

recreational facilities shall not be used after dark; (3) the recreational facilities are subject to further rules and regulations (not inconsistent with the provisions of this Declaration) which may be enacted by the Association; (4) any play equipment brought onto the recreational facilities shall be removed immediately after use; (5) no motorized vehicles of any kind (including, without limitation, automobiles, truck, motorcycles, and scooters) may be brought onto any recreational facilities; and (6) the use of recreational facilities is limited to Owners, members of any Owner's immediate family, and not more than six guests of an Owner. With the exception of the Hawthorne Manor Pool, no Owner is allowed to use the recreational facilities for large gatherings or events; provided that the Association shall establish such Rules as it deems appropriate in connection with the Hawthorne Manor Pool.

V. Pond Restrictions. Any ponds located on Common Property shall be subject to the following restrictions: (1) The ponds are not available for recreational use by Owners. There is no boating or swimming permitted in the ponds; and (2) no noxious, hazardous, or offensive substance, or trash, or debris, shall be discharged or permitted to be discharged into the ponds.

W. Hawthorne Manor Pool. Subject to the terms and conditions of this Declaration and subject to the Rules established by the Association, the Hawthorne Manor Pool shall be available for the benefit, use and enjoyment of all Owners. The use of the Hawthorne Manor Pool shall be subject to the following restrictions (in addition to other terms and conditions of this Declaration applicable thereto):

1. No Owner shall use the Hawthorne Manor Pool in a manner that unreasonably interferes with (a) the use and enjoyment of the Hawthorne Manor Pool by other Owners, or (b) the use and enjoyment of the other Lots.

2. No commercial use of any kind may be made of the Hawthorne Manor Pool, including uses intended for fund-raising, whether for-profit or non-profit.

3. Other than as an Owner of a Lot, Developer shall have no obligation to maintain, clean or repair the Hawthorne Manor Pool, nor any liability for personal injury or property damage arising by Developer's actions or omissions with respect to the Hawthorne Manor Pool. Developer shall have no obligation to provide insurance coverage for the Hawthorne Manor Pool, or any activities occurring at the Hawthorne Manor Pool.

4. The use of the Hawthorne Manor Pool shall be subject to the laws, rules and regulations of all applicable governmental authorities.

X. Compliance With Zoning Requirements. Certain provisions of this Declaration may have been included herein as a result of governmental requirements established through the zoning and development plan approval processes in the State, County, City, Township and/or Village in which the Property is located. Compliance with all such governmental requirements, for so long as such requirements are effective and binding, is required by this Declaration. However, in the event the governmental entity(ies) change or agree to a modification of such

areas. All fencing and walls shall conform to the standards set forth by the Design Review Board, and shall be approved by the Design Review Board, in writing, prior to the installation thereof. By way of example, and not limitation, compliance with the following standards shall be considered by the Design Review Board in reviewing fence applications:

1. Fences or walls shall be constructed of wood, approved plastic, stone or brick only, and in no event shall chain link or other metal or wire fencing be permitted.
2. No fence or wall shall be constructed in excess of forty-eight inches (48") above finished grade, provided, however, that if a governmental agency exercising jurisdiction over the property on which the fence or wall is to be constructed requires a minimum height in excess of 48" for safety reasons (i.e. swimming pool enclosure), such fence or wall may exceed 48" above finish grade, but only to the extent necessary to meet the governmentally required minimum.
3. Fences or walls shall not be located closer to the street than a line parallel to the street and extending from the midpoint between the front and rear corners of the home, and in no event shall fences be located closer to any street than the building line shown on the recorded plat, except for ornamental railings, walls or fences not exceeding three feet (3') in height which are located on or adjacent to entrance platforms or steps.
4. Treated wood split rail fences are permitted. Dark painted wire mesh or plastic mesh attached inside a split rail fence is permitted.
5. Decorative wood and plastic fencing is permitted by approval of the Design Review Board or its assigns.

Nothing contained herein shall be interpreted or construed to permit the use of approved fencing materials to accomplish a purpose or use otherwise prohibited hereunder.

S. Swimming Pools. No above ground swimming pool extending twelve (12) inches or more above the finished grade of the Lot shall be permitted upon any Lot, except that this prohibition shall not prohibit the installation of a hot tub or sauna.

T. Basketball Goals. Basketball goals may be installed upon each Lot, but only upon the side or rear elevations of the Lot. There shall be no basketball goals installed on the front elevation of the Lot or any portion of the front yard of the Lot.

U. Recreational Facilities. The Developer intends to construct one or more shelters, playhouses, athletic fields, and/or recreational equipment upon the Common Property. Such recreational facilities shall be for the benefit, use and enjoyment of all Owners; provided, however, that the use of such recreational facilities shall be subject to the following restrictions: (1) The recreational facilities may be used by the Owners for recreational purposes only; (2) the

underlying obligation(s), or if such obligations lapse or for any reason whatsoever become legally unenforceable, this Declaration shall be deemed modified, ipso facto and without the need for further action on the part of the Developer or any Owner, such that this Declaration requires compliance with the obligation as affected by such change or modification.

V. ARCHITECTURAL STANDARDS

A. Design Review Board. The Design Review Board shall be a board consisting of three (3) persons. Until the Turnover Date, Developer shall have the sole and exclusive right to appoint and remove all three members of the Design Review Board at will, and may elect in the exercise of its sole discretion, to act itself as the Board (or appoint an agent to act in its place) in lieu of appointing individuals. After the Turnover Date, the Board shall have the right to appoint all three members to the Design Review Board, or to appoint an agent to act in the Board's place, at will.

The Design Review Board shall have the exclusive authority, at a private or public meeting by action of two or more of the members thereof (if Developer has not elected to act itself or appoint an agent to act, in which case such authority shall be exercised by Developer or its agent) to determine the architectural standards which shall govern the construction of Improvements on the Property. Each Owner covenants and agrees by acceptance of a deed to a Lot, to comply with, and to cause his/her Lot and any occupant thereof to comply with the standards promulgated by the Design Review Board. No Improvement shall be placed, erected or installed on the Property, no construction (which term shall include in its definition staking, clearing, excavation, grading and other site work) and no plantings or removal of plants, trees or shrubs shall be permitted without, until and unless the Owner first obtains the written approval thereof of the Design Review Board and otherwise complies with the provisions of this Declaration.

B. Modifications. Except as otherwise provide in this Declaration, the Design Review Board shall have jurisdiction over all construction, modifications, additions or alterations of Improvements on or to the Property. No person shall construct any Improvement on any Lot, including without limitation, alter surfaces of existing Improvements, change paint colors or roofing materials, construct or modify fencing, or install any recreational device, without the prior written approval of the Design Review Board. Owners shall submit plans and specifications showing the nature, kind, shape, color, size, materials and location of Improvements and alterations to the Design Review Board for its approval. The Design Review Board may charge a reasonable fee in connection with processing applications submitted pursuant to this Section. Nothing contained herein shall be construed to limit the right of an Owner to remodel or decorate the interior of his/her residence.

C. Variances. To avoid unnecessary hardship and/or to overcome practical difficulties in the application of the provisions of this Declaration, the Design Review Board shall have the authority to grant reasonable variances from the provisions of Article IV, and from the provisions of this Article and from the architectural standards established pursuant to this

Article, provided that the activity or condition is not prohibited by applicable law; and provided further that, in its judgment, the variance is in the best interest of the Regency Park Master Subdivision and is within the spirit of the standards of the Design Review Board. No variance granted pursuant to this Section shall constitute a waiver of any provision of this Declaration as applied to any other person or any other part of the Property.

D. Improvements by Developer. Notwithstanding any of the foregoing to the contrary, all Improvements and landscaping constructed by Developer or its affiliates, partners, members or shareholders shall be deemed to comply in all respects with the requirements of the Design Review Board, and separate approval thereof by the Design Review Board is not required.

VI. EASEMENTS AND LICENSES

A. Easement of Access and Enjoyment Over Common Property. Except as otherwise provided in Article IV, every Owner shall have a right and easement (in common with all other Owners) of enjoyment in, over, and upon the Common Property, and a right of access to and from his/her Lot, which rights shall be appurtenant to, and shall pass with the title to, his/her Lot, subject to other terms and limitations set forth in this Declaration, and subject to the Rules. An Owner may delegate his/her rights of access and enjoyment to family members, occupants, guests, licensees and invitees. All such easements are limited by such restrictions as may apply to the Common Property affected thereby, and no person shall have the right by virtue of such easements to engage in activities on the Common Property which are not permitted according to (i) this Declaration, (ii) the provisions of any Plat(s) or (iii) agreements with any governmental entities or other third parties.

B. Right of Entry for Repair. The duly authorized agents, officers, contractors, and employees of the Association shall have a right of entry and access to the Property, including without limitation the Lots, for the purpose of performing the Association's rights or obligations set forth in this Declaration. The Association may enter any Lot to remove or correct any violation of this Declaration or the Rules, or to maintain, repair, and replace the Common Property, but only during reasonable hours and after providing seventy-two (72) hours advance notice to the Owner, except in cases of emergency, where no such advance notice shall be required.

C. Easement for Utilities and Other Purposes. The Board or Developer may convey easements over the Common Property to any entity for the purpose of constructing, installing, maintaining, and operating poles, pipes, conduit, wires, swales, land contours, ducts, cables, and other equipment or conditions necessary to furnish electrical, gas, sanitary or storm sewer, water, telephone, cable television, and other similar utility or security services, whether of public or private nature, to the Property and to any entity for such other purposes as the Board or Developer deems appropriate; provided that such equipment or condition(s), or the exercise of such easement rights shall not unreasonably interfere with the Owners' use and enjoyment of the Property. The Board or Developer may grant such easements over all portions of the Property

for the benefit of adjacent properties as the Board or Developer deems appropriate; provided that the grant of such easements imposes no undue, unreasonable, or material burden or cost upon the Property; and further provided that the Board or Developer may not convey any easement over a Lot without the prior written consent of the Owner of such Lot (which consent shall not be unreasonably delayed or withheld). Developer shall have the absolute right within (i) areas designated as drainage courses on the Plats of the Property, (ii) all areas encumbered by general utility or specific storm drainage easements, and (iii) areas determined by sound engineering practice to be necessary to the proper drainage of all or part of the Property, to enter upon Lots and perform grading and other construction activities deemed appropriate in the exercise of Developer's judgment to install, modify, alter, remove or otherwise work on storm water drainage facilities and conditions (including both surface grading and subsurface structures). If any such entry and/or work performed by Developer results in damage to other portions of a Lot, or to any improvements thereon, Developer shall be responsible for the restoration of such portions or improvements at Developer's sole cost.

D. Easement for Services. A non-exclusive easement is hereby granted to all police, firemen, ambulance operators, mailmen, deliverymen, garbage removal personnel, and all similar persons, and to the local governmental authorities and the Association (but not to the public in general) to enter upon the Common Property to perform their duties.

E. Reservation of Special Easements. The Plats of record in the Public Records reflect which certain areas have been "shaded", "cross-hatched" or otherwise identified. The areas marked by shading, cross-hatching or which are otherwise identified represent portions of the Property over, across, under and through which Developer reserves easements ("Special Easements") for the purpose of constructing Improvements or conveying rights deemed by Developer to be beneficial to the Property. Unless indicated otherwise on the Plats, the Special Easement areas are also No-Build Zones (as hereinafter defined). The Special Easement areas may be parts of individual Lots instead of on Common Property. In such cases, the Owner(s) of the Lot(s) affected by the Special Easement(s) shall be and remain responsible for the ordinary care and maintenance of the Special Easement areas. If special fencing, landscaping, storm water detention/retention, or community safety or entry features are constructed in a Special Easement area by Developer, the State, or the Association, the responsibilities of the Lot Owner on whose Lot such Improvement has been constructed shall not exceed ordinary grass cutting, trimming and watering around such Improvements. Nothing contained in this Section shall require that Developer reserve or establish Special Easements, and if no areas on the Plats have been shaded, cross-hatched or otherwise identified, Developer has not reserved any Special Easements.

F. No-Build Zones/Non-Disturbance. Any areas designated on the Plats, in prior deed restrictions, or by the Board, as "No-Build Zones" (herein called "No Build Zones") shall be areas in which no Owner shall have the right to construct or locate any Improvements, including, but not limited to, fencing. Landscaping may be located in No-Build Zones, provided that prior approval for such landscaping has been granted by the Design Review Board. In vegetated No-Build Zones, Owners shall perform maintenance necessary for the safety of

persons and property (i.e. removing noxious and poisonous plants, or removing dead trees which may fall and harm persons or other Improvements). Grassed No-Build Zones shall be mowed, trimmed and watered by the person(s) responsible for the maintenance of the specific area in question according to the other terms hereof.

VII. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

A. Membership. Every Owner shall be deemed to have a membership in the Association, and, by acceptance of a deed to property in the Property, each such Owner agrees to and acknowledges being a Member of the Association. Membership is a right appurtenant to and inseparable from an Owner's fee simple title in a Lot, and such right of membership shall automatically transfer to any transferee of fee simple title to a Lot at the time such title is conveyed or at such time as a land installment contract is executed for the conveyance of fee simple title. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest or mortgage shall not terminate an Owner's membership. No Owner, whether one or more persons, shall have more than one membership per Lot owned. In the event an Owner consists of more than one person, such persons collectively shall have one membership in the Association in common.

B. Governance. The Association shall be governed by the Board, consisting of three (3) persons. Prior to the Turnover Date, the members of the Board shall be appointed by Developer, or Developer may elect to act as the Board, or it may appoint a managing agent to act as the Board on its behalf. No Members, other than Developer, shall have voting rights in Association matters until the Turnover Date. The transfer of control of the Association shall take place at a meeting which shall occur within six months after the Turnover Date. Voting and all other matters regarding the governance and operation of the Association following the Turnover Date shall be as set forth in the Association Documents.

VIII. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

A. Common Property. Developer may, from time to time, at Developer's option, convey to the Association for the use and benefit of the Association and the Members, real or personal property, or any interest therein. The Association shall accept title to any interest in any real or personal property transferred to it by Developer. The Association, subject to the rights of the Owners set forth in this Declaration and the Association Documents, shall be responsible for the exclusive management and control of the applicable Common Property, and all improvements thereon, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, in accordance with the terms and conditions of this Declaration. Developer and Association shall each have the right to grant easements to third parties over, across, under and/or through the Common Property it owns, including, but not limited to, easements for the construction, extension and/or expansion of utilities, and conservation easements, all as Developer and/or the Association may be legally obligated or voluntarily disposed to grant.

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B. Personal Property and Real Property for Common Use. The Association may acquire, hold, mortgage and dispose of tangible and intangible personal property and real property in addition to that property conveyed to it by Developer.

C. Joint Use and Cost-Sharing Agreements. The Association may enter into agreements with any other homeowners associations and/or master associations whereby: (i) any other homeowners associations and/or master associations agree to maintain, repair and replace Common Property (and any other common improvements or areas benefiting the Property) in consideration for the Association sharing in the cost thereof (the costs of which shall be Common Expenses), and (ii) the Association and any other homeowners association and/or master association grant reciprocal rights and licenses to members of each such association to use and enjoy common areas, subject to such rules, regulations, restrictions and fees as the board of trustees of each homeowners association may from time to time determine.

D. Rules. The Association may make and enforce the Rules, which shall be consistent with this Declaration and the Association Documents. The Association shall have the power to impose sanctions on Owners for violations of the Rules and this Declaration, including without limitation: (i) reasonable monetary fines which shall be considered Lot Assessments, (ii) suspension of the right to vote as a Member of the Association, and (iii) suspension of the right to use the Common Property. In addition, the Board shall have the power to seek relief in any court for violations or to abate unreasonable disturbances. If the Board expends funds for attorneys' fees or litigation expenses in connection with enforcing this Declaration, the Association Documents or the Rules against any Owner, tenant, guest, licensee or invitee of any Owner, the amount shall be due and payable by such Owner and shall be a Lot Assessment against such Owner's Lot.

E. Implied Rights. The Association may exercise any other right or privilege given to it expressly by the laws of the State and this Declaration, and every other right or privilege reasonably implied from the existence of any right or privilege granted in this Declaration, or reasonably necessary to implement any such right or privilege.

F. Managing Agent. The Board may retain and employ on behalf of the Association a Manager, which may be Developer, and may delegate to the Manager such duties as the Board might otherwise be authorized or obligated to perform. The compensation of the Manager shall be a Common Expense. The term of any management agreement shall not exceed three years and shall allow for termination by either party, without cause, and without penalty, upon no more than 90 days' prior written notice.

G. Insurance.

1. The Association shall obtain and maintain adequate blanket property insurance, liability insurance and flood insurance covering all or any portion(s) of the Common Property in an amount as is commonly required by prudent institutional mortgage investors. The cost of any such insurance shall be included as a Common Expense for Association budgeting purposes.

2. The Association may, in its Board's discretion, obtain and maintain the following additional insurance: (a) fidelity bond coverage and workers' compensation insurance for all officers, directors, board members and employees of the Association and all other persons handling or responsible for handling funds of the Association, (b) adequate comprehensive general liability insurance, (c) officers' and trustees' liability insurance, (d) additional insurance against such other hazards and casualties as is required by law, and (e) any other insurance the Association deems necessary.

3. In the event of damage or destruction of any portion of the Common Property, the Association shall promptly repair or replace the same, to the extent that insurance proceeds are available. Each Owner hereby appoints the Association as its attorney-in-fact for such purpose. If such proceeds are insufficient to cover the cost of the repair or replacement, then the Association may levy a Special Assessment to cover the additional costs.

H. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of Common Property, or any portion thereof. Each Owner hereby appoints the Association as its attorney-in-fact for such purpose. The awards or proceeds of any condemnation action shall be payable to the Association, to be held in trust for the benefit of the Owners.

I. Books, Records. Upon reasonable request of any Member, the Association shall be required to make available for inspection all books, records and financial statements of the Association. A reasonable fee may be charged to cover the costs of handling, copying and/or delivering such books and records to a Member who requests the same.

IX. ASSESSMENTS AND FEES

A. Operating and Reserve Funds. The Board shall establish an Operating Fund for financing the operation of the Association, for paying necessary costs and expenses of operating the Association and repairing and maintaining its Common Property. The Board shall also establish a Reserve Fund to which a portion of the Annual Assessments shall be credited to cover the costs of future capital expenditures and/or other non-recurring items not intended to be funded from the Operating Fund.

B. Types of Assessments. Each Owner, by accepting a deed to a Developed Lot, is deemed to covenant and agree to pay the following assessments: (i) Initial Assessments; (ii) Annual Assessments; (iii) Special Assessments; and (iv) Lot Assessments. No Owner may gain exemption from liability for any Assessments by waiving or foregoing the use or enjoyment of the Common Property or by abandoning his/her Lot.

C. Initial Assessments. At the time an Owner acquires title to a Developed Lot, such Owner shall pay to the Developer, at the closing, a one-time Initial Assessment equal to \$0.00 to be applied to the Association budget.

D. Annual Assessments. The Board shall estimate the Common Expenses and the expenses, if any, it expects the Association to incur for the maintenance, operation and management of the Association, and shall assess sufficient Annual Assessments to meet this estimate. All Developed Lots shall be assessed by the Association for Annual Assessments at a uniform rate. In addition, Annual Assessments may be prorated for any Developed Lots which were not Developed Lots for the entire calendar year. Annual Assessments shall be payable, in advance, monthly, quarterly, semi-annually or annually, as the Board shall determine.

E. Special Assessments. The Board may levy against the Developed Lots a Special Assessment to pay for (i) capital expenditures or (ii) interest expense on indebtedness incurred for the purpose of making capital expenditures and not projected to be paid out of the Reserve Fund or (iii) any other extraordinary expense not included in the Association budget; provided that any such assessment shall have the consent of two-thirds (2/3) of the applicable Members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. A quorum must be present at any such meeting. All Developed Lots shall be assessed for Special Assessments at a uniform rate; provided, however, such rate may be prorated for any Developed Lots which were not Developed Lots for the entire calendar year. Notwithstanding anything to the contrary herein contained, it is recognized and declared that any Special Assessment shall be in addition to and not part of any Annual Assessment, and any such Special Assessment assessed against Lots shall be paid by such Owners in addition to any Annual Assessments. Special Assessments shall be paid in installments or in a lump sum as the Board shall determine.

F. Lot Assessments. The Board may levy a Lot Assessment against any Developed Lot(s) and the Owner(s) thereof to reimburse the Association for costs incurred on behalf of the Lot(s), including, without limitation, maintenance costs or costs associated with making repairs, either of which are the responsibility of the Owner; costs of enforcement (including court costs and the Association's legal fees, if applicable) relative to any violation of this Declaration or the Rules which exists on such Lot(s); costs of additional insurance premiums specifically allocable to an Owner; costs of any utility expenses chargeable to an Owner but not separately billed by the utility company; and all other fines and charges reasonably determined to be a Lot Assessment by the Board. Upon its determination to levy a Lot Assessment, the Board shall give the applicable Owner(s) written notice and the right to be heard by the Board or a duly appointed committee thereof in connection with such Lot Assessment, 10 days prior to the effective date of the levy of any Lot Assessment. The Board may levy a Lot Assessment in the nature of a fine reasonably determined by the Board against the Lot of any Owner who violates the Rules, the Association Documents or any provision of this Declaration, or who suffers or permits his/her family members, guests, invitees, licensees or tenants to violate such Rules, the Association Documents, or the provisions of this Declaration.

G. Remedies.

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1. Interest; Late Charge. If any Assessment remains unpaid for 10 days after all or any part thereof shall become due and payable, the Board may charge interest at the lesser of the rate of 12% per annum or the highest rate permitted by law, and the Board, or the Manager, if applicable, may also collect an administrative collection charge established by the Board from time to time.

2. Liability for Unpaid Assessments. Each Assessment or installment of an Assessment, together with interest thereon and any costs of collection, including reasonable attorneys' fees, shall become the personal obligation of the Owner(s) beginning on the date the Assessment or installment thereof becomes due and payable. The Board may authorize the Association to institute an action at law on behalf of the Association against the Owner(s) personally obligated to pay any delinquent Assessment. An Owner's personal obligation for a Lot's delinquent Assessments shall also be the personal obligation of his/her successors in title who acquire title to the Lot after any Assessment becomes due and payable, and both such Owner and his/her successor in title shall be jointly and severally liable therefor. Except as otherwise provided herein, the transfer of an interest in a Lot shall neither impair the Association's lien against that Lot for any delinquent Assessment nor prohibit the Association from foreclosing that lien.

3. Liens. All unpaid Assessments, together with any interest and charges thereon or costs of collection, shall constitute a continuing charge in favor of the Association and a lien on the Lot against which the Assessment was levied. If any Assessment remains unpaid for 10 days after it is due, then the Board may authorize any officer or appointed agent of the Association to file a certificate of lien for all or any part of the unpaid balance of that Assessment, together with interest and costs (including attorney's fees), in the Public Records containing a description of the Lot which the lien encumbers, the name(s) of the Owner(s) of that Lot, the amount of the unpaid portion of the Assessment, and such other information as the laws of the State may require. The certificate may be signed by any officer, authorized agent or Manager of the Association. Upon the filing of the certificate, the subject Lot shall be encumbered by a continuing lien in favor of the Association. The Assessment lien shall remain valid for a period of five years from the date such certificate is duly filed, and may thereafter be renewed for like consecutive terms, until and unless the lien is released earlier or satisfied in the same manner provided by the law of the State for the release and satisfaction of mortgages on real property, or unless the lien is discharged by the final judgment or order of any court having jurisdiction. Notwithstanding the foregoing, the lien for Assessments provided for in this Section shall be subordinate to the lien of any bona fide first mortgage on a Lot.

4. Vote on Association Matters; Use of Common Property. If any Assessment remains unpaid for 30 days after it becomes due, then the delinquent Owner's voting rights upon Association matters and privileges to use the Common Property, except for necessary ingress and egress to his/her Lot, shall be suspended until such Assessment is paid.

X. MAINTENANCE

A. Maintenance by Association.

1. General Responsibility. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair, and replacement of all private streets, landscaping and other flora, structures and Improvements situated upon the Common Property and all personal property used in connection with the operation of the Common Property. Further, the Association may, in its discretion and to the extent determined by the Board, choose to maintain property that it does not own, the maintenance of which would, in the opinion of the Board, benefit the Association or Owners.

2. Costs Treated as Common Expenses. All costs incurred by the Association in providing the services described in this Section X.A. shall be Common Expenses subject, however, to the provisions of Section IX.

B. Maintenance by Owner. Each Owner or occupant shall repair, replace, and maintain in good order and safe and sanitary condition, at his/her expense and in accordance with the Community Standard, his/her Lot, and all portions of, improvements to, structures on, and, equipment and components used in connection with, his/her Lot, except to the extent the maintenance responsibility is otherwise expressly assumed by the Association pursuant to this Declaration or by a governmental authority. This maintenance responsibility includes, without limitation, promptly furnishing all necessary materials and performing or causing to be performed at his/her own expense all maintenance, repairs and replacements within such Lot that, if omitted, would adversely affect the safety and usefulness of the Common Property. Each Owner shall maintain those portions of his/her Lot that are adjacent to any portion of the Common Property in accordance with the Rules and the requirements set forth in this Declaration.

C. Right of Association to Repair Lot. If any Owner fails to maintain his/her Lot in the manner required herein, and if the Board determines that any maintenance of that Lot is necessary to ensure public safety, to permit reasonable use or enjoyment of Common Property by Owners, to prevent damage to or destruction of any other part of the Common Property or to comply with the Rules or the terms of this Declaration, then the Board may authorize its employees or agents to enter the Lot at any reasonable time to complete the necessary maintenance and the Board may levy a Lot Assessment for all reasonable expenses incurred.

D. Damage to Common Property By Owner or Occupant. If Common Property is damaged by any Owner or occupant, his/her family, guests, licensees or invitees, then the Board may levy a Lot Assessment against such Owner for the cost of repairing or replacing the damaged property. The Association shall be entitled to enter a Lot to repair or maintain any Common Property adjacent to such Lot.

XI. MISCELLANEOUS

A. Term. This Declaration shall bind and run with the Property for a term of 30 years from and after the date that this Declaration is filed in the Public Records and thereafter shall automatically renew forever for successive periods of 10 years each, unless earlier terminated by a majority of the Owners.

B. Enforcement; Waiver. This Declaration may be enforced by any proceeding at law or in equity by Developer, any Owner, the Association, the Design Review Board, and their respective heirs, successors and assigns, against any person(s) violating, or attempting to violate, any provision of this Declaration or the Rules. The enforcement action may be to restrain and/or to enjoin a violation, to obtain a decree for specific performance as to removal of any nonconforming Improvement, and/or to recover all damages, costs of enforcement and any other costs incurred (including, without limitation, reasonable attorneys' fees). Failure of the Developer, the Association, the Design Review Board or any Owner to enforce any provision of this Declaration or the Rules in any manner shall not constitute a waiver of any right to enforce any violation of such provision. By accepting a deed to a Lot, each Owner is deemed to waive the defenses of laches and statute of limitations in connection with the enforcement of this Declaration or the Rules.

C. Amendments. Until the Turnover Date, Developer may, in its sole and absolute discretion, unilaterally amend any provision in this Declaration, without the consent of any Owners. Any such amendment may modify the provisions hereof, and/or impose covenants, conditions, restrictions and easements upon the Property in addition to those set forth herein including, without limitation, restrictions on use and covenants to pay additional charges with respect to the maintenance and improvement of the Property; provided that no such amendment may eliminate the vote of any Member in its Association. After the Turnover Date, Developer may unilaterally amend this Declaration, without the consent of any Owners, if such amendment is: (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial order, (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots, (c) necessary to conform to the requirements of United States Federal Housing Administration, or (d) necessary to correct errors; provided, however, any such amendment shall not materially adversely affect the title to any Lot unless the Owner thereof has consented to such amendment in writing. No amendment may remove, revoke, or modify any right or privilege of Developer without the written consent of Developer or the assignee of such right or privilege. Developer shall have the right and power, but neither the duty nor the obligation, in its sole and absolute discretion and by its sole act, to subject additional property to this Declaration at any time and from time to time by executing and recording in the Public Records an amendment or supplement to this Declaration specifying that such additional property is part of the Property. An amendment or supplement to this Declaration shall not require the joinder or consent of the Association, other Owners, mortgagees or any other person. In addition, such amendments or supplements to this Declaration may contain such supplementary, additional, different, new, varied, revised or amended provisions as may be necessary or appropriate, as determined by Developer, to reflect and address the different character or intended development of any such additional property.

D. Developer's Rights to Complete Development. Developer shall have the right to: (a) complete the development, construction, promotion, marketing, sale, resale and leasing of the Regency Park Master Subdivision; (b) construct or alter Improvements on any portion of the Property owned by Developer; (c) maintain model homes, offices for construction, sales or leasing purposes, storage areas, construction yards or similar facilities on any portion of the

Property owned by Developer or the Association; or (d) post signs incidental to the development, construction, promotion, marketing, sale and leasing of property within the Regency Park Master Subdivision. Further, Developer or its assignee shall have the right of ingress and egress through the streets, paths and walkways located in the Property for any purpose whatsoever, including, but not limited to, purposes related to the construction, maintenance and operation of Improvements. Nothing contained in this Declaration shall limit the rights of Developer or require Developer or its assignee to obtain approval to: (i) excavate, cut, fill or grade any portion of the Property owned by Developer or to construct, alter, remodel, demolish or replace any Improvements on any Common Property or any portion of the Property owned by Developer as a construction office, model home or real estate sales or leasing office in connection with the sale of Lots in the Regency Park Master Subdivision; or (iii) require Developer to seek or obtain the approval of the Association or the Design Review Board for any such activity or Improvement on any Common Property or any portion of the Property owned by Developer. Nothing in this Section shall limit or impair the reserved rights of Developer as elsewhere provided in this Declaration.

E. Developer's Rights to Replat Developer's Property. Developer reserves the right, at any time and from time to time, to amend, alter or replat any Plat or development plan and to amend any zoning ordinance which affects all or any portion of the Property; provided, however, that only real property owned by Developer and Owners consenting to such amendment, alteration or replatting shall be the subject of any such amendment, alteration or replatting. The Association and each Owner whose Lot is not altered by such amendment, alteration, or replatting, for themselves and their successors and assigns, hereby consents to and approves any such amendment, alteration or replatting and shall be deemed to have joined in the same.

F. Mortgagee Rights. A holder or insurer of a first mortgage upon any Lot, upon written request to the Association (which request shall state the name and address of such holder or insurer and a description of the Lot) shall be entitled to timely written notice of:

- (a) any proposed amendment of this Declaration;
- (b) any proposed termination of the Association; and
- (c) any default under this Declaration which gives rise to a cause of action by the Association against the Owner of the Lot subject to the mortgage of such holder or insurer, where the default has not been cured in 60 days.

Each holder and insurer of a first mortgage on any Lot shall be entitled, upon request and at such mortgagee's expense, to inspect the books and records of the Association during normal business hours.

G. Indemnification. The Association shall indemnify every officer and trustee of the Association and any other committee of the Association and every member of the Design Review Board (collectively, the "Indemnitees") against any and all claims, liabilities, expenses, including attorneys' fees, reasonably incurred by or imposed upon any Indemnitee in connection