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The Sanctuary-Oviedo Limited Partnership, as the developer of The Sanctuary, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of The Sanctuary as a master planned community.

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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
OF THE SANCTUARY HOMEOWNERS ASSOCIATION**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF THE SANCTUARY HOMEOWNERS ASSOCIATION ("Declaration") is made this _____ day of _____, 2001.

PART ONE: INTRODUCTION TO THE COMMUNITY

**ARTICLE I
CREATION OF THE COMMUNITY**

1.1. Purpose and Intent. Sanctuary-Oviedo Limited Partnership, a Florida limited partnership (the "Declarant") and The Sanctuary Community Association, Inc. (the "Association") intend by the recording of this Declaration to define the general plan of development for the residential portions of the master planned community known as The Sanctuary (the "Properties"). This Declaration provides a flexible and reasonable procedure for the future expansion of the Properties to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance and preservation of the real property now and hereafter comprising the Properties. An integral part of the development plan is The Sanctuary Community Association, Inc., an association comprised of all owners of real property in the Properties, which owns, operates and maintains various common areas and community improvements and which also administers and enforces this Declaration and the other Governing Documents referred to in this Declaration.

The Association is a subassociation to the Master Association created under the Master Declaration of Covenants, Conditions, Restrictions and Easements for the River Oaks PUD (the "Master Declaration"), recorded in the Official Records of Seminole County on March 29, 1999, at Book 3618, page 1227, et. seq., as such Master Declaration has been amended and supplemented from time to time.

This Declaration does not and is not intended to create a condominium within the meaning of the Florida Condominium Act, Florida Statutes Section 718-101, et seq.

1.2. Binding Effect. All property described on Exhibit "A" and any additional property which is made a part of the Properties in the future by filing of one or more Supplemental

Declarations in the Official Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns.

This Declaration shall be enforceable by the Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded in the Official Records. After such time, this Declaration shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by: (i) Neighborhood Representatives representing not less than 75% of the Class "A" Members, and (ii) the Declarant, so long as it owns any property described on Exhibit "A", has been recorded in the Official Records within the year preceding any extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified in such instrument. Notwithstanding this, if any provision of this Declaration would be unlawful, void, or voidable by reason of applicability of the rule against perpetuities, such provision shall expire twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3. Governing Documents. The Governing Documents create a general plan of development for the Properties which may be supplemented by additional covenants, restrictions and easements applicable to particular Neighborhoods and subassociations within the Properties. In the event of a conflict between or among the Governing Documents and the additional covenants or restrictions, and/or the provisions of any other articles of incorporation, by-laws, rules or policies governing any Neighborhood or sub-subassociation, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments applicable to any Neighborhood.

All provisions of the Governing Documents shall apply to all Owners and to all occupants of Units, as well as their respective tenants, guests and invitees. Any lease or rental agreement for a Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of the Governing Documents. Specific requirements for lessees and tenants are set forth in the initial Use Restrictions.

If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

ARTICLE II

CONCEPTS AND DEFINITIONS

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

2.1. "Architectural Guidelines": The architectural, design, and construction guidelines, Unit and landscaping requirements, and review procedures adopted pursuant to Article IV, as they may be amended.

2.2. "Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contracts, or agreements. The Area of Common Responsibility may include, without limitation, conservation easements, lakes, parks, public areas, and portions of or all of the Surface Water Management System located within the Properties within the Master Plan, regardless of whether such areas are made a part of the Common Area.

2.3. "Association": The Sanctuary Community Association, Inc., a Florida not for profit corporation, its successors or assigns.

2.4. "Base Assessment": Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1.

2.5. "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Florida corporate law.

2.6. "Builder": Any Person other than the Declarant who purchases one or more Units for the purpose of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

2.7. "By-Laws": The Amended and Restated By-Laws of The Sanctuary Community Association, Inc.

2.8. "Class "B" Control Period": The period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board as provided in Section 6.3(c).

2.9. "Common Area": All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term shall include the Exclusive Common Area, as defined below.

2.10. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development or other original construction costs unless approved by more than 50% of the Class "A" votes in the Association. Common Expenses shall include actual or estimated assessments made, or anticipated to be made, by the Master Association against the Properties or the Association pursuant to the Master Declaration.

2.11. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall be established initially by the Declarant and may be more specifically defined in the Architectural Guidelines, the Use Restrictions, and in Board resolutions.

2.12. "Declarant": Sanctuary-Oviedo Limited Partnership, a Florida limited partnership, or any successor or assign who takes title to any portion of the property described on Exhibit "A" for the purpose of development and/or sale, and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant, provided that there shall be only one declarant at any time.

2.13. "Declaration": This Declaration of Covenants, Conditions, Restrictions and Easements of The Sanctuary Homeowners Association, as such may be amended and supplemented from time to time as provided herein.

2.14. "Development Agreement": The Amended Development Agreement dated August 2, 1999, between the City of Oviedo and Richland Seminole Ranch, Ltd., as assigned to Declarant, and as amended or supplemented from time to time.

2.15. "Exclusive Common Area": A portion of the Common Area primarily benefitting one or more, but less than all, Units or Neighborhoods, as more particularly described in Article XII.

2.16. "Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration and to the Master Declaration and any supplemental declaration thereto.

2.17. "Homeowners Representative": The senior elected officer (e.g., the Association president) of the Association who shall be the person responsible for casting all votes attributable to the Units in the Association and for acting for and on behalf of all of the Members of the Association in connection with any and all Master Association business. The next senior officer

of the Association shall be the alternate Homeowners Representative to the Master Association who shall, in the absence, or at the request, of the senior elected officer, exercise the rights and duties of the Homeowners Representative.

2.18. "Master Association": The River Oaks Master Property Owners Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

2.19. "Master Plan": The most recent Land Use Plan for the development of The Sanctuary approved by Seminole County, Florida, as it may be amended, which includes all of the property described on Exhibit "A" as well as the other property covered by the Master Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration.

2.20. "Member": A Person subject to membership in the Association pursuant to Section 6.2.

2.21. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

2.22. "Neighborhood": A group of Units designated as a separate Neighborhood for purposes of sharing Exclusive Common Areas and/or receiving other benefits or services from the Association which are not provided to all Units within the Properties, and/or for the purpose of electing Neighborhood Representatives as provided in Section 6.5. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. If the Association provides requested benefits or services to less than all Units within a particular Neighborhood, then the benefited property shall constitute a sub-Neighborhood for purposes of determining and levying Neighborhood Assessments for such benefits or services.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 6.4.

2.23. "Neighborhood Assessments": Assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Section 8.2.

2.24. "Neighborhood Association": An owners association having concurrent jurisdiction with the Association over any Neighborhood.

2.25. "Neighborhood Expenses": The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of property within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and

replacements and a reasonable administrative charge, as may specifically be authorized pursuant to this Declaration or in the Supplemental Declarations) applicable to such Neighborhood(s).

2.26. "Neighborhood Representative": The representative selected by the Class "A" Members within each Neighborhood pursuant to Section 6.5 to cast the Class "A" votes attributable to their Units on all matters requiring a vote of the membership (except as otherwise specifically provided in this Declaration and in the By-Laws). Where the context permits or requires, the term "Neighborhood Representative" shall also refer to alternate Neighborhood Representatives acting in the absence of the Neighborhood Representative and any Owners authorized personally to cast the votes for their respective Units pursuant to Section 6.5.

2.27. "Owner": One or more Persons who hold the record title to any Unit but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

2.28. "Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.29. "Private Amenities": Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, which are privately owned and operated by Persons other than the Association for recreational and related purposes, on a club membership basis or otherwise.

2.30. "Properties": The real property described on Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

2.31. "Official Records": The public land records of Seminole County, Florida.

2.32. "Rules and Regulations": Board-adopted Rules and Regulations which establish administrative procedures for internal Association governance and operating procedures for use of the Common Area and property included within the Area of Common Responsibility.

2.33. "Special Assessment": Assessments levied in accordance with Section 8.4.

2.34. "Specific Assessment": Assessments levied in accordance with Section 8.5.

2.35. "Supplemental Declaration": An instrument filed in the Official Records pursuant to Article IX which subjects additional property to this Declaration, designates Neighborhoods, creates additional classes of Members, and/or imposes expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.36. "Surface Water Management System": Any portion of the open space located within the Properties consisting of swales, inlets, culverts, retention ponds, lakes, outfalls, storm drains and the like, and all connecting pipes and easements, used in connection with the retention, drainage and control of surface water.

2.37. "Unit": A portion of the Properties owned by a Person and zoned for development, use, and occupancy as an attached or detached residence for a single family, regardless of whether the Unit is improved or unimproved. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel on the Master Plan or the site plan approved by Declarant, whichever is more recent, until such time as a subdivision plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

2.38. "Use Restrictions": The initial use restrictions set forth on Exhibit "B," as they may be supplemented, modified and repealed pursuant to Article III.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

ARTICLE III USE AND CONDUCT

3.1. Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Properties, a framework of affirmative and negative covenants, easements and restrictions which govern the Properties. However, within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technology which inevitably will affect the Properties, its Owners and residents. Toward that end, this Article establishes procedures for modifying and expanding the initial Use Restrictions set forth on Exhibit "B" which shall bind all Owners and occupants as covenants running with the land.

3.2. Authority to Enact Use Restrictions.

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may enact, modify, cancel, limit, create exceptions to, or expand the Use Restrictions. The Board shall give notice of any such proposed action at least fifteen (15) business days prior to the Board meeting at which such action is to be considered by posting notice at the Association's office and broadcasting notice to the Association via cable or community information television channel, or other medium readily available throughout the community. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective, after compliance with subsection (c) below, unless disapproved at a meeting by: (i) more than 50% of the Class "A" votes in the Association, and (ii) the Class "B" Member, if any. The Board shall have no obligation to call a meeting to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the By-Laws. Upon such petition of the Members prior to the effective date of any Board action under this Section 3.2(a), the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of such meeting.

(b) Alternatively, the Members, at an Association meeting duly called for such purpose, may adopt Use Restrictions which modify, cancel, limit, create exceptions to, or expand the Use Restrictions by a vote of: (i) more than 50% of the Class "A" votes in the Association, and (ii) the approval of the Class "B" Member, if any.

(c) At least fifteen (15) days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall report on the new Use Restriction or explanation of any changes to the Use Restrictions in the Association's resident's report, cable or community information television channel, or other medium readily available throughout the Properties which shall specify the effective date. The Association shall provide, without cost, a copy of the Use Restrictions then in effect to any requesting Member or Mortgagee.

(d) Nothing in this Article shall authorize the Board or the Members to modify, repeal or expand the Architectural Guidelines. In the event of a conflict between the Architectural Guidelines and the Use Restrictions, the Architectural Guidelines shall control.

(e) Procedures required under this Section shall not apply to enactment and enforcement of Rules and Regulations unless the Board chooses in its discretion to submit to such procedures. Examples of such Rules and Regulations which may be enacted, amended and modified by Board resolution in its sole discretion shall include, but not be limited to, administrative procedures, traffic regulations, and parking rules on the Common Area. The Board shall exercise business judgment in the enactment, amendment, and enforcement of such Rules and Regulations.

3.3. Owners' Acknowledgment and Notice to Purchasers. All Owners are given notice that use of their Units, and the Common Area is bound, restricted, and limited by the Use Restrictions as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and that the Use Restrictions may change from time to time. All purchasers are on notice that changes may have been adopted by the Association. Copies of the current Use Restrictions may be obtained from the Association. Each Owner is also given notice that the Master Declaration may also contain restrictions or provisions affecting the use and enjoyment and marketability of his or her Unit and is advised to review a copy of the Master Declaration, which may be obtained from the Association.

Each Owner shall obtain and at all times maintain in effect a standard policy of property insurance for the full insurable replacement value of the Owner's Unit. Each such insurance policy shall contain a waiver of subrogation provision as to both Declarant and the Association.

3.4. Protection of Owners and Others. No Use Restriction shall be adopted in violation of the following provisions, except as may be specifically set forth in this Declaration (either initially or by amendment) or in the initial Use Restrictions set forth on Exhibit "B":

(a) Equal Treatment. Similarly situated Owners shall be treated similarly; provided, the Use Restrictions may vary by Neighborhood.

(b) Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in dwellings located in residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling.

(c) Household Composition. No Use Restriction shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and such Unit's occupants fair use of the Common Area.

(d) Activities Within Dwellings. No Use Restriction shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that cause offensive odors, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(e) Allocation of Burdens and Benefits. No Use Restriction shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable Rules and Regulations for use of Common Area, or from denying use privileges to those who abuse the Common Area or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(f) Alienation. No Use Restriction shall prohibit leasing or transfer of any Unit or require consent of the Association or Board for leasing or transfer of any Unit. However, the Association or the Board may require a minimum lease term for residential Units. The Association may impose administrative fees on the lease, rental, or transfer of any Unit based on the reasonable costs to the Association.

(g) Abridging Existing Rights. If any Use Restriction would otherwise require Owners to dispose of personal property which they maintained in or on their property prior to the effective date of such Use Restriction, or to vacate a dwelling in which they resided prior to the effective date of such Use Restriction, and such property was maintained or such occupancy was in compliance with this Restriction, Declaration and all Use Restriction previously in force, such Use Restriction shall not apply to any such Owners without their written consent.

(h) Reasonable Rights to Develop. No Use Restriction or action by the Association or Board shall unreasonably impede the Declarant's right to develop the Properties.

(i) Interference with Private Amenities. No Use Restriction or action by the Association shall control the use or operation of any Private Amenity.

The limitations in subsections (a) through (i) of this Section 3.4 shall only limit the authority to enact Use Restrictions exercised under Section 3.2; they shall not apply to amendments to this Declaration or Exhibits adopted in accordance with Article XIX.

ARTICLE IV ARCHITECTURE AND LANDSCAPING

4.1. General. No structure or thing shall be placed, erected, installed or posted on the Properties and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, or planting or removal of landscaping) shall take place within the Properties, except in compliance with this Article and the Architectural Guidelines.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications for the particular Unit. Any Owner may remodel, paint or redecorate the interior of his or her Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structure shall be subject to approval.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified person as may otherwise be approved by the Declarant or its designee in its sole discretion.

This Article shall not apply to the activities of the Declarant, nor to activities of the Association during the Class "B" Control Period.

4.2. Architectural Review.

(a) By Declarant. Until 100% of the property described on Exhibit "A" has been developed and conveyed to Owners other than Builders, the Declarant retains the right to exercise

architectural review under this Article. There shall be no prior surrender of this right except as provided in this Section. Each Owner or occupant, by accepting any interest in any portion of the Properties, acknowledges that, as the developer and as an Owner of portions of the Properties as well as other real estate within the vicinity of the Properties, Declarant has a substantial interest in ensuring that the improvements within the Properties preserve and enhance the general plan of development for The Sanctuary and do not impair the Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article ("Work") shall be commenced on such Owner's Unit unless and until the Declarant or its designee has given its prior written approval for such Work, which approval may be granted or withheld in the sole discretion of Declarant or its designee. In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in the interest of the Declarant and shall owe no duty to any other Person.

The Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder. The Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to an architectural review committee appointed by the Association's Board of Directors (the "ARC"). Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) the right of Declarant to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) the right of Declarant to veto any decision within ten days which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as the Declarant has any rights under this Article, the jurisdiction of the ARC shall be limited to such matters as are specifically delegated to it by the Declarant.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of the Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters hereunder. Subject to the Declarant's authority in Section 4.2(a) and the Board's discretion to establish review and appeal procedures, decisions of the ARC shall be final. The ARC, when appointed, shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board.

The ARC may delegate initial review and recommendation responsibilities as to a particular Neighborhood to the Neighborhood Association or Neighborhood Committee, if any, so long as the ARC has determined that such Neighborhood Association or Neighborhood Committee has in force review procedures and appropriate standards compatible with those of the ARC. Such delegation shall be made by resolution of the Board or the ARC and may be revoked and jurisdiction reassumed by the ARC at any time by written notice. If the ARC delegates such responsibility to a Neighborhood, the Owner shall submit the application and Plans required under Section 4.3 to the Neighborhood Association or Neighborhood Committee, as applicable, who

shall make an initial review and submit its recommendation with the Owner's application to the ARC for a final decision.

(c) Fees; Assistance. For purposes of this Article and the Use Restrictions, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. The Declarant and/or the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

4.3. Guidelines and Procedures.

(a) Architectural Guidelines. The Declarant has prepared initial Architectural Guidelines which contain general provisions applicable to all of the Properties as well as specific provisions which vary from Neighborhood to Neighborhood. The Architectural Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Architectural Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Architectural Guidelines does not guarantee approval of any application.

Except for any requirements in the Architectural Guidelines that are required under the Development Agreement, the Declarant shall have sole and full authority to amend the Architectural Guidelines as long as it owns any portion of the Properties or has a right to expand the Properties pursuant to Section 9.4, notwithstanding a delegation of reviewing authority to the ARC, unless the Declarant also delegates the power to amend to the ARC. Upon termination or delegation of the Declarant's right to amend, the ARC shall have the authority to amend the Architectural Guidelines with the consent of the Board except for matters required under the Development Agreement. Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive except for matters required under the Development Agreement.

The Development Agreement currently establishes the following requirements:

1. All single-family Units shall have a two-car garage which may not be used for living space (except that the Declarant may use a garage for a temporary sales office).
2. The minimum air conditioned space in any Unit is as follows:

| <u>Lot Width (Ft.)</u> | <u>Min. Sq. Footage under A/C</u> |
|------------------------|-----------------------------------|
| 50 | 1,350 |
| 60 | 1,500 |
| 65 | 1,550 |
| 70 | 1,600 |
| 75 | 1,700 |
| 85 | 2,000 |
| 90 | 2,000 |
| 100 | 2,200 |

3. No fence or other accessory structure shall be located within the corner lot street setback.

The Reviewer shall make the Architectural Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties. In the Declarant's discretion, such Architectural Guidelines may be recorded in the Official Records, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Prior to commencing any Work within the scope of this Article, an Owner shall submit to the appropriate Reviewer an application for approval of the proposed Work in such form as the Architectural Guidelines or the Reviewer may specify. Such application shall include plans and specifications ("Plans") showing site layout, distances from structures located on adjacent Units structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Architectural Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall, within thirty (30) days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

If the Reviewer fails to respond in a timely manner, the Owner seeking approval shall request a response from the Reviewer by certified mail, return receipt requested. If the Reviewer fails to respond within thirty (30) days after receipt of such request, approval shall be deemed to have been given, subject to the Declarant's right to veto approval by the ARC pursuant to this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of the Declarant's rights under this Article, the ARC shall notify the Declarant in writing within three business days after the ARC has approved any application relating to proposed Work within the scope of matters delegated to the ARC by the Declarant. The notice shall be accompanied by a copy of the application and any additional information which the Declarant may require. The Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

If construction does not commence on a project for which Plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, the Declarant or any aggrieved Owner.

4.4. No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted Rules and Regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration;

or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6. Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications. Review and approval does not ensure compliance with building codes and other governmental requirements, or ensure that all dwellings are of comparable quality, value or size or of similar design. The Master Association, the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall not be held liable for: (i) soil conditions, drainage or other general site work, (ii) any defects in plans revised or approved hereunder, or (iii) any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In all matters, the ARC and all persons comprising the ARC shall be defended and indemnified by the Association as provided in Section 7.6.

4.7. Certificate of Compliance. Any Owner may request that the Reviewer issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Architectural Guidelines with respect to such Owner's Unit. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

ARTICLE V MAINTENANCE AND REPAIR

5.1. Maintenance of Units. Each Owner shall maintain his or her Unit and all landscaping and improvements comprising the property in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to any Supplemental Declaration or other declaration of covenants applicable to such property.

In areas other than those where the Association or a Neighborhood Association assumes such maintenance responsibility, each Owner shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the Unit boundary and any wall, fence, curb, or water's edge located on the Common Area or public right-of-way; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval pursuant to Article IV.

5.2. Maintenance of Neighborhood Property. Any Neighborhood Association shall maintain its common property and any other property for which it has maintenance responsibility

in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants.

Unless the Association assumes such maintenance responsibility, any Neighborhood Association shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the boundary of its common property and any wall, fence, curb, or water's edge located on the Common Area or public right-of-way; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval pursuant to Article IV.

Upon resolution of the Board, the Owners within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all Neighborhoods which are similarly situated shall be treated the same.

The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance and insurance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the property within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

5.3. Responsibility for Repair and Replacement. Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his or her Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the property and maintain it in a neat and attractive, landscaped condition consistent with the

Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall apply to any Neighborhood Association responsible for common property within the Neighborhood in the same manner as if the Neighborhood Association were an Owner and the common property were a Unit. Additional recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the property within such Neighborhood and for clearing and maintaining the property in the event the structures are not rebuilt or reconstructed.

PART THREE. COMMUNITY GOVERNANCE AND ADMINISTRATION

ARTICLE VI THE ASSOCIATION AND ITS MEMBERS

6.1. Function of Association. The Association shall be the master association within the Properties and the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association also shall be the primary entity responsible for enforcement of the Governing Documents with respect to the Properties and the Members of the Association. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Florida.

6.2. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Unit owned by a Class "A" Member. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(d) and in the By-Laws. All such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3. Voting. The Association shall have two classes of membership, Class "A," and Class "B."

(a) Class "A." Class "A" Members shall be all Owners of residential Units except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.9. All Class "A" votes shall be cast as provided in Section 6.3(d) below.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The Class "B" membership shall terminate upon the first to occur of the following:

(i) when 75% of the maximum density of dwellings permitted by the Master Plan for the property described on Exhibit "A" have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders;

(ii) January 1, 2010; or

(iii) when, in its discretion, the Class "B" Member so determines and declares in a written instrument recorded in the Official Records.

During the Class "B" membership, the Declarant may appoint a majority of the members of the Board of Directors (also referred to as the "Class "B" Control Period") as more specifically provided in Article III of the By-Laws. Additional rights of the Class "B" Member, and the Declarant, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of the Governing Documents. After termination of the Class "B" Control Period, the Declarant shall have a right to disapprove certain actions of the Board and committees as provided in Section 3.18 of the By-Laws.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member and entitled to Class "A" votes for each Unit which it owns.

The Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of any additional property made subject to this Declaration pursuant to Article IX, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(c) Exercise of Voting Rights. Except as otherwise specified in this Declaration or the By-Laws, the vote for each Unit owned by a Class "A" Member shall be exercised by the Neighborhood Representative representing the Neighborhood, as provided in Section 6.5. The Neighborhood Representative may cast all such votes as it, in its discretion, deems appropriate.

In any situation where a Member is entitled personally to exercise the vote for his or her Unit, and there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

The voting rights of any Owner may be assigned (for the duration of the lease only) by an Owner to its tenant, if the tenant has entered into a lease with a term of two (2) years or more; provided, however, that the Owner may not assign to such tenant any vote or votes not attributable

to the property actually leased by such tenant. No such assignment shall be effective until written notice thereof has been received by the Association.

6.4. Neighborhoods.

(a) Neighborhood Designation. Each Unit within the Properties shall be located within a Neighborhood. Exhibit "A" to this Declaration, and each Supplemental Declaration submitting additional property to this Declaration shall designate the property submitted thereby to a Neighborhood (by name, tract, or other identifying designation), which Neighborhood may be then existing or newly created. So long as it has the right to subject additional property to this Declaration pursuant to Section 9.1, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration to redesignate Neighborhood boundaries; provided, two or more existing Neighborhoods shall not be combined without the consent of Owners of more than 50% of the Class "A" votes in the affected Neighborhoods.

(b) Neighborhood Services. Any Neighborhood, acting either through a Neighborhood Committee elected as provided in Section 5.3 of the By-Laws or through a Neighborhood Association may request that the Association provide a higher level of service or maintain additional areas or improvements than that which the Association generally provides to all Neighborhoods, or may request that the Association provide special services for the benefit of Owners in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of (i) more than 50% of the Units within the Neighborhood, and (ii) the consent of the Board, the Association may provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate to all Neighborhoods receiving the same service), shall be assessed against the benefitted Owners within such Neighborhood as a Neighborhood Assessment.

(c) Neighborhood Rules. Each Neighborhood Association or Neighborhood Committee may propose to the Board for its consideration reasonable rules designed to restrict the use of its Exclusive Common Area to Owners, their guests and invitees, of Units within such Neighborhood. The Board shall consider such proposed rules at the next regularly scheduled Board meeting after the proposed rules are formally submitted to the Board. If the Board finds, in the reasonable exercise of its discretion, that the proposed rules are acceptable, such rules (with such modifications, if any, as the Board feels is necessary) shall be adopted by the Board and shall thereafter be effective with respect to the Exclusive Common Area in question. Nothing herein shall prevent the Board from adopting such Rules and Regulations governing Exclusive Common Area on its own initiative.

6.5. Neighborhood Representatives. The Class "A" Members in each Neighborhood shall be represented by a Neighborhood Representative who shall be responsible for casting all votes attributable to Units owned by Class "A" Members in the Neighborhood on all Association matters requiring a membership vote, except as otherwise specified in this Declaration or the By-Laws. The senior elected officer of each Neighborhood Association, or duly elected

representative of such Neighborhood Association of which the Neighborhood Association has notified the Board, or chairperson of a Neighborhood Committee shall serve as the Neighborhood Representative for the Class "A" Members in the Neighborhood. Any Neighborhood officer or committee member may serve as the alternate. The Neighborhood Representative shall cast all the votes of the Class "A" Members in his or her Neighborhood as he or she deems appropriate in his or her discretion.

Neighborhood Representatives shall be selected not later than when 75% of the Units in such Neighborhood have been conveyed to a Person other than a Builder. Unless otherwise provided in the documents governing a Neighborhood Association, each Class "A" Member owning a Unit within the Neighborhood shall be entitled to cast one vote per Unit owned in Neighborhood elections, and the presence, in person or by proxy, of Class "A" Members representing at least 10% of the total Class "A" votes attributable to Units in the Neighborhood shall constitute a quorum at any Neighborhood meeting. Neighborhood Representatives and alternates shall serve a term of one year and until their successors are elected. Any Neighborhood Representative or alternate may be removed, with or without cause, upon the vote or written petition of a majority of the total number of Class "A" votes in the Neighborhood. Until such time as Neighborhood Representatives are selected for the Neighborhood, the Owners within such Neighborhood shall be entitled personally to cast the votes attributable to their respective Units on any issue requiring a membership vote under the Governing Documents.

6.6 Voting in the Master Association. The Homeowners Representative shall be the person responsible for attending all Master Association meetings and for casting all votes on Master Association matters attributable to the Units in this Association and shall be responsible for acting for and on behalf of all Members of this Association. All Members of this Association are directed to Sections 4 and 5 of the Master Declaration and to Section 9.4 herein for provisions explaining voting rights of this Association in the Master Association.

ARTICLE VII
ASSOCIATION POWERS AND RESPONSIBILITIES

7.1. Acceptance and Control of Association Property.

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to the provisions of Sections 16.9 and 18.4.

(b) The Declarant and its designees may convey to the Association personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, described on Exhibit "A." Such areas may include, without limitation, open space, parks, lakes, and the Surface Water Management System. The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties

originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

7.2. Maintenance of Area of Common Responsibility.

(a) The Association shall maintain (unless otherwise assigned to another Person under this Declaration or the Master Declaration), in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

- (i) all portions of and structures situated upon the Common Area;
- (ii) landscaping within public rights-of-way within or abutting the Properties;
- (iii) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, the Master Declaration, or any contract or agreement for maintenance thereof entered into by the Association;
- (iv) all ponds, streams and/or wetlands located within the Properties which serve as part of the Surface Water Management System for the Properties, including improvements and equipment installed therein or used in connection therewith;
- (v) any lakes, open space, conservation easements, or public areas serving or benefitting the Properties; and
- (vi) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public and property subject to the Master Declaration (subject in the latter case to the consent of the Master Association), if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

(b) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless: (i) at least

75% of the Class "A" and (ii) the Class "B" Member, if any, approve discontinuing such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Declarant as long as the Declarant owns any property described on Exhibit "A" of this Declaration.

(c) Except as otherwise specifically provided in this Declaration, the costs which the Association incurs in connection with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, the Master Declaration, other recorded covenants, or agreements with the owner(s) thereof. In addition, the Association may levy a Specific Assessment for reimbursement of damages to the Area of Common Responsibility from any Owner and/or occupant after providing such Person notice and an opportunity for a hearing pursuant to Section 2.23 of the By-Laws.

(d) The park and other amenity areas planned for the Community shall not be deemed part of the area of common responsibility until such amenities are completed and made available for use by Owners. Prior to such time, maintenance of such amenity shall be the responsibility of the Declarant.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have ordinance or law coverage endorsements to provide adequate coverage for the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a primary coverage limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal

injury, and property damage, and a \$5,000,000.00 umbrella liability policy; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable.

In addition, the Association shall, if so specified in a Supplemental Declaration applicable to any Neighborhood, obtain and maintain property insurance on the insurable improvements within such Neighborhood which insurance shall comply with the requirements of Section 7.3(a)(i), and liability insurance in such amounts as the Board determines appropriate. Any such policies shall provide for a certificate of insurance to be furnished upon request to the Owner so insured.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that (i) premiums for property insurance on Units within a Neighborhood shall be a Neighborhood Expense if so specified in a Supplemental Declaration for such Neighborhood; and (ii) premiums for insurance on Exclusive Common Areas shall be handled in accordance with Section 12.3 unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Orlando area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.23 of the By-Laws, that the loss is the result

of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Florida which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a coinsurance clause; and

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(iv) a cross liability provision;

(v) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(vi) provide a waiver of subrogation under the policy against any Owner or household member of a Owner;

(vii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(viii) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

(c) Restoring Damaged Improvements. In the event of damage to or destruction to a structure located on the Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless: (i) at least 75% of the Class "A" votes in the Association, and (ii) the Class "B" Member, if any, decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days following the availability of the funds or information. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of all Owners or the Owners within the insured Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected property.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

7.4. Compliance and Enforcement. Every Owner and occupant of a Unit shall comply with the Governing Documents, and any lease or rental agreement for a dwelling shall so provide. The Board may impose sanctions for violation of the Governing Documents or damaging the Common Area after notice and a hearing in accordance with the procedures set forth in Section 3.23 of the By-Laws. Such sanctions may include, without limitation:

- (a) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (If any occupant, guest or invitee of a Unit violates the Governing Documents or damages the Common Area and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);
- (b) suspending any Person's right to use any Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;
- (c) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than fifteen (15) days delinquent in paying any assessment or other charge owed to the Association;
- (d) exercising self-help or taking action to abate any violation of the Governing Documents or damages the Common Area in a non-emergency situation;
- (e) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of Article IV and to restore such property to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;
- (f) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Architectural Guidelines from continuing or performing any further activities in the Properties; and
- (g) levying Specific Assessments to cover costs (including without limitation, administrative costs, notice fees, warning fees, inspection fees, attorneys fees and expenses, regardless of whether a legal action has been initiated) incurred by the Association to bring a Unit into compliance with the Governing Documents or repairing any damage to the Common Area.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents and protection of the Common Area without the necessity of compliance with the procedures set forth in Section 3.23 of the By-Laws:

- (a) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking Rules and Regulations)

(b) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both, subject to the procedures contained in Article XIV hereof.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may record a notice of violation in the Official Records or perform such maintenance responsibilities and assess all costs incurred by the Association against the property and the Owner as a Specific Assessment. If a Neighborhood Association fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific Assessment against all Units within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Association reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any legal action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action, regardless of whether litigation or any formal action or administrative proceeding is filed, including costs and fees on appeal.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, Use Restriction, Rule or Regulation.

The Association, by contract or other agreement, may enforce applicable county ordinances and permit Orange County to enforce ordinances within the Properties for the benefit of the Association and its Members.

7.5. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

7.6. Indemnification of Officers, Directors and Others. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited hereunder and Florida law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.7. Monitoring Services. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to monitor or restrict persons entering and/or leaving the Properties. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of the effectiveness of such devices or procedures, nor shall either be held liable for any loss or damage by reason of failure to provide adequate monitoring services or ineffectiveness of such measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Properties, can not be compromised or circumvented, nor that any such systems or procedures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board and committees, and the Declarant are not insurers and that each Person using the Properties assumes all risks of personal injury and loss or damage to property resulting from acts of third parties.

7.8. Powers of the Association Relating to Neighborhoods. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefor. The Association shall require a Neighborhood Association to take reasonable and legitimate actions and all similarly situated Neighborhoods shall be treated in a similar manner.

A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as any administrative charges and sanctions.

7.9. Provision of Services. The Association shall be authorized but not obligated to enter into and terminate, in the Board's discretion, contracts or agreements with other entities, including Declarant, to provide services to and facilities for the Members of the Association and their guests, lessees and invitees and to charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, monitoring systems, caretaker, transportation, fire protection, utilities, and similar services and facilities.

7.10. Surface Water Management System. Within the Master Plan is the Surface Water Management System for The Sanctuary which includes drainage canals, lakes and drainage retention/detention ponds. These drainage structures are part of the overall drainage plan for The Sanctuary and the River Oaks PUD. The Association shall have unobstructed ingress to and egress from all retention/detention ponds and lakes at all reasonable times to maintain said ponds and lakes in a manner consistent with its responsibilities as provided in Section 11.6 and any Rules and Regulations promulgated by the Association under authority thereof. No Neighborhood Association, Neighborhood Committee or Owner shall cause or permit any interference with such access and maintenance.

The Association shall be responsible for the general maintenance, operation, and repair of the Surface Water Management System; however, each Owner shall be responsible for the mowing and erosion repair of drainage swales ("Drainage Swales") located on their portion of the Properties. No Owner shall fill, excavate, construct fences, or otherwise obstruct the surface water flow in Drainage Swales, and any alteration or damage caused to a Drainage Swale shall be repaired as soon as possible by the Owner of the property on which the Drainage Swale is located.

The Association shall preserve certain permanent vegetated natural buffers ("Buffers") over portions of the Properties as shown on the Master Plan or as imposed by Declarant pursuant to conservation easements recorded against the Properties. These Buffers shall form a part of the Surface Water Management System. Filling and replacement of impervious surface (other than fence posts) is prohibited within the Buffers. No alteration of the Buffers is authorized without prior written consent from the St. Johns River Water Management District ("SJRWMD"). Any damage to the Buffers, whether caused by natural or human-induced phenomena, shall be repaired and the Buffers returned to their former condition as soon as possible by the Association if located within the Common Area or by the Owner of those portions of the Properties upon which such Buffers are located. SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions of this Section 7.10 relating to the maintenance, operation and repair of the Surface Water Management System and the Buffers. Notwithstanding any provision to the contrary set forth in this Declaration, Section 7.10 of this Declaration may not be changed, amended or modified without the prior consent of SJRWMD.

Should any Neighborhood Association, Neighborhood Committee, or Owner fail to sufficiently maintain any portion of the Surface Water Management System within its boundaries, the Association may perform such maintenance and assess the cost as a Specific Assessment. No Owner shall utilize, in any way, any portion of the Surface Water Management System or

incorporate such in the Owner's development plans, without the express prior written consent of the Declarant and the Association. Further, if an Owner's property is contiguous to any of the Surface Water Management System, the Owner shall prepare its site plan so that the utilization of its property will not adversely affect the drainage facilities and structures and so as to be aesthetically compatible with such drainage facilities and structures.

7.11. Development Agreement. The Development Agreement with The City of Oviedo, Florida ("City") requires the creation and maintenance of certain private drainage systems (as therein defined) and retention-detention ponds on the Properties, in conformance with the City regulations and the requirements of other applicable jurisdictions, and in such a manner as to prevent any adverse impact or effect upon other properties, including road systems and drainage systems external to the Property. The Development Agreement also requires the Declarant to create within The Sanctuary and to deed to the Association as part of the Common Area certain conservation areas, open space tracts, landscape buffers, perimeter buffers, walls, and an active park. The Development Agreement further requires the Declarant to adopt a management program for any conservation tract within the Properties, including, wildlife habitat and corridors, and to pay maintenance and usage fees for streetlighting plans required under the Development Agreement. As a part of its obligation to maintain the Common Area, the Association shall assume and undertake the maintenance obligations of Declarant under the Development Agreement, including the obligation to pay ongoing maintenance and usage fees for streetlighting within the Common Area.

Further, the Association recognizes the City as a third-party beneficiary of the maintenance obligations herein assumed by the Association and agrees to indemnify and hold the City harmless from all losses, damages, costs, claims, suits, liabilities, expenses and attorney's fees (including those for legal services rendered at the appellate court level), resulting from or relating to the use or maintenance of the Common Areas located within the Properties and covered by the Development Agreement. The City shall have the legal right to enforce said maintenance and indemnification obligations against the Association in a court of competent jurisdiction. Any provision of this Section 7.11 which is for the benefit of the City may not be amended without the approval of the City. The recitation herein of Declarant's obligation to create certain amenities under the Development Agreement shall create no right in the Owners to enforce such obligation against Declarant.

7.12. Reclaimed Water. If an Owner uses an irrigation system on his or her Unit and reclaimed water shall become available, then in such events, the Association may: (a) require the Owner of each such Unit to use the reclaimed water for irrigation purposes and (b) charge a reasonable uniformly applied fee for the use of such reclaimed water. Costs of connection to the Reclaimed Water Source shall be paid by the Declarant if the Declarant has requested such connection.

7.13. Inspection and Maintenance Guidelines. The Board shall adopt inspection and maintenance guidelines for the periodic inspection and maintenance of the Common Areas, including, but not limited to, landscaping, foundations, down spouts, siding, trim, roofs,

balconies, window caulking, utility equipment and sanitary sewer and storm drainage facilities maintained by the Association, streets, parking areas, recreational facilities, underground garage, and the irrigation system. The Board periodically and at least once every two (2) years shall review and update the inspection and maintenance guidelines. The Board shall take all appropriate steps to implement and comply with the inspection and maintenance guidelines, and shall keep records of such implementation and compliance.

ARTICLE VIII **ASSOCIATION FINANCES**

8.1 Budgeting and Allocating Common Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments, and the amount to be generated through the levy of Base Assessments and Special Assessments, as authorized in Section 8.6.

The Association is hereby authorized to levy Base Assessments against all Units subject to assessment at rates set forth in Section 8.6 to fund the Common Expenses. In determining the Base Assessments, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

The Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.7(b)), which may be either a contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner at least thirty (30) days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved at a meeting by: (i) at least 75% of the Class "A" and (ii) the Class "B" Member, if any. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within ten (10) days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

8.2. Budgeting and Allocating Neighborhood Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 6.4(a) and any contribution to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments, and the amount required to be generated through the levy of Neighborhood and Special Assessments in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments against all Units subject to assessment in the Neighborhood at the rates set forth in Section 8.6 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by more than 50% of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on the benefitted property in proportion to the benefit received.

The Board shall cause a copy of the Neighborhood budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Neighborhood by more than 50% of the Class "A" votes. However, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least 10% of the Class "A" and votes in such Neighborhood, which petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood and shall not apply to any item which the Governing Documents require to be assessed as a Neighborhood Assessment.

If the proposed budget for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the right of the Owners in the affected Neighborhood to disapprove the revised budget as set forth above.

8.3. Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1 or the Neighborhood Expense budgets adopted pursuant to Section 8.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.4. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the property within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of: (i) more than 50% of the Class "A" votes in the Association (if a Common Expense) or in the Neighborhood (if a Neighborhood Expense) which will be subject to such Special Assessment, and (ii) the affirmative vote or written consent of the Class "B" Member, if any. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.5. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.9). Specific Assessments for special services may be levied in advance of the provision of the requested service;

(b) to cover monetary fines levied pursuant to this Declaration, costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of dwellings, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity for a hearing, in accordance with Section 3.23 of the ByLaws, before levying any Specific Assessment under this subsection (b);

(c) to cover other costs which this Declaration or any Supplemental Declaration expressly authorizes to be levied as a Specific Assessment.

The Association may also levy a Specific Assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into

compliance with the provisions of the Governing Documents, provided the Board gives prior written notice to the Owners in, or the Neighborhood Representative representing, the Neighborhood and an opportunity for such Owners or Neighborhood Representative to be heard before levying any such assessment.

8.6. Authority to Assess Owners; Rate of Assessment; Time of Payment. The Declarant hereby establishes and the Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment and Neighborhood Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on such property.

The rate of assessment shall be equal on all Units subject to Base Assessments, Neighborhood Assessments, or Special Assessments under this Article.

Notwithstanding the foregoing paragraph to the contrary, any Unit owned by a Builder shall be assessed at 50% of the full rate. The Builder assessment rate shall expire upon the earlier of: (i) conveyance or transfer of the Unit to an Owner for residential occupancy, or (ii) three years from the date the Builder acquired ownership of the Unit from Declarant. Thereafter, such Unit shall be assessed at the full rate. Any Unit owned by Declarant (subject to its election made pursuant to Section 8.7(b)) shall be assessed at 25% of the full rate.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year.

If any Owner is delinquent in paying any assessments or other charges levied on his or her Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately. All payments made or monies collected by the Association shall be applied first toward costs and fees, then to late charges, then to interest, then to assessments.

In any Neighborhood governed by a Neighborhood Association, the Association may, but shall not be obligated to, provide the Association's notices of assessment to the Neighborhood Association. The Neighborhood Association shall be responsible for billing, collection and remitting the amount due from all Owners in such Neighborhood to the Association in accordance with such procedures as may be established by the Board. Notwithstanding the Association's delegation of billing and collection to a Neighborhood, in the event of delinquency, the Association shall reserve all rights and powers of collection as set forth in this Article.

8.7. Personal Obligation.

(a) Each Owner, by accepting a deed, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Florida law), late charges as determined by Board resolution, costs, lien fees, filing fees, administrative fees, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Neighborhood Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his or her Unit or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option to Fund Budget Deficits. During the Class "B" Control Period, Declarant may satisfy its obligation for assessments on Units which it owns either by paying such assessments at the rate specified in Section 8.6 in the same manner as any other Owner, or by paying the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of the Declarant's election, the Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Class "B" Control Period, the Declarant shall pay assessments on its unsold Units at the rate specified in Section 8.6.

8.8. Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Florida law), costs, lien fees, filing fees, administrative fees, and reasonable attorneys' fees. Such lien shall be subject and inferior to (a) the liens of all taxes, bonds, or governmental assessments which by law would be superior, and (b) the lien for all sums secured by a first Mortgage of record (meaning any recorded Mortgage made in good faith and for value with first priority over other Mortgages made with a lender who is not related to the Mortgage grantor by blood or marriage) encumbering such Unit. Except for the foregoing liens, all other lienors securing liens on any Unit after the recordation of this Declaration in the Official Records shall be deemed to consent that such lien shall be inferior to liens for assessments, as provided herein, whether or not such consent is specifically set forth in the instruments creating such liens. Recordation of this Declaration in the Official Records shall constitute constructive notice to all subsequent purchasers and creditors, or either, of the existence of the lien hereby created in favor of the Association and the priority thereof and shall place upon each such purchaser or creditor, other than a first Mortgagee or creditor listed under sub-Section (a), the duty of inquiring of the Association as to the status of assessments against any Unit within the Properties. The Association's lien shall be superior to the assessment lien of any Neighborhood Association. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, rent, mortgage, and convey the Unit. While property is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such property had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such property from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed property shall not be personally liable for assessments due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.6, including such acquirer, its successors and assigns.

8.9. Exempt Property. The following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

- (a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 7.2;
- (b) Any property dedicated to and accepted by any governmental authority or public utility; and

(c) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common.

In addition, the Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

8.10. Working Capital. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in the amount of \$250.00. This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.

PART FOUR: COMMUNITY DEVELOPMENT

ARTICLE IX EXPANSION OF THE COMMUNITY

9.1. Expansion by the Declarant. Declarant may, subject to the provisions of this Declaration, submit additional property to this Declaration so long as such additional property is contiguous to the Properties and is made part of the same PUD approval by the City. Expansion of the community shall be accomplished by filing a Supplemental Declaration in the Official Records describing the additional property to be subjected. A Supplemental Declaration filed pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

The Declarant's right to expand the community pursuant to this Section shall expire on December 31, 2006.

Nothing in this Declaration shall be construed to require the Declarant or any successor to subject additional property to this Declaration.

9.2. Expansion by the Association. After obtaining the approval of the Master Association, the Association may also subject additional property to the provisions of this Declaration by filing a Supplemental Declaration in the Official Records describing the additional property. Any such Supplemental Declaration shall require the affirmative vote or the written consent of: (i) more than 50% of the Class "A" votes of the Association represented at a meeting duly called for such purpose, (ii) the owner of the property, and (iii) the Declarant, so long as the

Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property and by Declarant, if Declarant's consent is necessary.

9.3. Additional Covenants and Easements. The Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Neighborhood Assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Membership in Master Association. This Association is a member of the Master Association, and such membership is not assignable except to the successor-in-interest of the Association. This Association shall represent the interests of all of its Members. By acceptance of a deed or other instrument evidencing an ownership interest in the Properties, each Owner accepts a representative membership in the Master Association, acknowledges the authority of the Master Association as stated in the Master Declaration, agrees to abide by and be bound by the provisions of the Master Declaration, the articles of incorporation, the by-laws and other rules and regulations of the Master Association, as they may be amended from time to time, and as they are applicable to the Properties, and agrees that the assessments provided for herein shall include assessments to which all Owners are subject pursuant to the Master Declaration.

9.5. Effect of Filing Supplemental Declaration. Any Supplemental Declaration filed pursuant to this Article shall be effective upon recording in the Official Records unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

ARTICLE X
ADDITIONAL RIGHTS RESERVED TO DECLARANT

10.1. Withdrawal of Property. The Declarant reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Section 9.1, for the purpose of removing any portion of the Properties which has not yet been improved with structures from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

10.2. Marketing and Sales Activities. The Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Units including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

10.3. Right to Develop. The Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion. Neither the Association or any Neighborhood Association shall take any action which impacts the ability of the Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for The Sanctuary, as such plans are expressed in the Master Plan, as such may be amended and updated from time to time.

Every Person that acquires any interest in the Properties acknowledges that The Sanctuary is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to (a) changes in uses or density of property outside the Neighborhood in which such Person holds an interest, or (b) changes in the Master Plan as it relates to property outside the Neighborhood in which such Person holds an interest.

10.4. Additional Covenants. The Declarant or an Owner of a parcel within the Properties may record additional covenants, conditions, restrictions, and easements applicable to portions of the Properties, and may form condominium associations, subassociations, or cooperatives governing such property. Any such instrument shall be consistent with the provisions of Section 1.3, and no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Official Records.

10.5. Right to Approve Changes in Community Standards. No amendment to or modification of any Use Restrictions or Architectural Guidelines shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.6. Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Official Records. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to

Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.7. Right to Approve Sales Materials. All sales, promotional, and advertising materials, and all forms for deeds, contracts for sale and other closing documents for the subdivision and sale of property in the Properties by any Builder may be subject to the prior approval of Declarant, upon request of Declarant, which approval shall not be unreasonably withheld. Declarant shall deliver notice to any Builder of Declarant's approval or disapproval of all such materials and documents within thirty (30) days of receipt of such materials and documents, and, if disapproved, set forth the specific changes requested. If Declarant fails to do so within such thirty (30) day period, Declarant shall be deemed to have waived any objections to such material as and documents and to have approved the foregoing. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or deemed to be obtained.

10.8. Use of Name "The Sanctuary". No Person shall use the name "The Sanctuary," its logo, or any derivative of such name or logo in any printed or promotional material without the Declarant's or Association's prior written consent. Until the termination of the Class "B" Control Period, the Declaration shall have the sole right to approve the use of The Sanctuary name and logo, and such right shall automatically pass to the Association at the end of the Class "B" Control Period. However, Owners may use the name "The Sanctuary" in printed or promotional matter where such term is used solely to specify that particular property is located within The Sanctuary.

10.9. Termination of Rights. Unless otherwise specified, the rights contained in this Article shall not terminate until the earlier of (a) December 31, 2006, or (b) recording by Declarant of a written statement that all sales activity has ceased.

10.10. Density Transfers. If an Owner of a parcel of property shall develop such property so that the number of Units or dwellings contained therein is less than the allowable number of Units or dwellings allocated by the Master Plan to that particular parcel, the excess allowable Units or dwellings not used by the Owner (with respect to that parcel) shall inure to the benefit of Declarant's remaining properties described on Exhibits "A."

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

ARTICLE XI EASEMENTS

11.1. Easements in Common Area. The Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt Rules and Regulations governing the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use any of the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for violation of the Governing Documents after notice and a hearing pursuant to Section 3.23 of the By-Laws;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(g) The right of the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Sections 16.9 and 18.4; and

(i) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Exclusive Common Areas," as described in Article XII.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to the Rules and Regulations adopted by the Board. An Owner who rents or leases his or her Unit shall be deemed to have assigned its appurtenant property interests to the lessee or tenant for the period of the lease.

11.2. Easements of Encroachment. The Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due

to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Etc.

(a) The Declarant reserves for itself, so long as the Declarant owns any property described on Exhibit "A" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements: (i) on property which Declarant owns; (ii) within public rights-of-way; and (iii) on easements reserved for such purpose on recorded plats, for the purpose of installing utilities and infrastructure to serve the Properties, cable and other systems for sending and receiving data and/or other electronic signals, monitoring and similar systems, walkways, pathways and trails, drainage systems, street lights and signage.

(b) The Declarant reserves for itself, so long as the Declarant owns any property described on Exhibit "A" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout all of the Properties (but not through a structure) for the purpose of (i) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 11.3(a); and (ii) access to read utility meters; provided, however, maintaining, repairing or replacing any utility or infrastructure shall not permit the easement holder to increase the size or type of use or impose a greater burden on the holder of the servient estate.

(c) Declarant shall have the non-exclusive right and power to grant and record in the Official Records specific easements which are consistent with those generally reserved to itself under sub-Section 11.3(b) as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibit "A."

(d) All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures, nor shall it unreasonably interfere with the use of any property and, except in an emergency, entry onto any property shall be made only after reasonable notice to the Owner or occupant.

11.4. Telecommunications. Declarant reserves to itself, its affiliates, successors, and assigns, the exclusive and perpetual right and easement to operate within the Properties and to service the buildings and the structures within the Properties, a central telecommunications (including telephone, cable television, intranet/internet, and security monitoring) receiving and distribution system, including conduits, wires, amplifiers, towers, antenna, and other related apparatus, equipment and facilities as Declarant, in its discretion, deems appropriate. Such exclusive and perpetual right shall include, without limitation, Declarant's right to select and contract with companies licensed to provide telecommunications and cable television service in

the Properties, and to charge Member users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant governmental authority, if applicable. Additionally, the contracts between Declarant and such companies may provide for Declarant to share in the revenue derived from such contracts. Declarant may at any time assign its rights hereunder to the Association, and, at such time as the Declarant no longer owns any of the Properties, such right shall be automatically deemed assigned to the Association.

11.5 Easements for Maintenance, Emergency and Enforcement. The Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Article VII. The Association shall also have the right, but not the obligation, to enter upon any Unit in the event of an emergency, to preserve the quality of life within the community, to perform maintenance, and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner or occupant.

11.6. Easements for Lake and Pond Maintenance and Flood Water. The Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Area of Common Responsibility to: (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community Wide Standard. The Declarant, the Association, and their successors, assigns and designees shall have an access easement over and across any of the Properties abutting or containing bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section.

The Declarant further reserves for itself, the Association, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area, and Units, adjacent to or within 100 feet of bodies of water and wetlands within the Properties, in order to: (a) temporarily flood, relocate water upon, and maintain water over such portions of the Properties; (b) alter in any manner and generally maintain the bodies of water and wetlands within the Area of Common Responsibility; and (c) maintain and landscape the slopes and banks pertaining to such areas. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural occurrences.

11.7. Easement for Stormwater Drainage. Every Unit, the Common Area, and the common property of any Neighborhood Association are burdened with an easement required by the City, for storm water drainage and retention systems installed by the Declarant within the Properties. No structure, fence or landscaping that interferes with the flow or retention of storm

water shall be permitted and no refuse shall be placed upon or allowed to remain on any part of any Unit within any easement area for storm water drainage or retention, and the storm water drainage and retention areas, including drainage swales or retention ponds, shall not be filled or otherwise changed so as to alter or block the flow or the quantity of water. Owners within which any easement for storm water drainage or retention lines are located shall be responsible for the maintenance of such areas to permit the flow and retention of water in accordance with the storm water drainage and retention system plan required and approved by the City. If any Owner shall fail to comply with any part or all of the restrictions contained in this Section, the Association shall notify the Owner in writing, shall have the right to correct such failure to comply herewith, and to assess all costs incurred as a Specific Assessment.

ARTICLE XII
EXCLUSIVE COMMON AREAS

12.1. Purpose. Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of one or more Units (hereinafter "Unit Exclusive Common Area") or Neighborhoods (hereinafter "Neighborhood Exclusive Common Area"). By way of illustration and not limitation, Exclusive Common Areas may include entry features, recreational facilities, landscaped medians and cul-de-sacs, lakes and other portions of the Common Area within or in proximity to the particular Neighborhood(s) or Unit(s) to which they are assigned.

12.2. Assignment, Reassignment and Conversion.

(a) By Declarant. The Declarant may assign a portion of the Common Area as Exclusive Common Area in the deed conveying such area to the Association or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Units, and/or Neighborhoods, so long as the Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

(b) By Association. Subject to Section 12.2(c):

(i) The Association may, by resolution, assign as Neighborhood Exclusive Common Area any portion of the Common Area not previously assigned, and may convert Neighborhood Exclusive Common Area to general Common Area, upon approval of

(A) the Board; and

(B) Neighborhood Representatives representing more than 50% of the Class "A" votes in the Association; and

(C) Owners entitled to cast more than 50% of the Class "A" votes of Units in the Neighborhood to which the Exclusive Common Area is then or will be assigned.

(ii) The Association may, by resolution, assign as Unit Exclusive Common Area a portion of the Common Area not previously assigned, and Unit Exclusive Common Area may be converted to general Common Area, upon approval of:

- (A) the Board; and
- (B) Neighborhood Representatives representing more than 50% of the Class "A" votes in the Association; and
- (C) if assigning Common Area as Unit Exclusive Common Area, the Owner of the Unit to which the Exclusive Common Area is proposed to be assigned; and
- (D) if (but only if) reassigning Unit Exclusive Common Area originally assigned as such by Declarant pursuant to Section 12.2(a), the Owner of the Unit to which the Exclusive Common Area is then assigned.

(iii) The Association may, by resolution, reassign Neighborhood Exclusive Common Area as Unit Exclusive Common Area, or may reassign Unit Exclusive Common Area as Neighborhood Exclusive Common Area, upon approval of

- (A) the Board; and
- (B) Owners entitled to cast more than 50% of the Class "A" votes of Units in the Neighborhood to which the Exclusive Common Area is then or will be assigned; and
- (C) if reassigning Neighborhood Exclusive Common Area as Unit Exclusive Common Area, the Owner of the Unit to which the Exclusive Common Area is proposed to be assigned; and
- (D) if (but only if) reassigning Unit Exclusive Common Area originally assigned as such by Declarant pursuant to Section 12.2(a), the Owner of the Unit to which the Unit Exclusive Common Area is then assigned.

(iv) The Association may, by resolution, reassign Neighborhood Exclusive Common Area to one or more additional or other Neighborhoods upon approval of

- (A) the Board; and
- (B) Owners entitled to cast more than 50% of the Class "A" votes attributable to the Units in the Neighborhood(s) to which the Exclusive Common Area is then assigned; and
- (C) Owners entitled to cast more than 50% of the Class "A" votes of Units in the Neighborhood(s) to which the Exclusive Common Area is to be reassigned.

(v) The Association may, by resolution, reassign Unit Exclusive Common Area to one or more additional or other Units upon approval of

- (A) the Board; and
- (B) the Owner(s) of the Unit(s) to which it is then assigned; and
- (C) the Owner(s) of the Unit(s) to which it is proposed to be reassigned.

Approval by Declarant. As long as the Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment, reassignment or conversion under Section 12.2(b) shall also require the Declarant's written consent.

12.3. Maintenance of Exclusive Common Areas by Association. All costs which the Association incurs for maintenance, repair, replacement, operation and insurance of Exclusive Common Area which it maintains, operates or insures, respectively, shall be treated as follows:

(a) if Neighborhood Exclusive Common Area, then such costs shall be a Neighborhood Expense to be allocated among all Units in the Neighborhood(s) to which the Neighborhood Exclusive Common Area is assigned; and

(b) if Unit Exclusive Common Area, then such costs shall be assessed against the Unit(s) to which the Unit Exclusive Common Area is assigned as a Specific Assessment;

except that costs of insuring Exclusive Common Area shall be a general Common Expense unless such Exclusive Common Area results in a material, calculable addition to the insurance premium that the Association would otherwise pay for such insurance.

12.4. Use by Others. The Association may, upon approval of more than 50% of the members of the Neighborhood Committee or board of directors of the Neighborhood Association for the Neighborhood(s) to which any Exclusive Common Area is assigned, permit Owners of Units in other Neighborhoods to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Exclusive Common Area.

ARTICLE XIII

PARTY WALLS AND OTHER SHARED STRUCTURES

13.1. General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

13.2. Maintenance; Damage and Destruction. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

13.3. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

13.4. Disputes. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XIV.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

ARTICLE XIV

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1. Dispute Notification and Resolution Procedure (Declarant Disputes). Any disputes between the Association (or any Owners) and Declarant or any director, officer, partner, member, manager, employee, subcontractor or agent of Declarant relating to this Declaration, the use or condition of the Properties, and/or the construction and installation of any improvements located thereon shall be subject to the following provisions:

(a) Notice: Any person with a claim against Declarant or any director, officer, partner, member, manager, employee, subcontractor or agent thereof (collectively "Declarant" for purposes of this section) shall notify Declarant in writing of the claim, describing the nature of the claim and the proposed remedy (the "Claim Notice").

(b) Right to Inspect and Right to Corrective Action: Within a reasonable period after receipt of the Claim Notice, which period shall not exceed sixty (60) days, Declarant and the claimant shall meet at a mutually acceptable place within the Properties to discuss the claim. At such meeting or at such other mutually-agreeable time, Declarant and Declarant's representatives shall have full access to the Property that is subject to the claim for purposes of inspecting the Property. The parties shall negotiate in good faith in an attempt to resolve the claim. If Declarant elects to take any corrective action, Declarant and Declarant's representatives and agents shall be provided full access to the Property to take and complete corrective action.

(c) Litigation: If the Association and/or Owner has complied with the requirements of subparagraphs (a) and (b) above and Declarant denies any responsibility for the claim, accepts only partial responsibility, or accepts responsibility but the parties cannot in good faith agree on an appropriate remedy, the Association and/or Owner may bring an action in any court of competent jurisdiction to resolve the dispute. The Association and each Owner covenants that they shall forbear from commencing any litigation against Declarant without complying with the procedures described in subparagraphs (a) and (b) above. If the Association or any Owner breaches the foregoing covenant, Declarant may obtain an appropriate order compelling the Association and/or Owner to comply with the procedures described in subparagraphs (a) and (b). The procedures set forth in subparagraphs (a) and (b) above shall not apply to any action taken by the Association against Declarant for delinquent assessments, which shall be governed by Article VIII. Furthermore, nothing herein shall prevent the Association or any Owner from commencing any legal action which in the good faith determination of the Board or Owner is necessary to preserve any Association's or Owner's rights under any applicable statute of limitations, provided that the Association or Owner shall take no further steps in prosecuting the action until it has complied with the procedures described in subparagraphs (a) and (b).

(d) Miscellaneous. Notwithstanding any other provision herein to the contrary, in any dispute between the Association and/or any Owner and Declarant, each party shall bear its own attorneys fees. Any and all communications by and between the parties, whether written or oral, which are delivered by the parties or their attorneys or other representatives in an effort to settle the matter shall be considered communications undertaken in the course of effecting a settlement or compromise and as such shall not be admissible as an admission on the part of any party or any representative or agent of that party to be utilized for any such purpose in any action or proceeding. Nothing herein shall be considered to reduce or extend any applicable statute of limitations.

14.2. Notice of Significant Legal Proceedings. Notwithstanding anything herein to the contrary, the Board shall not institute any significant legal proceeding, including any arbitration or judicial reference proceeding, against any person without providing the Members of the Association with at least thirty (30) days' prior written notice of the Association's intention to institute legal proceedings. The notice shall describe the purpose of the proceeding, the parties to the proceeding, the anticipated cost to the Association (including attorneys' fees) in processing the proceeding, the source of funds to process the proceeding (reserves or special or regular assessments), and suggested information that should be disclosed to third parties, such as prospective purchasers and lenders, while the proceeding is being prosecuted. For purposes herein, "significant legal proceeding" shall mean any legal proceeding in which it reasonably could be anticipated that any of the following events could occur:

- (a) the levy of a special assessment to fund all or any portion of the costs of the proceeding;
- (b) the expenditure of funds from the Association's reserves in connection with the proceeding in an amount in excess of five percent (5 %) of the then current reserves;

(c) the amount of the claim is in excess of Twenty-Five Thousand and 00/100 Dollars (\$25,000); or

(d) the action could have a material adverse effect on the ability to sell and/or refinance any Unit within the Properties during the period the proceeding is being prosecuted.

Notwithstanding the foregoing, the notice shall not be required to commence and pursue any action to collect delinquent assessments as described in Article VIII. Furthermore, if the Board in good faith determines that there is insufficient time to provide prior notice to the Members as required herein prior to the expiration of any applicable statute of limitations or prior to the loss of any other significant right of the Association, the Board may take the necessary steps to commence the proceeding to preserve the rights of the Association, provided that as soon as is reasonably practical thereafter, and not later than thirty (30) days following the commencement of the proceeding, the Board shall provide the Members with notice as required herein.

ARTICLE XV
ADJACENT PROPERTY AND PROPERTY OWNERS

15.1. Private Amenities. Access to and use of any Private Amenity is strictly subject to the rules and procedures of the owner of such Private Amenity, and no Person gains any right to enter or to use any Private Amenity by virtue of membership in the Association or ownership or occupancy of a Unit.

All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of the Private Amenities. No purported representation or warranty in such regard, written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity.

The ownership or operation of any Private Amenity may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations by an independent Person, (b) establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of a Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity, or (c) the conveyance of a Private Amenity to one or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association, any Neighborhood Association, any Neighborhood Representative, or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, subject to the terms of any written agreements entered into by such owners.

Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined by their respective owners. Such owners shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive

the terms and conditions of use of their respective Private Amenities and to terminate use rights altogether.

15.2. Special Districts. The Association shall have the power, and is hereby authorized, to contract with and to cooperate with any special service, utility, or tax district which may be created as a special purpose unit of local government within, adjacent to, or in the vicinity of the Properties in accordance with Florida law, or a tax exempt private nonprofit corporation or foundation created under Florida and/or federal law, as applicable, in order to ensure that their respective responsibilities are discharged. The Association is further authorized to act on behalf of its Members to ensure that the level of services provided by any Special District, if created, is consistent with the Community-Wide Standard.

15.3. Conservation Easements. Declarant reserves the right to grant conservation easements to qualified grantees over and across Common Area and portions of the Area of Common Responsibility. Such conservation easements shall mean easements or dedications granted by the Declarant pursuant to and in compliance with Chapter 170(h) of the Internal Revenue Code of 1986, as amended from time to time.

15.4. Adjacent Properties. Adjacent to or in the vicinity of the Properties and within the Master Plan for River Oaks PUD, there are certain nonresidential areas, special districts, and government-owned tracts which are not subject to this Declaration and are neither Units, nor Common Area as defined in this Declaration (hereinafter "adjacent properties"). Such adjacent properties are not subject to this Declaration, and the owners of such adjacent properties shall not be Members of the Association and shall not be entitled to vote, nor shall they be subject to assessment under Article VIII of this Declaration.

The Declarant or the owners of some or all of the adjacent properties may enter into contractual agreements for the provision of services or a covenant to share costs with the Association which obligate the owners of such adjacent properties to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners of such adjacent properties and the Owners within the Properties, or which obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such adjacent properties, if any, which are used by or benefit jointly the owners of such adjacent properties and the Owners within the Properties. The owners of such adjacent properties shall be subject to assessment by the Association in accordance with the provisions of the covenant to share costs. The owners of the adjacent properties shall not be subject to the restrictions contained in this Declaration.

ARTICLE XVI
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

16.1. **Notices of Action.** An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Unit or the Owner or Occupant which is not cured within sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

16.2. **Special FHLMC Provision.** First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

In addition to and not in lieu of the approval requirements contained elsewhere, so long as required by the Federal Home Loan Mortgage Corporation, the Association shall not do the following unless approved by: (i) at least 67% of the first Mortgagees, or (ii) Neighborhood Representatives representing at least 67% of the total Class "A" vote:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Units and the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) ~~Fail to~~ maintain insurance, as required by this Declaration; or

(e) Use ~~hazard~~ insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

16.3. Other Provisions for First Lien Holders. To the extent not inconsistent with Florida law:

(a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which more than 51% of the Class "A" votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which more than 51% of the Class "A" votes of Units subject to Mortgages held by such Eligible Holders are allocated.

16.4. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Section 16.3(a) and (b), or to the addition of land in accordance with Article IX, or the withdrawal of land in accordance with Section 10.1.

(a) The consent of (i) Neighborhood Representatives representing at least 67% of the Class "A" votes, (ii) the Declarant, so long as it owns any land subject to this Declaration, and (iii) Eligible Holders of first Mortgages on Units to which at least 51% of the Class "A" votes of Units subject to a Mortgage held by an Eligible Holder appertain, shall be required to terminate the Association.

(b) The consent of (i) Neighborhood Representatives representing at least 67% of the Class "A" votes, (ii) the Declarant, so long as it owns any land subject to this Declaration, and (iii) Eligible Holders of first Mortgages on Units to which more than 51% of the Class "A" votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation, which change any of the following:

- Area;
- (i) voting rights;
 - (ii) increase assessments, assessment liens, or priority of such liens;
 - (iii) reserves for maintenance, repair, and replacement of the Common Area;
 - (iv) liability insurance or fidelity bonds;
 - (v) interests in or rights to use Common Area or Exclusive Common Area;
 - (vi) responsibility for maintenance and repair of the Properties;
 - (vii) expansion or contraction of the Properties or the addition, annexation, or withdrawal of Properties to or from the Association (provided that actions taken under Article IX or Section 10.1 shall not be considered an amendment);
 - (viii) boundaries of any Unit or converting Units to Common Area or vice versa;
 - (ix) restrictions on leasing of Units;
 - (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
 - (xi) establishment of self management by the Association where professional management has been required by an Eligible Holder, or
 - (xii) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

16.5. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

16.6. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

16.7. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

16.8. Construction of Article XVI. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Florida law for any of the acts set out in this Article.

16.9. HUD/VA Approval. As long as there is a Class "B" membership, the following actions shall require the prior approval of the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, if either such agency is insuring or guaranteeing the Mortgage on any Unit: merger, consolidation or dissolution of the Association; annexation of additional property; dedication, conveyance or mortgaging of Common Area; or material amendment of this Declaration. The granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a conveyance within the meaning of this Section.

PART SEVEN: CHANGES IN THE COMMUNITY

ARTICLE XVII **CHANGES IN OWNERSHIP**

Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven (7) days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. For purposes of determining the rights and obligations of the parties under the Governing Documents, the transfer shall be effective upon recording an instrument conveying title in the Official Records; provided however, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board and the administrative fee established by the Board is paid, notwithstanding the transfer of title.

ARTICLE XVIII
CHANGES IN COMMON AREA

18.1. Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting with the consent of: (i) at least 67% of the Class "A" votes in the Association, and (ii) the Declarant, as long as the Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking: (i) the Declarant, so long as the Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and (ii) at least 75% of the Class "A" votes of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

18.2. Partition. Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

18.3. Transfer or Dedication of Common Area. The Association may dedicate portions of the Common Area to Seminole County, Florida, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Sections 16.9 and 18.4.

18.4. Actions Requiring Owner Approval. If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any Unit, then the following actions shall require the prior approval of (i) Neighborhood Representatives representing not less than two-thirds (2/3) of the total Class "A" votes in the Association, and (ii) the consent of the Class "B" Member; if any: merger, consolidation or dissolution of the Association; annexation of additional property; and dedication, conveyance or mortgaging of Common Area. Notwithstanding anything to the contrary in Section

18.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership.

ARTICLE XIX
AMENDMENT OF DECLARATION

19.1. By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, until termination of the Class "B" Control Period and subject to the requirements of Article XVI, if applicable, Declarant may unilaterally amend this Declaration provided that the amendment has no material adverse effect upon the right of any Owner. In addition, the Declarant may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency; provided, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

19.2. By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of: (i) at least 75% of the Class "A" votes in the Association, including 75% of the Class "A" votes held by Members other than the Declarant, and (ii) the consent of the Declarant, so long the Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Article XVI shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

19.3. Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Official Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

19.4. Exhibits. Exhibit "A" attached to this Declaration is incorporated by this reference and amendment of such exhibit shall be governed by this Article. Exhibit "B" is attached for informational purposes and may be amended as provided therein or in Article III of this Declaration.

WITNESSES:

[Signature]
Print Name: Sala Brown
[Signature]
Print Name: Melanie Beggs

DECLARANT:

The Sanctuary - Oviedo Limited Partnership,
a Florida limited partnership

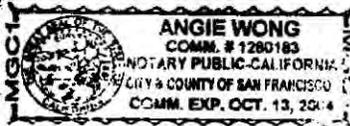
By: FL MSII/SEPII GP, L.C., a Florida
limited liability company, General
Partner

By: Hearthstone, a California
Corporation, Manager

By: [Signature]
Name: Tracy J. Carver
Title: SVP - General Counsel

STATE OF CALIFORNIA)
COUNTY OF San Francisco)

I HEREBY CERTIFY that the foregoing Declaration of Covenants, Conditions Restrictions and Easements of The Sanctuary Homeowners Association was acknowledged before me this 29th day of June, 2001, by Tracy J. Carver as Senior Vice President - General Counsel of Hearthstone, a California corporation, Manager of FL MSII/SEPII GP, L.C., a Florida limited liability company, General Partner of The Sanctuary - Oviedo Limited Partnership, a Florida limited partnership, on behalf of said entity. Said person (check one) is personally known to me or produced _____ as identification.



[Signature]
NOTARY PUBLIC, STATE OF California
Print Name: ANGIE WONG
Serial No. (if any): 1280183
My Commission Expires: 10/13/2004

JOINDER AND CONSENT TO DECLARATION OF HOMEOWNERS ASSOCIATION

River Oaks Master Property Owners Association, Inc., a Florida not-for-profit corporation, pursuant to and in accordance with Section 7 of the Master Declaration, hereby consents to the recording of this Declaration of The Sanctuary Homeowners Association.

WITNESSES:

RIVER OAKS MASTER PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

Karen Spallina
[sign name]

By: *[Signature]*
Roy Gainer
President

KAREN SPALLINA
[print name]

STATE OF FLORIDA

COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 6 day of July, 2001, by Roy Gainer, as President of **River Oaks Master Property Owners Association, Inc.**, a Florida not-for-profit corporation, on behalf of the corporation.

Personally Known or
Produced _____ as identification.

Jacquelin L. Fillion
NOTARY PUBLIC, STATE OF FLORIDA
Print Name: Jacquelin Fillion
My Commission Expires: 3-12-05
(AFFIX NOTARY SEAL)



EXHIBIT "A"

PARCEL A:

The Northwest 1/4 of the Northwest 1/4 of Section 20, Township 21 South, Range 32 East, and the North 1/2 of Section 19, Township 21 South, Range 32 East, lying North of the North right-of-way of State Road No. 419, LESS the Northwest 1/4 of the Northeast 1/4 of the Northeast 1/4 of said Section 19, and LESS the West 285.87 feet of the said North 1/2 of the said Section 19, and the Southwest 1/4 of Section 17, Township 21 South, Range 32 East, LESS the South 1/3 of the North 1/2 of the Southeast 1/4 of the Southwest 1/4 and LESS the South 1/2 of the Southeast 1/4 of the Southwest 1/4 and LESS the North 25.9 feet for road right of way; also the North 3/4 of the West 1/4 of the Southeast 1/4 of Section 17, Township 21 South, Range 32 East, LESS the South 1/3 of the Northwest 1/4 of the Southwest 1/4 of the Southeast 1/4 of the said Section 17, and LESS the North 25 feet and the East 25 feet for Willingham Road right-of-way and LESS the Southeast 5 acres described as follows: From the South 1/4 corner of Section 17, Township 21 South, Range 32 East, run North 0°45'03" West along the center of the said Section 876.84 feet to the North line of the South 1/3 of the Northwest 1/4 of the Southwest 1/4 of the Southeast 1/4 of the said Section 17, thence North 89°20'09" East along the North line 205.32 feet to the Point of Beginning; thence continue North 89°20'09" East 435.6 feet to the West right-of-way of Willingham Road; thence North 0°34'30" West along said right-of-way of Willingham Road, 500 feet; thence South 89°20'09" West 435.6 feet; thence South 0°34'30" East 500 feet to the Point of Beginning, Also the Southeast 1/4 of Section 18, Township 21 South, Range 32 East, LESS the North 25 feet for Road Right-of-Way, also the Southwest 1/4 of Section 18, Township 21 South, Range 32 East, LESS the North 1/4 of the said Southwest 1/4 and LESS the South 1309.5 feet of the West 285.87 feet of the said Southwest 1/4.

PARCEL B:

The West 285.87 feet of the North 1/2 of Section 19, Township 21 South, Range 32 East, lying North of the North right-of-way of State Road #419; also the South 1309.50 feet of the West 285.87 feet of the Southwest 1/4 of Section 18, Township 21 South, Range 32 East, also the Southeast 1/4 of the Southeast 1/4 of Section 13, Township 21 South, Range 31 East, lying Southeasterly of the Southeast right-of-way of Willingham Road and the Northeast 1/4 of the Southeast 1/4 of Section 13, Township 21 South, Range 31 East, lying Southeasterly of the Southeast right-of-way of Willingham Road; LESS a parcel described as follows: From the East 1/4 corner of the said Section 13, run South 89°42'30" West 60.76 feet; thence South 43°16'25" West, along the center line of Willingham Road 943.21 feet; thence South 46°43'35" East, 25.0 feet to the Point of Beginning on the Southeasterly right-of-way of Willingham Road; thence continue South 46°43'35" East 300.0 feet; thence South 43°16'25" West, 300.0 feet; thence North 46°43'35" West 300.0 feet; thence North 43°16'25" East 300.0 feet to the Point of Beginning.

PARCEL C:

From the Southeast corner of Section 13, Township 21 South, Range 31 East, in Seminole County, Florida, run North 1619.2 feet, and West 1041.9 feet to Easterly right-of-way of Willingham Road and Point of Beginning; run thence North 45°33' East along said Easterly right-of-way 300 feet; thence South 44°27' East 300 feet; thence South 45°33' West 300 feet; thence North 44°27' West 300 feet to the Point of Beginning. Reserving the Northwesterly 8 feet of said description for widening of Willingham Road right-of-way as recorded in Public Records of Seminole County, Florida.

PARCEL D:

The Northwest 1/4 of the Northeast 1/4 of the Northeast 1/4 of Section 19, Township 21 South, Range 32 East. All lying and being situate in Seminole County, Florida.

LESS AND EXCEPT THE FOLLOWING THREE (3) PARCELS:

Parcel 1 - River Oaks School Site

A TRACT OF LAND LYING IN SECTION 19, TOWNSHIP 21 SOUTH, RANGE 32 EAST, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 19 FOR A POINT OF REFERENCE; THENCE RUN SOUTH 00°50'11" EAST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 837.22 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF STATE ROAD #419 (ROAD NO. 203) PER STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT-OF-WAY MAP, SECTION 7707, F.A. NO. 5436, DATED MAY 7, 1941; THENCE RUN SOUTH 73°05'55" EAST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 1810.18 FEET; THENCE, DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE, RUN NORTH 16°54'05" EAST, 85.00 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH 16°54'05" EAST, 652.51 FEET TO A POINT ON A CURVE CONCAVE NORTHERLY; THENCE RUN EASTERLY, ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 780.00 FEET, A CENTRAL ANGLE OF 20°21'52", AN ARC LENGTH OF 277.23 FEET, A CHORD LENGTH OF 275.78 FEET AND A CHORD BEARING OF SOUTH 88°43'42" EAST TO THE POINT OF TANGENCY; THENCE RUN NORTH 81°05'22" EAST, 548.57 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY; THENCE RUN NORTHEASTERLY, ALONG SAID CURVE, HAVING A

Parcel 2 - FIRE STATION

A TRACT OF LAND LYING IN SECTION 19, TOWNSHIP 21 SOUTH, RANGE 32 EAST,
DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 19 FOR A
POINT OF REFERENCE; THENCE RUN SOUTH $00^{\circ}50'11''$ EAST, ALONG THE
WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19, A
DISTANCE OF 837.22 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-
WAY LINE OF STATE ROAD #419 (ROAD NO. 203) PER STATE OF FLORIDA
STATE ROAD DEPARTMENT RIGHT-OF-WAY MAP, SECTION 7707, F.A.
NO. 5436, DATED MAY 7, 1941; THENCE RUN SOUTH $73^{\circ}05'55''$ EAST,
ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 322.81 FEET; THENCE
DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE, RUN NORTH
 $16^{\circ}54'05''$ EAST, 85.00 FEET TO THE POINT OF BEGINNING; THENCE RUN
NORTH $16^{\circ}54'05''$ EAST, 565.00 FEET; THENCE RUN SOUTH $73^{\circ}05'55''$ EAST,
200.00 FEET; THENCE RUN SOUTH $16^{\circ}54'05''$ WEST, 565.00 FEET; THENCE
RUN NORTH $73^{\circ}05'55''$ WEST, 200.00 FEET TO THE POINT OF BEGINNING.

Not a certified copy

Parcel 3 - COMMERCIAL TRACT

A TRACT OF LAND LYING IN SECTION 19, TOWNSHIP 21 SOUTH, RANGE 32 EAST, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 19 FOR A POINT OF REFERENCE; THENCE RUN SOUTH $00^{\circ}50'11''$ EAST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 837.22 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF STATE ROAD #419 (ROAD NO. 203) PER STATE OF FLORIDA STATE ROAD DEPARTMENT RIGHT-OF-WAY MAP, SECTION 7707, F.A. NO. 5436, DATED MAY 7, 1943; THENCE RUN SOUTH, $73^{\circ}05'55''$ EAST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 1354.25 FEET; THENCE, DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE, RUN NORTH $16^{\circ}54'05''$ EAST, 85.00 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH $16^{\circ}54'05''$ EAST, 316.56 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; THENCE RUN NORTHEASTERLY, ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 325.00 FEET, A CENTRAL ANGLE OF $85^{\circ}40'56''$, AN ARC LENGTH OF 486.02 FEET, A CHORD LENGTH OF 441.98 FEET AND A CHORD BEARING OF NORTH $59^{\circ}44'33''$ EAST TO THE POINT OF TANGENCY, THENCE RUN SOUTH $77^{\circ}24'59''$ EAST, 140.33 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY; THENCE RUN EASTERLY, ALONG SAID CURVE, HAVING A RADIUS LENGTH OF 780.00 FEET, A CENTRAL ANGLE OF $01^{\circ}07'47''$, AN ARC LENGTH OF 15.38, A CHORD LENGTH OF 15.38 FEET AND A CHORD BEARING OF SOUTH $77^{\circ}58'52''$ EAST; THENCE RUN SOUTH $16^{\circ}54'05''$ WEST, NON-RADIAL TO SAID CURVE 652.51 FEET; THENCE RUN NORTH $73^{\circ}05'55''$ WEST, 455.79 FEET TO THE POINT OF BEGINNING.

Copy

EXHIBIT “B”
(Revised and adopted June 2008)

Use Restrictions

The following restrictions shall apply to the Properties until such time as they are amended, modified, repealed or limited pursuant to Article III of this Declaration.

1. Animals and Pets.

No horses, cattle, swine, goats, poultry, fowl, or any other animals not commonly considered household pets shall be kept on the Properties. Rabbits may be kept as household pets as long as the number does not exceed three (3) on any Unit. The Association may, from time to time, publish and impose reasonable regulations setting forth the type and number of animals that may be kept on the Properties.

Under no circumstances shall any commercial or business enterprises involving the use, care or treatment of animals be conducted on the properties without the express prior written consent of the board. No breeding for commercial or business enterprises is allowed for any animals.

All pets shall be kept on a leash when not on the pet owner’s lot or unit or on a designated area for such pets and no pet shall be allowed to roam unattended. No pets are permitted in Common Area parks, with the exception of designated dog parks. Residents must pay a use fee and agree to be bound by dog park rules approved by the Board of Directors in order to use the dog park. All residents must clean up after their pets.

2. Boats.

Boats are not permitted in Common Area lakes.

No boats shall be parked or stored on the Common Areas or on any portion of a Unit which is visible from any of the Common Area or from any road or other Unit within the Properties unless a permit for such boat has been issued by the Association. The responsibility and liability for the boat, its security and insurance is the responsibility of the boat owner.

A boat may be parked temporarily (not to exceed eighteen (18) hours) in the owner’s driveway for the purpose of loading and unloading, provided that the owner has given prior notice to the Association Manager.

3. Temporary and Accessory Structures.

No tents, trailers, shacks, tanks, or temporary or accessory buildings or structures shall be erected or permitted to remain on the Properties except as may be approved pursuant to Article IV; however, the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development, construction and sales of the housing facilities created, provided that such

are in compliance with appropriate governmental requirements applicable thereto. No fence or accessory structure shall be located within the corner lot street setback.

4. Business Use.

Except where indicated on the Master Plan (as amended from time to time), no trade or business may be conducted or carried on upon the Properties or in any building or other structure erected thereon, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms “business” and “trade”, as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider’s family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties, including the operation of a timeshare or similar program, nor shall it apply to activities of Builders with respect to construction and sale of Units which they own, subject to such restrictions as Declarant may impose.

5. Clothes Drying.

No portion of the Properties shall be used as a drying or hanging area for laundry of any kind.

6. Conservation Areas.

Conservation areas may be located throughout the Properties. No person shall clear, landscape, dump any thing into, or disturb in any way, the area outside the boundaries of their Unit.

7. Limited Access.

Neighborhoods with entry gates limiting access to the properties within such Neighborhoods shall not open their gates for “open houses,” garage sales, yard sales, or similar activities

except with the prior approval of the Association's Board of Directors, which may be granted or withheld in the Board's reasonable discretion.

8. Golf.

Chipping or hitting golf balls on Association property is prohibited.

9. Holiday Decorations.

Outdoor holiday decorations may be displayed no more than thirty (30) days before the respective holiday and must be removed within twenty (20) days after the respective holiday.

10. House Numbers.

All houses shall have the assigned house numbers properly displayed. The numbers shall conform to such size and color requirements as may be specified by the Architectural Guidelines.

11. Lakes/Ponds.

The use of all lakes and waterbodies owned by the Association within the Properties shall be subject to such rules and regulations as the Board may adopt from time to time. No swimming is allowed in such lakes and waterways except in case of an emergency. No fishing is allowed in lakes with fountains.

12. Mail Delivery.

No mailbox or paper box or other receptacles of any kind for use in the delivery of mail or newspapers or magazines or similar materials shall be erected on any residential Unit unless and until the size, location, design and type of material for such boxes or receptacles shall have been approved by the ARC. If and when the United States Postal Service and the newspaper or newspapers providing delivery services to the Properties shall indicate a willingness to make delivery to wall receptacles attached to residences, each Owner, upon the request of the ARC, shall replace the boxes and receptacles previously employed for such purposes with wall receptacles attached to the residence.

13. Pipes.

No water pipe, gas pipe, sewer pipe, drainage pipe or storage tank (other than propane tanks approved pursuant to Article IV) shall be installed or maintained on the Properties above the surface of the ground, except hoses and movable pipes used for irrigation purposes or water treatment systems and for pools and spas. No portion of the Properties shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth; provided, nothing herein shall prohibit or restrict removal of fill or earth materials in the course of development and construction with the Properties or in the course of constructing or creating approved drainage structures (including lakes) or landscaped berms.

14. Pollutants.

No person shall discharge any pollutant, hazardous waste or toxic material onto the ground or into drainage structures, lakes, ponds or surface waters within the Properties. In the event of any such discharge, the person responsible for such discharge shall be liable for all cleanup and cost incurred in connection therewith.

15. Recreation Parking Lots.

Vehicles are only allowed to park in the Common Area parking lots during normal park hours, except as otherwise approved by permit from the Board or Association manager (e.g., for a special event, private party, etc.).

16. Toy Basketball Poles.

Toy basketball poles are defined as “portable basketball goals’ commonly constructed with a clear acrylic (Plexiglas or similar substance) backboard mounted on a black pole and supported by a weighted stand that can incorporate wheels for improved portability.” The Owner of a Unit may locate such a portable basketball goal on the driveway of a Unit only (a) if its design meets the definition provided in this Section and in the Association’s “Community Development Standards, Section III, Design Standards,” and (b) after proper application to and approval by the ARC of the portable goal’s design, location, and landscape buffers if such buffers are deemed appropriate by the ARC. As with any other exterior Unit feature, portable goals are subject to Sanctuary standards of appearance and upkeep as set forth in Section 27 of this Exhibit “B,” and other Governing Documents. In the interest of safety, portable goals should not be placed on Sanctuary streets. Portable goals left unattended on Sanctuary streets may be subject to removal without notice.

17. Rental/Leasing.

“Leasing,” for purposes of this section, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing and shall specify that the tenant is subject to all provisions of the Governing Documents and a failure to comply with any provision of the Governing Documents shall constitute a default under the rental or lease agreement. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Governing Documents. To maintain the character of the single-family, low-density residential qualities of the Sanctuary as contemplated in Section 3.4(c) of the Declaration and further in Section 4.3 of the City of Oviedo’s Land Development Code, no Unit may be leased to other than a Single Family, defined for the purposes of this Section as “one or more persons related by blood, adoption, or marriage, living and cooking together as a single housekeeping unit, as distinguished from a group occupying a boarding house, lodging house, hotel or motel, or fraternity or sorority. A number of persons not exceeding two (2) living and cooking together as a single

housekeeping unit though not related by blood, adoption, or marriage shall be deemed to constitute a family.”

The leasing of Units for less than seven (7) days is prohibited. Currently, Seminole County has certain restrictions on the leasing of houses for periods less than thirty (30) days. If any resident has a complaint regarding the renting of homes for less than thirty (30) days, they should call Seminole County Zoning.

18. Stormwater and Drainage.

The City of Oviedo has required Declarant to install a storm water drainage and retention system within the boundaries of the Properties. No structure, fence or landscaping that interferes with the flow or retention of storm water shall be permitted, and no refuse shall be placed upon or allowed to remain on any part of any Unit within any easement area for storm water drainage. Retention areas, including drainage swales or retention ponds, shall not be filled or otherwise changed so as to alter or block the flow or the quantity of water.

Owners of Units within which any easement for storm water drainage or retention lines are located shall be responsible for the maintenance of such areas to permit the flow and retention of water in accordance with the storm water drainage and retention system plan required and approved by Seminole County. If any Owner shall fail to comply with any part or all of the restrictions contained in this Section, the Association shall notify the Owner in writing, shall have the right to correct such failure to comply herewith, and to assess and collect the cost thereof and shall have a lien upon the Unit upon which the work was performed.

19. Grading.

No person shall alter the grading plan for the Properties established by Declarant without the prior written approval in accordance with Article IV of the Declaration.

20. Timeshare.

No Unit shall be owned or used in multiple or time share ownership requiring registration pursuant to the provisions of the Florida Statutes, as amended from time to time, unless approved in writing by the Association Board of Directors.

21. Trash Removal.

No lumber, metals, bulk materials, refuse or trash shall be kept, stored, or allowed to accumulate on the Properties except building materials during the course of construction of any approved structure and household trash or garbage between regular pickups. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open after sunset on the night before any day that a pick-up is to be made at such place as will be accessible to persons making such pick-up. Trash containers must be removed from view by dawn of the day following collection. Such containers shall be stored in garages, behind side yard walls, or on rear porches so that

they cannot be seen from surrounding property. All Owners shall comply with such architectural guidelines as may be adopted pursuant to Article IV of the Declaration relating to the size, shape, color and type of containers permitted and the manner of storage of the same.

If trash is stored outside of the house, it must be stored in containers with secured lids on them. When trash is put curbside on trash pick-up days, trash must be placed in secured bags or in trash containers with secured lids on them, except in the case of yard waste which shall be handled in accordance with Seminole County requirements.

No person shall dispose of any type of refuse, bio-degradable or non-bio-degradable, under any circumstance, on Common Area, except in containers designated for such purpose.

22. Vehicles.

The Board or a Neighborhood Association/Committee may from time to time promulgate rules which restrict, limit or prohibit the use of any driveway or parking area which may be in front of, adjacent to or part of any Unit as a parking place for personal passenger vehicles, commercial vehicles, trailers, recreational vehicles, self-propelled motor homes, motorcycles and boats. Such rules, if and when promulgated, shall have the same force and effect as if promulgated and initially made a part of this Declaration. Overnight parking or storage of commercial vehicles is prohibited. No vehicle shall be parked on any lawn, landscaped portion of the Common Area, roadway or other portion of the Properties which is not specifically designed and intended for the parking of vehicles.

No unregistered or inoperable motor vehicle or trailer of any kind may be disassembled, serviced or repaired on the Properties in such a manner as to be visible from any point on adjacent property or the street, except in the case of an emergency breakdown. The foregoing shall not prohibit the changing of flat tires, checking or changing of oil or other maintenance checks.

In order to promote a more aesthetic streetscape and safer vehicle access, on-street parking is prohibited except that short-term visitor parking on roadways is permitted for up to six hours. Otherwise, vehicles of residents and their guests are to be parked in garages and driveways. No vehicles with commercial lettering are allowed to be parked in any areas other than garages except for short-term delivery. Exceptions to the provisions of this section may be granted by the Board in its sole discretion.

No "Prohibited Vehicle" shall be parked or stored on any of the Common Areas or on any portion of a Unit which is visible from any of the Common Areas or from any road or other Unit within the Properties. For purposes of this section a "Prohibited Vehicle" is:

- (1) Any vehicle longer than 21 feet or higher than 8 feet.
- (2) Any commercial vehicle (i.e., a vehicle not designed and used for normal personal/family transportation).

(3) Any vehicle bearing commercial lettering, graphics, or other commercial insignia, except if such lettering is completely covered with magnetic material (or other type coverings intended for outdoor use). The covering material must be the same color as the vehicle, except as the Board may otherwise permit by resolution from time to time.

(4) Recreational vehicles, including campers, mobile and motor homes, all-terrain vehicles and dune buggies.

(5) Trailers of any type.

(6) Boats

(7) Derelict Vehicles, including vehicles with no current license plate, or vehicles incapable of self-propulsion.

Notwithstanding the above, any commercial or public service vehicle present in the Properties while performing services for on behalf of Owners or residents of the Properties shall not be considered a “Prohibited Vehicle.”

All motorized vehicles, including all-terrain vehicles, motorcycles, go-carts, and similar vehicles are prohibited from entering onto any Common Areas, including parks, bike paths and walkways.

Recreational Vehicles, Boats, & Trailers – Temporary parking of recreational vehicles, boats and trailers in the driveway of a Unit is permitted for up to eighteen (18) hours for the purpose of loading or unloading, provided that the Owner has given prior notice to the Association’s manager.

Commercial vehicles that are less than eight (8) feet high and shorter than twenty-one (21) feet long may be parked in the driveway of the driver who resides in the Properties for short periods of time during such hours as may be specified by rules which the Board adopts. The commercial lettering does not have to be covered during these exempt times.

23. Exterior Items, Structures and Antennae.

No construction, erection, placement, or modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, shall take place except in strict compliance with the provisions of Article IV of the Declaration, the Architectural Guidelines, and this Exhibit “B.” This shall include, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; swimming pools; storage sheds and other structures; hedges, walls, dog runs, animal pens, or fences of any kind; and satellite dishes and antennas, except that:

(a) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite service, that is one meter or less in diameter;

(b) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(c) an antenna that is designed to receive television broadcast signals;

(collectively, “Permitted Antennas”) shall be permitted on Units, subject to such reasonable requirements as to location and screening as may be set forth in the Architectural Guidelines, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. The Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable or other communication system for the benefit of all or a portion of the Properties, should any master system or systems be utilized by the Association and require such exterior apparatus.

24. Cable or Other Television Service and Security Monitoring Systems.

The Association shall have the right to install, or enter into contracts for the installation of a cable or similar television system providing cablevision entertainment to the Units (“Cable Service”) and security monitoring systems for the units (“Security Service”). Any agreement for such Cable Service and Security Service entered into by the Association may provide that basic services shall be mandatory for all Units. In connection with the installation, maintenance and operation of such Systems, the Association reserves access, installation and service easements over, across and under all of the Properties as necessary to provide such Services to all Units; provided, however, such easements shall be reasonable located by the Association so as to not unreasonably impair the value or use of any Unit.

25. Nuisance.

Nothing shall be done within the Properties which is illegal, which constitutes a public or private nuisance, or which, in the Board’s judgment, is noxious, unsightly, unpleasant, or of such a nature as to constitute a safety hazard to persons outside the Unit or as to unreasonably interfere with the quiet use and enjoyment of the Properties by others.

26. Docks.

No Owner or occupant shall be permitted to erect a dock on or adjacent to Common Area water bodies. The association may erect a dock on Common Area water bodies and the Board may permit a Neighborhood Association to erect a dock on or adjacent to Common Area water bodies if approved pursuant to Article IV.

27. Building Repair.

No Owner shall permit the structures on such Owner’s Unit to fall into a state of disrepair and no Neighborhood Association shall permit structures for which it has maintenance responsibility under this Declaration, any Supplemental Declaration, or any other applicable covenants to fall into a state of disrepair. The Owner or Neighborhood Association

responsible for maintenance of any structure shall ensure that all painted, stained or sealed surfaces are cleaned and repainted, retained or resealed on a regular basis as needed to maintain an attractive finished appearance.

28. Garages.

No garage may be used for living space.