

respect to latent defects, if any, and the separate repair obligations of Declarant under express written warranty, if any.

(C) Declarant shall correct any defects specified in the Report, and the Expert shall reinspect such improvements within thirty (30) days after Declarant's request. Such reinspection shall be performed in the same manner as provided for the first inspection. Promptly after the reinspection is completed, the Expert shall submit another written report (the "Reinspection Report") to Declarant and the Board specifying the defects specified in the Report which have not been corrected, if any, and if all such defects have been corrected the Reinspection Report shall state that the improvements conform to the plans and specifications therefor. The Reinspection Report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent defects, if any, the improvements have been constructed in accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any defects specified in the Reinspection Report, and except with respect to latent defects, if any, and the separate repair obligations of Declarant under express written warranty, if any.

(D) Additional inspections and Reinspection Reports shall be made, if necessary, all in accordance with and with the same effect as provided hereinabove.

(E) If the improvements to be inspected are landscaping improvements, then notwithstanding anything to the contrary contained herein the Expert shall be a horticulturalist or landscape architect. In all other respects, the provisions of this section shall apply to the inspection of landscaping improvements.

(F) Within ten (10) days after all defects have been corrected, as evidenced by a Report or Reinspection Report, the Board shall accept the improvements in writing.

ARTICLE 14

ARCHITECTURAL CONTROL COMMITTEE

14.01. Establishment. Declarant shall establish an Architectural Control Committee (the "A.C.C." or "Committee") to perform the architectural review functions set forth in this Declaration and shall adopt the procedural rules and regulations for the performance of such duties by the A.C.C., including procedures for the preparation, submission and determination of the application for any approvals required by this Declaration. The A.C.C. shall consist of not less than three (3) nor more than five (5) Members, each serving one-year terms, with such alternate Members as the Declarant may deem necessary. Declarant shall appoint all of the original Members of the A.C.C. and shall continue to appoint all members of the A.C.C. until Declarant and Declarant's appointed Builders no longer own any Lots, at which time the Board of the Association shall have the power to appoint all of the members of the A.C.C. The appointees of the

Board need not be members of the Association, architects, Owners, lessees or residents and do not need to possess any special qualifications of any type except such as the Board may, in its discretion, require. The A.C.C. shall hold regular meetings, a quorum for such meeting shall consist of a majority of the regular members, and the concurrence of a majority of the regular members at a meeting shall be necessary for any decision of the A.C.C. An alternate member, approved by Declarant, may participate at any meeting at which there is not a quorum of regular members present, may constitute a quorum by his (their) presence and shall have all of the authority of a regular member while so participating. Subject to the provisions of Section 3 of this Article, the decision of the A.C.C. shall be final on all matters submitted to it pursuant to this Declaration.

14.02. Review by Committee. With the exception of structures designed and/or constructed by a Builder after such structures have been approved or pre-approved by Declarant, prior written approval by the A.C.C. shall be required of all new construction in the Project. In addition, no alteration or modification to an existing dwelling unit constructed by Builder or any other structure previously approved by the A.C.C. whether Residences, buildings, gazebos, storage sheds, room additions, ramadas, rooms, fences, walls, canopies, statuary, awnings, roofs, devices to be mounted on roofs, exterior lighting facilities, athletic facilities, changes in exterior paint color, or other similar improvements or attachments shall be constructed and no alteration of the established drainage on a Lot shall be made unless complete plans and specifications therefor have been first submitted to and approved in writing by the A.C.C. The A.C.C. shall exercise its best judgment (neither arbitrarily nor capriciously) to the end that all such changes, improvements and alterations requested for properties within the Development conform to and harmonize with the existing surroundings, Residences, landscaping and structures. Final plans and specifications shall be submitted in duplicate to the Committee. The plans and specifications shall show the nature, kind, shape, height, materials and location of all improvements and landscaping. The documents shall specify any requested variance from the set back lines, garage location or any other requirement set forth in this Declaration. At such time as the plans meet the approval of the Committee one complete set will be retained by the Committee and the other set shall be marked approved on behalf of the Committee and returned to the Owner or his designated representative. If disapproved by the Committee one set of such plans shall be returned marked "disapproved" and shall be accompanied by a statement setting forth the reasons for disapproval. In no event shall the Committee give verbal approval or disapproval of any plans. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, written approval of the matter submitted shall not be required and compliance with this Article shall be deemed to have been completed, so long as the submission does not otherwise violate or fail to conform to any restrictions or requirements of this Declaration or previously established requirements of the A.C.C. in which event the submission shall be deemed disapproved by the Committee. An Owner submitting plans to the Committee shall have the burden of establishing the date upon which the Committee received said plans.

14.03. Subcommittee. The Architectural Control Committee with the advice and consent of the Board is herein empowered to form a subcommittee to the Architectural Control Committee the ("Sub A.C.C." or "Subcommittee") comprised of Members of the Association. The Subcommittee shall be comprised of such number of Members as the A.C.C. deems reasonable and necessary in order to carry out its function. The A.C.C. shall be entitled to delegate to the Subcommittee such responsibilities and activities as the A.C.C., in its discretion, shall determine, including but not limited to the ability to preview submittals to the A.C.C. and make non-binding recommendations thereon. Such Subcommittee shall serve at the discretion of the A.C.C. and/or the Board and may or may not be continued following transfer of control of the A.C.C. to the Association.

14.04. Appeal. Any Owner aggrieved by a decision of the Sub A.C.C. may appeal the decision to the A.C.C. in accordance with procedures to be established by the A.C.C. Such procedures would include the requirement that the appellant has modified the requested action or has new information which would in the A.C.C.'s opinion warrant a reconsideration. If the A.C.C. fails to allow an appeal or if the A.C.C., after appeal, again rules in a manner aggrieving the appellant, the decision of the A.C.C. is final.

14.05. Fee. The Board may establish a reasonable processing fee to defer the costs of the Association in considering any requests for approvals submitted to it, which fee shall be paid at the time the request for approval is submitted.

14.06. Development Standards. The A.C.C. may develop development standards setting forth the minimum standards for the design, size, location, style, structure, color, mode of architecture, mode of landscaping and relevant criteria deemed important by the A.C.C. or by Declarant for the construction of improvements of any nature on the Project. The purpose of such development standards will be to preserve and promote the character and orderly development of the Project. By acceptance of a deed to any Lot, each Owner thereof and his successors and assigns agrees to be bound by all provisions of such development standards as may be adopted by the A.C.C. and to use diligence in keeping abreast of the provisions thereof and any amendments thereto.

14.07. Violation of Approved Plans and Right of Entry. If it is determined by the A.C.C. that work completed on any Lot has not been completed in compliance with the final plans approved by the Committee, the Committee or the Association may notify the Owner in writing of such non-compliance within thirty (30) days of inspection, specifying in reasonable detail the particulars of non-compliance and may require the Owner to remedy the same. The Association shall have the right to enter upon the Lot of any Owner and to perform compliance or remedy non-compliance as ordered by the Committee and the cost of such performance or remedy shall be charged to the Owner of the Lot in question, which cost shall be due within ten (10) business days after receipt of written demand therefore. If the Owner fails to remedy such non-compliance or to commence and continue diligently toward achieving compliance, Association (as their interests shall appear) shall notify the Owner that it shall take action to remove the non-complying

improvements and/or seek injunctive relief, recovery of costs incurred, and imposition of a fine, which fine shall not exceed ten percent (10%) of the cost of achieving compliance.

14.08. Non-Liability for Approval of Plans. Architectural Control Committee approval of plans shall not constitute a representation, warranty or guarantee, whether express or implied, that such plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such plans and specifications neither the Architectural Control Committee, the Members thereof, the Association, any Member thereof, the Board nor Declarant assumes any liability or responsibility therefore, or for any defect in the structure constructed from such plans or specifications. Neither the Committee, any Member thereof, the Association, the Board nor Declarant shall be liable to any Member, Owner, occupant, or other person or entity for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, or (b) the construction or performance of any work, whether or not pursuant to the approved plans, drawings and specifications.

14.09. Declarant and Builder Exemption. The Architectural Control Committee shall have no authority, power or jurisdiction over Lots owned by Declarant or over Lots conveyed by Declarant to a Builder whose plans for the construction of structures have been approved by Declarant, and the provisions of this Article 14 shall not apply to Lots owned by Declarant or such Lots owned by Builder which has had plans for the structures constructed or to be constructed on such Lot approved by Declarant, until such time as Declarant or Builder conveys title to the Lot to a purchaser thereof. This Section 14.09 shall not be amended without Declarant's written consent set forth on the amendment.

ARTICLE 15

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers or guarantors of first Mortgages of Lots in the Development. The provisions of this Article apply to both the Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

15.01. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, guarantor and the residence number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(A) any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(B) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such