developer.

26.2. Easements. Developer (i) reserves unto itself and its nominees, successors, assigns, affiliates, and licensees, and (ii) grants to each Telecommunications Provider providing Telecommunications Services to all or a portion of Sandhill Preserve pursuant to an agreement between Association and such Telecommunications Provider, a perpetual right, privilege, easement and right-of-way across, over, under and upon Sandhill Preserve for the installation, construction and maintenance of Telecommunications Systems together with a perpetual right, privilege and easement of ingress and egress, access, over and upon Sandhill Preserve for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing facilities and equipment constituting such systems. If, and to the extent, Telecommunications Services provided by such Telecommunications Systems are to serve all of Sandhill Preserve , then the cost of the Telecommunications Services may be Operating Costs of Association and shall be assessed as a part of the Assessments.

26.3. Restoration. Upon the completion of any installation, upgrade, maintenance, repair, or removal of the Telecommunications Systems or any part thereof, each Telecommunications Provider shall restore the relevant portion of the Common Areas and/or any Home to as good a condition as that which existed prior to such installation, maintenance, repair or removal. Failure by Telecommunications Provider to complete such restoration within ten (10) days after receiving written notice from Association of such failure shall vest in Association, subject to the rights of Master Association, the right (but not the obligation) to restore or cause to be restored such portion of the Common Areas and/or Home disturbed by such work, all at such Telecommunications Provider's sole cost and expense, except for in emergency situations whereby Association may restore or cause to be restored such disturbed portion of the Common Areas and/or Home immediately. In the event that Association exercises the right of self-help, each Telecommunications Provider agrees in advance that Association shall have the sole right, subject to the rights of Master Association, to (i) select the Contractors to perform such work and (ii) determine the extent of required restoration. This remedy of self-help is in addition to all other remedies of Association hereunder. All reasonable expenses incurred by Association in connection with such restoration shall be paid by Telecommunications Provider within ten (10) days of delivery to Telecommunications Provider of Association's invoice therefor. Any expenses not so paid when due shall bear interest from the due date at the lesser of (i) the publicly announced prime rate (or similar successor reference rate) of Wachovia National Bank or its successor on the date of such invoice, or (ii) the maximum rate of interest allowed by the law of the State of Florida for such obligations, or as may be provided in a contract between Association and a Telecommunications Provider.

26.4. Operating Costs. Each Owner understands that the expense of any Telecommunications Service may not be charged on a bulk basis, but may be charged at the rate equal to any rate paid by individual home owners that are not subject to a homeowners association. Each Owner acknowledges that Developer may receive lump sum or monthly compensation from any Telecommunications Provider in connection with the supply of Telecommunications Services. Such compensation may be paid on a per Home or other basis. All such compensation shall be the sole property of Developer, who shall have no duty to account for or disclose the amount of such compensation.

27. Enforcement of Gated Community Ordinance. The following enforcement provisions are hereby established pursuant to the Gated Community Ordinance:

27.1. In the event of a dispute between any Owner and Developer, or between Association and Developer with respect to the repair and maintenance of the internal roadways, detention and retention areas, or drainage systems, and/or funding for any maintenance or repair relating to same, the parties shall first attempt to resolve the dispute through non-binding mediation, before pursuing other judicial remedies.

103969

Sandhill Preserve
Declaration
44
3/1/05

27.2. Any Owner shall have the right to enforce against Association the requirements of the Gated Community Ordinance and the provisions of this Declaration required thereunder, with the prevailing party being entitled to recover attorneys' fees and costs.

27.3. Venue for any enforcement action under this Section shall be in the Ninth Judicial Circuit of Florida, in County.

28. Refund of Taxes and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to Developer in the event such refund is received by Association.

29. Assignment of Powers. All or any part of the rights, exemptions and powers and reservations of Developer herein contained may be conveyed or assigned in whole or part to other persons or entities by an instrument in writing duly executed, acknowledged, and at Developer's option, recorded in the Public Records.

30. General Provisions.

30.1. Authority of Board. Except when a vote of the membership of Association is specifically required, all decisions, duties, and obligations of Association hereunder may be made by the Board. Association and Owners shall be bound thereby.

30.2. Severability. Invalidation of any of the provisions of this Declaration by judgment or court order shall in no way affect any other provision, and the remainder of this Declaration shall remain in full force and effect.

30.3. Affirmative Obligation of Association. In the event that Association believes that Developer has failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Association agrees that once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy.

30.4. Execution of Documents. Developer's plan of development for Sandhill Preserve (including, without limitation, the creation of one (1) or more special taxing districts) may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that such documents require the joinder of Owners other than Developer, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Such appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home or any other portion of Sandhill Preserve, to execute or otherwise join in any petition and/or other documents required in connection with the creation of a special taxing district relating to Sandhill Preserve or any portion(s) thereof.

30.5. Notices. Any notice required to be sent to any person, firm, or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

30.6. Florida Statutes. Whenever this Declaration refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date this Declaration is recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

30.7. Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF SANDHILL PRESERVE ARE HEREBY PLACED ON NOTICE THAT (1) DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES AND/OR (2) ANY OTHER PARTIES MAY BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO SANDHILL PRESERVE. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF SANDHILL PRESERVE, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO SANDHILL PRESERVE WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND (iv) ANY PURCHASE OR USE OF ANY PORTION OF SANDHILL PRESERVE HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

30.8. Neighborhood Title Documents. Each Owner by acceptance of a deed to a Home acknowledges that such home is subject to certain land use and title documents and all amendments thereto, which include among other items, the title documents recorded in the Public Records including, without limitation, the Master Declaration and this Declaration (collectively, the "Neighborhood Title Documents"). Developer's plan of development for Sandhill Preserve may necessitate from time to time the further amendment, modification and/or termination of the Neighborhood Title Documents. DEVELOPER RESERVES THE UNCONDITIONAL RIGHT TO SEEK AMENDMENTS AND MODIFICATIONS OF THE NEIGHBORHOOD TITLE DOCUMENTS. It is possible that a governmental subdivision or agency may require the execution of one or more documents in connection with an amendment, modification, and/or termination of the Neighborhood Title Documents. To the extent that such documents require the joinder of Owners other than Developer, Developer, by any one of its duly authorized officers, may, as the agent and/or the attorney-in-fact for the Owners, execute, acknowledge and deliver any documents required by applicable governmental subdivision or agency; and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through any one of its duly authorized officers, as their proper and legal attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home: (i) to execute or otherwise join in any documents required in connection with the amendment, modification, or termination of the Neighborhood Title Documents; and (ii) that such Owner has waived its right to object to or comment the form or substance of any amendment, modification, or termination of the Neighborhood Title Documents. Without limiting the foregoing, upon the Community Completion Date Association shall assume all of the obligations of Developer under the Neighborhood Title Documents unless otherwise provided by Developer by amendment to this Declaration recorded by Developer in the Public Records, from time to time, and in the sole and absolute discretion of Developer.

31. Turnover. Pursuant to the Gated Community Ordinance, the Turnover Date may not occur sooner than the point in time at which certificates of occupancy have been issued for seventy percent (70%) of the Homes within

103969

Sandhill Preserve
Declaration
46
3/2/05

Sandhill Preserve , and must occur no later than the point in time at which certificates of occupancy have been issued for ninety percent (90%) of the Homes within Sandhill Preserve .

31.1. Prior to the Turnover Date. Prior to the Turnover Date, Developer shall comply with the following provisions:

31.1.1. Prior to the Turnover Date, all maintenance and repair of streets, sidewalks and the drainage system, including stormwater detention/retention areas, is the responsibility of Developer;

31.1.2. Prior to the Turnover Date, Developer may expend monies from the Maintenance Account for maintenance and repairs within Sandhill Preserve as provided in Section 16.5.1, but only with the written consent of the Board; and

31.1.3. Prior to the Turnover Date, insufficiency of monies in the Maintenance Account established under Section 16.4.1 above shall not act to relieve Developer of any responsibility to maintain and repair the streets, sidewalks, and drainage system (including stormwater detention/retention areas).

31.2. Engineer's Inspection. No earlier than 180 days before the Turnover Date, Association shall retain the services of a Florida-registered engineer experienced in subdivision construction (other than the engineer of record for Sandhill Preserve as of the date of County's approval of the Sandhill Preserve infrastructure construction plans, and engineers who are principals of, employed by, or contractors of the same firm as the engineer of record) to inspect the streets, sidewalks and drainage system, including stormwater detention/retention areas, and prepare a report (the "Engineer's Report") recommending the amount of scheduled maintenance and unscheduled repair that likely will be needed each year for the streets, sidewalks and drainage system (including stormwater detention/retention areas), in accordance with standards that may be established and revised from time to time by the County's engineer (the "County Engineer") or his or her designee. Association shall pay the cost of the Engineer's Report, and Association may pay such cost from the Maintenance Account.

31.2.1. The Engineer's Report. The Engineer's Report referenced in Section 31.2 above shall include the following:

31.2.1.1. the amounts of money that should be deposited each year into the Maintenance Account and determine what repairs, if any, are needed prior to the Turnover Date; and

31.2.1.2. the signature and seal of the engineer.

31.2.2. Copy of Engineer's Report. A copy of the Engineer's Report shall be provided to all Owners and to the County Engineer within 15 days after it is completed.

31.2.3. Needed Repairs. Any needed repairs or replacements identified by the Engineer's Report shall be completed by Developer, at Developer's sole expense, prior to either the Turnover Date or the conveyance of the Common Areas, whichever occurs first.

31.2.4. If Repairs Are Not Completed Prior to the Turnover Date. If after the Turnover Date, repairs or replacements identified by the Engineer's Report have not been completed by Developer, at Developer's sole expense, the Owners and Association may enforce the obligations of Developer to complete the same through any remedy available under Florida law, with the prevailing party being entitled to attorneys' fees and costs.

31.2.5. After Turnover. After the Turnover Date, Association shall obtain an inspection (the "Inspection Report") of the streets, sidewalks and drainage systems, including stormwater detention/retention areas, by a Florida-registered engineer experienced in subdivision construction no less frequently than once every three years after the initial Engineer's Report.

31.2.6. Tri-Annual Inspection Report. Using good engineering practice, and in accordance with standards that may be established and revised from time to time by the County Engineer or his or her designee, or in

accordance with such other standards as may be adopted from time to time by Association, or in accordance with such standards as the Association's engineer may determine to be appropriate, the Inspection Report shall determine the necessary level of maintenance and repair (both scheduled and unscheduled) and the amount of reserves necessary each year for the next three years to be placed in the Maintenance Account to pay for such maintenance and repair as is or may be needed within Sandhill Preserve. The Inspection Report shall be written and shall be provided to each Owner within 15 days of completion. Within 180 days of receipt of the Inspection Report, Association shall have completed all work identified and recommended by the Inspection Report to have been completed within such period.

32. Airport Noise. The following disclosure is hereby incorporated in this Declaration pursuant to Orange County Ordinance Number 2000-07: **NOTICE OF AIRPORT NOISE – THE PROPERTY IS LOCATED WITHIN AN AIRPORT NOISE ZONE. RESIDENTS WILL BE SUBJECT TO AIRCRAFT NOISE THAT MAY BE OBJECTIONABLE.**

IN WITNESS WHEREOF, the undersigned, being Developer hereunder, has hereunto set its hand and seal this 9th day of March, 2005.

WITNESSES:

LANDSTAR DEVELOPMENT CORPORATION, a Florida corporation

Guy Trussell
Print Name: Guy Trussell

By: [Signature]
Name: William D. Morrissey
Title: Executive Vice President

Tracy McFadden
Print Name: Tracy McFadden

The foregoing instrument was acknowledged before me this 9th day of March, 2005 by William D. Morrissey as Executive Vice President of Landstar Development Corporation., a Florida corporation, who is personally known to me or who has produced _____ as identification.

My commission expires:



[Signature]
NOTARY PUBLIC, State of Florida at Large
Print Name Tracy L. McFadden

JOINDER

SANDHILL PRESERVE AT ARBOR MEADOWS HOMEOWNERS' ASSOCIATION, INC.

SANDHILL PRESERVE AT ARBOR MEADOWS HOMEOWNERS' ASSOCIATION, INC. ("Association") does hereby join in the Declaration for Sandhill Preserve at Arbor Meadows (the "Declaration"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Association agrees that this Joinder is for convenience purposes only and does not apply to the effectiveness of the Declaration, as Association has no right to approve the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 9th day of March, 2005.

WITNESSES:

SANDHILL PRESERVE AT ARBOR MEADOWS HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation

[Signature]
Print Name: Tracy L. McFadden
[Signature]
Print Name: Lynita Burns

By: [Signature]
Name: Guy Russell
Title: President

{SEAL}

STATE OF FLORIDA)
COUNTY OF Orange) SS.:

The foregoing instrument was acknowledged before me this 9th day of March, 2005 by Guy Russell, as President of SANDHILL PRESERVE AT ARBOR MEADOWS HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation, who is personally known to me or who has produced _____ as identification.

My commission expires:



[Signature]
NOTARY PUBLIC, State of Florida at Large
Print Name: Tracy L. McFadden

EXHIBIT 1

LEGAL DESCRIPTION

Lots 1 through 147 together with Tracts "A", "B", "C", "D", "E", and "H, SANDHILL PRESERVE, according to the plat thereof, as recorded in Plat Book 60, Page 8588 of the Public Records of Orange County, Florida.