

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep of Common Areas and Lots. The Association shall be responsible for the management and Upkeep of all of the Common Areas, the Stormwater Management Facilities, the Lots, the exterior elements of improvements on the Lots and Landscaping; provided, however, that such Upkeep shall not include glass surfaces, windows and window frames and doors and door frames, porches and decks and cleaning the surface of driveways and walkways, the responsibility for Upkeep being that of the Owner. In addition, each Owner shall be responsible for the Upkeep of any Landscaping installed or existing within areas located on such Owners' Lot enclosed by a fence, fencing material, wall or other above ground barrier whether such Landscaping is part of the original Landscaping or otherwise installed by the Owner or other Persons on the Lot. If the Executive Board determines that certain Upkeep was necessitated by the negligence, misuse or neglect of any Owner or for which an Owner is responsible, the cost of such Upkeep shall be assessed against such Owner's Lot. The Executive Board shall establish the standard for Upkeep of the Common Areas, the Lots and improvements in its sole discretion. The Executive Board shall provide for the Upkeep of the rights-of-way along dedicated streets and roadways and dedicated public easements.

Section 7.2. Owner Upkeep. Each Owner shall be responsible for the Upkeep of that portion of the improvements on his Lot as described in Section 7.1 hereof. Each Owner shall perform this responsibility in such manner as shall not unreasonable disturb or interfere with the other Owners. If any Owner shall fail to provide Upkeep for which he is responsible consistent with such Rules and Regulations as the Executive Board may promulgate, then the Board may, pursuant to resolution, give notice to that Owner of the condition complained of, specifying generally the action to be taken to rectify that condition. If the Owner fails to rectify that condition within thirty (30) days after the date the notice is given, or such shorter period as may be specified in the notice is the circumstances warrant a shorter period, the Executive Board shall have the right, pursuant to Section 3.3 and Subsection 11.1(5) hereof and any resolutions adopted by the Executive Board, to rectify that condition by taking such action (or by causing such action to be taken) as was specified in the notice. The costs incurred in rectifying that condition shall be assessed against such Owner's Lot in accordance with Section 11.1 hereof. If

such Owner fails to reimburse the Association within thirty (30) days after receipt of a statement for such expenses from the Board, then the indebtedness shall constitute a lien as provided for in Section 11.2 hereof. The Owner may contract with a third party, including the Association, to perform the Owner's responsibility for Upkeep under this section.

Section 7.3. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be made with contemporary materials. The method of approving payment vouchers for all repairs and replacements made by the Association shall be determined by the Executive Board.

Section 7.4. Additions, Alterations or Improvements by the Owners.

(1) Approval.

(a) No member or Owner shall make any addition, alteration or improvement in or to any Lot, including installation of Landscaping, (other than for normal Upkeep) which is visible from the exterior or the Lot without the prior written consent of the Architectural Committee. No member or Owner shall paint, affix a sign not permitted by the Rules and Regulations to or alter the exterior of any improvement located upon such member's or Owner's Lot, including the doors and windows, if such exterior is visible from another Lot or the Common Areas, without the prior written consent of the Architectural Committee.

(2) Limitations.

(a) Unless a Person commences construction in accordance with plans and specifications approved by the Architectural Committee within twelve (12) months after the date of approval, the approval shall lapse. Such construction shall be substantially completed within twelve (12) months after the date of commencement. Notwithstanding the foregoing, the approval may provide for a longer period during which to commence or complete construction.

(b) Any Person obtaining approval of the Architectural Committee shall not deviate materially from the plans and specifications approved without the prior written consent of the Architectural Committee. An Owner shall notify the Architectural Committee when the alterations or improvements are complete. Approval of any particular plans and specifications or design does not waive the right of the committee to disapprove such plans and

specifications, or any elements or features thereof, if such plans and specifications are subsequently submitted for us in any other instance or by any other Owner.

(3) Certificate of Compliance. Upon the completion of any construction or alterations in accordance with plans and specifications approved by the Architectural Committee, the Architectural Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction or alteration referenced in such certificate has been approved and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of the Association Documents as may be applicable. The certificate shall not be used and may not be relied upon for any other purpose, and shall not constitute a representation either as to the accuracy or sufficiency of the plans and specifications reviewed by the Committee or the quality or soundness of the construction, alterations or improvements. The Committee may impose a reasonable charge to cover the costs of preparation and inspection.

(4) Exemptions. Provisions of this Section 7.4 shall not be enforced against the Declarant or any Merchant Builder.

Section 7.5. Disclaimer of Liability.

(1) Bailee. The Executive Board, the Association, any member, any Owner and the Declarant shall not be considered a bailee of any personal property stored or placed on the Common Areas (including property located in vehicles parked on the Common Areas), whether or not exclusive possession of the particular area is given to an Owner for parking or otherwise, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

(2) Operational. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for personal injury or property damage caused by the elements or by any Owner, or any other Person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Property or from any pipe, drain, conduit, appliance or equipment, or any secondary or consequential damages of any type. The Association shall not be liable to any member or Owner for loss or damage, by theft or otherwise, of articles which may be stored

upon any portion of the Property. No diminution, offset or abatement of any assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority. This section is not intended nor shall it be construed to relieve any insurer of its contractual obligation under any policy benefiting the Association, a member or an Owner.

ARTICLE 8

RESTRICTIONS ON USE OF LOTS AND COMMON AREAS:

RULES AND REGULATIONS

Section 8.1. Permitted Uses. Except to the extent permitted in an amendment to the Declaration adding Additional Property, with respect to such real estate, no Lot shall be used for any purpose other than as a residence. The permitted use may be further limited, expanded or otherwise modified with respect to Additional Property by the amendment to the Declaration submitting such Additional Property.

Notwithstanding the above limitations, the Declarant (and any other Persons designated by the Declarant from time to time in notices to the Association) may use any Lot or portion thereof of which the Declarant or such Persons are the Owner (or any other Lot with the permission of the Owner thereof) or any portion of the Common Areas for such purposes and functions as set forth in Section 5.1 and 8.2(1) of this Declaration.

Section 8.2. Restrictions. Each Lot and the Common Areas shall be occupied and used as follows:

(1) Except as otherwise provided in the Association Documents, only one (1) single family dwelling designated for use as, and used as, a single family residential dwelling, together with structures approved by the Architectural Committee for use therewith, may be erected, placed, used or committed to remain on any Lot. Nothing in the Association Documents shall be construed to prohibit the Declarant or its assignees from using any Lot owned by the Declarant (or any other Lot with the permission of the Owner thereof) or any portion of the Common Areas for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement of sales of Lots. Further, the Declarant specifically reserves the right to operate a construction office or a rental, brokerage and management office at any