

## ARTICLE V

### 5. Jurisdiction of Association.

5.1. Commencement of Association Maintenance Obligations. The Association's obligation to maintain the Association Property in any Phase in which a Lot is located shall commence on the date Annual Assessments commence on Lots in such Phase. Until commencement of Annual Assessments on Lots in a Phase, either Declarant or the applicable Merchant Builder shall maintain the Association Property in such Phase. The Association's obligation to maintain the Association Property in a Phase comprised solely of Common Area shall commence upon conveyance of such Common Area to the Association.

5.2 Authority of Association. The Association has:

(a) The power and duty to accept, maintain, repair and otherwise manage the Association Property in accordance with Articles VI and VIII hereof.

(b) The power and duty to maintain any private sewer systems and any private storm drains or drainage facilities within the Association Property in accordance with the provisions of Articles VI and VIII hereof.

(c) The power but not the duty to provide for refuse collection and cable or master television service.

(d) The power and duty to grant easements and rights of way or fee interests in portions of the Association Property, to the extent any such grant is reasonably required for utilities and sewer facilities to serve the Association Property and the Lots, or for purposes of conformity with the as-built location of Improvements installed by Declarant; provided that no such fee interest may be granted except pursuant to a Recorded lot line adjustment approved by the requisite governmental entity if such a lot line adjustment is required by law.

(e) The power but not the duty to grant or quitclaim easements, licenses or rights of way in, on or over the Association Property for purposes consistent with the intended use of the Properties as a planned residential development.

(f) The power and duty to maintain liability and fire insurance with respect to the Association Property and personal property, if any, owned by the Association as provided herein in furthering the purposes of and protecting the interests of the Association and Owners and as directed by the Restrictions.

(g) The power but not the duty to employ or contract with a professional Manager to perform all or any part of the Association's duties and responsibilities, and the power to delegate its powers to committees, officers and employees. The maximum term of any such contract with a Manager ("Management Contract") shall be one (1) year, unless a longer term is approved either by vote or written assent of a majority of the Association's voting power, in which case the Management Contract's maximum term shall be three (3) years. The maximum term of any contract providing for Declarant's services to the Association or the Properties shall also be three (3) years. Each contract for Declarant's services and each Management Contract must provide for its termination by either party thereto without cause and without payment of a

termination fee upon no more than ninety (90) days' written notice to the other party.

(h) The power but not the duty, after Notice and Hearing, to enter upon any Lot, without being liable to any Owner except for damage caused by such entry, in order to (i) enforce by peaceful means the provisions hereof, or (ii) maintain or repair any Lot if for any reason the Owner thereof fails to perform such maintenance or repair as required by this Declaration. The cost of such enforcement, maintenance and repair shall be a Special Assessment enforceable as set forth herein. The Owner shall promptly pay all amounts due for such work, and the costs and expenses of collection may be added, at the option of the Board, to the amounts specially assessed against such Owner. If an emergency occurs, such entry upon a Lot by or on behalf of the Board shall be permitted without Notice and Hearing.

(i) The power but not the duty to reasonably limit the number of guests and tenants of the Owners using the Association Property.

(j) The power but not the duty to establish uniform Rules and Regulations for the use of the Association Property.

(k) The power but not the duty to enter into contracts with Owners or other persons to provide services or to maintain and repair Improvements within the Properties and elsewhere which the Association is not otherwise required to provide or maintain pursuant to this Declaration; provided, however, that any such contract shall provide for reimbursement of the Association for the costs of providing such services or maintenance.

5.3 Prohibited Activities. The Association is hereby prohibited from (a) conducting, sponsoring, participating in or expending funds or resources on any activity, campaign or event, including without limitation any social or political campaign, event or activity, which does not directly and exclusively pertain to (i) equipping, maintaining, operating and utilizing the Association Property, including the social, recreational and other Improvements thereon, (ii) collecting assessments to finance the maintenance and utilization of the Association Property, and (iii) administering and enforcing the Restrictions; (b) engaging in any federal, state or local political activities or activities intended to influence any governmental action affecting areas outside the boundaries of the Properties (e.g., endorsement or support of (i) legislative or administrative actions by a local governmental agency which affect persons or property outside the Properties, (ii) candidates for elected or appointed office, and (iii) ballot proposals); and (c) hiring any full-time employee(s), renting, leasing or otherwise furnishing offices, personnel or other facilities, whether located within the Properties or off-site, or utilizing any Association Property as office space or other facilities for any (on-site) manager or for performing other Association day-to-day administrative activities.

## ARTICLE VI

### 6. Funds and Assessments.

6.1 Obligation. Declarant and any Merchant Builder, for each Lot owned by Declarant or such Merchant Builder which is subject to assessment, hereby covenants and every other Owner of any Lot, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or such other instrument, is deemed to covenant to pay to the Association (i) annual Common Assessments for Common