

height that causes an unreasonable obstruction to the view from any other Lot, or causes a safety hazard as a result of impairment of necessary sight distance along any street or intersection, or from any Lot to a street. However, the Developer does not make any representation, warranty or guarantee whatsoever concerning the view from any Lot, or how that view may be affected by subsequent Improvements constructed on any other Lot, Common Area or street. Landscape Features and other Improvements that are constructed and installed on a Lot according to the Plans approved by the DRB will be conclusively deemed to not be in violation of this Section. However, all Owners will be responsible for periodic trimming, pruning and thinning of all hedges, shrubs, trees and other vegetation located on their Lot so as to remain in compliance with this Section at all times.

Section 29.07: Open Burning. No fires will be permitted to burn or smolder on any Lot at any time, except: (i) fires in appropriately designed fireplaces inside a Residence; (ii) fires for cooking in a barbeque pit or similar structure approved in advance by the DRB; or (iii) fires for cooking in freestanding grills designed for that purpose. All Owners must take all action necessary to assure that no material on their Lot, or within any Improvement on their Lot, will start to burn or smolder as a result of spontaneous combustion. The DRB may upon written request, but will not be required to, grant temporary exceptions to permit open burning on a Lot during the course of construction of Improvements, subject to such restrictions as the DRB may require. No fires will be permitted on any portion of the Common Area at any time without the prior written approval of the Board.

Section 29.08: Waste Disposal. All trash, garbage, debris, rubbish, refuse and other waste must be promptly deposited in appropriate containers designed for that purpose. All such containers must be stored out of public view in the location or in the manner required by the DRB, except on the night before and the actual day of normal trash collection. No portion of any Lot, Common Area or publicly dedicated areas within the Community, may at any time be used for the accumulation and prolonged storage of, or as a dumping ground for, any trash, garbage, debris, rubbish, refuse or other waste.

Section 29.09: Composting. No composting of organic material will be permitted on any Lot at any time without the prior written approval of the Board. Such consent may be denied by the Board for any reason whatsoever. To the extent that composting is permitted, the Owner must comply with all screening, setback, maintenance and other requirements imposed by the Board as a condition of the approval.

Section 29.10: Exotic and Vicious Animals. No animals of any kind will be permitted to exist on any Lot at any time for any purpose, except those specific pets described in the preceding Article of this Declaration. In particular, but without limiting the general restriction in the preceding sentence of this Section, the following types of animals are strictly prohibited: (i) domesticated or undomesticated animals customarily raised as livestock for the production of food, clothing materials or similar purposes; (ii) animals considered to be "exotic," whether tame or wild, under Applicable Law or then existing customs or standards of any humane society, veterinary association, or the local public in general; (iii) species or breeds of permitted pets under the preceding Article that are considered to be "vicious" under Applicable Law or then existing customs or standards of any humane society, veterinary association, or the local public in general; and (iv) any species or breed of animals the Association may at any time in the future identify to be prohibited.

Section 29.11: Accessory Structures. No temporary or permanent Accessory Structures will be permitted to be constructed, installed or maintained on any Lot unless and until the DRB has approved the Accessory Structure in the manner required under the Community DRS and applicable Neighborhood DRS.

Section 29.12: Temporary Structures. No Improvements or other items that are intended to be temporary, or by their nature are normally not incorporated as permanent improvements to real property, will be permitted on any Lot without the prior written approval of the DRB. This includes, without limitation, any type of tents, canopies, tarpaulins, trailers and outdoor storage containers or facilities. However, the DRB may grant a temporary exception to this restriction to a Builder during the course of constructing Improvements on a Lot, but not to exceed Five (5) days after completion of constructing the Improvements.

Section 29.13: Clotheslines, Garbage Cans, Etc. No outdoor clotheslines may be erected or installed on any Lot at any time, and no clothing, linens or other material may be aired or dried outside of any Residence at any time. All garbage cans, storage containers, mechanical equipment, lawn and garden equipment and tools, woodpiles, and other similar moveable items on any Lot, when not actively being used, must be located or screened in a manner to conceal them from view from any other Lot, Common Area or street.

Section 29.14: Antennas and Satellite Dishes. No temporary or permanent antennas, aerials, satellite dishes, or other apparatus directly or indirectly used in connection with the transmission or reception of television, radio, satellite or other

signals of any kind may be placed, constructed, installed or maintained above-ground outside of the Primary Structure on any Lot without the prior written approval of the DRB.

Section 29.15: Artificial Vegetation, Exterior Sculptures, Etc. No temporary or permanent artificial vegetation, sculptures, fountains, birdhouses, birdbaths, feeders for birds or other animals, decorative figures or embellishments, or similar items, may be placed, constructed, installed or maintained outside of the Primary Structure on any Lot without the prior written approval of the DRB.

Section 29.16: Prohibited Vehicles and Equipment. Except as specifically provided in this Section, none of the following types of vehicles or equipment will be permitted to be parked, stored, maintained, repaired or otherwise located on any Lot at any time: (i) trucks in excess of One (1) ton capacity, tractors, trailers, equipment, implements and all other types of vehicles used, in whole or in part, in connection with any trade or business; (ii) trailers of any type, whether or not used in whole or in part in connection with a trade or business or for personal purposes; (iii) recreational vehicles of any type, including without limitation truck campers, trailers, "fifth wheels," motor homes and buses; (iv) boats, canoes, kayaks, water bikes, jet skis, personal water craft, and all other forms of water craft, unless stored inside of a garage when not in active use; (v) "all-terrain" vehicles, "dirt bike" motorcycles, minibikes, go-carts and other similar vehicles and equipment that are not licensed to be operated on public streets, unless stored inside of a garage when not in active use; (vi) vehicles or equipment customarily associated or used in connection with the military; (vii) all junk or inoperable automobiles, vehicles or equipment of any type; and (viii) any parts of any type of automobile or vehicle that are not directly required for routine preventative maintenance. Further, no vehicle, automobile, equipment or implement of any type may ever be operated, parked, stored, maintained, repaired or otherwise located on any portion of the Common Area, unless specifically permitted under Rules and Regulations adopted by the Board. However, during the period of performing Work on any Improvements on a Lot, nothing in this Section will prohibit the use, operation, parking or location of any operable vehicles, equipment or implements necessary and customarily used in connection with the construction of Improvements, so long as such activities are confined to the Lot on which the Work is being performed and on streets within the Community which the DRB has designated for construction traffic.

Section 29.17: Prohibited Outdoor Hobbies and Activities. No Person may engage in any outdoor hobbies or activities on any Lot or Common Area which violate any

Rules or Regulations adopted by the Association, or which the Association otherwise determines to detract from the aesthetic character or peaceful enjoyment of the Community. The Association will have complete authority to regulate and/or prohibit any outdoor hobbies or activities that it reasonably determines to violate the general standard described in the last sentence. Without limiting the restrictions in the preceding sentences of this Section, no Person may perform any repair, maintenance, restoration or other service on any automobile, vehicle, equipment, tool or other device outside of the Primary Structure on any Lot, on any portion of the Common Area, or on any street within the Community.

Section 29.18: Signs. No temporary or permanent signs (including without limitation letters, banners, numbers, symbols, markings or illustrations) may be erected, posted, attached or displayed on any Lot or any portion of the Common Area, except: (i) street, identification and other signs installed by the Developer or the Association; (ii) one temporary sign, of a size, design and location approved by the Association or the DRB, informing the public that a Lot is for sale, lease or rent; (iii) a post office number for designation of a Residence or Business Facility; (iv) signs that have been reviewed and approved by the DRB in connection with a Business Facility; (v) temporary signs or banners erected on a Lot in connection with the celebration of a personal event or occasion, such as a birthday, anniversary, or graduation, which may not be displayed for a period longer than Three (3) days; and (vi) such other signs as may be approved in advance by the Association.

Section 29.19: Alteration of Improvements. No Improvements may be remodeled, modified or altered, in any way which materially change the exterior appearance or color of the Improvements as originally approved, unless the Plans for such remodeling, modification or alteration have been submitted to and approved in advance by the DRB according to the procedures provided in the Design Review Manual.

Section 29.20: Alteration of Easement Areas and Drainage Facilities. No Work may be performed within, and Improvements may be constructed, installed or otherwise placed on, any Easement Areas without the prior approval of the DRB. Further, no Work may be performed, and no Improvements may be constructed, installed or otherwise placed, in any manner that may damage, interfere with, obstruct, change or otherwise alter any Drainage Facilities without the prior approval of the DRB.

Section 29.21: Alteration of Common Areas. Except with respect to the rights of the Developer or Association under this Declaration, no Person may at any time or for any

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reason alter, damage or destroy any portion of the Common Area, including without limitation any Improvements or Landscape Features in any Common Area.

Section 29.22: Waste. No Owner or other Person may at any time or for any reason commit waste on any Lot (including the Owner's own Lot), Common Area or publicly dedicated area within the Community.

Section 29.23: Fuel Storage. No Person may store any gasoline, diesel fuel, heating fuel or other form of fuel or petroleum based product on any Lot or Common Area in excess of Five (5) gallons stored in a container designed and approved for that purpose under Applicable Law. All permitted quantities of fuel must be stored and handled in accordance with Applicable Law, and must be maintained in a location on the Lot that is not within view from any other Lot, Common Area or street within the Community. The restriction on the quantity of fuel under this Section does not apply to the Association or the Developer in connection with activities required or permitted to be performed by either or both of them under this Declaration or any of the other Governing Documents.

Section 29.24: Hazardous Waste. No Person may at any time or for any reason cause or permit the generation, storage, leaking, discharge or disposal of any solid waste, or any other form of toxic, hazardous or regulated substance on any Lot, Common Area or publicly dedicated area in the Community in violation of Applicable Law. Every Owner will have an obligation to immediately notify the Association upon their discovery of any violation of this Section of the Declaration.

Section 29.25: Business Activities on Lots in Residential Neighborhoods. No garage sale, yard sale, moving sale, rummage sale, auction or similar activity may be conducted on any Lot within a Residential Neighborhood without the prior approval of the Board of the Association, or as may be permitted under Rules and Regulations adopted by the Board concerning such activities. Further, no trade or business may be conducted on or from any Lot located in a Residential Neighborhood, except that an Owner or Occupant of a Residence may conduct "home office" business activities within the Residence so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residence; (ii) the business activity conforms to all Applicable Law, including zoning requirements for the Lot; (iii) the business activity does not involve other Persons coming to or from the Lot who do not otherwise reside in the Residence in which the business activity is conducted; (iv) the business activity does not involve in-person, door-to-door solicitation of any Owners or Occupants in the Community; and (v) the business activity is

consistent with the residential character of the Lot and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents in the Community, as may be determined in the sole discretion of the Association. The terms "business" and "trade" will have their ordinary and generally accepted meanings, and will include any temporary or permanent, full-time or part-time, occupation, work or activity undertaken on an ongoing basis which involves the providing goods or services to persons other than the provider's family, and for which the provider receives or expects a fee, compensation or other form of consideration, regardless of whether such activity requires a license or actually generates any profit. The leasing of a Residence will not be considered a trade or business within the meaning of this Section.

Section 29.26: Encroachments. No Person may intentionally, knowingly or negligently cause or permit any Improvement on a Lot to encroach upon any other Lot, Common Area or publicly dedicated area within the Community. To the extent that any such encroachment occurs, the Owner of the Lot on which the encroaching Improvement originated will be responsible for all costs and expenses associated with the correction or extinguishment of such encroachment.

Section 29.27: Mineral Exploration. No Person may at any time or for any reason engage in or permit any activity directly or indirectly related to or associated with the exploration, drilling, digging, excavation, mining, removal, processing, disposal or similar action of or with respect to any minerals or natural resources on or from any Lot or Common Area in the Community.

Section 29.28: Doors and Windows. No temporary or permanent "burglar bars," steel or wrought iron bars, operable shutters, or similar fixtures, whether designed for decorative, security, or other purposes, may be installed on the exterior of any windows or doors of any Improvement on any Lot in the Community. All windows of an occupied Residence or Business Facility that are visible from any Lot, Common Area or street in the Community must have draperies, curtains, blinds or other permanent interior window treatments, and all portions of such window treatments that are visible from the outside will be white or off-white in color, unless otherwise approved in writing by the DRB. Further, no temporary window coverings or opaque treatments, including without limitation sheets, tarpaulins, canvas, plywood or similar materials, will be permitted to remain over any window more than Thirty (30) days after the date of issuance of the certificate of occupancy for the Improvement.

Section 29.29: Removal of Trees. No Person may damage, destroy or remove from any Lot any live trees with a caliper equal to or greater than Three inches (3") measured

Six (6") inches from the ground, unless such removal is approved in advance by the DRB. This Section will not prohibit the removal of any dead or diseased trees or branches, or other live trees that in the reasonable judgment of the Owner pose an immediate threat to the safety of Persons or property on or adjacent to the Lot.

Section 29.30: Health, Safety and Welfare. Without limiting any other protective covenant or restriction in this Article, no Person may engage in or permit any unlawful act or conduct, or any other act or activity that the Board of the Association may reasonably determine to pose a material and immediate threat to the health, safety or welfare of any Person or property in the Community.

PART SIX - MANAGEMENT OF COMMUNITY

The success of the Community is dependent upon the support and participation of every Owner in its administration. This Master Declaration establishes Stonehill Village Community Association, Inc., as the mechanism by which the Owners are to provide that support and participation on a Community-wide basis. This Master Declaration furthermore establishes Neighborhood Societies, through which Owners within a particular Neighborhood will be able to provide input and support as to issues affecting that Neighborhood. While many powers and responsibilities are vested in the Association's Board and the Neighborhood Societies' Council, some decisions are reserved for the Association's membership --- the Owners of property in the Community.

ARTICLE XXX **STRUCTURE**

Section 30.01: Overview of Community Management. Management of a Community the size of Stonehill Village is a complex, but important matter. This Part of the Declaration explains the private corporate structure the Developer has established to provide for the continuing management and administration of the Community. The underlying objective is to provide an efficient and effective system that permits and encourages participation by every Owner, without creating unreasonable personal administrative obligations that will detract from the enjoyment of living in the Community. In other words, every Owner will have a voice in the administration of the Community, but an individual choice as to how involved each Owner may want to become. The management framework is comprised of the Association, as the central administrative body, and several smaller, subordinate organizations known as Neighborhood Societies. The remainder of this Article briefly explains the general purposes of the Association and Neighborhood Societies. The rest of this Part of the

Declaration describes the basic structure and authority of the Association and Neighborhood Societies, and the relationships of possible other organizations related to the Community.

Section 30.02: Purpose of Association. The Developer has formed Stonehill Village Community Association, Inc., as an Ohio non-profit corporation. The purpose of the Association is to serve as the predominant entity through which the Owners will manage and administer the entire Community for the benefit of all of the Owners in the respective Neighborhoods. The Association will own, manage, maintain and operate all of the Common Areas in the Community. Further, the Association will oversee and enforce this Declaration and the other Governing Documents through its Board and various committees.

Section 30.03: Purpose of Neighborhood Societies. As each Neighborhood is integrated into the Community, the Developer will form a separate Ohio non-profit corporation for that Neighborhood. Although the legal structure of these Neighborhood organizations will be similar to the Association, they are referred to in this Declaration as "Neighborhood Societies" in order to differentiate them from the Association. However, the powers and authority of each Neighborhood Society will be subordinate to the rights, powers and authority of the Association. The primary purpose of each Neighborhood Society will be to provide a forum where Owners in the Neighborhood will have an opportunity to provide input into matters that affect their Neighborhood. Each Neighborhood Society will also elect a representative to serve as the Voting Member to represent their Neighborhood in the Association. The Developer further hopes that the Neighborhood Societies will serve an important social function within the Community by fostering closer relationships among the Owners in each Neighborhood.

Section 30.04: Effect of Layering Organizations. The purpose of providing layers of administrative rights and responsibilities through the Association and subordinate Neighborhood Societies is to create a more efficient system of private democracy within the Community for the management of its affairs. The ultimate power is reserved for the Owner Members, subject only to the rights of the Developer during the Development Period. The Owner Members will exercise most of their rights through their respective Neighborhood Societies. In turn, the Neighborhood Societies will operate the Association through the collective action of their individual representatives. These multiple levels of organization are intended to establish a representative form of management that will best reflect the rights and desires of the Owners through a

centralized structure. The centralized structure of the Association will enable the individual Owners to be free of the daily responsibilities of overseeing the operation of the Community, while at the same time enhancing the continuity and effectiveness with which the Community as a whole can fulfill the goals and objectives described in this Declaration. The remaining Articles in this Part provide more detailed information concerning the structure, powers and authority of the Association and Neighborhood Societies, as well as the interrelationship between these two levels of management.

Section 30.05: Developer's Retained Rights. Nothing in the following Articles of this Part of the Declaration will be construed to limit, restrict, prohibit or otherwise impair the rights, powers and authority reserved by the Developer under this Declaration during the Development Period. In particular, the Developer will retain exclusive power and authority over the composition and all actions of the Association, Board, Neighborhood Societies, Councils and other organizations described in this Part throughout the entire Development Period. No failure of the Developer to exercise its reserved rights, powers or authority with respect to any particular event will be construed as a waiver of the Developer's right to later exercise its rights, powers and authority over the same or different events in the future. All of the rights, powers and authority described in the following Articles of this Part are subordinate and subject to the rights, powers and authority of the Developer during the Development Period, and are provided in this Part of the Declaration to enable an eventual transition from the Developer to the Owners either during or after the Development Period, as the Developer may determine.

ARTICLE XXXI

STONEHILL VILLAGE COMMUNITY ASSOCIATION

Section 31.01: Formation. The Developer will organize Stonehill Village Community Association, Inc., as an Ohio non-profit corporation according to the provisions of Chapter 1702 of the *Ohio Revised Code*. The Articles of Incorporation for the Association will be filed in the office of the Ohio Secretary of State simultaneously with recording this Declaration. Further, the Developer, as the sole incorporator of the Association, will adopt a Code of Regulations for the Association. The Articles and the Code of Regulations are part of the Governing Documents, and are incorporated into this Declaration by reference to the same extent as if those documents were either attached to this Declaration as Exhibits or completely rewritten in this Declaration. The Developer or the Association will provide complete and accurate copies of the Articles and the Code of Regulations to the purchaser of any Lot in the Community upon written

request. By accepting a deed to a Lot in the Community, each Owner acknowledges that they have constructive notice of all terms and conditions of the Articles and Code of Regulations, and that they agree to be bound by all terms and conditions of the Articles and Code of Regulations.

Section 31.02: Members of Association. The Association has been organized for the exclusive benefit of its Members, and will be operated under the control of the Members in the manner provided in this Article. No Member may delegate any of its rights in the Association to any other Person for any reason, except as specifically permitted in this Declaration or the Code of Regulations. There are Three (3) different types of Members in the Association, each of which is described below:

- A. Owner Members. Every Owner of a Lot in the Community will automatically be a Member of the Association. Membership of each Owner Member in the Association is based upon ownership of a Lot, and will commence upon recording of the deed for the Lot to the Owner. Upon conveyance of the ownership of a Lot to a new Owner, the membership of the former Owner will automatically terminate, and the new Owner will automatically become an Owner Member in the Association.
- B. Developer Member. The Developer is the only Developer Member of the Association. Membership of the Developer Member is based upon the Developer's relationship to and responsibilities for the creation and development of the Community. The Developer is considered a Member of the Association in order to facilitate the exercise of the rights, powers and authority reserved for the Developer under this Declaration. The Developer Member category of membership in the Association will automatically terminate upon termination of the Development Period.
- C. Founding Members. Ervin J. Nutter, his children, grandchildren and great grandchildren, and the spouses and natural or adopted children of each of these individuals are the Founding Members of the Association. Membership of the Founding Members is based upon the relationship of these individuals to the owner of the land on which the Community is established, and in recognition of the concept and implementation of the Community by this family. The Founding Members are considered Members of the Association in order to permit their continuing use and enjoyment of the creation they envisioned and brought to reality. The

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Founding Member category of membership in the Association will continue until the death of the last Founding Member.

Section 31.03: Voting Rights of Members. The Members of the Association will have the following rights concerning voting on matters requiring or permitting the vote or approval of the Members:

- A. Non-Voting Members. The Developer Member and the Founding Members will not have the right to vote on any matters brought before the membership of the Association for consideration. However, the Developer Member and the Founding Members will be entitled to receive notice of all meetings of the Members and Voting Members, and to attend and participate in discussions of all issues raised at those meetings.
- B. Voting Members. Due to the eventual large number of Owner Members in the Association, a representative form of voting by Members will be employed in order to facilitate a more efficient management of the Association and communication between the Members and the Board. Except with respect to those matters requiring the vote of all Owner Members as provided in this Declaration, Supplemental Declarations, the Articles and/or the Code of Regulations, all of the voting power of the Members of the Association will be exercised only through the Voting Members. Each Neighborhood will elect One (1) representative to serve as the Voting Member for that Neighborhood. The Owner Members within that Neighborhood will be deemed to have granted to the Voting Member an irrevocable proxy of their voting rights in the Association concerning matters that would otherwise be voted upon by the Members, and no additional documentation will be necessary to evidence that proxy. The voting power of each Voting Member will be equal to a fraction, the numerator of which is the total number of Lots then existing in the Neighborhood that the Voting Member represents and the denominator of which is the total number of all Lots then existing in all Neighborhoods in the Community. The Voting Member will have an obligation to act and vote in a manner that the Voting Member in good faith believes is in the best interest of the Neighborhood he or she represents. However, the Voting Member will not be personally liable to any Owner or Neighborhood Society for any vote made on behalf of the Neighborhood. The Code of Regulations provides a more detailed explanation of the selection,

procedures, rights and responsibilities of the Voting Members, as well as the power of the Owner Members to recall their Voting Member.

- C. Certain Voting Rights of Owner Members. This Declaration, Supplemental Declarations, the Articles and/or the Code of Regulations, provide that certain matters will require the vote or approval of all of the Owner Members of the Association. In those specific instances, the proxies of the Voting Members will be temporarily suspended, and the Owner Members will be entitled to vote on their own behalf. However, there will only be One (1) vote per Lot. If a Lot is owned by more than one individual, the co-Owners of such Lot must determine among themselves who will exercise the voting rights for that Lot. Multiple votes from co-Owners of a single Lot will result in the disqualification of all votes pertaining to that Lot on that issue. In situations where the Owner of a Lot is not a natural person, the Owner must designate in writing to the Secretary of the Association, in advance of casting a vote, the name and official title of the individual who is authorized to vote for that Owner Member on that issue. The voting rights of Owner Members, and additional procedures concerning the exercise of those voting rights, are more fully explained in the Code of Regulations.

Section 31.04: Board of Trustees. The Board of the Association will have power, authority and obligation to carry out all of the rights, powers and authority of the Association, except with respect to those actions which specifically require the vote of the Voting Members or the Owner Members under the terms of this Declaration, the Articles or the Code of Regulations. The number of members of the Board, the specific procedures and voting requirements for election of members of the Board, and the rights, procedures and conduct of the Board, are more fully described in the Code of Regulations. During the Development Period, the Developer will be considered to be an ex-officio member of the Board. As such, the Developer will be entitled to receive notice of all meetings of the Board, and to attend and participate in discussions of all issues raised at those meetings. The Developer will also have full access to all records of the Board and the Association.

Section 31.05: Officers. The Board will elect officers to carry out the day-to-day management and operation of the Association. These officers will include at a minimum: (i) one president; (ii) one or more vice presidents; (iii) one secretary; and (iv) one treasurer. In addition, the Board may elect such assistant officers as it may deem

necessary or advisable. The specific procedures and voting requirements for election of officers of the Association, and the rights, duties and authority of each officer, are more fully described in the Code of Regulations.

Section 31.06: Delegation of Duties. In addition to the duties and authority of the officers of the Association, the Board may delegate the performance of any of its duties to one or more committees, employees, agents or volunteers. All committees, employees, agents or volunteers of the Association will serve at the discretion of the Board, and only under the supervision, direction and control of the Board. The Code of Regulations describes in more detail the scope and authority of the Board to delegate any of its duties.

Section 31.07: Powers and Authority of Association. The rights, powers, authority and obligations of the Association are provided in this Declaration, Supplemental Declarations, the Articles and Code of Regulations. As a matter of illustration, but without limitation, the Association will have the following powers and authority.

- A. Common Areas. The Association will own all of the Common Areas in the Community, and will have full power, authority and responsibility to control, manage, operate, regulate, maintain and repair all of the Common Areas in the manner required or permitted in this Declaration and the other Governing Documents.
- B. Assessments. The Association will further have the power and authority to levy and collect Assessments of the types and in the manner provided in this Declaration and the other Governing Documents.
- C. Rules and Regulations. The Association will have the power and authority to adopt Rules and Regulations concerning: (i) the use and enjoyment of the Common Areas; (ii) specific procedures and/or guidelines for the functioning of committees created by the Board; (iii) specific procedures and guidelines for administering the Community and Neighborhood DRS; and (v) such other matters as the Association may deem necessary or beneficial in carrying out the purpose and intent of this Declaration or any of the other Governing Documents.
- D. Compliance and Enforcement. The Association will have full power and authority to monitor, regulate and enforce full compliance with all terms, conditions and obligations in this Declaration and all of the other Governing Documents.

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- E. Assumption of Developer's Obligations. After termination of the Development Period, the Association will assume and fulfill all of the obligations and responsibilities reserved by or imposed upon the Developer with respect to the continuing management, operation and administration of the Community, as described in this Declaration and the other Governing Documents. Upon request of the Developer during the Development Period, the Association will also assume and fulfill such obligations and responsibilities that the Developer may assign to it in writing.
- F. Insurance. The Association will have the power and obligation to obtain and maintain in full force and effect all policies of insurance required under this Declaration and the other Governing Documents. The Association will have the right, but not an obligation, to obtain and maintain such other policies of insurance as the Board of the Association may deem necessary or beneficial for the protection of the Association and its property.
- G. Indemnification. The Association will have the power and obligation to indemnify all of its Board members, officers, committee members, employees and volunteers in the manner and to the extent permitted under Applicable Law, and as provided in the Articles and/or Code of Regulations.
- H. Individual Services. The Association will have the right, power and authority, but not an obligation, to offer and perform Individual Services for any Owner or groups of Owners in the Community, and to establish and charge a reasonable fee or assessment for such Individual Services. The purpose of this power is to grant the Association flexibility to develop additional, new or innovative services that will benefit its Owner Members through utilization of resources the Association otherwise has available to carry out the Association's normal duties and obligations.
- I. Volunteer Coordination. The Association will have the right, power and authority, but not an obligation, to encourage and facilitate the formation and operation of volunteer organizations within the Community that may benefit or serve the interests of the Community as a whole, or particular Owners or Occupants within the Community. The Code of Regulations and/or Rules and Regulations of the Association further describe the scope and procedures for the exercise of this authority.

- J. Other. The Association will also have all rights, powers and authority necessary or beneficial for the Association to carry out the obligations and responsibilities expressly or by implication granted to or imposed upon the Association under this Declaration, any of the other Governing Documents, or Applicable Law.

Section 31.08: Prohibited Activities. The Voting Members may, but will not be required to, adopt Rules and Regulations restricting or prohibiting the Association from engaging or participating in certain activities to assure that the Association maintains a neutral position in potentially sensitive issues beyond the normal scope of the Association's purpose and authority that may be opposed or supported by some, but not all, of the Members. Without limiting the authority granted in the preceding sentence, the Association is strictly prohibited from endorsing, sponsoring, encouraging, contributing to, or otherwise sponsoring any candidate for any political office. The Association is further strictly prohibited from initiating, sponsoring, petitioning, supporting, encouraging, opposing or otherwise participating in any attempt to incorporate the Community as a separate municipality, or to annex all or any part of the Community into any other municipality. However, the restrictions in this Section apply only to actions of the Association as an organization, and will not be construed to limit the individual rights of any Owner to engage in such activities, personally or collectively, separate and apart from the Association.

Section 31.09: Referendum and Initiative Power of Members. In order to assure that the Owner Members retain ultimate control of the Association, all actions of the Voting Members and the Board will be subject to reversal through referendum by the Owner Members. Further, the Owner Members will have the right to initiate any action that the Voting Members or the Board may fail or refuse to take. The referendum and initiative rights of the Owner Members, and the specific procedures and voting requirements for such actions, are more fully described in the Code of Regulations.

Section 31.10: Authority Over Neighborhood Societies. The rights and powers of the Association are superior to any and all rights and powers of all Neighborhood Societies. Therefore, by majority vote of the Voting Members, the Association will have the right to veto, prohibit, enjoin or modify any action taken or proposed to be taken by any Neighborhood Society if, in the sole discretion of the Voting Members, such action conflicts in any respect with the power and authority of the Association, or is or may be detrimental to health, safety, welfare or overall best interests of the Community as a whole.